

Notice of annual general meeting 31 May 2022



Notice of annual general meeting

Notice is hereby given in terms of section 62(1) of the Companies Act No. 71 of 2008, as amended (the Companies Act), that the 16th annual general meeting (AGM) of shareholders of Kumba Iron Ore Limited (Kumba or the Company) will be held by electronic means on Tuesday, 31 May 2022 at 09:00 (CAT), or any adjournment or postponement, to (i) consider, and if deemed fit, to pass the following ordinary and special resolutions with or without modification/s; and (ii) deal with such other business as may be dealt with at the AGM.

As a result of the continuing impact of the Covid-19 pandemic and in particular its impact on gatherings, the Company will be holding the AGM entirely by way of electronic communication and participation in accordance with section 63(2)(a) of the Companies Act (No. 71 of 2008), as amended (Companies Act) and clause 21.1 of the Company's memorandum of incorporation (Moi). This notice sets out the procedures which shareholders should follow in order to participate in the AGM by electronic communication.

The electronic communication to be employed will enable all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting.

This document is important and requires your immediate attention

If you are in any doubt about the action you should take, consult your broker, Central Securities Depository Participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately.

The notice of AGM is only available in English. Electronic copies may be obtained from the Company Secretary by emailing fazila.patel@angloamerican.com and the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.

Registered and corporate office

Kumba Iron Ore Limited, Centurion Gate, Building 2B, 124 Akkerboom Road, Centurion, Gauteng (PO Box 9679, Centurion, 0046), South Africa.

Included in this document are the following:

- The notice of AGM setting out resolutions to be proposed at the meeting, with explanatory notes. There are also guidance notes if you wish to attend the meeting or to vote by proxy
- A proxy form for completion, signature and submission to the transfer secretaries by shareholders holding Kumba ordinary shares in certificated form or recorded in sub-registered electronic form in "own name"
- Annexure 1 – Summarised Annual Financial Statements
- Annexure 2 – Brief curricula vitae of directors proposed for re-election and Audit Committee members proposed for election
- Annexure 3 – Remuneration report
- Annexure 4 – Major shareholders

Electronic participation progress

The Company has appointed Computershare Investor Services Proprietary Limited to host the AGM on an interactive platform and to facilitate electronic participation and voting by shareholders.

Record date proxies and voting

Record date to determine which shareholders are entitled to receive the notice of AGM

Friday, 8 April 2022

Date for posting of notice of AGM

Thursday, 14 April 2022

Last day to trade in order to be eligible to attend and vote at the AGM

Tuesday, 17 May 2022

Record date to be eligible to participate in and vote at the AGM

Friday, 20 May 2022

Forms of proxy to be lodged with Computershare by no later than 09:00 on

Friday, 27 May 2022

	Certificated shareholders and "own name" dematerialised shareholder	Dematerialised shareholders (excluding "own name" dematerialised shareholders)
Shareholders who wish to vote, but not attend the AGM by electronic participation	<p>Complete the form of proxy attached to this notice of the AGM and email same, together with proof of identification (i.e. certified copy of South African (SA) identity document, SA driver's licence or passport) and authority to do so (where acting in a representative capacity), to the transfer secretaries, Computershare Investor Services Proprietary Limited (transfer secretaries), at proxy@computershare.co.za so as to be received by the transfer secretaries by no later than on Friday, 27 May 2022 at 09:00 (CAT), for administrative purposes, provided that any form of proxy not delivered to the transfer secretaries by this time and date may be emailed to the transfer secretaries (who will provide same to the Chairperson of the AGM) at any time prior to the AGM, provided that such form of proxy and identification must be verified and registered before the commencement of the AGM.</p>	<p>Provide your CSDP or broker with your voting instructions in terms of the custody agreement entered into between you and your CSDP or broker.</p> <p>You should contact your CSDP or broker regarding the cut-off time for submitting your voting instructions to them.</p> <p>If your CSDP or broker does not receive voting instructions from you, they will be obliged to vote in accordance with the instructions as per the custody agreement.</p>
Shareholders who wish to vote and attend the AGM by electronic participation	<p>Register online at → www.meetnow.global/za by no later than 09:00 (CAT) on Friday, 27 May 2022. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.</p> <p>As part of the registration process you will be requested to upload proof of identification (i.e. certified copy of SA identity document, SA driver's licence or passport) and authority to do so (where acting in a representative capacity), as well as to provide details, such as your name, surname, email address and contact number.</p> <p>Following successful registration, the transfer secretaries will provide you with an invitation code in order to connect electronically to the AGM.</p> <p>Participate in the AGM through the Computershare website by following the steps set out at → www.smartagm.co.za.</p>	<p>Request your CSDP or broker to provide you or your proxy with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between you and your CSDP or broker.</p> <p>Register online at → www.smartagm.co.za by no later than 09:00 (CAT) on Friday, 27 May 2022. Shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM.</p> <p>As part of the registration process you will be requested to upload your letter of representation and proof of identification (i.e. certified copy of SA identity document, SA driver's licence or passport), as well as to provide details, such as your name, surname, email address and contact number.</p> <p>Following successful registration, the transfer secretaries will provide you with an invitation code in order to connect electronically to the AGM.</p> <p>Participate in the AGM through the Computershare website by following the steps set out at → www.smartagm.co.za.</p>

¹ Each shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to participate, speak and vote in their stead at the AGM.

² Voting will take place by way of a poll and accordingly every holder of ordinary shares will have one vote in respect of each ordinary share held.

³ The cost (e.g. for mobile data consumption or internet connectivity) of electronic participation in the AGM will be carried by the participant.

⁴ The participant acknowledges that the electronic communication services are provided by third parties and indemnifies the Company and its directors/employees/Company Secretary/transfer secretaries/service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company or its directors/employees/Company Secretary/transfer secretaries/service providers, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in them or from total or partial failure of the electronic services and connections linking the participant via the electronic services to the AGM.

⁵ Due to the electronic format of the meeting, shareholders are requested to submit the questions that they wish to raise at the AGM in advance of the AGM by sending them by email to the Company Secretary at fazila.patel@angloamerican.com by no later than 12:00 on Monday, 23 May 2022. These questions will be addressed at the AGM, as well as responded to through email.

Notice of annual general meeting continued

Presentation to shareholders

Presentation of the audited financial statements

The audited annual financial statements of the Company and the group for the year ended 31 December 2021 (as approved by the Board of directors of the Company), incorporating the external auditor, Audit Committee and directors' reports, are presented to shareholders in terms of section 30(3) of the Companies Act.

The summarised financial statements are set out in ANNEXURE 1 hereto. The complete annual financial statements appear on the Company's website at [→ www.angloamericankumba.com](http://www.angloamericankumba.com).

Report of the Social, Ethics and Transformation Committee

The Company's Social, Ethics and Transformation Committee (Setco) report, read with the detailed Sustainability report published on the Company's website at [→ www.angloamericankumba.com](http://www.angloamericankumba.com), will serve as the Setco's report to the Company's shareholders on the matters within its mandate at the AGM. Any specific questions to the Committee may be sent to the Company Secretary prior to the AGM.

Ordinary resolutions

Percentage of voting rights – ordinary resolutions

Ordinary resolutions numbered 1 to 6 contained in this notice of AGM require the approval of a minimum of 50% plus one vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted.

1. Ordinary resolution number 1

Re-appointment of independent external auditor

To re-appoint PricewaterhouseCoopers Inc (PwC) as independent external auditor of the Company and that Mr Sizwe Masondo be re-appointed as the individual designated auditor, to hold office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act. The Audit Committee has evaluated the independence, experience and effectiveness of both PwC and Mr Masondo and has concluded that both the firm and the individual designated auditor are independent of the Company in accordance with section 94(8) of the Companies Act. In compliance with the JSE Listings Requirements (paragraph 3.84(g)(iii)), the Audit Committee obtained and considered all information listed in paragraph 22.15(h) of the Listings Requirements of the JSE in its assessment of the suitability of PwC as well as Mr Masondo for re-appointment.

The Audit Committee concluded that, based on the outcome of the inspection by the Independent Regulatory Board of Auditors (IRBA) of PwC, no matters were raised that negatively impacted the suitability of PwC and Mr Masondo for re-appointment as external auditor and individual designated auditor, respectively, of the Company.

There are no current pending or finalised legal or disciplinary processes which affect the suitability of PwC or Mr Masondo for re-appointment as the Company's external auditor and individual designated auditor. Further information on the execution of the duties of the Audit Committee is set out in the Audit Committee report, contained in the annual financial statements.

In compliance with paragraphs 3.86 of the JSE Listings Requirements, the Audit Committee considered and satisfied itself that:

- PwC, the external independent auditor, is accredited as such on the JSE List of Auditors and Accounting Specialists; and
- Mr Sizwe Masondo, the designated auditor, does not appear on the JSE List of Disqualified Individual Auditors.

Ordinary resolution number 1

"RESOLVED that PwC and Mr Sizwe Masondo be and are hereby re-appointed as independent external auditor and individual designated auditor of the Company, to hold office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act."

2. Ordinary resolution number 2

(Comprising separate ordinary resolutions numbered 2.1 to 2.5)

Re-election/Election of directors

To re-elect/elect, by way of separate resolutions, the following non-executive directors, each of whom retire in terms of the provisions of the Mol of the Company, and each being eligible, offer themselves for re-election/election:

- 2.1 Mr Terence Philip Goodlace*
- 2.2 Mrs Michelle Anne Jenkins*
- 2.3 Mr Sango Siviwe Ntsaluba*
- 2.4 Ms Montsheng Josephine Tsele**
- 2.5 Ms Buyelwa Sonjica***

* These directors are retiring due to the one-third rotation requirement in the Mol.

** This director is retiring due to being appointed in May 2021 post the issuing of the 2021 notice of AGM.

*** This director is retiring due to the tenure requirement in the Mol (in June 2021, Ms Sonjica would have served on the Board for nine years). The Board of directors through the Nominations and Governance Committee (NomGov) followed a robust process to determine and confirm her independence and applied the test for independence in accordance with the JSE Listings Requirements, the Companies Act and the recommendations in the King Code of Governance Principles for South Africa 2016 (King IV™).

Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect/elect these retiring directors as members of the Board of the Company by way of passing the separate ordinary resolutions set out below. Brief résumés in respect of each director offering themselves for re-election/election as directors of the Company are attached hereto as ANNEXURE 2.

Ordinary resolution number 2.1

"RESOLVED that Mr Terence Goodlace be and is hereby re-elected as a director of the Company with effect from 31 May 2022."

Ordinary resolution number 2.2

"RESOLVED that Mrs Michelle Jenkins be and is hereby re-elected as a director of the Company with effect from 31 May 2022."

Ordinary resolution number 2.3

"RESOLVED that Mr Sango Ntsaluba be and is hereby re-elected as a director of the Company with effect from 31 May 2022."

Ordinary resolution number 2.4

"RESOLVED that Ms Josephine Tsele be and is hereby elected as a director of the Company with effect from 31 May 2022."

Ordinary resolution number 2.5

"RESOLVED that Ms Buyelwa Sonjica be and is hereby re-elected as a director of the Company with effect from 31 May 2022."

3. Ordinary resolution number 3

(Comprising separate ordinary resolutions numbered 3.1 to 3.3)

Election of Audit Committee members

To elect, by way of separate ordinary resolutions, the Audit Committee consisting of independent non-executive directors in terms of section 94(4) of the Companies Act and appointed in terms of section 94(2) of the Companies Act to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and other duties described in the Audit Committee's terms of reference which are available on the Company's website, www.angloamericankumba.com. In terms of Regulation 42 of the Act, at least one-third of the members of the Company's Audit Committee must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

The Board has determined that each of the members standing for election is independent, and that they possess the required qualifications, skills and experience as contemplated in Regulation 42 of the Act and collectively, they have sufficient qualifications and experience to fulfil their duties as contemplated in section 94(7) of the Companies Act. The following independent non-executive directors, each being eligible, offer themselves for re-election:

3.1 Mr Sango Ntsaluba*

3.2 Mrs Mary Bomela

3.3 Mrs Michelle Jenkins*

* Subject to re-election as a director pursuant to ordinary resolution numbers 2.2 and 2.3.

The resolutions pertaining to the election of the members of the Audit Committee are to be voted on individually. Brief résumés in respect of each independent non-executive director offering themselves for re-election as members of the Audit Committee are attached hereto as ANNEXURE 2.

Ordinary resolution number 3.1

"RESOLVED that Mr Sango Ntsaluba, who is an independent non-executive director, be and is hereby elected, with effect from 31 May 2022, as a member of the Audit Committee."

Ordinary resolution number 3.2

"RESOLVED that Mrs Mary Bomela, who is an independent non-executive director, be and is hereby elected, with effect from 31 May 2022, as a member of the Audit Committee."

Ordinary resolution number 3.3

"RESOLVED that Mrs Michelle Jenkins, who is an independent non-executive director, be and is hereby elected, with effect from 31 May 2022, as a member of the Audit Committee."

4. Ordinary resolution number 4

Approval of the remuneration policy

In accordance with the King IV™ Code, shareholder approval is sought for the Company's remuneration policy and implementation thereof by way of separate non-binding advisory votes. The non-binding votes enable shareholders to express their views on the Company's remuneration policy and on the implementation thereof. The detailed remuneration policy, for which approval is being sought, is contained herein as ANNEXURE 3.

In the event that the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will delegate representatives to actively engage with the majority shareholders to address and conciliate the substantiating objections and concerns and to ameliorate the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.

Ordinary resolution number 4.1

"RESOLVED that the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV™."

Ordinary resolution number 4.2

"RESOLVED that the implementation of the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV™."

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5. Ordinary resolution number 5

General authority for directors to allot and issue ordinary shares

In terms of clause 7.2 of the Company's MoI, subject to the approval of the JSE Limited (JSE), the approval, by way of an ordinary resolution of shareholders is required for the allotment and issue of ordinary shares (including options in respect thereof), in circumstances other than as contemplated in sections 41(1) and (3) of the Companies Act. In terms of section 41(1) of the Companies Act, any issue of shares or grant of options contemplated in section 42, or grant of any rights exercisable for securities, must be approved by a special resolution of the shareholders of a company, if the shares,

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securities, options or rights are issued to (a) a director, future director, prescribed officer or future prescribed officer of the Company; (b) a person related or interrelated to the Company; or (c) a nominee of a person contemplated in (a) or (b). In terms of section 41(3) of the Companies Act, an issue of shares, securities convertible into shares, or rights exercisable for shares in a transaction, or a series of integrated transactions requires the approval of the shareholders by special resolution if the voting power of the class of shares that are issued or issuable as a result of the transaction or series of integrated transactions exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction or series of transactions. Unless renewed, the existing authority granted by shareholders at the 15th AGM of the shareholders of the Company on 14 May 2021 expires at the forthcoming 16th AGM to be held on Tuesday, 31 May 2022.

This general authority, once granted, allows the Board from time to time, and when it is appropriate to do so, to issue ordinary shares as may be required. This general authority is subject to the restriction that it is limited to a maximum of 5% of the number of shares in issue at the date of this notice (being 16,104,299 shares), with the number of issued and listed equity securities in issue as at the date of this notice being 322,085,974 shares. It is noted that an issue as contemplated in sections 41(1) and (3) of the Companies Act must first be approved by way of a special resolution in terms of section 41 of the Companies Act and is not authorised in terms of this resolution.

Ordinary resolution number 5

"RESOLVED that the unissued shares in the Company, limited to 5% of the number of shares in issue at the date of this notice (being 16,104,299 shares), and the number of listed equity securities in issue as at the date of this notice being 322,085,974 shares, be and are hereby placed under the control of the directors until the next AGM and that the directors be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the Mol of the Company, and the provisions of the Listings Requirements of the JSE."

6. Ordinary resolution number 6

Authorisation to sign documents to give effect to resolutions

"RESOLVED that any one director or the Company Secretary be and are hereby authorised to do all such things and sign all such documents and take all such actions as they consider necessary to give effect to the resolutions set out in this notice of AGM."

Special resolutions

Percentage of voting rights – special resolutions

Special resolutions numbered 1 to 4, contained in this notice of AGM, require approval of a minimum of 75% (seventy-five percent) of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted. In terms of the Listings Requirements of the JSE, special resolution number 1 (general authority to issue shares for cash) requires a 75% (seventy-five percent) majority of votes exercised on the resolution by

shareholders present or represented by proxy at the AGM in order for the resolution to be adopted. Clause 22.5 of the Company's Mol provides that for so long as the Company is listed on the JSE, if any of the Listings Requirements of the JSE require an ordinary resolution to be passed with a 75% (seventy-five percent) majority, the resolution shall instead be required to be passed by a special resolution. Special resolution number 1 is therefore required, in terms of clause 22.5 of the Company's Mol, to be passed by a special resolution.

7. Special resolution number 1

General authority to issue shares for cash

"RESOLVED that, subject to the passing of ordinary resolution number 5 and in terms of the Listings Requirements of the JSE, the directors are hereby authorised by way of a general authority, to issue the authorised but unissued ordinary shares of 1 cent each in the capital of the Company for cash, as and when suitable opportunities arise, subject to the Mol of the Company, the Companies Act, and the following conditions, namely that:

- the equity securities, which are the subject of the issue for cash, must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue
- any such issue will only be made to "public shareholders" as defined by the Listings Requirements of the JSE and not to related parties
- this authority shall only be valid until the next AGM of the Company but shall not extend beyond 15 months from the date this authority is given
- an announcement giving full details required by the JSE Listings Requirements will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% (five percent) or more of the number of shares in issue prior to the issue concerned
- any such general issues are subject to exchange control regulations and approval at that point in time
- in respect of securities which are the subject of the general issue of shares for cash, such issue may not exceed 5% (being 16,104,299 shares) of the number of listed equity securities as at the date of this notice of AGM, the number of listed equity securities in issue as at the date of this being 322,085,974 shares, provided that:
 - any equity securities issued under this authority during the period must be deducted from the number above
 - in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio
- the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of AGM, excluding treasury shares
- in determining the price at which an issue of shares for cash may be made in terms of this authority, the maximum discount permitted shall be 10% of the weighted average traded price of the ordinary shares on the JSE over the 30 business days prior to the date that the price of the issue is agreed between the directors of the Company and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30-day business period".

Reason and effect

The effect of special resolution number 1 is that the directors will be able to issue the authorised but unissued ordinary shares of 1 cent each in the capital of the Company for cash, as and when suitable opportunities arise, subject to the requirements of the JSE, the restrictions/conditions set out in the authority, the Companies Act and the Mol of the Company. Such issue may not exceed 5% (being 16,104,299 shares) of the number of listed equity securities as at the date of this notice, 322,085,974 shares.

8. Special resolution number 2

Remuneration payable to non-executive directors

The fees payable to non-executive directors were benchmarked by the Company's independent remuneration advisers, who concluded that while the aggregate total fees payable to non-executive directors were broadly in line with the market, the fees for the Board Chairperson and members, and for the Audit Committee Chairperson and members are below the applicable market median, while the fees for the other roles are either at or above the median. The Company thus resolved to address these disparities over three years, by granting above-inflation increases for role fees that were below market, and no increases to be granted for those that are above market.

Shareholders approved the first year of the three-year adjustment period at the AGM held on 7 August 2020. However, in light of the Covid-19 pandemic and its impact on the socio-economic environment, it was deemed appropriate to defer the second adjustment in 2021 and the non-executive directors' fees were increased by 3.5%. This resulted in the market positioning of some of the non-executive directors weakening even further. In deciding whether to propose to shareholders that the second-year adjustment increases be implemented, the Board determined that given prevailing economic circumstances and the continued impact of Covid-19, these adjustments not be implemented and that the non-executive directors' fees be increased as set out in the table below. It is to be noted that while the overall average increase of 6.9% being proposed addresses some of the anomalies in the fees, the fees of the Board Chairperson and Board member are still somewhat below the market.

It is therefore RESOLVED that, in terms of section 66(9) of the Companies Act and on the recommendation of the Human Resources and Remuneration Committee (Remco), the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors and/or pay any fees related thereto as detailed in the table below.

	Proposed for the period from 31 May 2022 (exclusive of VAT)	Proposed increase %	Fees paid during 2021
2.1 Board Chairperson*	1,835,000	6.0	1,731,815
2.2 Ordinary Board member	350,000	8.5	322,455
2.3 Lead independent director	1,345,000	6.1	1,267,151
2.4 Audit Committee Chairperson	400,000	5.6	378,715
2.5 Audit Committee member	200,000	6.2	188,361
2.6 Strategy and Investment Committee Chairperson	350,000	1.7	344,287
2.7 Strategy and Investment Committee member	180,000	5.1	171,237
2.8 Social, Ethics and Transformation Committee Chairperson	350,000	1.7	344,287
2.9 Social, Ethics and Transformation Committee member	180,000	8.8	171,237
2.10 Nominations and Governance Committee member	180,000	8.8	171,237
2.11 Human Resources and Remuneration Committee Chairperson	380,000	10.4	344,287
2.12 Human Resources and Remuneration Committee member	190,000	11.0	171,237
2.13 Additional Board Sub-Committee Chairperson**	350,000	—	—
2.14 Additional Board Sub-Committee (Committee member)**	180,000	—	—
2.15 Special Board Sub-Committee Chairperson***	350,000	—	—
2.16 Special Board Sub-Committee (Committee member)***	180,000	—	—

* The Chairperson of the Board chairs the Nominations and Governance Committee, he is also a member of the Human Resources and Remuneration Committee and chairs the Strategy and Investment Committee. He attends all other committee meetings. He does not receive any additional remuneration in this regard. Executive directors do not receive directors' fees.

** The Board, through the Nominations and Governance Committee is currently reviewing the sub-committee structure and in particular the wide remit of Setco. In the event that the Board wishes to introduce an additional sub-committee and increase the number of sub-committees to six, it was thought prudent to provide for such eventuality.

*** To provide for an ad hoc Sub-committee should this be required.

Reason and effect

In terms of sections 66(8) and 66(9) of the Companies Act remuneration may only be paid to members of the Board for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the Company's Mol.

Therefore, the reason for and effect of special resolution number 2 is for the Company to obtain the approval of shareholders by way of special resolution for the payment of remuneration to its non-executive directors for their services as directors of the Company.

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9. Special resolution number 3

Approval for the granting of financial assistance in terms of sections 44 and 45 of the Companies Act

"RESOLVED that, to the extent required by the Companies Act, the Board of directors of the Company may, subject to compliance with the requirements of the Company's MoI, the Companies Act, and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance as contemplated in section 44 and/or section 45 of the Companies Act, by way of loan, guarantee, the provision of security or otherwise, to:

- any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company as contemplated under section 44 of the Companies Act; and/or
- to any person who is a participant in any of the share or other employee incentive schemes of the Kumba group, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Companies Act.

Reason and effect

Notwithstanding the title of section 45 of the Companies Act, being "Loans or other financial assistance to directors", on a proper interpretation, the body of the section may also apply to financial assistance (as such term is defined therein) provided by a company to related or interrelated companies and corporations, including, inter alia, its subsidiaries, for any purpose.

Furthermore, section 44 of the Companies Act may also apply to financial assistance provided by a company to related or interrelated companies, in the event that the financial assistance is provided for the purposes of, or in connection with, the subscription of any options, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or related or interrelated company.

Both section 44 and section 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and that the Board of directors must be satisfied that (i) immediately after providing the financial assistance, the Company would satisfy the solvency and

liquidity test; and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The reason for and effect of special resolution number 3 is to grant the directors of the Company the authority to provide financial assistance, when the need arises, in accordance with the provisions of sections 44 and 45 of the Companies Act. This means that the Company is authorised, among other things, to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that:

- immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company

As part of the authority above, the Company will not provide financial assistance to directors, prescribed officers or "any person". The Company also notes the obligation to send a letter to shareholders and trade unions as per section 45(5) of the Act within 10 business days after the Company's Board adopted the resolution if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% of the Company's net worth at the time of the resolution; or within 30 business days after the end of the financial year, in any other case.

10. Special resolution number 4

General authority to repurchase shares

"RESOLVED that the Board of directors of the Company be and is hereby authorised, by way of a renewable general authority, to approve the repurchase by the Company or by any of its subsidiaries of any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Board of directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MoI of the Company and the Listings Requirements of the JSE, including, inter alia, that:

- the general repurchase of the shares may only be implemented through the order book of the JSE and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited)
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond 15 months from the date of passing of this resolution
- an announcement must be published as soon as the Company has repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue as at the date that this special resolution number 4 is passed, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares repurchased

thereafter. Such announcement will be made as soon as possible and, in any event, by not later than 08:30 on the second business day following the day on which the 3% threshold is reached or exceeded

- subject to section 48 of the Companies Act, the general authority to repurchase is limited to a maximum of 5% in the aggregate in any one financial year of the Company's issued share capital at the beginning of the financial year, provided that the number of shares purchased and held by or for the benefit of a subsidiary or subsidiaries of the Company, taken together, shall not exceed 5% in the aggregate of the number of issued shares in the Company
- a resolution has been passed by the Board of directors of the Company and/or any subsidiary of the Company, as the case may be, approving the purchase, that the group has satisfied the solvency and liquidity test as defined in the Companies Act, and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the Company or the group
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE should be consulted for a ruling if the Company's securities have not traded in such five business day period
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf
- any such general repurchases are subject to exchange control regulations and approval at that point in time
- the Company may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(h) of the Listings Requirements of the JSE, where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and full details thereof have been submitted to the JSE in writing prior to the commencement of the prohibited period

Reason and effect

The reason for and effect of special resolution number 4 is to grant the Board of directors a general authority in terms of the Listings Requirements of the JSE, up to and including the date of the following AGM of the Company (provided it shall not extend beyond 15 months from the date the resolution is passed), to authorise the Company and any of its subsidiary companies to repurchase the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above. In terms of clause 7.1 of the Mol, the repurchase of securities must be undertaken in accordance with the Listings Requirements of the JSE.

In special resolution number 4, reference is made to sections 46 and 48 of the Companies Act.

Section 46 regulates the making of "distributions" by a company, which includes the transfer by a company of money or other property of a company, other than its own shares, to or for the benefit of one or more holders of any of the shares, or to the holder of a beneficial interest in any such shares, of that company or of another company within the same group of companies, as consideration for the acquisition (i) by a

company of any of its shares, as contemplated in section 48 of the Companies Act; or (ii) by any company within the same group of companies, of any shares of a company within that group of companies. Section 46 of the Companies Act prohibits the making of such a distribution unless (a) the distribution is pursuant to an existing legal obligation of the Company, or a court order or the Board of the Company, by resolution, has authorised the distribution; (b) it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution; and (c) the Board of directors of the Company has, by resolution, acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test after completing the proposed distribution.

Section 48 of the Companies Act regulates the acquisition by a company of its own shares and the acquisition by a subsidiary company of shares in its holding company. Section 48(8) sets out those circumstances in which a special resolution of shareholders is required under the Companies Act for such acquisitions. Section 48(8) also requires compliance with sections 114 and 115 of the Companies Act if the acquisition considered alone, or together with other transactions in an integrated series of transactions, involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares. Sections 114 and 115 of the Companies Act regulate schemes of arrangement.

At the present time, the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate. The Company wishes to confirm that any repurchase of shares, if implemented, will only be dealt with via the formal JSE trading system.

Disclosures/information required in terms of the Listings Requirements of the JSE

For the purposes of considering special resolution number 4 and in compliance with the Listings Requirements of the JSE, the following information is provided:

Directors' statement after considering the effect of a repurchase pursuant to a general authority

The directors of the Company agree that they will not undertake any repurchase, as contemplated in special resolution number 4 above, unless:

- the Company and the group are in a position to repay their debts in the ordinary course of business for a period of 12 months after the date of the repurchase
- the assets of the Company and the group, being fairly valued in accordance with International Financial Reporting Standards (IFRS), are in excess of the liabilities of the Company and the group for a period of 12 months after the date of the repurchase
- the share capital and reserves of the Company and the group are adequate for ordinary business purposes for a period of 12 months after the date of the repurchase
- the available working capital of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase

Notice of annual general meeting continued

Directors' responsibility statement

The Board of directors of the Company collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 4 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by the Listings Requirements of the JSE.

No material changes

Other than the facts and developments reported on in the Company's integrated report for 2021, there have been no material changes in the financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this notice.

The following further disclosures required in terms of the Listings Requirements of the JSE are set out in ANNEXURE 4, attached hereto:

- major shareholders of the Company
- share capital of the Company

By order of the Board

Fazila Patel
Company Secretary

Centurion

14 April 2022

Virtual shareholder's meeting guide 2022



To participate in and attend our AGM online follow the steps set out in the website: <https://meetnow.global/ZA>



You can access this website using your smartphone, tablet or computer.

If you choose to attend online, you will be able to view a live webcast of the meeting, ask questions and submit your votes in real time.

You will need the latest version of Chrome, Safari, Edge or Firefox.

Please ensure your browser is compatible.

ACCESS

Access the online meeting at <https://meetnow.global/ZA>, select the applicable meeting from the drop-down option. Click **'Join meeting now'**.

If you are a shareholder:

Select **'Shareholder'** on the login screen and enter the applicable information as per your invitation.

Accept the Terms and Conditions and click **Continue**.

If you are a guest:

Select **'Guest'** on the login screen. As a guest, you will be prompted to complete all the relevant fields including title, first name, last name and email address. *Please note: Guests will not be able to ask questions or vote at the meeting.*

If you are a proxy holder:

You will receive an **email invitation the day before the meeting** to access the online meeting. **Click on the link in the invitation** to access the meeting.

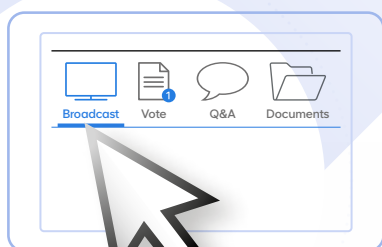


If you have any issues accessing the website, please email proxy@computershare.co.za.

Notice of annual general meeting continued



NAVIGATION

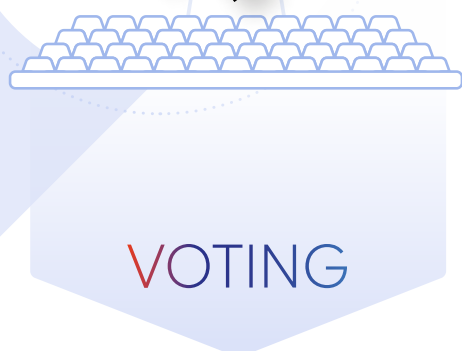


When successfully authenticated, the home screen will be displayed.

You can **watch the webcast, vote, ask questions, and view meeting materials in the documents folder.**

The image highlighted in blue indicates the page you have active.

The webcast will appear and begin automatically once the meeting has started.



Any eligible shareholder/proxy attending the meeting remotely is eligible to ask a question.

Resolutions will be put forward once voting is declared open by the Chair.

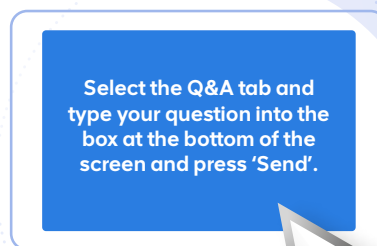
Once the voting has opened, the resolution and voting options will appear.

To vote, simply select your voting direction from the options shown on screen.

You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the green tick appears.

To change your vote, select **'Change Your Vote'**.



Form of proxy

Kumba Iron Ore Limited (Kumba)

A member of the Anglo American plc group
(Incorporated in the Republic of South Africa)

This form of proxy is for use and completion by certificated shareholders and dematerialised shareholders with "own name" registration only.

For use and completion by registered members of Kumba at the 16th annual general meeting (AGM) of the Company to be held by electronic communication at 09:00 (CAT) on Tuesday, 31 May 2022.

Each shareholder entitled to attend and vote at the electronic AGM is entitled to appoint one or more proxy or proxies (who need not be a shareholder of Kumba) to attend, participate in and speak and vote in place of that shareholder at the electronic AGM, and at any adjournment thereof.

Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, must not complete this form or proxy but should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement, in order to furnish them with their voting instructions or to obtain the necessary letter of authority to attend the electronic AGM, in the event that they wish to attend the AGM.

Please note the following:

- The appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the AGM
- The appointment of the proxy is revocable
- You may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and Kumba

Kindly note that meeting participants (including a proxy or proxies) are required in terms of section 63(1) of the Companies Act No 71 of 2008 to provide reasonably satisfactory identification before being entitled to attend or participate in the electronic AGM. Forms of identification include a green barcoded identification document issued by the South African Department of Home Affairs, a smart identity card issued by the South African Department of Home Affairs, a valid driver's licence or a valid passport.

A proxy may not delegate his/her authority to act on behalf of a shareholder of Kumba to another person.

I/We _____ (please print names in full)

of (address) _____ contact number _____

being the holder/s or custodians of ordinary shares in the Company, do hereby appoint:

1 _____ or failing him/her

2 _____ or failing him/her

3. The Chairperson of the AGM, as my/our proxy to act, attend, participate and speak, for me/us and/or on my/our behalf at the electronic AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof and to vote for me/us and/or on my/our behalf or to abstain from voting on such resolutions in respect of the ordinary share/s in the issued capital of the Company registered in my/our name/s with the following instructions:

Continued overleaf

Form of proxy continued

		Number of votes (one vote per share)		
		In favour	Against	Abstain
Ordinary resolution number 1: Re-appointment of independent external auditor				
Ordinary resolution number 2: Re-election/election of directors				
2.1	To re-elect Mr Terence Goodlace as a director of the Company			
2.2	To re-elect Mrs Michelle Jenkins as a director of the Company			
2.3	To re-elect Mr Sango Ntsaluba as a director of the Company			
2.4	To elect Ms Josephine Tsele as a director of the Company			
2.5	To re-elect Ms Buyelwa Sonjica as a director of the Company			
Ordinary resolution number 3: Election of Audit Committee members				
3.1	Election of Mr Sango Ntsaluba as a member of the Committee			
3.2	Election of Mrs Mary Bomela as a member of the Committee			
3.3	Election of Mrs Michelle Jenkins as a member of the Committee			
Ordinary resolution number 4: Approval of the Remuneration Policy				
4.1	Non-binding advisory vote: Approval of the remuneration policy			
4.2	Non-binding advisory vote: Approval for the implementation of the remuneration policy			
Ordinary resolution number 5: General authority for directors to allot and issue ordinary shares				
Ordinary resolution number 6: Authorisation to sign documents to give effect to resolutions				
Special resolution number 1: General authority to issue shares for cash				
Special resolution number 2: Remuneration payable to non-executive directors				
Special resolution number 3: Approval for the granting of financial assistance in terms of sections 44 and 45 of the Companies Act				
Special resolution number 4: General authority to repurchase shares				

Insert an "X" in the relevant space above according to how you wish your votes to be cast. An "X" in the relevant space above indicates the maximum number of votes exercisable. If you wish to cast your votes in respect of less than all of the shares that you own in Kumba, however, then insert the number of ordinary shares held in respect of which you desire to vote.

Signed at _____ on _____ 2022

Signature _____ Assisted by me (where applicable) _____

Each member is entitled to appoint one or more proxies (none of whom need be a member of the Company) to attend, speak and, on a poll, vote in place of that member at the AGM. Please read the notes on the reverse side hereof.

Notes to the proxy

Summary of shareholders' rights in respect of proxy appointments as contained in section 58 of the Companies Act

Please note that in terms of section 58 of the Companies Act:

- this form of proxy must be in writing, dated and signed by the shareholder appointing the proxy
- you may appoint an individual as a proxy, including an individual who is not a shareholder of Kumba, to participate in, and speak and vote at the electronic AGM, on your behalf
- your proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this form of proxy
- this form or proxy should be delivered to Kumba, or to Kumba's transfer secretaries, Computershare Investor Services Proprietary Limited, before your proxy exercises any of your voting rights as a shareholder at the AGM. Any form of proxy not received by Kumba or Kumba's transfer secretaries must be sent to the Chairperson of the AGM by email before your proxy may exercise any of your voting rights as a shareholder at the AGM
- the appointment of your proxy or proxies will be suspended at any time to the extent that you choose to act directly and in person in the exercise of any of your rights as a shareholder at the AGM
- the appointment of your proxy is revocable unless you expressly state otherwise in this form of proxy
- as the appointment of your proxy is revocable, you may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to Kumba. Please note that the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the proxy and Kumba as aforesaid
- if this form of proxy has been delivered to Kumba, as long as that appointment remains in effect, any notice that is required by the Companies Act or Kumba's Mol to be delivered by Kumba to you must be delivered by Kumba to you or, if you have directed Kumba to do so, in writing, and paid any reasonable fees charged by Kumba for doing so, your proxy or proxies:
 - your proxy is entitled to exercise, or abstain from exercising, any voting rights of yours without direction at the AGM, except to the extent that this form of proxy provides otherwise
 - the appointment of your proxy remains valid only until the end of the AGM or any adjournment or postponement thereof, unless it is revoked by you before then on the basis set out above

Explanatory notes

1. A form of proxy is only to be completed by those ordinary shareholders who are:
 - 1.1 holding ordinary shares in certificated form; or
 - 1.2 recorded on sub-register electronic form in "own name".
2. If you have already dematerialised your ordinary shares through a CSDP or broker and wish to attend the AGM, you must request your CSDP or broker to provide you with a letter of representation or you must instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between you and your CSDP or broker.
3. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxy or proxies to attend, participate in and speak and vote in his/her stead at the AGM. A proxy need not be a member of the Company. Satisfactory identification must be presented by any person wishing to attend the AGM, as set out in the notice of AGM (to which this form of proxy is included). A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space. The person whose name stands first on the form of proxy and who is present at the AGM of shareholders will be entitled to act to the exclusion of those whose names follow.
4. On a show of hands a member of the Company present in person or by proxy shall have one (1) vote irrespective of the number of shares he/she holds or represents, provided that a proxy shall, irrespective of the number of members he/she represents, have only one (1) vote. On a poll a member who is present in person or represented by proxy shall be entitled to one vote in respect of each ordinary share in Kumba held by him/her.

Notes to the proxy continued

Instructions on signing and lodging the proxy form

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the Chairperson of the AGM", but any such deletion must be initialled by the member. Should this space be left blank, the Chairperson of the AGM will exercise the proxy. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's instructions to the proxy must be indicated by the insertion of an "X" or the relevant number of votes exercisable by the member in the appropriate box provided. An "X" in the appropriate box provided indicates the maximum number of votes exercisable by that member. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the member's votes exercisable thereat. A member or the proxy is not obliged to use all the votes exercisable by the member or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the member or by the proxy.
3. Forms of proxy are requested, for administrative purposes only, to be lodged at, or posted to the transfer secretaries of Kumba, Computershare Investor Services Proprietary Limited at the address below, to be received by 09:00 on Friday, 27 May 2022. Any forms of proxy not received by this time and date may be emailed to the transfer secretaries (who will provide same to the Chairperson of the AGM) at any time prior to the AGM, prior to your proxy exercising any of your voting rights as a shareholder at the electronic AGM.
4. The completion and lodging of this form of proxy will not preclude the relevant member from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached to this form of proxy, unless previously recorded by the transfer secretaries or waived by the Chairperson of the AGM.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. Notwithstanding the foregoing, the Chairperson of the AGM may waive any formalities that would otherwise be a prerequisite for a valid proxy.
8. If any shares are jointly held, all joint members must sign this form of proxy. If more than one of those members is present at the AGM, either in person or by proxy, the person whose name appears first in the register shall be entitled to vote.

For shareholders on the South African register:
Computershare Investor Services Proprietary Limited
15 Biermann Avenue, Rosebank, 2196, South Africa
→ www.computershare.com
Tel: +27 11 370 5000

Annexure 1

Summarised audited annual financial statements

Summarised consolidated statement of financial position as at 31 December

Rand million	Notes	Audited 2021	Audited 2020
Assets			
Property, plant and equipment	5	43,233	40,165
Right-of-use assets		393	465
Biological assets		31	24
Investments held by environmental trust		795	656
Investment in associate		50	—
Long-term prepayments and other receivables		166	144
Inventories	6	4,349	3,741
Deferred tax assets		1	1
Non-current assets		49,018	45,196
Inventories	6	6,781	5,858
Trade and other receivables		7,366	8,756
Current tax assets		793	—
Cash and cash equivalents	7	17,925	22,707
Current assets		32,865	37,321
Total assets		81,883	82,517
Equity			
Shareholders' equity	8	44,617	47,446
Non-controlling interests		13,841	14,744
Total equity		58,458	62,190
Liabilities			
Lease liabilities		275	335
Provisions	4	2,595	2,607
Deferred tax liabilities		10,526	9,586
Non-current liabilities		13,396	12,528
Lease liabilities		146	179
Provisions	4	221	117
Trade and other payables		9,011	6,693
Contract liabilities		389	194
Current tax liabilities		262	616
Current liabilities		10,029	7,799
Total liabilities		23,425	20,327
Total equity and liabilities		81,883	82,517

Annexure 1 continued

Summarised consolidated statement of profit or loss for the year ended 31 December

Rand million	Notes	Audited 2021	Audited 2020
Revenue	9	102,092	80,104
Operating expenses	10	(42,441)	(39,105)
Expected credit losses on financial assets		(143)	(161)
Operating profit		59,508	40,838
Finance income		779	624
Finance costs		(285)	(258)
Profit before taxation		60,002	41,204
Taxation		(16,345)	(11,363)
Profit for the year		43,657	29,841
Attributable to:			
Owners of Kumba		33,266	22,779
Non-controlling interests		10,391	7,062
		43,657	29,841
Earnings per share attributable to the ordinary equity holders of Kumba (Rand per share)			
Basic		103.67	71.03
Diluted		103.37	70.79

Summarised consolidated statement of other comprehensive income

for the year ended 31 December

Rand million	Audited 2021	Audited 2020
Profit for the year	43,657	29,841
Other comprehensive profit/(loss) for the year	827	(111)
Exchange differences on translation of foreign operations ¹	827	(111)
Total comprehensive income for the year	44,484	29,730
Attributable to:		
Owners of Kumba	33,897	22,694
Non-controlling interests	10,587	7,036
	44,484	29,730

¹ There is no tax attributable to items included in other comprehensive income and all items will be subsequently reclassified to profit or loss.

Annexure 1 continued

Summarised consolidated statement of changes in equity

for the year ended 31 December

Rand million	Audited 2021	Audited 2020
Total equity at the beginning of the year	62,190	47,524
Changes in share capital and premium		
Treasury shares issued to employees under employee share incentive schemes	148	88
Purchase of treasury shares ¹	(220)	(201)
Changes in reserves		
Equity-settled share-based payment expense	212	186
Vesting of shares under employee share incentive schemes	(148)	(88)
Total comprehensive income for the year	33,897	22,694
Dividends paid	(36,718)	(11,463)
Changes in non-controlling interests		
Total comprehensive income for the year	10,587	7,036
Dividends paid	(11,490)	(3,586)
Total equity at the end of the year	58,458	62,190
Comprising:		
Share capital and premium (net of treasury shares)	(190)	(118)
Equity-settled share-based payment reserve	323	285
Foreign currency translation reserve	1,789	1,158
Retained earnings	42,695	46,121
Shareholders' equity	44,617	47,446
Non-controlling interests	13,841	14,744
Total equity	58,458	62,190
Dividend (Rand per share)		
Interim	72.70	19.60
Final ²	30.50	41.30
Total	103.20	60.90

¹ The average price paid for the purchase of the shares in 2021 was R597.70 per share (2020: R438.30 per share).

² The final dividend was declared after 31 December 2021 and has not been recognised as a liability in this summarised financial report. It will be recognised in shareholders' equity for the 2022 financial year.

Summarised consolidated statement of cash flows

for the year ended 31 December

Rand million	Audited 2021	Audited 2020
Cash receipts from customers	103,644	74,774
Cash paid to suppliers and employees	(38,674)	(34,435)
Cash generated from operations	64,970	40,339
Finance income received	751	630
Finance expense paid	(175)	(162)
Taxation paid	(16,602)	(10,146)
Cash flows from operating activities	48,944	30,661
Additions to property, plant and equipment	(6,253)	(5,746)
Proceeds from disposal of property, plant and equipment	44	4
Acquisition of interest in associate	(50)	—
Acquisition of financial asset at fair value through profit or loss	(10)	—
Cash flows utilised in investing activities	(6,269)	(5,742)
Purchase of treasury shares	(220)	(201)
Dividends paid to owners of Kumba	(36,718)	(11,463)
Dividends paid to non-controlling shareholders	(11,490)	(3,586)
Payment of lease liabilities	(139)	(149)
Cash flows utilised in financing activities	(48,567)	(15,399)
Net (decrease)/increase in cash and cash equivalents	(5,892)	9,520
Cash and cash equivalents at beginning of year	22,707	12,865
Foreign currency exchange gains on cash and cash equivalents	1,110	322
Cash and cash equivalents at end of year	17,925	22,707

Annexure 1 continued

Headline earnings

for the year ended 31 December

Rand million	Audited 2021	Audited 2020
Reconciliation of headline earnings		
Profit attributable to owners of Kumba	33,266	22,779
Net (profit)/loss on disposal and scrapping of property, plant and equipment	(10)	19
	33,256	22,798
Taxation effect of adjustments	3	(5)
Non-controlling interests in adjustments	1	(3)
Headline earnings	33,260	22,790
Headline earnings (Rand per share)		
Basic	103.65	71.07
Diluted	103.35	70.83
The calculation of basic and diluted earnings and headline earnings per share is based on the weighted average number of ordinary shares in issue as follows:		
Weighted average number of ordinary shares	320,881,702	320,690,801
Diluted weighted average number of ordinary shares	321,827,001	321,760,686

The dilution adjustment of 945,299 shares at 31 December 2021 (2020: 1,069,885) is a result of the share options granted under the various employee share incentive schemes.

Notes to the audited summarised consolidated financial statements

for the year ended 31 December

1. Corporate information

Kumba is a limited liability company incorporated and domiciled in South Africa. The main business of Kumba, its subsidiaries, joint venture and associate is the exploration, extraction, beneficiation, marketing, sale and shipping of iron ore. The group is listed on the JSE Limited (JSE).

The audited summarised consolidated financial statements of Kumba and its subsidiaries for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 21 February 2022.

2. Basis of preparation

The audited summarised consolidated financial statements, and the consolidated financial statements from which they have been extracted, have been prepared under the supervision of BA Mazarura CA(SA), Chief Financial Officer, in accordance with the requirements of the Listings Requirements of the JSE Limited for provisional reports, and the requirements of the South African Companies Act, No. 71 of 2008 applicable to summarised consolidated financial statements. The Listings Requirements of the JSE Limited require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The audited consolidated financial statements from which these summarised consolidated financial statements were derived have been prepared in accordance with the historical cost convention except for certain financial instruments, share-based payments and biological assets which are stated at fair value, and are presented in Rands, which is Kumba's functional and presentation currency. All financial information presented in Rands have been rounded off to the nearest million.

2.1 Going concern

The financial position of the group, its cash flows, liquidity position and debt facilities are set out in the group's consolidated annual financial statements for the year ended 31 December 2021. The group's liquidity position of R25.5 billion at 31 December 2021 remained strong. The group ended the period in a cash position of R17.9 billion (31 December 2020: R22.7 billion). Further analysis of the cash position and details of facilities are set out in note 7.

The Board has considered the group's cash flow forecasts for the foreseeable future under base case and downside scenarios, with consideration given to the uncertainty of the impact of the Covid-19 pandemic on both the wider macro-economic environment and the group's operations. In all of the scenarios modelled, the group maintains sufficient liquidity throughout the period of assessment without the introduction of further mitigating actions.

The Board is satisfied that the group's forecasts and projections, taking into account reasonably possible changes in trading performance, indicate that the group's liquidity position is sufficient to sustain its operations for the foreseeable future. Furthermore, the group's current debt facilities are available for use in the foreseeable future. For this reason, the group continues to adopt the going-concern basis in the preparation of its financial statements.

2.2 Accounting judgements, estimates and assumptions

In preparing the summarised consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the summarised consolidated financial statements for the year ended 31 December 2020, except as disclosed in note 3 and 4.

2.3 Impact of the Covid-19 pandemic on Kumba's results

The group has considered the ongoing impact of the Covid-19 pandemic on each of its significant accounting judgements and estimates. The group's principal source of estimation uncertainty continues to be in relation to assumptions used for the assessment of impairment of non-current assets where indicators of impairment are identified. No further significant impact on estimates have been identified as a result of the Covid-19 pandemic, although the pandemic has increased the level of uncertainty inherent in all future cash flow forecasts.

The iron ore price and Rand/US\$ exchange rate assumptions used to forecast future cash flows for impairment assessment purposes have been updated to consider both the short-term observable impact of the Covid-19 pandemic and the forecast medium and longer-term impact on the world economy and commodity prices. No impairment indicators have been identified for the group's non-current assets.

Annexure 1 continued

3. Accounting policies

The accounting policies and methods of computation applied in the preparation of these summary consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except as disclosed below.

3.1 New standards effective for annual periods beginning on or after 1 January 2021

No new standards, amendments to published standards and interpretations which become effective for the year commencing 1 January 2021 had a significant impact on the group's accounting policies.

3.2 New standards, amendments to existing standards and interpretations that are not yet effective and have not been early adopted

A number of new standards and amendments to issued standards and interpretations are in issue but not effective for annual periods beginning on or after 1 January 2022. The group did not early adopt any new, revised or amended accounting standards or interpretations. These new standards, amendments to standards and interpretations are being evaluated for the impact on the group's financial results, and they are not expected to have a significant impact on the group's financial results.

4. Significant accounting estimates and assumptions

The measurement of the environmental rehabilitation and decommissioning provisions is a key area where management's judgement is required. Closure provisions are measured at the present value of the expected future cash flows required to perform the rehabilitation and decommissioning. This calculation requires the use of certain estimates and assumptions when determining the amount and timing of the future cash flows and the discount rate. Closure provisions are updated at each reporting period date for changes in these estimates.

The life-of-mine plans on which accounting estimates are based include only proved and probable ore reserves as disclosed in Kumba's 2021 annual Ore Reserves and Mineral Resources statement. The increase in the closure cost estimates was mainly due to an increase in footprints. The financial provision increased by R61 million mainly due to reduced cash flows resulting from the revised life-of-mine at Sishen and Kolomela mines and the impact of a 0.6% decrease in the discount rate from 4.3% to 3.7% (in real terms) at Kolomela mine.

The effect of the change in estimate of the rehabilitation and decommissioning provision is detailed below:

	Audited 31 December 2021	Audited 31 December 2020
Rand million		
(Decrease)/increase in environmental rehabilitation provision	(14)	103
Decrease in decommissioning provision	(35)	(17)
(Decrease)/increase in profit after tax attributable to the owners of Kumba	(40)	57
Rand per share		
Effect on earnings per share attributable to the owners of Kumba	(0.12)	0.18

The R35 million decrease in the decommissioning provision resulted in a decrease in property, plant and equipment of R2 million while the environmental rehabilitation provision decreased by R14 million, net of R59 million in respect of rehabilitation for assets under construction. The rehabilitation provision, net of the R59 million, was recognised in the statement of profit or loss, increasing profits attributable to the owners of Kumba by R40 million (2020: R57 million). The change in estimate had an insignificant effect on profit or earnings per share of R0.12 (2020: R0.18).

5. Property, plant and equipment

	Audited 2021	Audited 2020
Rand million		
Total capital expenditure	8,008	6,086
Comprising:		
Expansion	2,566	632
SIB	3,717	2,952
Deferred stripping	1,725	2,502
Increase in capital creditors ¹	(1,755)	(340)
Additions to property, plant and equipment per statement of cash flows	6,253	5,746
Transfers from assets under construction to other property, plant and equipment	1,727	2,916

¹ This amount relates to capital expenditure incurred during the year which had not been paid as at the reporting date, net of any prior year capital expenditure paid during the year.

6. Inventories

Rand million	Audited 2021	Audited 2020
Finished products	2,563	1,755
Work-in-progress	6,859	6,045
Plant spares and stores	1,708	1,799
Total inventories	11,130	9,599
Non-current portion of work-in-progress inventories	4,349	3,741
Current portion of inventories	6,781	5,858
Total inventories	11,130	9,599

During the year, the group increased the provision for potentially non-recoverable work-in-progress inventory, and plant spares and stores to R784 million (2020: R650 million) and R312 million (2020: R276 million), respectively. No inventory was written off during the year (2020: R762 million work-in-progress). The total inventory write-down of R170 million (2020: R902 million) has been recognised in the statement of profit or loss (refer to note 10).

No inventories were encumbered during the year.

Work-in-progress inventory balances which are not expected to be processed within the next 12 months are presented as non-current.

The feasibility study for the UHDS technology completed during 2021 indicates that certain material that was previously classified as waste and therefore no value ascribed to it on the statement of financial position, can now be processed to saleable product. The group has assessed the accounting treatment for the material mined during the year and the impact thereof is not included in these consolidated financial statements as the value is not significant at this stage.

7. Cash and cash equivalents and debt facilities

Kumba's cash position at the statement of financial position date was as follows:

Rand million	Audited 2021	Audited 2020
Balance at the end of the year	17,925	22,707

Included in cash and cash equivalents is an amount of R2,857 million (2020: R893 million liability) which is restricted as it is required to be held at trading exchanges to cover initial margins under derivative contracts.

The group's committed debt facilities consist of an R8 billion (2020: R8 billion) revolving credit facility which matures in 2024. The group's debt facilities also include uncommitted facilities of R8.2 billion (2020: R8.2 billion). The committed and uncommitted facilities at 31 December 2021 and 31 December 2020 were undrawn.

Short-term cash deposits of R13,575 million (2020: R21,868 million), included in cash and cash equivalents, and debt facilities of R8,200 million (2020: R8,200 million) were placed with subsidiaries of the ultimate holding company during the year under review (note 14). The group held deposits amounting to R357 million (31 December 2020: R277 million) which are subject to statutory restrictions and are therefore not available for general use by the group.

Annexure 1 continued

8. Share capital and share premium

Reconciliation of share capital and share premium (net of treasury shares):

Rand million	Audited 2021	Audited 2020
Balance at the beginning of the year	(118)	(5)
Net movement in treasury shares under employee share incentive schemes	(72)	(113)
Purchase of treasury shares	(220)	(201)
Share issued to employees	148	88
Balance at the end of the year	(190)	(118)

Reconciliation of number of shares in issue:

	Audited 2021	Audited 2020
Balance at the beginning and end of the year	322,085,974	322,085,974
Reconciliation of treasury shares held:		
Balance at the beginning of the year	1,486,238	1,411,944
Shares purchased during the year	306,197	464,292
Shares issued to employees under the Bonus Share Plan, Bonus and Retention Share Plan, Long-Term Incentive Plan, Performance Share Plan and the SIOC Employee Benefit Scheme	(589,735)	(389,998)
Balance at the end of the year	1,202,700	1,486,238

All treasury shares are held as conditional awards under the Bonus Share Plan, Bonus and Retention Share Plan, Performance Share Plan, Long-Term Incentive Plan and the SIOC Employee Benefit Scheme (Karolo).

9. Revenue

Rand million	Audited 2021	Audited Restated 2020
Sale of iron ore	93,570	66,741
Services rendered – shipping	6,969	5,580
Total revenue from contracts with customers	100,539	72,321
Revenue from other sources ¹	1,553	7,783
Total revenue as per statement of profit or loss	102,092	80,104
Geographical analysis of revenue from contracts with customers:		
Domestic – South Africa	237	409
Export	100,302	71,912
China	38,249	39,427
Rest of Asia	28,007	19,286
Europe	33,718	11,866
Middle East and North Africa	132	1,157
Americas	196	176
Total revenue from contracts with customers	100,539	72,321

¹ Revenue from other sources comprises net loss on financial instruments of R164 million (2020: R4,212 million (net gain)) and subsequent movements in provisionally-priced sales of R1,717 million (net gain) (2020: R3,571 million (net gain)).

Revenue from contracts with customers comprises sale of iron ore and shipping services rendered.

The presentation of certain iron ore provisional-pricing adjustments classified as revenue from contracts with customers in 2020 has been corrected by reclassifying R4,670 million from revenue from contracts with customers to revenue from other sources. The impact of the reclassification is shown below:

9. Revenue *continued*

Rand million	Reported 2020	Audited Restatement increase/ (decrease)	Audited Restated 2020
Sale of iron ore	71,411	(4,670)	66,741
Services rendered – shipping	5,580	—	5,580
Total revenue from contracts with customers	76,991	(4,670)	72,321
Revenue from other sources	3,113	4,670	7,783
Total revenue as per statement of profit or loss	80,104	—	80,104

Geographical analysis of revenue from contracts with customers

Domestic – South Africa	409	—	409
Export	76,582	(4,670)	71,912
China	49,411	(9,984)	39,427
Rest of Asia	14,096	5,190	19,286
Europe	12,507	(641)	11,866
Middle East and North Africa	385	772	1,157
Americas	183	(7)	176
Total revenue from contracts with customers	76,991	(4,670)	72,321

Disaggregation of revenue from contracts with customers:

Rand million	Products		Services	Total
	Sishen mine	Kolomela mine	Shipping operations	
2021				
Total segment revenue (Refer to note 12)	67,612	27,511	6,969	102,092
Revenue from other sources	(1,079)	(474)	—	(1,553)
Revenue from contracts with customers	66,533	27,037	6,969	100,539
2020 (Restated)				
Total segment revenue	51,971	22,553	5,580	80,104
Revenue from other sources	(5,303)	(2,480)	—	(7,783)
Revenue from contracts with customers	46,668	20,073	5,580	72,321

Annexure 1 continued

10. Operating expenses

Operating expenses are made up as follows:

Rand million	Audited 2021	Audited Restated 2020
Costs by nature:		
Raw materials and consumables	2,178	2,046
Net movement in finished product and WIP inventories	(1,701)	(836)
Inventory write-down to net realisable value	170	902
Outside services	4,305	3,817
Deferred waste stripping costs	(1,725)	(2,502)
Staff cost	5,620	5,006
Employee expenses	5,312	4,863
Termination benefits	84	—
Share-based payment expenses	224	143
Mineral royalty	4,171	3,493
Transportation and selling costs	7,068	6,580
Shipping services rendered	6,464	5,598
Sub-lease rent received	(44)	(44)
Depreciation of property, plant and equipment ³	5,050	4,970
Repairs and maintenance	3,020	2,479
Legal fees	15	24
Professional fees	203	171
Audit fees	13	12
Insurance cost	170	154
Technical services and project studies	25	128
Lease expenses	659	905
General expenses ¹	2,700	2,901
Petroleum products	2,530	1,985
Energy costs	521	439
Own work capitalised ²	(129)	(114)
Corporate costs	953	788
Net (profit)/loss on disposal and scrapping of property, plant and equipment	(10)	19
Net finance losses	215	184
Net foreign currency losses	375	176
Net fair value (gains)/losses on financial assets measured at fair value through profit or loss	(160)	8
Total operating expenses	42,441	39,105

¹ This comprises mainly expenses for advertising, sponsorships, donations, IT expenses and other expenses.

² Relates to operating expenses incurred that are capitalised to projects where qualifying criteria are met.

³ Includes an amount of R147 million (2020: R134 million) relating to depreciation of right-of-use assets.

The prior year presentation of net movement in finished product and WIP inventories has been corrected by reclassifying R597 million to raw materials and consumables, and R1,279 million to general expenses. The impact of the reclassification is shown below:

Rand million	Reported 2020	Impact increase/ (decrease)	Restated 2020
Raw materials and consumables	1,449	597	2,046
Net movement in finished product and WIP inventories	1,040	(1,876)	(836)
General expenses	1,622	1,279	2,901

11. Taxation

The group's effective tax rate was 27% for the year (2020: 28%).

12. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Kumba Executive Committee.

The Kumba Executive Committee considers the business principally according to the nature of the products and services provided, with the identified segments each representing a strategic business unit. 'Other' segment comprises corporate, administration and other expenditure not allocated to the reported segments.

The total reported segment revenue comprises revenue from external customers and is measured in a manner consistent with that disclosed in the statement of profit or loss. The performance of the operating segments is assessed based on earnings before interest, tax, depreciation and amortisation (EBITDA), which is considered a more appropriate measure of profitability for the group's businesses. Finance income and finance costs are not allocated to segments as the treasury activity is managed on a central group basis.

Total segment assets comprise finished product and work-in-progress inventories only, which is allocated based on the operations of the segment and the physical location of the asset.

Depreciation, staff costs, impairment of assets and additions to property, plant and equipment are not reported to the CODM per segment, but are significant items which are included in EBITDA and/or reported on for the group as a whole.

Rand million	Products ¹		Services		Other	Total
	Sishen mine	Kolomela mine	Logistics ²	Shipping operations		
Audited year ended 31 December 2021						
Statement of profit or loss						
Total external revenue	67,612	27,511	—	6,969	—	102,092
EBITDA	51,446	21,254	(7,060)	505	(1,587)	64,558
Significant items included in the statement of profit or loss:						
Depreciation	3,327	1,521	8	—	194	5,050
Staff costs	3,141	1,179	37	—	1,263	5,620
Statement of financial position						
Total segment assets	4,857	4,082	483	—	—	9,422
Statement of cash flows						
Additions to property, plant and equipment						
Expansion capital expenditure	988	400	—	—	—	1,388
Stay-in-business capital expenditure	2,290	848	—	—	2	3,140
Deferred stripping	814	911	—	—	—	1,725

¹ Derived from extraction, production and selling of iron ore.

² No revenue is reported for this segment as its performance is reviewed with reference to volumes railed and rail tariffs achieved.

Annexure 1 continued

12. Segmental reporting continued

	Products ¹		Services			
Rand million	Sishen mine	Kolomela mine	Logistics ²	Shipping operations	Other	Total
Audited year ended 31 December 2020						
Statement of profit or loss						
Total external revenue	51,971	22,553	—	5,580	—	80,104
EBITDA	37,652	16,549	(6,571)	(17)	(1,805)	45,808
Significant items included in the statement of profit or loss:						
Depreciation	3,416	1,376	9	—	169	4,970
Staff costs	3,083	1,147	32	—	744	5,006
Statement of financial position						
Total segment assets	3,840	3,447	513	—	—	7,800
Statement of cash flows						
Additions to property, plant and equipment						
Expansion capital expenditure	415	175	—	—	—	590
Stay-in-business capital expenditure	1,793	857	—	—	4	2,654
Deferred stripping	1,523	979	—	—	—	2,502

¹ Derived from extraction, production and selling of iron ore.

² No revenue is reported for this segment as its performance is reviewed with reference to volumes railed and rail tariffs achieved.

Reconciliation of reportable segments' assets to inventories

Rand million	Note	Audited 2021	Audited 2020
Inventories			
Finished product		2,563	1,755
Work-in-progress		6,859	6,045
Segment assets		9,422	7,800
Plant spares and stores		1,708	1,799
Balance per statement of financial position	6	11,130	9,599

Geographical analysis of total external revenue

Rand million	Audited 2021	Audited 2020
Total external revenue	102,092	80,104
Domestic – South Africa	237	409
Export	101,855	79,695
China	43,257	50,221
Rest of Asia	24,645	14,485
Europe	33,627	14,421
Middle East and North Africa	131	385
Americas	195	183

All non-current assets, excluding investments in associates and joint venture, are located in South Africa.

Reconciliation of operating profit to EBITDA for the year ended:

Rand million	Audited 2021	Audited 2020
Operating profit per statement of profit or loss	59,508	40,838
Add back:		
Depreciation	5,050	4,970
EBITDA	64,558	45,808

13. Fair value estimation

The carrying value of financial instruments not carried at fair value approximates fair value because of the short period to maturity or as a result of market-related variable interest rates.

The table below presents the group's assets and liabilities that are measured at fair value:

Rand million	Level 1 ¹	Level 2 ²	Level 3 ³
Audited 12 months – 31 December 2021			
Investments held by the environmental trust	—	795	—
Long-term prepayments and other receivables	—	—	54
Investment in associate	—	—	50
Equity investments at fair value through profit or loss	—	—	10
Trade receivables ⁴	—	4,696	—
	—	5,491	114
Audited 12 months – 31 December 2020			
Investments held by the environmental trust	—	656	—
Long-term prepayments and other receivables	—	—	35
Trade receivables ⁴	—	6,621	—
	—	7,277	35

¹ Level 1 fair value measurements are derived from unadjusted quoted prices in active markets for identical assets or liabilities.

² Level 2 fair value measurements are derived from inputs that are derived from inputs other than quoted prices included within level 1 that are observable either directly or indirectly (i.e. derived from prices).

³ Level 3 fair value measurements are derived from valuation techniques where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost or effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input.

⁴ This includes the provisionally-priced receivables carried at fair value through profit and loss.

In the prior year, the investments held by the environmental trust were reclassified from level 1 to level 2 after management reassessed the view of the investments held by the environmental trust and concluded that level 2 better reflects the fair value hierarchy for this financial asset. There were no other transfers in the year ended 31 December 2020. There were no transfers during the year ended 31 December 2021.

All the resulting fair value estimates are included in level 1 or level 2, except for the long-term other receivable, investment in associate and equity investment at fair value through profit or loss which are level 3 financial assets. The movements in the fair value of the level 3 financial assets are shown as follows:

Rand million	Audited 2021	Audited 2020
Balance at beginning of year	35	48
Additions to financial assets during the year	60	—
Fair value gain/(loss) for the year	19	(13)
Balance at end of year	114	35

The long-term other receivable at 31 December 2021 relates to exploration projects. The fair value was determined using the market approach which applies available market information of sales transactions for similar recent projects. The significant unobservable inputs used in the valuation model related to the size and grade of the ore deposit confirmed by geological exploration results.

There were no changes made to any of the valuation techniques applied at 31 December 2021.

Annexure 1 continued

14. Related party transactions

During the year, Kumba and its subsidiaries, in the ordinary course of business, entered into various sale, purchase and service transactions with associates, joint ventures, fellow subsidiaries, its holding company and Exxaro Resources Limited².

Material related party transactions

Rand million	Audited 2021	Audited 2020
Anglo American SA Finance Limited¹		
Short-term deposit held with Anglo American SA Finance Limited		
– Deposit	3,717	13,721
– Weighted average interest rate (%)	3.76	4.48
Interest earned during the year ¹	736	466
Interest receivable	36	64
Uncommitted facilities held with Anglo American SA Finance Limited	8,200	8,200
Anglo American Capital plc		
Short-term deposit held with Anglo American Capital plc		
– Deposit	9,858	7,258
Interest earned on short-term deposits	—	20
Anglo Corporate Services South Africa Proprietary Ltd		
Purchase of goods and services: Corporate operations (including shared services)	517	564
Purchase of goods and services: Research	—	135
Insurance receivable	36	64
Trade payables	778	445
Long-term receivables	80	38
Anglo American Marketing Limited		
Cash and cash equivalents held with Anglo American Marketing Limited	2,857	889
Trade payable owed to Anglo American Marketing Limited	—	102
Trade receivable owed by Anglo American Marketing Limited	369	427
Sale of goods to Anglo American Marketing Limited	926	1,206
Purchases of goods and services from Anglo American Marketing Limited	134	—
Shipping services provided by Anglo American Marketing Limited	804	1,253
Anglo American Shipping Pte. Ltd		
Shipping services provided by Anglo American Shipping Pte. Ltd	5,856	4,390
Trade payable owed to Anglo American Shipping Pte. Ltd	152	227
Anglo South Africa Proprietary Limited		
Dividends paid to Anglo South Africa Proprietary Limited	25,597	7,991
Exxaro Resources Limited²		
Dividends paid to Exxaro Resources Limited	9,991	3,119
Purchase of goods and services ²	10	11

¹ Interest was earned at an average rate of 3.76% (2020: 4.48%) on cash deposits held with Anglo American SA Finance Limited.

² Goods purchased and services incurred from Exxaro Resources Limited consisted of ferrosilicon purchases and directors' fees.

15. Contingent liabilities

As previously reported, during 2018, the South African Revenue Service (SARS) issued the group with additional income tax assessments, covering the 2012 to 2014 years of assessments, relating to a tax audit on the deductibility of certain expenditure incurred. The group objected to these assessments after consultation with external tax and legal advisers. SARS disallowed the objection.

On 21 February 2019, the group submitted an appeal against this outcome which was referred to alternative dispute resolution (ADR) proceedings in an attempt to resolve the matter. The ADR proceedings were terminated on 20 February 2020, after which the group submitted a notice to SARS wherein the group confirmed that it wishes to proceed with the appeal to the Tax Court. On 18 August 2020, SARS filed its statement of grounds of assessment and opposing appeal, after which the group filed its statement of grounds of appeal on 21 October 2020. The pleadings in this matter are now closed and the trial date has been set for May 2022.

On 14 September 2020, SARS informed the group it intends to audit the 2015 to 2018 years of assessments (audit). As the 2015 year of assessment has prescribed, it will be excluded from the audit. The appeal and the audit concern the same subject matter. The result of the appeal is likely to be determinative of a substantial number, if not all, of the issues to be traversed in the audit. SARS has therefore agreed to hold the audit in abeyance pending the outcome of the appeal to the Tax Court.

Based on the external legal and tax advice obtained, the group believes that these matters have been appropriately treated in the results for the year ended 31 December 2021.

16. Guarantees

Total guarantees obtained in favour of the Department of Mineral Resources and Energy (DMRE) in respect of the group's undiscounted environmental closure liabilities at 31 December 2021 were R4.1 billion (2020: R3.4 billion). Guarantees in respect of the 2020 shortfall of R658 million were issued to the DMRE in May 2021. The undiscounted closure costs increased by R432 million during the year. This, partially offset by a R139 million increase in the trust fund investment, has resulted in a shortfall of R293 million which will be addressed in due course.

17. Regulatory update

National Environmental Management Act (NEMA)

The Minister of Environment, Fisheries and Forestry has determined that requirements for making financial provision to manage, rehabilitate and remediate environmental impacts from mining operations will be regulated under NEMA and no longer under the current Mineral and Petroleum Resource Development Act (MPRDA). This agreement has been formalised by amending the relevant environmental, water and mining legislation. The financial provisioning regulations were published on 20 November 2015, and further proposed material amendments were gazetted on 10 November 2017, 17 May 2019 and 30 August 2021. The deadline for compliance has been extended to June 2022. These amendments are expected to result in provision of additional funding for the undiscounted closure costs, which will be required during the first half of 2023 if the effective date remains unchanged.

18. Events after the reporting period

18.1. Declaration of a final cash dividend

A final cash dividend of R30.50 per share was declared by the Board on 21 February 2022 from profits accrued during the financial year ended 31 December 2021. The total cash dividend for the year amounted to R103.20 per share. The estimated total cash flow of the final Kumba dividend, payable on 22 March 2022 is R9.8 billion.

18.2. Subsidiaries' debt facilities and guarantees obtained

Subsequent to 31 December 2021, the group's subsidiaries, Kumba International Trading Limited and Kumba Singapore Pte Limited, concluded short-term working capital financing arrangements with Anglo American Capital plc, to the value of \$690 million (R10,667 million) and \$610 million (R9,431 million), respectively. SIOC, being the parent company, has extended guarantees to Anglo American Capital plc for amounts drawn under these facilities, up to a maximum of \$474 million (R7,328 million) and \$346 million (R5,349 million), respectively.

18.3. Other

There have been no other material events subsequent to 31 December 2021, not otherwise dealt with in this report.

Annexure 1 continued

19. Independent auditor's report

These summarised consolidated financial statements for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements from which these summarised consolidated financial statements were derived.

The auditor's report on the summarised consolidated financial statements is included on the following page, and a copy of the auditor's report on the consolidated financial statements, together with the financial statements, is available for inspection at the Company's registered office. The summarised consolidated financial statements for the year ended 31 December 2021 are available on the Company's website www.angloamericankumba.com

The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should read a copy of the auditor's report and obtain the accompanying financial information from the Company's registered office.

Any reference to future financial performance included in this announcement has not been audited or reported on by the Company's auditors.

On behalf of the Board



TP Goodlace
Chairman

21 February 2022
Pretoria



TM Mkhwanazi*
Chief Executive

* TM Mkhwanazi was the Chief Executive of Kumba until 31 December 2021.

Annexure 1 continued

Independent auditor's report on the summary consolidated financial statements

To the shareholders of Kumba Iron Ore Limited

Opinion

The summary consolidated financial statements of Kumba Iron Ore Limited, contained in the accompanying provisional report, which comprise the summary consolidated statement of financial position as at 31 December 2021, the summary consolidated statement of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Kumba Iron Ore Limited for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

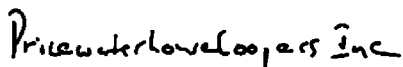
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 21 February 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



PricewaterhouseCoopers Inc.

Director: CS Masondo

Registered Auditor
Johannesburg, South Africa

21 February 2022

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Annexure 2



Mr Terence Goodlace (62)

**Independent non-executive director
and Chairperson of the Board**

HND (Metalliferous Mining), BCom, MBA

Joined the Board on 24 March 2017

He is the Chairperson of the Kumba Board and a member of the Human Resources and Remuneration Committee. He also chairs the Nominations and Governance Committee and the Strategy and Investment Committee.

His mining career commenced in 1977, and has spanned more than 40 years.

In addition to his role at Kumba Iron Ore Limited, Terence is also an independent non-executive director at Gold Fields Limited and AfriTin Mining Limited, and chairperson of Southern Palladium Limited. He spent the majority of his career at Gengold (merged with Gold Fields South Africa to become Gold Fields Limited in 1998) and he progressed from being a miner to becoming the Chief Operating Officer in 2008. For five years during this time, he was responsible for creating, implementing and facilitating the strategic and operational planning processes and outcomes for all group operations. This included executive responsibility for Group Mineral Resource Management, Environmental Management and Sustainable Development. He then spent three years as the Chief Executive Officer of Metorex Limited and served on the Impala Platinum Holdings Limited Board for two years as an independent non-executive director and four-and-a-half years as the Chief Executive Officer. He has significant experience in leading underground and open-pit operations in Africa, South America and Australia.



Mrs Michelle Jenkins (61)

Independent non-executive director

CA(SA), BSc (Hons) Geology, BA (Hons) Accounting

Joined the Board on 1 November 2019

She is a member of the Audit Committee, the Human Resources and Remuneration Committee and the Strategy and Investment Committee.

Michelle is a Chartered Accountant with over 20 years' experience in exploration and mining, with an Honours Degree in Geology from the University of the Witwatersrand and a Bachelor of Accounting Science (Honours) from the University of South Africa. Michelle has substantial experience working as a geologist prior to joining KPMG's mining group as a Chartered Accountant. She has held the role of Chief Financial Officer/Financial Director with a number of exploration and mining companies throughout Africa. Michelle provides financial and commercial leadership and with experience in multiple jurisdictions, has been involved in operating resources ventures and has been instrumental in start-ups, corporate acquisitions and disposals. Michelle offers a wealth of knowledge in resource industry risk management and mitigation and strategic leadership. Most recently, she was the Chief Financial Officer of Taurus Gold with gold assets in West Africa. Michelle was also Financial Director of Duration Gold with assets in Zimbabwe as well as director within the Clarity Capital Group, a private investment and advisory services company. Prior to that, Michelle was an executive director of Pangea Exploration. She serves on the boards of Prieska Copper Zinc Mine (Pty) Ltd and Shanta Gold plc.



Mr Sango Ntsaluba (61)

Independent non-executive director

BCom, BCompt (Hons), Higher Diploma in Tax Law, MCom, CA(SA)

Joined the Board on 5 June 2017

Chairs the Audit Committee and is a member of the Strategy and Investment Committee and the Nominations and Governance Committee.

He is the Chief Executive Officer and founder of Aurelian Capital, having been in the investment business for over 20 years. He co-founded what is now known as SNG-Grant Thornton, one of the leading accounting and auditing firms. He chairs the board of Thungela Resources and sits on the board of Clicks Group Limited.

Sango has varied board and executive experience covering areas of transport, logistics, energy, food production and pharmaceuticals, and has served on Public Sector boards.



Ms Josephine Tsele (52)

Non-executive director

BA, BA (Hons)

Joined the Board on 1 May 2021

She is a member of the Social, Ethics and Transformation Committee and the Strategy and Investment Committee.

Josephine currently fulfils the role of Chief Risk Officer at the Industrial Development Corporation, responsible for enterprise-wide risk management. She has extensive experience in the banking sector, having occupied various roles in the risk management divisions of a number of top South African investment banks and development finance institutions. Josephine has diverse experience in key sectors of the economy, namely power, infrastructure, construction, mining, FMCG and ICT. Furthermore, she has experience in country risk management, structured trade and bank counterparty assessments.

Annexure 2 continued

Brief curricula vitae of directors proposed for re-election continued



Ms Buyelwa Sonjica (71)

Independent non-executive director

BA, BA (Hons)

Joined the Board on 1 June 2012

Chairs the Social, Ethics and Transformation Committee and is a member of the Nominations and Governance Committee.

Buyelwa is a former Minister of Water and Environmental Affairs, and Minerals and Energy, and Deputy Minister of Arts, Culture, Science and Technology with the cabinet of the government of South Africa. She previously chaired the Parliamentary Select Committee on childcare facilities and the portfolio committee on water and forestry. She has also served as a member in the parliamentary portfolio committees of finance and the trade and industry committees. She is currently the Chairperson of the Aurelian Benefit Trust.



Mrs Mary Bomela (48)

Independent non-executive director

MBA, CA(SA), BCom (Hons)

Joined the Board on 1 December 2017

A member of the Audit Committee and the Human Resources and Remuneration Committee.

Mary is the Chief Executive Officer of the Mineworkers Investment Company (MIC). She currently serves on the boards of Primedia Proprietary Limited, Metrofile Holdings Limited, Ascendis Health and DN Invest Proprietary Limited.

Brief curricula vitae of Audit Committee members proposed for re-election



Mr Sango Ntsaluba (61)

Independent non-executive director

BCom, BCompt (Hons), Higher Diploma in Tax Law, MCom, CA(SA)

Joined the Board on 5 June 2017

Chairs the Audit Committee and is a member of the Strategy and Investment Committee and the Nominations and Governance Committee.

He is the Chief Executive Officer and founder of Aurelian Capital, having been in the investment business for over 20 years. He co-founded what is now known as SNG-Grant Thornton, one of the leading accounting and auditing firms. He chairs the board of Thungela Resources and sits on the board of Clicks Group Limited. Sango has varied board and executive experience covering areas of transport, logistics, energy, food production and pharmaceuticals, and has served on Public Sector boards.



Mrs Michelle Jenkins (61)

Independent non-executive director

CA(SA), BSc (Hons) Geology, BA (Hons) Accounting

Joined the Board on 1 November 2019

She is a member of the Audit Committee, the Human Resources and Remuneration Committee and the Strategy and Investment Committee.

Michelle is a Chartered Accountant with over 20 years' experience in exploration and mining, with an Honours Degree in Geology from the University of the Witwatersrand and a Bachelor of Accounting Science (Honours) from the University of South Africa. Michelle has substantial experience working as a geologist prior to joining KPMG's mining group as a Chartered Accountant. She has held the role of Chief Financial Officer/Financial Director with a number of exploration and mining companies throughout Africa. Michelle provides financial and commercial leadership and with experience in multiple jurisdictions, has been involved in operating resources ventures and has been instrumental in start-ups, corporate acquisitions and disposals. Michelle offers a wealth of knowledge in resource industry risk management and mitigation and strategic leadership. Most recently, she was the Chief Financial Officer of Taurus Gold with gold assets in West Africa. Michelle was also Financial Director of Duration Gold with assets in Zimbabwe as well as director within the Clarity Capital Group, a private investment and advisory services company. Prior to that, Michelle was an executive director of Pangea Exploration. She serves on the boards of Prieska Copper Zinc Mine (Pty) Ltd and Shanta Gold plc.

Annexure 3

The Human Resources and Remuneration Committee of the Board (Remco)

Role of Remco and terms of reference

Remco guides the Board by ensuring that Kumba's remuneration and employee benefits-related decisions and policies are aligned to its overall goals, while remaining fair and equitable both to employees and shareholders. The Committee's interests and activities are geared towards developing, maintaining and progressing a strong, competitive human resources environment. The Remco terms of references can be accessed on Kumba's website:

→ <https://www.angloamericankumba.com/investors/corporate-governance>

→ For details on the membership of Remco and attendance of meetings refer to page 48 of the Governance section of the Integrated report (IR).

Remuneration philosophy

Our reward philosophy is based on competitive, fair and transparent remuneration for our employees, and formulated to attract, retain, motivate and reward high-calibre, talented and productive employees. Remuneration components are designed to reward excellent, collaborative team and individual performance, while aligning with our values and strategic objectives and allowing employees to share in the performance and success of the business.

Guaranteed remuneration is aligned to the market median in respect of fixed pay, with variable performance-related pay, both short and long term, included in the total remuneration offering to ensure market competitiveness, with key and critical skills remunerated at the higher end of median scales. Ensuring fair, equitable and consistent application of our remuneration principles and policies, guided by the King IV principles relating to fair and responsible remuneration, is our top priority.

- Remco is firmly committed to its overarching responsibility of ensuring that the principles of accountability, transparency, sustainability and good governance are enacted in all remuneration-related matters. This includes the critical link between executive remuneration and performance against set strategic objectives, with the aim of creating executive engagement and shareholder value.

In the event that the remuneration policy or implementation report, or both, have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will delegate representatives to actively engage with dissenting shareholders to address and collate the substantive objections and concerns, and to adapt the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.

Fair and responsible remuneration

The main principles and practices that drive our commitment to fair and responsible remuneration are:

- adhering to legislative requirements and prescriptions relevant to remuneration and benefits
- undertaking an annual, external market benchmark of our remuneration package competitiveness across grading and job function/category
- reviewing and adjusting accordingly any salary anomalies lying below the comparable market median within a predetermined threshold
- applying structured policies on appointment and salary movement (promotions, demotions and lateral moves), while linking salaries to functional peer group medians to address equal pay for equal work and any income disparities based on gender, race or other demographics
- ensuring that all permanent and fixed-term employees in the Company are eligible to participate in a STI scheme, as appropriate
- designing and executing HR strategic initiatives to enhance the overall employee work experience and improve the EVP offering to our employees
- driving for continuous improvement and future proofing of our underlying employee engagement process and systems interfaces toward digitisation and mobile platforms, enabling higher efficiency and effectiveness in employee service delivery and towards the Company's Tswelopele programme strategic drive of becoming the employer of choice
- staying abreast of the latest market trends and offerings pertaining to remuneration and the remuneration mix of benefits as to ensure that we remain relevant and competitive in our reward offering

Elements of remuneration

The key elements of our remuneration framework and structure, which guides payments to all employees, are shown below, with a focus on executive directors and prescribed officers.

Remuneration framework

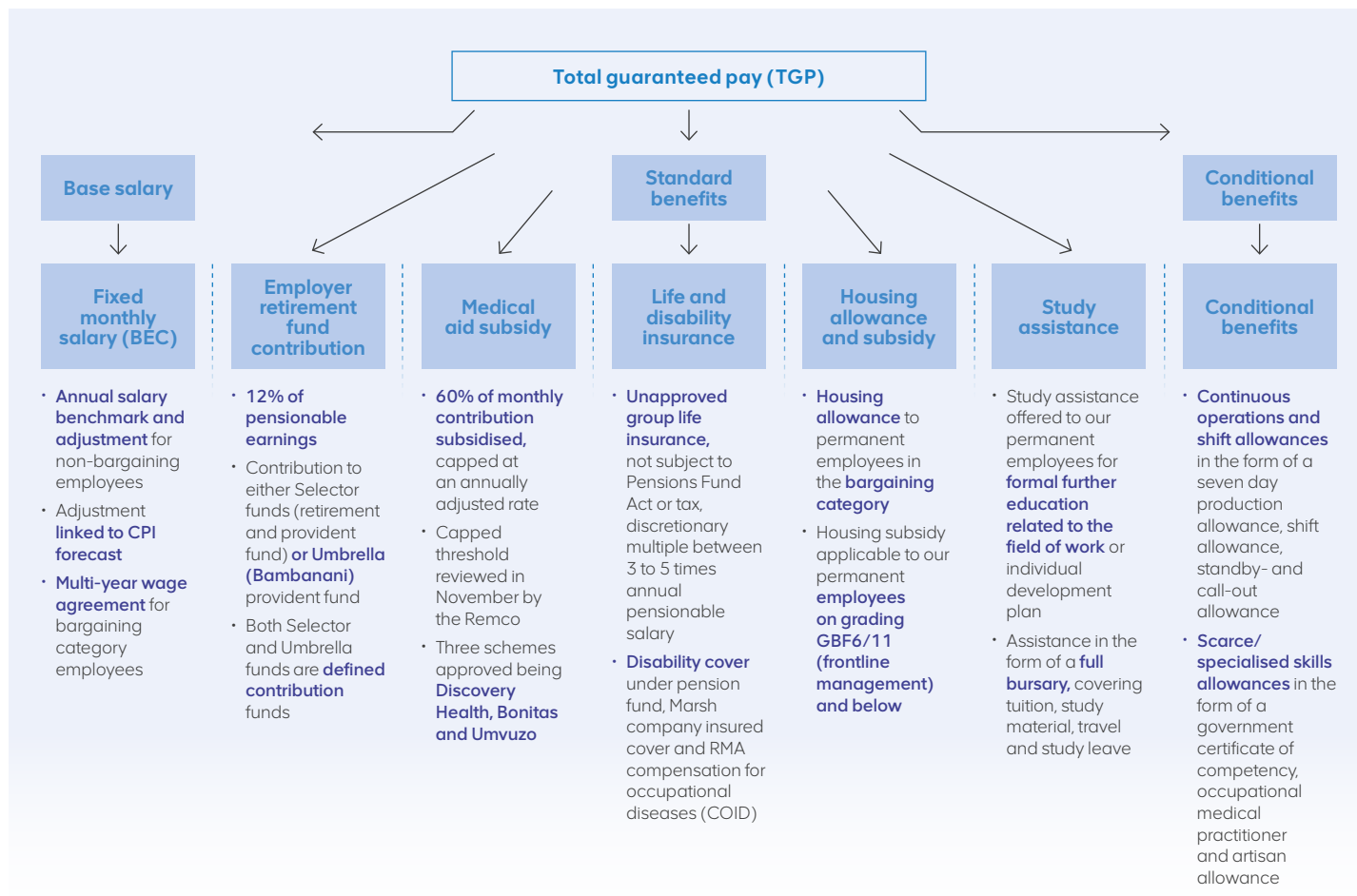


Diagram A – TGP elements

The strategic purpose of TGP is:

- to attract, motivate and retain high-calibre, talented and productive employees in a competitive market and to recognise their skills, experience and contribution to the Company's values
- ensuring that our pay is competitive in the industry and market-related
- being able to comply with legislative provisions and negotiated contractual commitments

- reinforcing and enhancing the principle that employees are the key stakeholders of our company
- ensuring an appropriate and flexible benefit mix (retirement fund, medical aid, group life etc.) to serve best our employees' dynamic lifestyle and life stages needs

The eligibility for conditional benefits are dependent on rarity of skill, job-specific roles and responsibilities and legislative requirements

Annexure 3 continued



Diagram B – STI elements

The STI rewards employees, who as contributing members of teams, meet or exceed the committed annual performance targets and is aimed to align the achievement of financial, operational, safety, health, environmental, productivity, overall equipment effectiveness (OEE) and company strategic objectives at a corporate and operational or site level. The level and depth of metrics are based on the applicable STI scheme

and the associated grading and sphere of control of the participating employees. The achievement of stretch targets at a company, business unit, functional and team level are also encouraged by this incentivisation while allowing our employees to participate in the gains attributed to strong or exceptional Company performance during the financial year.



Brumilda Catherine Kasper, and SHE training officer Nosipho Michell Besnaar, in the newly revamped training centre at Kolomela.

Long-term incentives

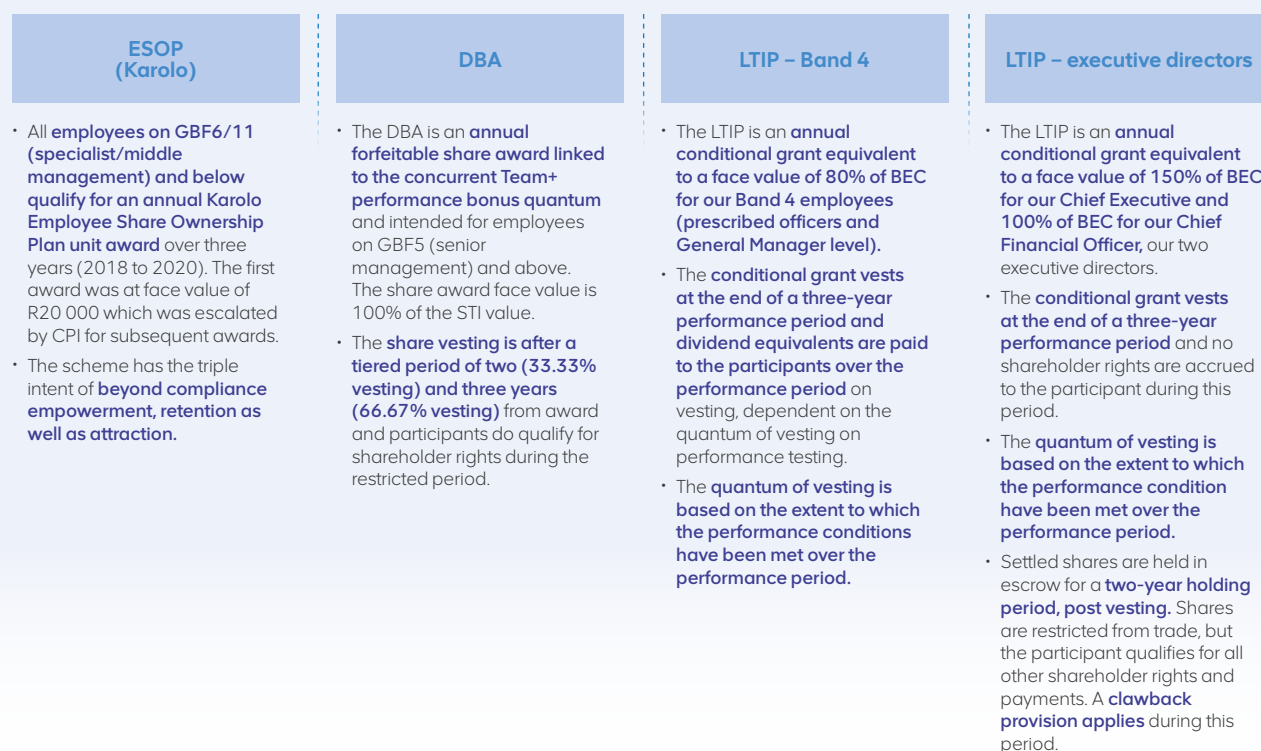


Diagram C – LTIP elements

Kumba's share incentive plans are structured to optimise the organisation's overall EVP position, while providing benefits that will assist the Company to attract, retain and incentivise executives and top talented employees towards sustained performance.

The plans are designed to align management and shareholder interests, and grow shareholder value. The objectives are to motivate long-term sustainable performance, and retain business-critical and top talented employees while incentivising employees towards the achievement of ambitious business transformation through the Tswelelopele strategy and culture programme.

Executive directors' and prescribed officers' remuneration

When assessing the performance of the Company and its executive directors and prescribed officers, the Committee is mindful of its obligation to our shareholders, as elaborated in our remuneration framework. The remuneration of executive directors and prescribed officers consists of fixed and variable components designed to ensure a substantial portion of the total reward remuneration package is linked to the achievement of the Company's strategic objectives, thereby aligning incentives to the creation of sustainable shareholder value.

Fixed remuneration

The total package per role is compared to levels of pay at the market median in JSE-listed companies of comparable size and complexity within the industry sector. Annual salary benchmark reviews are conducted to ensure market competitiveness and pay relevance.

The Company contributes 12% of pensionable salary to approved retirement funds. Medical aid is subsidised at 60% of the contribution to a maximum amount determined by market comparisons. Risk insurance benefits include life cover and death-in-service benefits, subject to the rules of the approved Kumba retirement funds. The Company provides additional death and disability cover to employees through its insurance risk and compensation for COID underwriting policies.

Variable remuneration

The variable remuneration of the executive directors and prescribed officers consists of cash (annual Team+ performance bonus) and equity instruments (deferred bonus and long-term incentives) applied in combination and with the quantum and conditions appropriate to the scope of responsibility and contribution to operating and financial performance of the respective role.

Annexure 3 continued

The variable remuneration components of our remuneration framework can be summarised as follows for our executive directors and prescribed officers:

Variable pay component	Instrument type	Payment/vesting	Eligibility
Team+ performance bonus	Cash	Annual cash payment in March, following the performance year under review	Executive directors, prescribed officers, senior and middle management employees
DBA	Restricted equity awarded under the bonus retention share plan (BRP) rules	Unconditional vesting, subject to employment condition, with tranches vesting after two and three years respectively.	Executive directors, prescribed officers and senior management employees
Deferred Cash	Cash	Cash deferred for one year	Middle management employees
LTIP	Restricted equity awarded under the performance share plan (PSP) rules	Conditional vesting after three years, with an additional two-year holding period subject to clawback provisions for the executive directors	Executive directors, prescribed officers and qualifying senior managers (general management level employees)

Team+ performance bonus

The Team+ performance management process focuses on individual and collective team performance driven through collaboration, with annual performance objectives set on three different team levels being group (all Anglo American group functions), business unit (Kumba corporate office and SIB projects) and asset (Sishen and Kolomela). Team+ performance management discussions are ongoing, short-term horizon focused (next few weeks or months) and forward looking. The underlying Team+ bonus performance scorecards comprise two key result area (KRAs) being business results and critical tasks, comprising 100% of the bonus potential, with a supplementary breakthrough accelerator KRA comprising an additional 30% of the bonus potential. The Team+ bonus KRAs are further expounded as follows:

- Business results – measure achievements at the business unit or asset level and at the group level for those in group functions. Business results comprise the key output metrics for the performance year under review – such as financial, operational, safety, health, and environmental key performance measures. This key result area comprises 70% of the overall STI potential.

- Critical tasks – programmes and initiatives that the business unit, asset or group function must deliver during the performance year to be successful in the transformation of the business towards the Kumba Tswelelopele programme and the Anglo American Burning Ambition – for the performance year under review and in future years. This key result area comprises 30% of the overall STI potential.
- Breakthrough accelerator – the breakthrough accelerator is a discretionary award made by the Anglo American GMC for exceptional performance in bringing forward breakthroughs that accelerate the transformation of the business and achievement of the Anglo American “Burning Ambition”. It is worth up to an additional 30% of the BR rate, which can be paid for outstanding achievements, such as early delivery of transformation programmes, inspired innovation, or the development of new pathways.

A diagrammatic overview of the Team+ performance STI calculation methodology is depicted in Diagram D.

Team (business unit or asset level) performance scorecard



Band	BRP % of annual BEC
Band 4 and 5	60%
Band 6	40%



Diagram D – Team+ bonus calculation methodology

2021 long-term incentive plan (granted under the PSP rules)

The purpose of the long-term incentive plan (LTIP) is intended to incentivise, attract and retain high-performing employees as part of the Company's EVP. Awards are subject to underlying LTIP performance conditions which are measured over a three-year period. These conditional vesting performance measures are reviewed and evaluated annually by the Remco. The Remco considers the key business value and ESG drivers in selecting metrics and the alignment of the participants' reward with long-term, sustainable value creation in setting performance targets.

Annexure 3 continued

Table A – Changes for the 2021 financial year LTIP grant performance conditions breakdown are summarised below, compared to the 2020 grant:

LTIP performance key result area (KRA)	2020 performance weighting	2020 performance measure	2020 measure weighting	2021 performance weighting	2021 performance measure	2021 measure weighting
Relative total shareholder return (TSR)	50%	TSR – global iron ore peer group	25%	50%	TSR – global iron ore peer group	25%
		TSR – JSE/FTSE mining index	25%		TSR – JSE/FTSE mining index	25%
Balanced scorecard of metrics	30%	Financial measures – 30%		50%	Financial measures – 30%	
		Attributable free cash flow	15%		Attributable free cash flow	15%
		ROCE	15%		ROCE	15%
		ESG measures – 20%			ESG measures – 20%	
		Tailings dams standard	4%		Tailings dams standard	4%
		Energy efficiency	4%		Local procurement expenditure	4%
		GHG intensity	4%		GHG intensity	8%
		PM10 dust control	4%		Safety-critical control monitoring	4%
		Safety-critical control monitoring	4%			

As per the approved changes to the executive directors' remuneration policy in November 2019, the LTIP award performance conditions comprise 50% relative TSR metrics and the balance of 50% balance scorecard performance metrics, encompassing key financial and ESG strategic deliverables for the Company. The 2021 LTIP award performance condition breakdown is depicted in Diagram E.

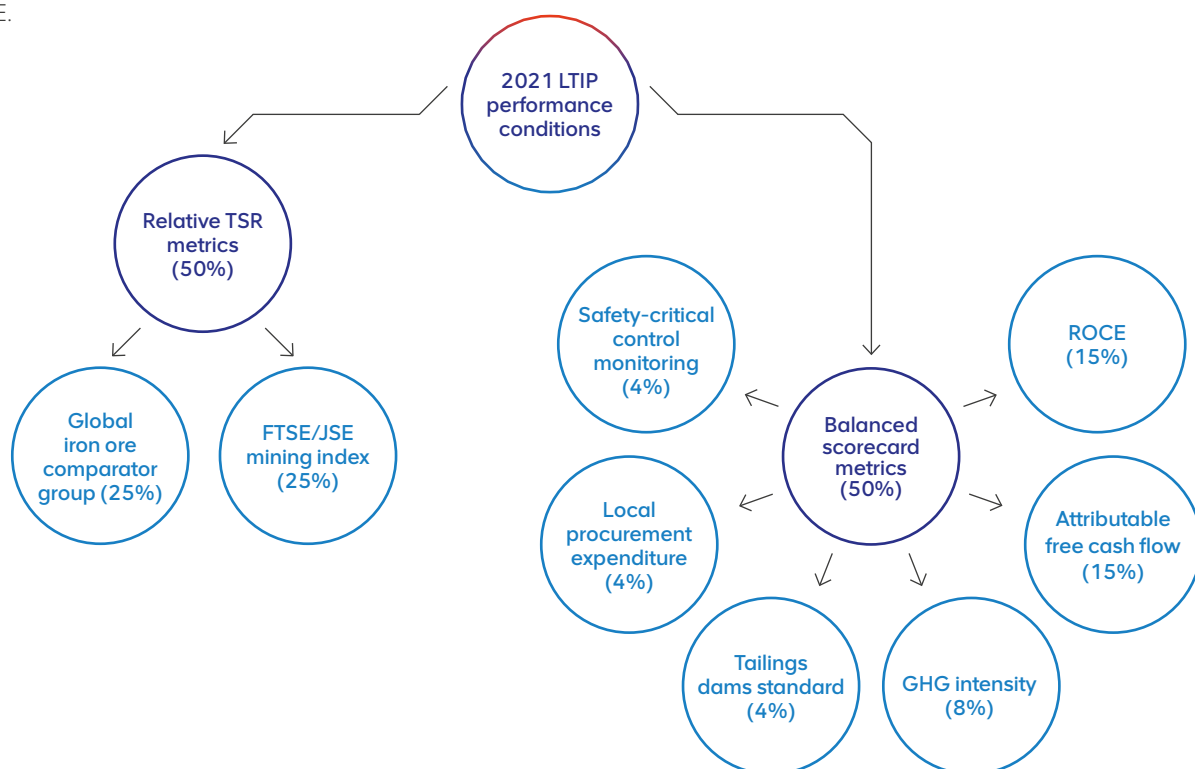


Diagram E – 2021 LTIP award underpinning performance condition breakdown

The 2021 balanced scorecard measures proposed have remained the same for the most part as in 2020. Two changes have been affected for the 2021 grant, the first being that the greenhouse gas intensity measure has been up-weighted from 4% to 8%, encompassing the energy efficiency measure which is one of the ESG measure's key underlying dependencies. The second change is the replacement of the PM10 dust control environmental measure with a social responsibility measure, being local procurement expenditure. The decision was taken to better balance the balanced scorecard segment towards the

Company's ESG obligations, with the inclusion of a social responsibility measure. The chosen measure strongly underpins the Anglo American group social responsibility measure, being the number of jobs supported off-site for each job on-site. Local procurement expenditure is one of Kumba's key strategic imperatives and has a much clearer line of sight in terms of measurability and was hence the preferred social responsibility measure for the Company. A detailed breakdown of the 2021 LTIP award underpinning performance conditions, targets and vesting schedule is depicted in Table B.

Table B – 2021 LTIP award performance conditions, targets and vesting schedule

Performance indicator	% of allocation subject to indicator	Performance indicator	% of allocation subject to indicator	Below threshold target	Threshold target	Stretch target
Total relative shareholder return (TSR) achieved	50%	Global iron ore comparator group	50%	Below median TSR	Median TSR	Upper quartile TSR ranking
		Vesting schedule		0%	25%	100%
		JSE/FTSE mining index	50%	Below the performance index	Performance at the index	Performance at the index + 9%
		Vesting schedule		0%	25%	100%
Balanced scorecard	50%	Attributable ROCE	30%	<37%	37%	40.9%
		Vesting schedule		0%	25%	100%
		Attributable free cash flow	30%	<R8,888m	R8,888m	R10,939m
		Vesting schedule		0%	25%	100%
		GHG intensity	16%	<5% improvement by 2023, indexed on 2020 actual	5% improvement by 2023, indexed on 2020 actual	15% improvement by 2023, indexed on 2020 actual
		Vesting schedule		0%	25%	100%
		Tailings dams standards	8%	<100% level of implementation at all operations	N/A	100% level of implementation at all operations
		Vesting schedule		0%	N/A	100%
		Social responsibility – Local procurement annual expenditure	8%	<28% of 2020 discretionary expenditure	28% of 2020 discretionary expenditure	33% of 2020 discretionary expenditure
		Vesting schedule		0%	25%	100%
		Safety-critical control monitoring	8%	<98%	98%	100%
		Vesting schedule		0	25%	100%

Executive directors' and prescribed officers' 2021 remuneration policy

The following section provides a comprehensive overview of the executive directors' and prescribed officers' remuneration policy applicable to the 2021 financial year.

Elements of remuneration

The key elements of our remuneration framework and structure, which guide payments to all employees, are shown in the Annexure, with a focus on executive directors and prescribed officers. Please refer to the Annexure on pages 155 to 159 of the IR.

Executive directors and prescribed officers' package design and total remuneration opportunity at different levels of performance

The following charts illustrate the pay mix distribution of the Chief Executive Officer (Chart X), Chief Financial Officer (Chart Y) and the prescribed officers (Chart Z) at threshold, on-target and stretch performance for 2021.

Annexure 3 continued

Chart X: Chief Executive pay mix distribution with performance

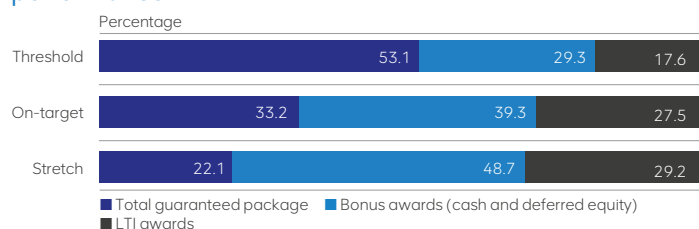


Chart Y: Chief Financial Officer pay mix distribution with performance

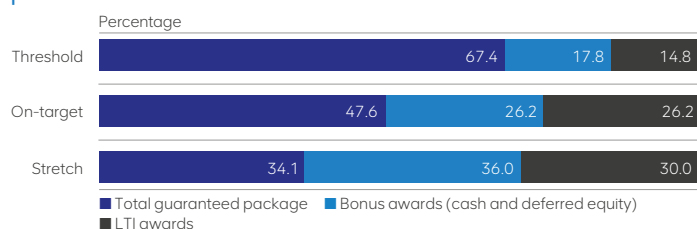
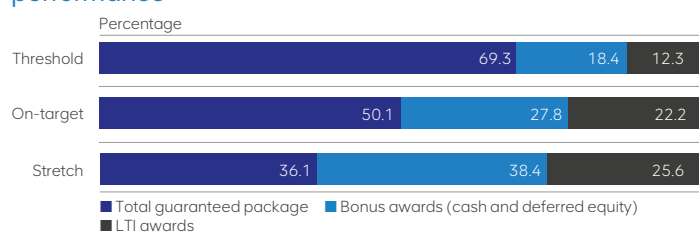


Chart Z: Prescribed officers' pay mix distribution with performance



Key assumptions

Total remuneration component	Threshold	On-Target	Stretched
TGP	2021 basic salary, benefits and pension.	2021 basic salary, benefits and pension.	2021 basic salary, benefits and pension.
Bonus awards (cash and deferred equity) – Chief Executive	25% of maximum bonus opportunity.	53.6% of maximum bonus opportunity.*	100% of maximum bonus opportunity.
Bonus awards (cash and deferred equity)	25% of maximum bonus opportunity.	52.1% of maximum bonus opportunity.*	100% of maximum bonus opportunity.
LTIP awards	25% of award vesting.	62.5% of award vesting.	100% of award vesting.

* Performance weighting between Anglo American group financial metrics and Kumba specific metrics impacts the final realised percentage. Normalised for the exclusion of the critical tasks bonus segment as these objectives only have on-target performance measures.

Changes to the executive directors' remuneration policy for 2021

The current executive directors' remuneration policy continues to be effective and no additional changes have been affected during 2021, over and above the changes that had been implemented during 2020.

Executive directors and prescribed officers' contracts of employment

Executive directors and prescribed officers are not employed on fixed-term contracts but have standard employment contracts with notice periods of up to six months. The former Chief Executive, Themba Mkhwanazi's contract had a restraint of trade provision for a period of 12 months after the termination of his employment and this condition is also contained in the new Chief Executive, Mpumi Zikalala's contract. There are no additional payments for any of the restraint obligations as the Chief Executive's remuneration is deemed fair and reasonable compensation, inclusive of the restraint obligations.

There is no restraint of trade provisions applicable to the Chief Financial Officer and prescribed officers. No restraint payments have been made during this year. There are no change of control provisions or any provisions relating to payment on termination of employment.

Appointments of executive directors and prescribed officers

Appointments are subject to approval by the Board and are governed by the business integrity policy.

Non-executive directors' fees

Non-executive directors do not have employment contracts with the Company or participate in any of the Company's incentive plans. non-executive directors are subject to retirement by rotation and re-election by shareholders in accordance with the Mol of the Company.

Recommendations on the level of fees payable to non-executive directors, are made by Remco and are approved by the shareholders. non-executive directors' remuneration is determined through the benchmarking of market data, based on a survey of a representative comparator group of JSE-listed companies, as conducted by an independent external service provider. Fees are not dependent on meeting attendance. There are no other supplementary fees payable. Annual fees payable to non-executive directors were approved by shareholders at the AGM on 14 May 2021. The fees are as follows:

2021 fees per annum (Rand)

Capacity	Chairperson	Member
Board of directors*	1,731,815	322,445
Lead independent director**	1,267,151	n/a
Audit Committee	378,715	188,361
Strategy and Investment Committee	344,287	171,237
Social, Ethics and Transformation Committee	344,287	171,237
Human Resources and Remuneration Committee	344,287	171,237
Nominations and Governance Committee*	n/a	171,237
Special Board sub-Committee	n/a	171,237

* The Nominations and Governance Committee is chaired by the Chairperson of the Board and there are no additional fees paid for this responsibility, he is also a member of the Human Resources and Remuneration Committee and the Strategy and Investment Committee and he attends all other committee meetings. He does not receive any additional remuneration in this regard.

** The Lead independent director chairs the Strategy and Investment Committee, he is also a member of the Audit Committee, Nominations and Governance Committee, Human Resources and Remuneration Committee and the Social, Ethics and Transformation Committee. He does not receive any additional remuneration in this regard.



Staff engagement – Exco and staff of Kolomela dancing the Jerusalema dance outside the fatigue centre.

Annexure 3 continued

Section three: Disclosure on implementation of policies for the financial year

Guaranteed pay adjustments

Average rate of increase for 2021

An inflation adjustment mandate of 3.5% to the CTC (base salary plus employer retirement fund contribution) was approved by the Remco for the non-bargaining category employees, in line with our mining peers and national benchmarks conducted, supported by an external, third-party service provider.

The total reward (TR) remuneration of the executive directors is benchmarked against a comparator peer group of JSE-listed companies of similar size and nature of operations and undertaken by a third-party external service provider. The criteria utilised in the determination of an appropriate peer group were total assets under control, number of employees, revenue and market capitalisation.

In 2020, a multi-year collective bargaining agreement was concluded between Kumba and the representative trade unions, for the period 1 July 2020 to 30 June 2023. Our three recognised trade unions, being the National Union of Mineworkers (NUM), Solidarity and the Association of Mineworkers and Construction Union (AMCU), together with management, concluded the agreement which regulates the annual adjustment percentage. A multi-year wage agreement ranging between an 8.8% increase on the lowest level and 4.6% on the highest level of the bargaining category for the second year (2021) of the agreement, effective from 1 July 2020 until 30 June 2023 was agreed upon and signed by two of the three major trade unions effective 1 July 2020. The remaining trade union accepted the agreement effective 18 December 2020. The agreement was implemented on a backdated basis from 1 July 2020 for members of the remaining trade union.

Annual performance incentive outcomes – linked to underlying performance

Safety performance

Kumba continued to demonstrate a strong safety performance in 2021, achieving a fatality-free record of five years and seven months. Kumba's safety strategy is based on the EOF framework, which drives the business' safety efforts in achieving zero harm and injury reduction.

Kumba's operations recorded their lowest total number of recordable cases of 20 (2020: 39) to date, reducing the TRCFR to 0.80 (2020: 1.74), a 54% improvement. Lost-time injuries reduced to eight (2020: 18) for the period, reflecting a 56% improvement. Of concern was high potential incidents, a leading safety indicator, which increased to 10 (2020: two).

To drive continuous improvement and further increase accountability, Kumba implemented a sustainable risk reduction programme to inculcate a proactive safety mindset and behaviour among the workforce. Through the programme, several areas of improvement have been identified such as the standardisation and simplification of systems, as well as supporting leaders and supervisors with training and the tools to coach, mentor and manage their teams. In addition, the high potential hazard leading indicator reporting and leadership engagements are progressing well and are expected to

contribute towards improved safety outcomes, to ensure that everyone goes home safely each day.

Health performance

From a health perspective, Kumba had another successful year with no new cases of occupational diseases. Kumba conducts ergonomic risk assessments and vibration studies for all mobile equipment and tasks involving manual lifting and handling. These are integrated into occupational risk management processes to mitigate associated risks.

Innovative, real-time data analytics help prevent exposure to hazardous agents, such as noise or inhalable particles that reach unsafe levels and provide proactive controls to manage health exposures in the workplace. This allows the business to respond to system and control failures as they occur and predict where maintenance on health hazards is required. As a result, we recorded a 46% reduction in respirable and silica dust exceedances above the occupational exposure level (HEG A for silica and respirable dust exposure), from 24 people in 2020. Progress is supported by the use of automated drilling rigs at mines, to reduce exposure to dust. These have ensured that no visible dust is emitted during reverse circulation drilling.

Environmental performance

Mining has a critical role to play in providing many of the metals and minerals needed for a low-carbon economy and sustainability is therefore an integral part of Kumba's business strategy and a key driver of future growth. Kumba has had no major (level 3 to 5) environmental incidents for over six years, and its ambition is to reduce its scope 1 and 2 carbon emissions at its operations by 30% by 2030, including zero scope 2 carbon emissions by 2030. Kumba's environmental management efforts are focused on moving the business towards operating carbon-neutral and less water-intensive mines.

Together with the broader Anglo American group, Kumba is developing solar renewable energy generation and investigating green hydrogen as a renewable energy source for mining activities. Kumba is currently engaged with the permitting process for a solar plant in the Northern Cape.

Having a sustainable water supply is critically important for the health of communities. In recognition of this, Kumba is targeting a 50% reduction in freshwater consumption by 2030 through water efficiency projects, such as the reduction of water usage in dust suppression. In 2021, Kumba supported its communities with over 17 billion litres of freshwater supplied to the local municipality at Sedibeng, as part of the essential services we provide to our local communities.

Kumba is a member of the International Council of Mining and Metals through Anglo American and its tailings dams are required to comply with the Global Industry Standard for Tailings Dams (GISTM) published in 2020. Kumba's Tailings storage facilities are subject to a rigorous risk management programme and achieved 96% compliance against the Anglo American standard for tailings dams. An implementation plan is underway to ensure full compliance against the new standards by 2023. Kumba also continually monitor the performance of its tailings facilities and no significant incidents or events were recorded in 2021.

Kumba understands the importance of rehabilitating the disturbed environment and the business exceeded all its concurrent rehabilitation targets for reshaping, growth medium and seeding. Sishen has reshaped 99.5ha and seeded 80ha. Kolomela has reshaped 38.8ha of land and seeded 42ha. Kumba's multi-disciplinary approach to rehabilitation and closure, as well as increased focus on equipment and personnel availability, ensures that the business continues to see a steady improvement in performance.

Operational efficiency performance

Kumba continued to invest in its assets and people to drive operational excellence. Kumba's FutureSmart™ mining programme pairs technology and digitalisation to improve the safety of its workforce, support the step-up in productivity levels to ensure operational excellence and deliver on environmental and other sustainability goals. Over the Tswelelopele period, Kumba implemented autonomous braking on its haul truck fleets and its autonomous drilling fleet at Kolomela has improved drilling efficiency, lowered associated costs and reduced the risk of exposure for operators. Mining fleet enhancements have led to a 16% increase in truck utilisation, improved payload performance by 4% and increased shovel volumes by 40%. In the past four years, through the optimisation of the load-out station at Sishen, Kumba has increased rail capacity by 400,000 tonnes per year, by increasing the average tonnage per wagon. On the plant side, advanced process control technology has increased the yield at Sishen's Jig plant by 4%.

The operational equipment efficiency of the primary fleet also improved in the second half of the year, increasing from 62% to 67%, reflecting the benefit of the rain recovery plan and major equipment maintenance interventions. Supply chain disruptions began in the third quarter as a consequence of the pandemic, which affected equipment availability. This coupled with the rain challenges earlier in the year, which caused the clay horizon at Sishen to be saturated well into the third quarter, impacted operational efficiencies of the primary fleet, resulting in a 2% year-on-year decrease. Based on the experience of 2021, Kumba has updated its rain readiness plans and infrastructure and has seen a quicker recovery from heavy rainfall events.

In pursuit of operational excellence, Kumba continues to drive efficiencies across the value chain, focusing on spares management, optimisation of mine plans, improvement of truck payload and implementation of FutureSmart™ technologies. Kumba's strategy is to ensure that it optimises the value of its products, in terms of iron ore content and Lump ratio, to maximise the value achieved given the constrained logistical system.

Production performance

Although weather, logistical challenges and supply chain delays impacted on Kumba's value chain, the business delivered a solid performance across its operations with mining performance improving into the second half. Total tonnes mined increased by 2.0% to 261.4 Mt (2020: 256.3 Mt) and total waste stripping by 2% to 209.4 Mt (2020: 204.8 Mt).

Total production for the year increased by 9% to 40.9 Mt (2020: 37.6 Mt). Sishen produced 28.0 Mt, representing an increase of 9% (2020: 25.8 Mt) and Kolomela's production went up by 8% to 12.8 Mt (2020: 11.9 Mt). The improved performance reflects the impact of Covid-19 in 2020 and increased plant availability and reliability in 2021, along with improved ore supply as mining

recovered. However, in the last quarter of the year, production was hampered by higher stock levels at Sishen and Kolomela following the annual shut down by Transnet for maintenance, adding to already high stock levels as a result of rail performing below planned levels earlier in the year.

Closing finished iron ore stock increased to 6.1 Mt (31 December 2020: 4.8 Mt), with the majority of the stock situated at the mines due to rail constraints. The higher stock levels have been incorporated into production and rilling plans to mitigate uneven rail performance and also ensure that the business is well positioned for the tie-in of the UHDMS plant planned for 2023.

Cost discipline performance

Achieving a cumulative R4.1 billion in cost saving since 2018 has contributed significantly to the EBITDA margin growing from 45% to 63% in 2021, although cost and geological inflation remains a challenge. Cost discipline and operational efficiency continue to be a priority as Kumba drives further savings initiatives across its business. Kumba is targeting a further R1.0 billion in cost savings for 2022.

Financial performance

Kumba delivered another record set of financial results with EBITDA up 41% to R64.6 billion and attributable free cash flow of R30.5 billion. The business harnessed the benefit of improved production volumes and robust iron ore prices for its high-quality products, while achieving further progress against strategy.

Strong revenue gains were partly offset by the increase in costs. Higher costs were driven by inflationary pressures including supply chain-related expenses, coupled with higher mining inflation. These were partially offset by higher plant production and cost savings achieved. Sishen's unit costs increased from R362/tonne to R432/tonne and Kolomela's unit cost increased from R304/tonne to R324/tonne. Notably, Sishen's unit cost decreased from R448/tonne at half-year, in line with the higher capitalisation of work-in-progress stock. C1 unit costs increased to US\$39/tonne, remaining below our guidance of US\$40/tonne, partly due to a 10% strengthening in the Rand to an average of R14.79/US\$.

Kumba's robust earnings growth and cash generation led to attributable free cash flow increasing by 47% to R30.5 billion. Through focusing on what the business can control such as safety, production and costs, as well as capturing a product premium above market levels and disciplined capital allocation, Kumba has seen its attributable free cash flow increase more than threefold since 2018.

Capital expenditure (capex) of R8.0 billion (2020: R6.1 billion) largely comprised R3.7 billion of SIB spend, R1.7 billion of deferred stripping and R2.6 billion of expansion capex. The increase in capital creditors of R1.8 billion (2020: R0.3 billion) relates to capital expenditure incurred during the year but not yet paid at the reporting date, net of prior year expenditure paid. The 2021 full-year cash capex net of capital creditors was R6.3 billion (2020: R5.7 billion). SIB capex represents spend on capital spares, mining fleet replacement and plant and infrastructure upgrades to sustain our business. Deferred stripping capex reduced marginally due to a reduction in the stripping ratio at Sishen, which was partially offset by an increase at Kolomela due to the higher stripping areas that we are mining.

Annexure 3 continued

Expansion capex included the Kapstevél South project (R2.0 billion), execution of the UHDMs project (R0.2 billion), and the balance relates largely to P101 operational efficiency initiatives and technology. Disciplined capital allocation has resulted in a ROCE of 147% resulting in 2021, up from 109% in 2020.

2021 performance scorecard for the Exco – performance against targets

Aligned with the Anglo American Team⁺ performance management approach, Exco was assessed against the business unit performance scorecard, set forth for Kumba. The Chief Executive was assessed against his personal scorecard, aligned with the Kumba business unit performance scorecard objectives, but also reflecting his committed strategic- (20% of the scorecard) and personal objectives (10% of the scorecard) for the performance year.

The business unit performance scorecard comprises two KRAs, being:

- business results – key output metrics (financial and operational performance, safety, health and environmental (ESG) objectives for the performance year) which comprises 70% of the STI potential
- critical tasks – programmes and initiatives that the business unit must deliver during the performance year in order to be successful in the transformation of the business towards the Tswelelopele margin improvement, sustainability and P101 productivity objectives. The critical tasks segment comprises 30% of the STI potential

The 2021 Team⁺ performance against scorecard objectives was reviewed and assessed based on the following cascading process:

- business results – The Kumba scorecard was reviewed and assessed by the Anglo American Corporate Committee and ratified by the Anglo American GMC. The final scoring was communicated to Remco for final review, consideration and approval
- critical tasks – The adjudication of the critical tasks segment of the Kumba scorecard is comparable to the business results segment, but as the critical tasks key result area objectives are interwoven with the strategic and personal objectives of the Chief Executive, this section of the scorecard is assessed independently for the Kumba Chief Executive by the Chairperson of the Kumba Board and the Anglo American Chief Executive of Bulk Commodities and Other Minerals, prior to final review, consideration and ratification by Remco as per their mandate from the Board

2021 performance incentive sanctioned adjustments

The Kumba business unit 2021 performance scorecard targets have been adjusted for the KRA targets that have been adversely impacted by uncontrollable events on the Kumba logistics channel to ensure that employees are not unduly disadvantaged on the performance against their respective 2021 STI schemes by the executive management decision to execute the best commercial strategy available to Kumba, rather than simply maximising production, which would maximise their incentive at the expense of an optimal strategic outcome for Kumba. The approved adjustments, as sanctioned by the Anglo American Corporate Committee, the GMC as well as HR and Remco, were affected to the performance targets of the following performance metrics impacted:

- Kumba business unit EBITDA at fixed prices (adjusted for commodity pricing and exchange rate). A downward adjustment of US\$152 million was approved on the 2021 target.
- Kumba business unit sustaining attributable free cash flow at fixed prices (adjusted for commodity pricing and exchange rate). A downward adjustment of US\$152 million was approved on the 2021 target.
- Kumba business unit Saleable Production tonnes. A downward adjustment of 1,366 Mt was approved on the 2021 target.
- Kumba business unit, unit cost. An upward adjustment of FOB US\$0.74/tonne was approved on the 2021 target.

The adjustment has been sanctioned for all Kumba employees participating in the annual performance incentive scheme, including the Chief Executive.

On the approval and recommendation of the Anglo American GMC, an additional three points were added to the 2021 performance incentive outcomes group-wide, across all the Anglo American business units. This upliftment is in recognition and to reward the resilience and adaptability that was required from employees during 2021 to generate the production and financial results of this record year in the Anglo American group and Kumba, which has seen significant returns to shareholders. A significant additional effort has been required across the workforce to respond to the impacts of the ongoing Covid-19 crisis. The additional points upliftment has not been applied to our Chief Executive's 2021 performance scorecard. The recommended three points upliftment to the 2021 performance scorecards for employees on a Band 6 (middle management and senior specialists) and above grading, as well as to the production bonus for the Band 7 grading (frontline management) and below employees, has been reviewed, sanctioned and adopted by HR and Remco.

2021 performance scorecard for the Exco – performance against targets

Weighting			Below threshold	Between threshold and target	Between target and stretch	Stretch and beyond
Group financial targets						
12	EPS Anglo American group at fixed prices				✓	
	EPS Anglo American group at actual prices					✓
	Sustaining attributable free cash flow at fixed prices				✓	
Business unit – financials						
15	EBITDA at fixed prices (adjusted for price/exchange rate)			✓		
	EBITDA – adjustment target			✓		
	Sustaining operating free cash flow at fixed prices (adjusted for price/exchange rate)			✓		
	Sustaining operating free cash flow – adjustment target				✓	
	ROCE					✓
Business unit – operational						
23	Saleable production			✓		
	Saleable production – adjustment target			✓		
	BU unit cost		✓			
	BU unit cost – adjustment target		✓			
	Mine compliance				✓	
Safety, health and environment						
20	Injuries (TRCFR)					✓
	Environmental systems					✓
	Health systems					✓
	EOF				✓	
Critical tasks						
30	Mandatory critical task	Localised procurement			✓	
	Mandatory critical task	RDP actions incorporated into the 2021 – 2025 business plan			✓	
	Mandatory critical task	Redesigning operations		✓		
	Optional critical task	Implement technology programme in support of site breakthrough		✓		
	Optional critical task	Anglo Operating Model and planning implementation			✓	
Overall performance rating – unadjusted targets						71.4
Overall performance rating – adjusted targets						75.4
Overall performance rating – Anglo American plc group uplift with three points						78.4

Annexure 3 continued

2021 performance scorecard for the Chief Executive – performance against targets

The annual performance scorecard for the Chief Executive is designed to encompass the key strategic objectives of the Company for the performance year under review and is done in conjunction with the Anglo American group to ensure alignment with group objectives and the Anglo GMC objectives.

Performance towards the long-term strategic objectives of the Tswelelopele programme and Anglo American Burning Ambition are also taken into consideration. The performance weighting of the KRAs are aligned with the changes to the executive directors' remuneration policy for the Chief Executive, pertaining to the rebalancing of the performance measures of the STI implemented in 2020. The KRAs and performance weighting for the 2021 scorecard are as follows:

Weighting			Below threshold	Between threshold and target	Between target and stretch	Stretch and beyond
Group performance						
20	EPS Anglo American group at fixed prices				✓	
	EPS Anglo American group at actual prices					✓
	Sustaining attributable free cash flow at fixed prices				✓	
Business unit performance						
30	BU EBITDA at fixed prices (adjusted for price/exchange rate)			✓		
	EBITDA – adjustment target			✓		
	Sustaining operating free cash flow at fixed prices (adjusted for price/exchange rate)			✓		
	Sustaining operating free cash flow – adjustment target				✓	
	ROCE					✓
	Saleable production			✓		
	Saleable production – adjustment target			✓		
	BU unit cost		✓			
	BU unit cost – adjustment target		✓			
	Mine compliance				✓	
Safety, health and environment						
20	Injuries (TRCFR)					✓
	Environmental systems					✓
	Health systems					✓
	EOF				✓	
Strategic Objectives						
20	Portfolio	Mine life extension up to 2040 (Horizon 2 life-of-mine)			✓	
	Innovation	Value creation and cost savings			✓	
	People	Operational leadership excellence and diversity			✓	
Personal Objectives						
10	Leadership and transformation	Leadership excellence and diversity			✓	
	Stakeholder management	Government, stakeholder, employee and customer interests			✓	
	People/organisation	Social and SMP			✓	
Overall performance rating – unadjusted targets					73.7%	
Overall performance rating – adjusted targets					77.7%	

2021 Strategic objectives performance

- **Portfolio** – mining life extension up to 2040 (Horizon 2 life-of-mine): The extension of Sishen's life-of-mine to 2040 is on track and being driven by operational efficiency, smart mine design, slope optimisation and UHDS technology. Over the Tswelelopele period, Ore Reserves have increased by 323 Mt (before depletion) with the majority of the increase attributable to Sishen where the life-of-mine is now 2039 (versus 2032 base case in 2017). At Kolomela, Kumba has further developed the Kapstevle South pit, with waste mined of 20.6 Mt in 2021. Kolomela's Reserve life has increased from 2031 to 2034 with a clear pathway to 2040 through the development of the Ploegfontein and Heuningkrans deposits. Through UHDS, Kumba is investing in the next phase of its product development to increase its product premium offering from 18% to 50% of total volumes produced. The enhanced quality supports customers that are working to reduce emissions. Given that Kumba will be lowering the cut-off grade, and converting waste to ore, Kumba is reducing its overall footprint, further contributing towards a healthier environment. From a social value perspective, extending Sishen's life-of-mine, will benefit all its stakeholders. With the design and procurement activities underway, on-site activities began in January 2022 and commissioning is on track to begin in the second half of 2023 with handover anticipated in the first half of 2024.
- **Innovation** – Value creation and cost saving: Kumba has transformed into a value-focused business. Through the business' Tswelelopele strategy, meaning to "move forward", Kumba set an ambition to enhance its margin and extend life-of-mine to 2040. Since implementing Kumba's strategy over the period 2018 to 2021, the business' EBITDA margin has grown from 42% (2017 baseline) to 63%. Product quality has improved, with the Lump ratio increasing from 66% to 69%. Alongside this, the business' product premium has grown from US\$11/tonne to US\$25/tonne. Cost discipline has helped unlock cumulative cost savings of R4.1 billion, further supporting margin expansion and earnings growth. Kumba is focused on maximising its potential and building on its Tswelelopele strategy, underscored by the business's commitment to responsible business values. Kumba continued to invest in its assets and people to drive operational excellence. Kumba's FutureSmart™ mining programme pairs technology and digitalisation to improve the safety of our workforce, support the step-up in productivity levels to ensure operational excellence and deliver our environmental and other sustainability goals.
- **People** – Operational leadership excellence and diversity: Kumba is 100% aligned with the operational leadership excellence blueprint implementation. The leadership and culture framework has been delivered with Kumba currently being a point of reference within the Anglo American group. Through Kumba's various leadership and culture initiatives the business continues to make progress in fostering an experienced and sufficiently diverse leadership team that demonstrates values-driven behaviour. Kumba conducts an annual 360-degree leadership survey to assess how Kumba leaders are "showing up" in terms of the Leadership Code, against a baseline survey conducted in 2018. The Kumba Expeditions leadership programme provides an "immersive" learning experience aimed at developing leaders with the right capabilities to deliver on the business' leadership code.

Underpinned by the business' Code of Conduct and values, inclusion and diversity policy and mandatory leadership training set out the behaviours the business expects of all its employees and leaders. Kumba implements an inclusion and diversity strategy that aims to achieve the following four outcomes:

- Leaders demonstrably value the diversity and unique contribution of every employee.
- Colleagues feel able to bring their whole selves to work, regardless of gender, sexual orientation, age, race, ethnicity, religion, national origin or disability, including mental health.
- Kumba's workplace is supportive, fair, adaptable and involving for all.
- The working environment is safe, effective and enabling.

The SmartSupport and SmartCore projects as well as the technology pipeline has also well-advanced delivery towards the future workforce during 2021.

2021 personal objectives performance

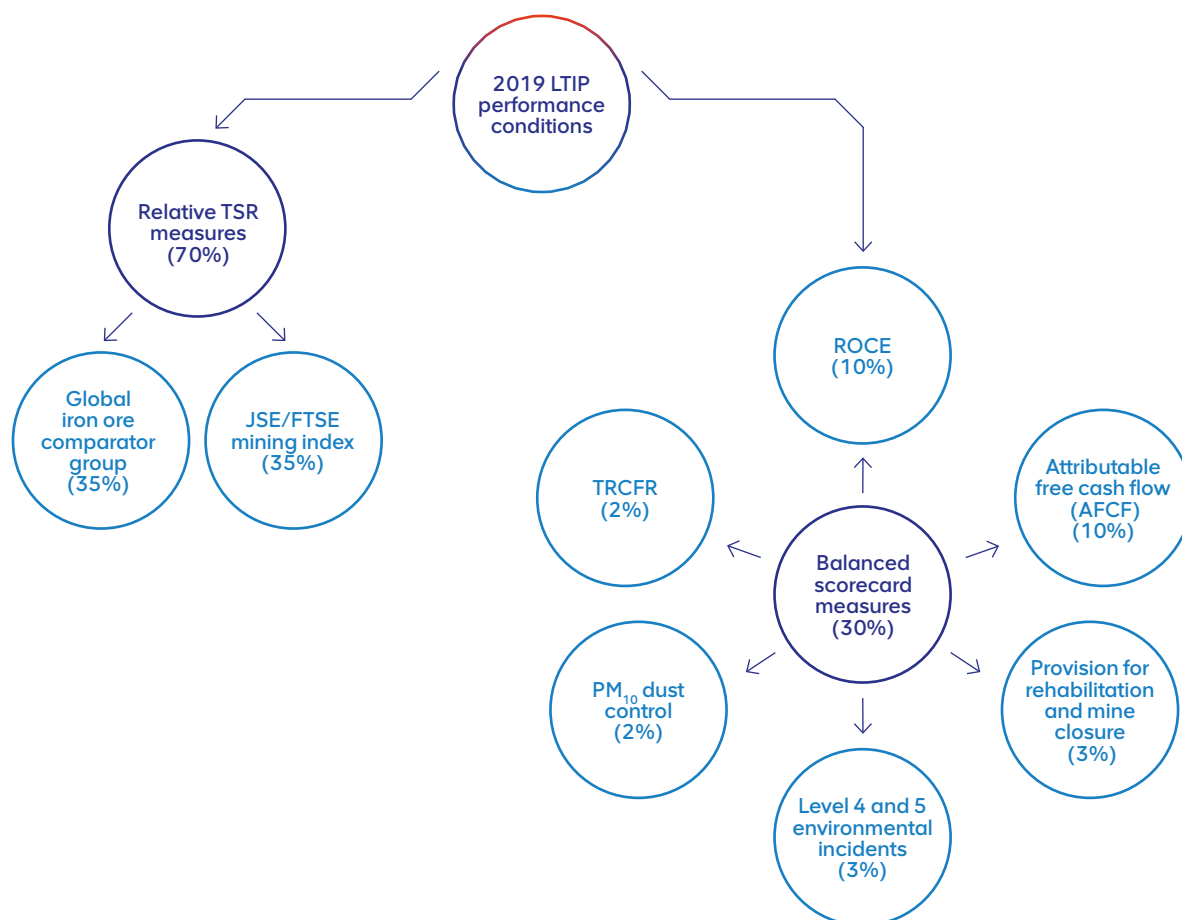
- **Leadership and transformation** – Leadership excellence and diversity: A compelling culture is dependent on leadership being inspiring and motivating Kumba's people and their personal development. Kumba has a diverse range of internal and external programmes to enhance the skills, knowledge and awareness of leaders, equipping them to be more effective in their roles and more accountable for their contribution in driving value. To strengthen Kumba's leadership pipeline, the business implemented the Anglo American leadership development framework, which provides a holistic yet focused approach to developing leadership capabilities. Achieving sustainable and tangible transformation is a business imperative and is core to Kumba's licence to operate. Kumba implements a comprehensive human resources transformation strategy. Kumba's operations are implementing five-year employment equity (EE) plans that set numerical targets and goals for EE, including affirmative action measures.
- **Stakeholder management** – Government, stakeholder, employee and customer interests: Product quality has improved, with the Lump ratio increasing from 66% to 69%. Alongside this, Kumba's product premium has grown from US\$11/tonne to US\$25/tonne. Through UHDS, Kumba is investing in the next phase of its product development to increase its product premium offering from 18% to 50% of total volumes produced. Kumba is in the process of finalising the design and obtaining the relevant approvals for a new, hybrid ESOP scheme structure for its qualifying employees, comprising an evergreen component and a vesting component similar to Karolo. The new ESOP scheme will be integrated with the extended Karolo scheme for the 2022 overlapping award cycle, should the new scheme be approved and implemented as envisaged.
- **People/organisation** – Social and SMP: In partnership with the government, local municipalities and health authorities, we are working with and supporting our local communities. In 2021, we invested a further R35 million in our Covid-19 WeCare programme, taking the total amount invested since the start of the pandemic to R129 million. Our contributions have supported community vaccination programmes in addition to local health clinics with medical equipment and services, relief for small businesses, essential supplies and improved access to

Annexure 3 continued

water for families. Safeguarding livelihoods is equally important to saving lives and we did this by supporting our local host community businesses with R4.1 billion in procurement spend and R258 million in social development projects. Sishen and Kolomela are the best-performing sites in terms of compliance towards the full implementation of the Social Way governance framework by 2022 with an implementation compliance percentage of 77% for Sishen and 87% for Kolomela for 2021. The Kumba average implementation progress is at 78% for 2021.

LTIP vesting outcomes and awards for the executive directors

During 2019, conditional shares were awarded to the executive directors in terms of the PSP rules. The 2019 LTIP performance measures comprised 70% TSR and a 30% balanced scorecard of performance measures (financial, safety and environmental). The breakdown and weighting of the performance measures are depicted in the following diagram:



The performance conditions have been calculated based on targeted against actual performance during 2021, with reference to the base year (2018) parameters.

TSR performance and vesting conditions

Of the conditional shares that are subject to the relative TSR performance condition that will vest, 35% is determined by assessing the Company's relative performance to a global iron ore comparator group in terms of TSR. The approved peer group of 10 companies for the period was determined as:

- Companhia Siderurgica Nacional
- EVRAZ PLC
- Ferrexpo Plc
- Fortescue Metals Group Limited
- Aowei Holdings Limited (delisted 26 March 2021)

- Honbridge Holdings Limited
- IRC Limited
- NMDC Limited
- Shougang Hierro Peru Saa (delisted 30 March 2020)
- Vale S.A.

The TSR performance of all the peer group companies, including Kumba Iron Ore, is calculated over the performance period. The TSR performance of Kumba Iron Ore is then compared against the conditional percentile hurdles set to determine the number of awards that will vest. As Shougang Hierro Peru Saa delisted on 30 March 2020 and Aowei Holdings Limited on 26 March 2021, these peer companies were excluded from the peer group. The remaining eight peer weights were grossed up to equal 100% in the peer group quartile calculation.

The remaining 35% of the relative TSR performance condition is measured against the FTSE/JSE mining index, being a capitalisation weighted index comprised of 10 JSE-listed mining

companies and provides an overall indication of Kumba's correlation against other mining companies in the South African environment.

TSR and vesting conditions – applicable to 70% of conditional shares:

TSR measure	Performance condition weighting	Target	TSR performance	Vesting percentage
Global iron ore peer group	50%		Below the median	0%
		Threshold	Median TSR of the peer group	25%
		Stretch	Upper quartile TSR of the peer group	100%
JSE/FTSE index	50%		Below the performance index	0%
		Threshold	Performance at the index	25%
		Stretch	Performance at the index + 9%	100%

Kumba's TSR performance calculated over the performance period (vesting period) was 35.63%, which places the Company's relative TSR performance above the 50th percentile (threshold – 25% vesting) of its global iron ore comparator group, but below the 75th percentile (stretch – 100% vesting). Based on the global iron ore comparator group relative TSR condition (35% of the LTIP award), 45.51% of the awards pertaining to this condition vested.

The compounded annual growth (CAGR) in Kumba's TSR is used to measure the Company's performance over the performance period (vesting period). The FTSE/JSE mining index arithmetic average TSR performance over the performance period has been 29.52%, while the Kumba CAGR for the same period has been 35.63%. Based on the JSE/FTSE mining index relative TSR condition (35% of the LTIP award), 75.92% of the awards pertaining to this condition vested.

Balanced scorecard performance measures – applicable to 30% of conditional shares

Condition	Performance condition weighting	Vesting percentage
ROCE condition	10%	100%
Attributable free cash flow condition	10%	100%
Provision for rehabilitation and mine closure condition	3%	0%
Level 4 and 5 environmental incidents	3%	100%
PM10 dust control	2%	0%
TRCFR	2%	100%

As the threshold hurdles for the provision for rehabilitation and mine closure condition as well as the PM10 dust control condition have not been achieved on performance testing, no awards pertaining to these conditions will vest. The remaining conditions' stretch objectives (100%) have been achieved and 100% of the awards pertaining to these conditions will therefore vest.

Overall LTIP vesting based on the balanced scorecard and relative TSR performance conditions

The overall vesting of the 2019 LTIP conditional share award, based on the performance testing of both the relative TSR (70%) and balanced scorecard (30%) performance conditions for 2021 is 67.50%.

Condition	Performance condition weighting	Vesting percentage
TSR-Comparator group	35%	45.51%
TSR-JSE/FTSE mining index	35%	75.92%
ROCE condition	10%	100%
Attributable free cash flow condition	10%	100%
Provision for rehabilitation and mine closure condition	3%	0%
Level 4 and 5 environmental incidents	3%	100%
PM10 dust control	2%	0%
TRCFR	2%	100%
Total overall vesting percentage		67.50%

Annexure 3 continued

Single figure remuneration

R'000	Guaranteed pay and benefits			TGP 2020	Additional payments	Short-term incentive	Long-term incentive	Total emoluments	Total emoluments
	Base salary	Benefits	TGP 2021		Cash bonus paid March 2022			2021	2020
Executive directors	10				11	12	13		
TM Mkhwanazi ^{1,2}	9,885	279	10,164	9,819	1,040	8,704	16,335	36,243	37,663
BA Mazarura ¹	5,699	278	5,977	5,502	—	2,471	5,258	13,706	12,376
Sub-total	15,584	557	16,141	15,321	1,040	11,175	21,593	49,949	50,039
Prescribed officers									
PJP Fourie ³	708	103	811	3,134	480	328	935	2,554	6,114
V Kumar	3,835	541	4,376	3,094	17	1,804	7,606	13,803	5,564
SA Martin ⁴	3,026	274	3,300	3,188	75	1,356	2,783	7,514	7,098
GM Mc Gavigan	3,368	291	3,659	3,534	121	1,505	3,089	8,374	7,014
C Malander ⁵	1,914	294	2,208	—	174	900	900	4,182	—
Y Mfolo	—	—	—	992	—	—	—	—	2,116
P Ramchander ⁶	2,834	409	3,243	1,044	—	1,333	5,084	9,660	4,867
NM Sibanyoni ⁷	1,758	258	2,016	—	439	833	833	4,121	—
TS Smit ⁸	8,249	1,548	9,797	9,003	3,861	6,127	17,922	37,707	29,703
SV Tyobeka ⁹	1,969	162	2,131	3,528	149	873	2,454	5,607	6,886
F Patel	2,287	294	2,581	2,340	—	1,076	1,076	4,733	3,972
Sub-total	29,948	4,174	34,122	29,857	5,316	16,135	42,682	98,255	73,334
Total	45,532	4,731	50,263	45,178	6,356	27,310	64,275	148,204	123,373

Notes

¹ 100% of LTIP shares awarded in 2019, with a performance period ending 31 December 2021, vested based on the performance condition testing.

² Transferred to Bulk Commodities Anglo American, as Chief Executive from 1 January 2022.

³ Retired on 31 March 2021. The cash bonus reflects only the *pro rata* bonus, additional payments refer to leave encashment.

⁴ 100% of the Anglo American LTIP shares awarded in 2019, when employed at Anglo American Coal SA, vested based on the performance condition testing.

⁵ Acting Executive Head of human resources from 1 August 2021 to 31 December 2021. Transferred to Anglo American Platinum Limited effective 1 January 2022. Additional payments refer to leave encashment.

⁶ 100% of the Anglo American LTIP shares awarded in 2019, when employed at Anglo American Corporate SA, vested based on the performance condition testing.

⁷ Appointed 1 May 2021.

⁸ Employed by Anglo American Marketing Limited (Singapore branch), emoluments are paid in Singapore Dollars and Pound Sterling. Values declared are based on an average exchange rate conversion to ZAR as at 31 December 2021. The DBA and LTIP shares awarded are settled in Anglo American plc shares. Included in additional payments are cost of living related allowances and dividend equivalent payments related to the Anglo American plc shares.

⁹ Transferred to Anglo American Platinum Limited effective 1 August 2021. Cash bonus reflects the *pro rata* portion earned while employed at Kumba. DBA award granted by Anglo American Platinum Limited. Additional payments refer to leave encashment.

¹⁰ Benefits include employer contributions to a retirement fund and medical aid.

¹¹ Includes leave encashment, relocation and settlement and acting allowances paid.

¹² Cash bonus is based on the 2021 performance and paid in March 2022.

¹³ Face value of DBA shares (awarded in terms of the bonus and retention share plan) awarded in March 2022 derived from the 2021 bonus value.

Single figure remuneration

R'000	Fees		Total emoluments	Total emoluments
	Directors' fees	Committee fees	2021	2020
Non-executive directors				
MS Bomela	313	505	818	620
N Dlamini	—	—	—	300
S French	313	339	652	601
MSV Gantsho ¹	703	—	703	1,578
TP Goodlace ²	1,484	—	1,484	1,193
MA Jenkins	319	431	750	627
NB Langa-Royds	319	679	998	947
SS Ntsaluba	319	713	1,032	962
BP Sonjica	313	509	822	781
MJ Tsele ³	215	151	366	—
D Wanblad	313	339	652	601
Total	4,611	3,666	8,277	8,210

Notes

¹ Retired on 14 May 2021.

² Appointed as Chairperson on 23 June 2021. The Chairperson of the Board, and chairs the Nominations and Governance and Strategy and Investment Committees, however, he does not receive additional remuneration in respect of the committees he serves on.

³ Appointed on 1 May 2021.



Process controllers, Michael Bezuidenhout and Mzoxolo Ntoto, in the Kolomela direct shipment ore plant control room.

Annexure 3 continued

2021 unvested awards and cash flow

The interests of the executive directors and prescribed officers in shares of the Company granted in terms of the various long-term incentive schemes are shown below.

			Number of shares					R'000		
			Opening balance on 1 January 2021	Granted during 2021	Forfeited during 2021	Vesting during 2021	Closing balance on 31 December 2021	Value of receipts	Estimated fair value on 31 December 2021	Estimated fair value of cumulative dividend equivalents at 31 December 2021
Scheme	Award date	Earliest date of vesting								
Executive directors								8	9	10
TM Mkhwanazi										
Kumba share awards										
DBA	1 March 2017	1 March 2022	2,082				2,082	237	950	—
DBA	1 June 2017	1 March 2022	2,585				2,585	295	1,179	—
DBA	9 April 2018	1 March 2023	18,863			12,575	6,288	8,882	2,869	—
DBA	1 March 2019	1 March 2022	24,536				24,536	2,797	11,195	—
DBA ¹	1 March 2020	1 March 2023	22,330				22,330	2,546	10,188	—
DBA ¹	1 March 2021	1 March 2023		10,742			10,742	1,225	4,901	—
LTIP ^{3,5,6}	1 June 2018	1 March 2023	30,184		15,196	14,988	—	9,732	—	—
LTIP ^{2,3}	31 May 2019	1 March 2022	24,776				24,776	—	7,631	—
LTIP ^{2,3}	11 August 2020	1 March 2023	36,430				36,430	—	9,397	—
LTIP ^{2,3}	1 March 2021	1 March 2024		20,510			20,510	—	5,023	—
Anglo American plc share awards										
DBA ⁴	1 March 2020	1 March 2023	27,574	—	—	—	27,574	1,327	17,947	—
Thungela Resources share awards										
DBA ⁷	4 June 2021	1 March 2023	2,757	—	—	—	2,757	—	237	—
Sub-total			192,117	31,252	15,196	27,563	180,610	27,041	71,517	—
BA Mazarura										
Kumba share awards										
DBA	9 April 2018	1 March 2021	1,617			1,617	—	1,050	—	—
DBA	1 March 2019	1 March 2022	5,637				5,637	643	2,572	—
DBA ¹	1 March 2020	1 March 2023	6,977				6,977	795	3,183	—
DBA ¹	1 March 2021	1 March 2023		2,907			2,907	331	1,326	—
LTIP ^{3,5,6}	1 June 2018	1 March 2021	9,798		4,933	4,865	—	3,159	—	—
LTIP ^{2,3}	31 May 2019	1 March 2022	9,048				9,048	—	2,787	—
LTIP ^{2,3}	11 August 2020	1 March 2023	13,558				13,558	—	3,497	—
LTIP ^{2,3}	1 March 2021	1 March 2024	—	8,015			8,015	—	1,963	—
Sub-total			46,635	10,922	4,933	6,482	46,142	5,978	15,328	—

¹ DBA shares awarded in terms of the bonus and retention share plan.

² LTIP shares awarded in terms of the PSP.

³ Post vesting of the awards, an additional two-year holding period, subject to clawback conditions, will apply. Do not qualify for any dividend equivalents during the performance period.

⁴ Anglo American plc forfeitable shares were awarded related to his position as member of the Anglo American GMC.

⁵ Shares forfeited due to performance conditions not met in full.

⁶ Shares vested as a result of performance conditions being met. Shares are subject to an additional two-year holding period during which clawback conditions apply.

⁷ As a result of the demerger of Anglo Thermal Coal and consequent listing of Thungela Resources, Thungela shares were awarded based on existing Anglo American shareholding and in line with the scheme rules.

⁸ Includes dividend payments received in March 2021 and August 2021 as well as face value of share vesting during 2021.

⁹ Sum total of the estimated fair value of unvested DBA shares, 2019 LTIP award (actual vesting of 65.00%), 2020 and 2021 LTIP awards (estimated vesting of 60%). The value is based on a 3-day volume-weighted average price (VWAP) on 31 December 2021 of R456.27 for Kumba, R650.87 for Anglo American and R1.00 for Thungela Resources shares.

¹⁰ Estimated dividend equivalent is based on an estimated 60% vesting probability and accumulated dividends declared to date during the performance period.

			Number of shares					R'000		
			Opening balance on 1 January 2021	Granted during 2021	Forfeited during 2021	Vesting during 2021	Closing balance on 31 December 2021	Value of receipts	Estimated fair value on 31 December 2021	Estimated fair value of cumulative dividend equivalents at 31 December 2021
Scheme	Award date	Earliest date of vesting								
Prescribed officers								12	13	14
PJP Fourie										
Kumba share awards										
DBA	9 April 2018	1 March 2021	3,246			3.246	—	2,108	—	—
DBA	1 March 2019	1 March 2022	3,303			3.303	—	2,318	—	—
DBA	1 March 2020	1 March 2023	3,463			3.463	—	2,430	—	—
DBA ¹	1 March 2021	1 March 2023	—	1.646		1.646	—	1,155	—	—
FSP ¹	9 April 2018	1 March 2021	2,773			2.773	—	1,801	—	—
LTIP ^{2,8}	31 May 2019	1 March 2022	4,552		1.517		3,035	—	1,402	554
LTIP ^{2,8}	11 August 2020	1 March 2023	6,140		4.612		1,528	—	394	122
LTIP ^{2,8}	1 March 2021	1 March 2023		3,457	3.362		95	—	25	6
Sub-total			23,477	5,103	9,491	14,431	4,658	9,812	1,821	682
VJ Kumar										
Kumba share awards										
DBA ¹	1 March 2021	1 March 2023	—	1,884			1,884	215	860	—
LTIP ²	1 March 2021	1 March 2024	—	4,681			4,681	—	1,147	320
Anglo American plc share awards ⁴										
DBA	1 March 2019	1 March 2022	2,431				2,431	117	1,582	—
DBA	1 March 2020	1 March 2023	3,763				3,763	181	2,449	—
DBA	6 May 2020	1 March 2023	944				944	45	614	—
LTIP	1 March 2019	1 March 2022	9,900				9,900	—	5,799	692
LTIP	1 March 2020	1 March 2023	11,000				11,000	—	4,048	402
Thungela Resources share awards ¹¹										
DBA	1 March 2019	1 March 2022	243				243	—	21	—
DBA	1 March 2020	1 March 2023	470				470	—	40	—
LTIP	1 March 2019	1 March 2022	42				42	—	3	—
LTIP	1 March 2020	1 March 2023	46				46	—	2	—
Sub-total			28,839	6,565	—	—	35,404	558	16,565	1,414
CO Malander										
Kumba share awards										
DBA	1 March 2018	1 March 2021	2,304			2,304	—	1,496	—	—
DBA	1 March 2019	1 March 2022	2,075				2,075	237	947	—
DBA ¹	1 March 2020	1 March 2023	2,175				2,175	248	992	—
DBA ¹	1 March 2021	1 March 2023		1,034			1,034	118	472	—
Sub-total			6,554	1,034	—	2,304	5,284	2,099	2,411	—

Annexure 3 continued

			Number of shares					R'000		
			Opening balance on 1 January 2021	Granted during 2021	Forfeited during 2021	Vesting during 2021	Closing balance on 31 December 2021	Value of receipts	Estimated fair value on 31 December 2021	Estimated fair value of cumulative dividend equivalents at 31 December 2021
Scheme	Award date	Earliest date of vesting								
Prescribed officers								12	13	14
SA Martin										
Kumba share awards										
DBA	1 March 2019	1 March 2022	2,066				2,066	236	943	—
DBA ¹	1 March 2020	1 March 2023	3,524				3,524	402	1,608	—
DBA ¹	1 March 2021	1 March 2023		1,675			1,675	191	764	—
LTIP ²	31 May 2019	1 March 2022	4,632				4,632	—	1,427	564
LTIP ²	11 August 2020	1 March 2023	6,248				6,248	—	1,612	501
LTIP ²	1 March 2021	1 March 2024		3,518			3,518	—	862	241
Anglo American plc share award ⁴										
DBA	1 March 2018	1 March 2021	1,665	—		1,665	—	1,014	—	—
LTIP	1 March 2018	1 March 2021	3,500	—		3,500	—	2,132	—	—
Sub-total			21,635	5,193	—	5,165	21,663	3,975	7,216	1,306
GM Mc Gavigan										
Kumba share awards										
DBA	9 April 2018	1 March 2021	5,128			5,128	—	3,330	—	—
DBA	1 March 2019	1 March 2022	4,018				4,018	458	1,833	—
DBA ¹	1 March 2020	1 March 2023	3,911				3,911	446	1,784	—
DBA ¹	1 March 2021	1 March 2023		1,859			1,859	212	848	—
FSP	9 April 2018	1 March 2021	3,131			3,131	—	2,033	—	—
LTIP ²	31 May 2019	1 March 2022	5,142				5,142	—	1,584	626
LTIP ²	11 August 2020	1 March 2023	6,934				6,934	—	1,789	556
LTIP ²	1 March 2021	24 March 2021		3,904			3,904	—	1,069	267
Sub-total			28,264	5,763	—	8,259	25,768	6,479	8,907	1,449

			Number of shares					R'000		
			Opening balance on 1 January 2021	Granted during 2021	Forfeited during 2021	Vesting during 2021	Closing balance on 31 December 2021	Value of receipts	Estimated fair value on 31 December 2021	Estimated fair value of cumulative dividend equivalents at 31 December 2021
Scheme	Award date	Earliest date of vesting								
Prescribed officers								12	13	14
P Ramchander										
Kumba share awards										
DBA ¹	1 March 2021	1 March 2023	—	1,418			1,418	162	647	—
LTIP ²	1 March 2021	1 March 2024	—	3,459			3,459	—	847	237
Anglo American plc share awards ⁵										
DBA	1 March 2018	1 March 2021	3,980	—		3,980	—	2,424	—	—
DBA	1 March 2019	1 March 2022	2,547	—			2,547	123	1,658	—
DBA	1 March 2020	1 March 2023	2,900	—			2,900	140	1,888	—
LTIP	1 March 2018	1 March 2021	4,000	—		4,000	—	2,436	—	—
LTIP	1 March 2019	1 March 2022	6,400	—			6,400	—	3,749	447
LTIP	1 March 2020	1 March 2023	7,200	—			7,200	—	2,649	263
Thungela Resources share awards ¹¹										
DBA	1 March 2019	1 March 2022	254				254	—	22	—
DBA	1 March 2020	1 March 2023	290				290	—	25	—
LTIP	1 March 2019	1 March 2022	27				27	—	2	—
LTIP	1 March 2020	1 March 2023	30				30	—	1	—
Sub-total			27,628	4,877	—	7,980	24,525	5,285	11,488	947
TS Smit										
Anglo American share awards ⁶										
DBA	9 March 2018	3 March 2021	12,829	—	—	12,829	—	7,894	—	—
DBA	8 March 2019	8 March 2022	15,427	—	—	—	15,427	736	10,009	—
DBA	9 March 2020	9 March 2023	13,354	—	—	—	13,354	637	8,664	—
DBA	12 March 2021	12 March 2023	—	6,171	—	—	6,171	294	4,004	—
DBA	20 May 2021	12 March 2023	—	872	—	—	872	42	566	—
DBA ¹⁰	16 June 2021	8 March 2022	—	149	—	—	149	4	97	—
LTIP	9 March 2018	3 March 2021	11,500	—	—	11,500	—	7,076	—	—
LTIP	26 March 2019	8 March 2022	20,200	—	—	—	20,200	—	11,795	1,283
LTIP	6 May 2020	9 March 2023	22,600	—	—	—	22,600	—	8,277	710
LTIP	12 March 2021	12 March 2024	—	14,000	—	—	14,000	—	4,868	401
LTIP ¹⁰	16 June 2021	8 March 2022	—	241	—	—	241	—	94	4
Sub-total			95,910	21,433	—	24,329	93,014	16,683	48,374	2,398

Annexure 3 continued

			Number of shares					R'000		
			Opening balance on 1 January 2021	Granted during 2021	Forfeited during 2021	Vesting during 2021	Closing balance on 31 December 2021	Value of receipts	Estimated fair value on 31 December 2021	Estimated fair value of cumulative dividend equivalents at 31 December 2021
Scheme	Award date	Earliest date of vesting								
Prescribed officers								12	13	14
SV Tyobeka										
Kumba share awards										
DBA	9 April 2018	1 March 2021	4,850			4,850	—	3,149	—	—
DBA	1 March 2019	1 March 2022	4,011				4,011	457	1,830	—
DBA ¹	1 March 2020	1 March 2023	3,905				3,905	445	1,782	—
DBA ¹	1 March 2021	1 March 2023		1,856			1,856	212	847	—
FSP	9 April 2018	1 March 2021	3,126			3,126	—	2,030	—	—
LTIP ²	31 May 2019	1 March 2022	5,134				5,134	—	1,581	625
LTIP ²	11 August 2020	1 March 2023	6,923				6,923	—	1,786	555
LTIP ²	1 March 2021	1 March 2024		3,898			3,898	—	955	267
Sub-total			27,949	5,754	—	7,976	25,727	6,293	8,781	1,447
F Patel										
Kumba share awards										
DBA ¹	1 March 2021	1 March 2023		1,245			1,245	142	568	—
Sub-total			—	1,245	—	—	1,245	142	568	—
Total			499,008	99,141	29,620	104,489	464,040	84,341	192,976	9,642

¹ DBA shares awarded in terms of the bonus and retention share plan.

² LTIP shares awarded in terms of the PSP.

³ Post vesting of the awards, an additional two-year holding period, subject to clawback conditions, will apply. Do not qualify for any dividend equivalents during the performance period.

⁴ Anglo American shares previously awarded when employed by Anglo American Coal SA.

⁵ Anglo American shares previously awarded when employed by Anglo American Corporate SA.

⁶ Anglo American shares traded on the London Stock Exchange (LSE). Value is converted to ZAR at the applicable exchange rate to the declared event.

⁷ Shares forfeited due to performance conditions not met in full.

⁸ Pro rata shares forfeited as a result of retirement on 31 March 2021.

⁹ Shares vested as a result of performance conditions being met. Shares are subject to an additional two-year holding period during which clawback conditions apply.

¹⁰ As a result of the demerger of Anglo Thermal Coal and consequent listing of Thungela Resources, additional Anglo American (LSE listed) shares were awarded based on existing Anglo American shareholding and in line with the scheme rules.

¹¹ As a result of the demerger of Anglo Thermal Coal and consequent listing of Thungela Resources, Thungela shares were awarded based on existing Anglo American shareholding and in line with the scheme rules.

¹² Includes dividend payments received in March 2021 and August 2021 as well as face value of share vesting during 2021.

¹³ Sum total of the estimated fair value of unvested DBA shares, 2019 LTIP award (actual vesting of 65.00%), 2020 and 2021 LTIP awards (estimated vesting of 60%). The value is based on a 3-day VWAP on 31 December 2021 of R456.27 for Kumba, R650.87 for Anglo American and R1.00 for Thungela Resources shares.

¹⁴ Estimated dividend equivalent is based on an estimated 60% vesting probability and accumulated dividends declared to date during the performance period.

Directors' beneficial interest in Kumba

The aggregate beneficial interest in Kumba at 31 December 2021 of the directors of the Company and their immediate families (none of whom has a holding greater than 1%) in the issued shares of the Company are detailed below. There have been no material changes to the shareholding since 2021 and the date of approval of the annual financial statements.

Capacity and name	2021			2020		
	Number of shares	Long-term incentive scheme shares ¹	Total beneficial interest	Number of shares	Long-term incentive scheme shares	Total beneficial interest
Executive directors						
TM Mkhwanazi	46,779	83,551	130,330	40,178	70,396	110,574
BA Mazarura	—	20,386	20,386	—	14,231	14,231
Sub-total	46,779	103,937	150,716	40,178	84,627	124,805
Non-executive directors						
MS Bomela	50	—	50	—	—	—
SS Ntsaluba	500	—	500	500	—	500
Sub-total	550	—	550	500	—	500
Total	47,329	103,937	151,266	40,678	84,627	125,305

¹ Granted under the rules of the Bonus Share Plan, Bonus and Retention Share Plan and PSP and disclosed in the tables above.



Waste material mined from the western expansion in the Sishen pit is hauled and dumped in the mined-out areas of the pit.

Annexure 4

Major shareholders

Shareholder	Location	Holdings as at 15 January 2021	% ISC
Anglo South Africa (Johannesburg)	Johannesburg	224,535,915	69.71
Industrial Development Corporation (Johannesburg)	Johannesburg	41,498,615	12.88
Public Investment Corporation (Pretoria)	Pretoria	5,081,034	1.58
Acadian Asset Management (Boston)	Boston	2,911,094	0.90
BlackRock Investment Management – Index (San Francisco)	San Francisco	2,676,490	0.83
Fairtree Capital (Cape Town)	Cape Town	2,588,622	0.80
Vanguard Group (Philadelphia)	Philadelphia	1,936,727	0.60
Robeco Asset Management (Rotterdam)	Rotterdam	1,642,545	0.51
AQR Capital Management (Greenwich)	Greenwich	1,253,479	0.39
Abu Dhabi Investment Authority (ADIA) (Abu Dhabi)	Abu Dhabi	1,243,784	0.39
Total		285,368,305	88.60

No material changes

Other than the facts and developments reported in the annual financial statements 2021 which are available on the Company's website at www.angloamericankumba.com, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the signature date of the annual financial statements for 2021, being 21 February 2022.

Share capital and share premium (including treasury shares)

Number of shares	2021	2020
Authorised		
Ordinary shares of R0.01 each	500,000,000	500,000,000
Issued		
Ordinary shares of R0.01 each	322,085,974	322,085,974
Reconciliation of issued shares		
Number of shares at beginning of year	322,085,974	322,085,974
Number of shares at end of year	322,085,974	322,085,974
Shares held in reserve reconciliation (unissued shares)		
Authorised shares at beginning of year not issued	177,914,026	177,914,026
Unissued shares	177,914,026	177,914,026

No new shares were issued during 2021 and 2020.

The unissued shares are under the control of the directors of Kumba until the next AGM. All issued shares are fully paid up. There are no rights, preferences or restrictions attached to these shares.

Reconciliation of treasury shares held

Number of shares	2021	2020
Balance at beginning of the year	1,486,238	1,411,944
Purchased during the year	306,197	464,292
Issued to employees under the Bonus Share Plan (BSP), Bonus and Retention Share Plan (BRP), the Long-Term Incentive Plan (LTIP), Performance Share Plan (PSP) and the SIOC Employee Benefit Scheme (Karolo)	(589,735)	(389,998)
Number of treasury shares at end of year	1,202,700	1,486,238

All treasury shares are held in respect of employee share schemes and are available for utilisation for the purposes of these schemes, as disclosed in note 21. At 31 December 2021, all treasury shares were held as conditional share awards under the BSP, BRP, LTIP, PSP, as well as Karolo.

Total treasury shares purchased during the year were acquired by the SIOC Employee Benefit Trust (176,205 shares) and SIOC, a subsidiary of Kumba (129,992 shares). No treasury shares reverted to authorised but unissued during the year.

Rand million	2021	2020
Reconciliation of share capital and premium (net of treasury shares)		
Balance at beginning of year	(118)	(5)
Net movement in treasury shares under employee share incentive schemes	(72)	(113)
Purchase of treasury shares under employee share incentive schemes ¹	(220)	(201)
Shares issued to employees under employee share incentive schemes	148	88
Balance at end of year	(190)	(118)
Comprises		
Share capital	3	3
Share premium	364	364
Treasury shares	(557)	(485)
Balance at end of year	(190)	(118)

¹ The average price paid for the purchase of the shares in 2021 was R597.70 per share (2020: R438.30 per share).

Administration

Company registration number

2005/015852/06
JSE share code: KIO
ISIN: ZAE000085346
Legal entity number (LEI): 3789006C753402643048

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