

Corporate governance

The Board's value creation lies in driving outcomes that support the Company's vision of re-imagining mining to improve people's lives

Governance framework



Our governance framework provides role clarity by clearly delineating roles and areas of accountability and recognises the independent roles and duties required to govern the Company effectively.

The governance framework, practices and processes enabled the Board to create value through:

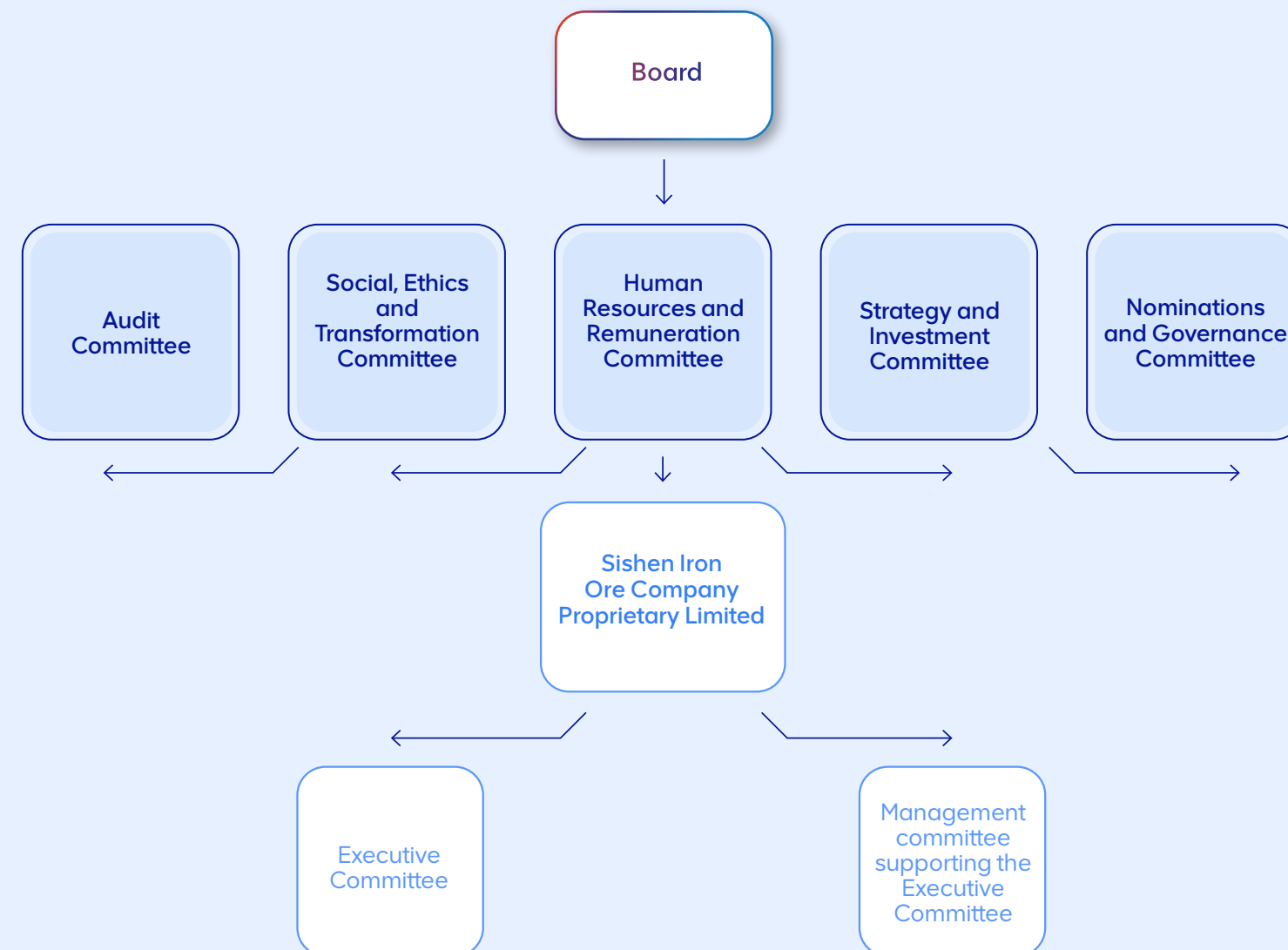
- a diverse and transformed Board – that approved and implemented the Board race and gender diversity policy and promoted broader diversity at Board level
- skills and experience for the future – developing and approving a Board succession plan
- independent thinking – as evidenced by the annual review of independence
- engaged and committed members – demonstrated through active participation and attendance in meetings
- focused and informed discussions – with dedicated committees operating under clear terms of reference and work plans

It is the Board's philosophy that authority and responsibility be delegated to the lowest prudent level and management is expected to always act in accordance with the Company's values. The Board approved a delegation of authority framework (DAF) to provide for the various authority levels across the Company and its subsidiaries.

Governance at Kumba takes into account that its main operating subsidiary, SIOC, has a shareholding structure that reflects the B-BBEE requirements of the Mining Charter and the Mineral and Petroleum Resources Development Act (MPRDA). Our governance framework is structured in a manner that ensures that the two entities are legally independent and have fully operational but separate boards, with clearly defined responsibilities and authority. The Company's DAF regulates the approval levels of each board.

The SIOC Board comprises non-executive directors representing the minority shareholders, executive directors from Kumba, and an independent non-executive director.

The SIOC Board has full authority over matters pertaining to SIOC. In its governance of SIOC's operations, the SIOC Board is supported by Kumba's Board committees and feedback on deliberations of Board committee meetings are provided at each SIOC Board meeting.



Corporate governance cont.

Pillars of value



Governance universe



Governance outcomes



Governance elements of the business model and value-creation process

Our governance approach

Role of the Board

In keeping with the spirit of sound leadership, the Board promotes strong principles of integrity within the Company, which aids in entrenching excellence in every facet of the business. The Board is the overall custodian of good corporate governance and is fully committed to the four governance outcomes (as described in King IV), namely an ethical culture, good performance, effective control and legitimacy.

The Board plays a key role in setting the strategic direction of the Company. The Board also provides continuous oversight of material matters, acting as an independent check and balance for the executive management team, whose main responsibility remains the management of the business.

The directors are diverse in their academic qualifications, industry knowledge, experience, race and gender. This diversity encourages robust debate at Board and committee level to ensure that appropriate and effective judgement and guidance are provided to management in delivering on the Company's strategic objectives.

The Board charter regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. The charter sets out the roles and responsibilities of the Board and individual directors, including its composition and relevant procedures of the Board. The charter is aligned with the provisions of the Companies Act No 71 of 2008, as amended (the Companies Act), the JSE Listings Requirements, King IV and the Company's Memorandum of Incorporation (Mol).

While retaining overall accountability, the Board has delegated authority to the Chief Executive to manage the day-to-day affairs of the Company. The Chief Executive and the Chief Financial Officer have monthly performance reviews with all executives to obtain feedback relating to key initiatives and agreed KPIs. The Executive Committee (Exco) meets bi-monthly to discuss overall performance of the business, progress on strategic initiatives and top risks. Governance matters and approvals in line with the DAF are also dealt with.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

Power, control, support and appointments

Mr Terence Goodlace, an independent non-executive director, is the Chairperson of the Board.

The responsibilities of the Chairperson and the Chief Executive are clearly defined and separated, as set out in the Board charter. While the Board may delegate authority to the Chief Executive in terms of the Board charter, the separation of responsibilities is designed to ensure that no single person or group can have unrestricted powers

and that appropriate balances of power and authority exist on the Board. The Chairperson is responsible for leading the Board and for ensuring the integrity and effectiveness of the Board and its committees. In contrast, the Chief Executive is responsible for the effective management and running of the Company's business in terms of the strategies and objectives approved by the Board and is accountable to the Board through regular reports.

The Board considers whether there is an appropriate balance of knowledge, skills and expertise among the non-executive directors. The non-executive directors are considered to have the required skills and experience to have objective judgement on matters of strategy, resources, transformation, diversity and employment equity, financial and operational performance, and policies impacting the business.

The Board has adopted a policy in terms of which any director may take independent professional advice, at the expense of the Company, where there is doubt as to whether a proposed course of action is consistent with his/her statutory and/or fiduciary duties and responsibilities. All directors have access to the Company Secretary for advice and guidance on governance matters and compliance with applicable legislation and procedures. Directors also have direct access to Kumba's external and internal auditors and members of the executive management team, at all times.

In compliance with the JSE Listings Requirements, independent non-executive directors do not participate in any share incentive schemes of the Company.

Appointments and diversity

The Nominations and Governance Committee recommends the appointment of new directors for approval by the Board according to a strategy and succession plan adopted by the Board. The Board charter details the procedure for appointments to the Board. The Board's broader diversity policy also applies to the appointment of new directors. The Nominations and Governance Committee, in applying the diversity policy, will make recommendations to the Board on prospective candidates based on merit and will consider candidates against objective criteria with due regard to the benefits of diversity, including gender, and the contribution that the candidate will bring to the Board. There is ongoing commitment from the Board to strengthen female representation.

Comprehensive induction programmes over a number of days are conducted for all newly appointed directors, which include site visits to the operations.

Changes to the Board of directors

Following his appointment as the Chief Executive of Anglo American Bulks Commodities on 1 January 2022, Mr Themba Mkhwanazi was appointed as a non-executive director with effect from 1 January 2022. Ms Nompumelelo Zikalala was appointed as executive director following her appointment as Kumba's Chief Executive with effect from 1 January 2022.

Corporate governance cont.

Term of office, rotation and retirement

The capacity of each director is categorised in accordance with the guidelines set out in the JSE Listings Requirements and King IV. Non-executive directors are subject to a tenure of nine years, which may be extended by a further period subject to the assessment of such director's independence as required by King IV. Notwithstanding the aforementioned, a director shall cease to hold office should any event as contemplated in clause 26 of the Company's Mol occur.

The Mol further stipulates that one-third of the Board members will retire from office at the AGM and will be eligible for re-election. The directors to retire are those who have been in office the longest since their last election or who were appointed during the year. The Chief Executive and the Chief Financial Officer are excluded in determining the rotation of retiring members.

The Board has robustly tested, through an independent evaluation, the independence of all non-executive directors in the year under review. The following non-executive directors are retiring and, being eligible, will be recommended for reappointment at the 2023 AGM: Mrs Mary Bomela, Mrs Ntombi Langa-Royds, Mr Aman Jeawon, Mr Themba Mkhwanazi and Ms Buyelwa Sonjica.

Mr Duncan Wanblad, who retires by rotation in accordance with the Mol, has indicated that he will not be making himself available for re-election, and will step down as a director at the conclusion of the AGM.

Skills and diversity

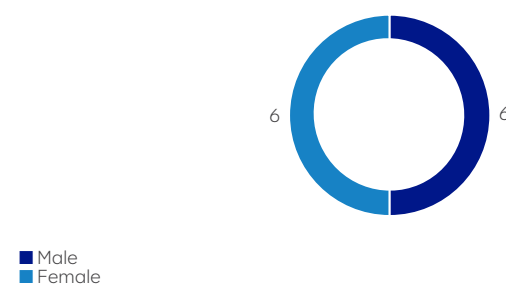
The Board approved a Board policy promoting broader diversity at Board level. Diversity at Board level is seen as an essential element in maintaining a competitive advantage. Robust discussions about challenging issues require deep insight, multiple angles and collective experience which is where the value of having a diverse Board lies. The Board diversity profile encompasses variables such as gender, race, culture, age, field of knowledge, skills and experience, ethnicity, competencies, philosophies, accomplishments and religion. A diverse Board includes and makes good use of all the diversity attributes between members of the Board to encourage debate and make well-rounded decisions. These diversity attributes will be considered in determining the optimum composition of the Board. The Board agreed that no voluntary targets be set for 2022 with the undertaking that the policy will be reviewed annually to assess whether or not to set voluntary targets. The Board currently has HDSA representation of 55%.

The policy promoting broader diversity was applied when sourcing candidates for appointment to the Board, resulting in the appointment of Mr Aman Jeawon with effect from 1 January 2023. A considered process was followed in the recruitment and selection

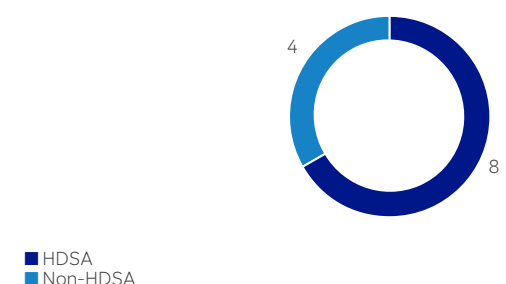
of Mr Jeawon, taking into account the current skills profile of the Board as well as the age, gender and demographics of the current Board. The Board was under-represented in terms of Indian males. Given that the additional Board member was required to augment the Audit Committee, the candidate needed to have an accounting/business/commercial background, experience, track record and competency ESG experience was also preferred which was taken into account when the appointment was made.

Details of all Board members can be found on page 22. The Board, with the support and guidance of the Nominations and Governance Committee, ensures that the promotion of broader diversity is given credence within the framework of the Board succession strategy.

Board composition



Board composition



Directors' independence and conflicts of interest

The Nominations and Governance Committee is responsible for assessing the independence of the directors on an annual basis. Independence is determined according to the Companies Act, JSE Listings Requirements and the recommendations of King IV, which takes into account, among others, the number of years a director has served on the Board.

The Board has adopted a policy dealing with directors' tenure in excess of nine years. Best practice requires the Board to consider whether that director continues to be independent in executing his/her fiduciary duties. The Board, upon recommendation from its Nominations and Governance Committee, has adopted the policy of annually reviewing directors' independence if their tenure has reached nine years or more.

Based on the results of the evaluation, the Board will consider whether there is any evidence of any circumstance and/or relationship that would impair their judgement to the extent that their independence is compromised.

An annual evaluation of the independence and performance of the Chairperson of the Board is carried out during the annual Board evaluation process.

The Board was satisfied that all its independent non-executive directors met its independence criteria for the 2022 financial year.

Directors are required to avoid a situation where they may have a direct or indirect interest that conflicts with the Company's interests. Directors disclose conflicts of interest at every meeting in terms of section 75 of the Companies Act. Directors present an updated list of their directorships and interests to the Company Secretary on a quarterly basis; the comprehensive list is tabled at each quarterly Board meeting. At the beginning of each Board meeting, Board members and Committee members are also required to disclose any conflict of interest in respect of a matter on the agenda. Any such conflicts are proactively managed as determined by the Board, subject to legal provisions.

The Board has approved policies governing the management of conflicts of interest, the protection of confidential information, and dealing in the Company's shares that provides relevant guidance to Board members.

Directors' induction and development programme

The Company's induction programme for new directors and training plan for existing Board members aim to holistically address all aspects of being a director, including an understanding of the JSE Listings Requirements, the legal and regulatory framework of the industry, the Kumba operations, and other matters deemed important in ensuring that the directors are able to exercise their fiduciary duties adequately. Each newly appointed director is inducted through a tailor-made "induction plan", that specifically focuses on their individual needs and areas of interest.

The training programme is also designed to meet the existing and emerging needs of the Board. For the year under review, training was provided to the Audit Committee on South Africa's economic outlook and challenges and the JSE's proactive monitoring thematic review findings. Externally facilitated training sessions were provided to the Board on human capital strategy and oversight

focusing on future of work and people, refresher training on the JSE Listings Requirements, Anglo Social Way 3.0, SDGs applicable to the Company and ESG metrics.

A Board risk workshop is held annually where political analysts are invited to provide views on the macro-political outlook. The SA macro-political outlook 2022 to 2024 was shared at the 2022 risk workshop. The Kumba risk management process, the comprehensive risk profile and the risks and opportunities comparison was tabled for consideration. The Board followed a robust process to identify new risks and opportunities which will inform the risk profile for 2023.

Board and Executive Committee succession planning

Succession planning is important in ensuring continuity and strengthening of the collective skills and experience set of the Board. The Nominations and Governance Committee continually assesses the composition of the Board and its sub-committees. The Board is satisfied with the current Board and sub-committee compositions.

In November 2022, the Nominations and Governance Committee reviewed the succession planning for the Chief Executive and the Chief Financial Officer. Similarly, the Human Resources and Remuneration Committee reviewed the succession planning for executive management and senior management in the Company. These succession plans identified emergency successors and development plans are in place for successors where readiness levels of three to five years were indicated. Emphasis was also placed on strengthening the women pipeline. The committees will continue to monitor progress in this regard.

Board and Committee evaluations

In September 2022, an external Board appraisal process was facilitated under the auspices of The Board Practice. The appraisal process solicited each director's views on the performance of the Board as a whole, the performance of the Chairperson of the Board, Company Secretary, the Board committees and committee chairpersons. It is pleasing to report that the Board was assessed to be a professional and effective Board that functioned well in challenging circumstances.

Key findings of the assessment were that:

- the Board is viewed as insightful, constructive and cohesive and the composition of the Board is diverse in all aspects
- the Chairperson of the Board is highly regarded and provides excellent leadership
- the Committees of the Board are effective with strong leadership.

An area of improvement identified was that Board members will benefit from training in further developments in decarbonisation, technology (both mining and IT) and cyber risks.

Corporate governance cont.

Company Secretary

The Company Secretary's primary role is to ensure that the Board is cognisant of its fiduciary duties and responsibilities. The Company Secretary plays a key role in providing guidance to the Board members on the execution of their duties, keeping the Board aware of relevant changes in legislation and corporate governance best practice. Other key performance areas of the Company Secretary include overseeing the induction of new directors, orientation and ongoing education of directors. The Company Secretary is also secretary to the Board committees and Board members have unfettered access to the services of the Company Secretary. The Company Secretary is a prescribed officer and the Company's ethics officer.

The role has expanded to include executive oversight of other areas, including risk management, insurance, business integrity, management of the Company's intellectual property and regulatory compliance.

An assessment of the Company Secretary and secretarial function was conducted by The Board Practice on behalf of the Board. The results confirmed that the Company Secretary had the requisite level of knowledge and experience to discharge her duties.

The Board processes are managed by the Company Secretary with the support of the governance, risk, compliance and ethics functions. The team is adequately resourced and has the necessary skills, experience and attributes to effectively support the Board and its committees in discharging their duties.

Board committees

There are five Board committees, namely the Audit Committee; Social, Ethics and Transformation Committee (Setco); Human Resources and Remuneration Committee (Remco); Strategy and Investment Committee (Stratco); and Nominations and Governance Committee (NomGov). The establishment of a Safety, Health and Sustainable Development Committee (SHSD) was approved by the Board on 11 November 2022. Each committee consists of a minimum of three members, as contained in the terms of reference.

Each committee, including the Board, promotes strong principles of integrity within the Company and the Board remains the overall custodian of good corporate governance. Sound corporate governance provides a critical foundation, both for safeguarding stakeholder value and for achieving the Company's key strategic focus areas. Independent Board oversight and guidance in relation to the operations and activities are key in driving compliance and embedding the highest levels of integrity and transparency throughout the Company. Through the governance structures and committees, decisions are made and responses generated to ensure value is created for the Company and its stakeholders.

The following applies to Board committees:

- the Chairperson attends all Board committee meetings, either as a member or as an invitee
- the Chief Executive has a standing invitation to attend all committee meetings where she is not a member
- other Company executives attend meetings where appropriate and by invitation
- at the discretion of the committee chairpersons, in-committee discussions are occasionally conducted without invitees
- all members of Board committees are directors of the Company
- where committee membership is prescribed by the Companies Act 2008 or the JSE Listings Requirements, or is recommended by King IV, Board committees are constituted in accordance with such requirements or recommendations
- committee chairpersons report on proceedings of committee meetings to the Board, and minutes of all Board and committee meetings are included in Board papers

Kumba Board

The Board is the custodian of good corporate governance and sets the tone for ethical leadership. Its role and responsibilities include setting the Company's strategic direction, providing continuous oversight of the Company's performance on material matters, and holding the executive management team accountable to provide ethical and effective leadership.

The Board charter sets out the composition, scope of authority, responsibilities and powers and functioning of the Board. The Board believes that its combined skills and experience are appropriate for the effective execution of its duties.

The table below sets out the composition of the Board and attendance by the directors at Board meetings:

Board	18 February 2022	27 May 2022	22 July 2022	15 September 2022	11 November 2022	Total meeting attendance
TP Goodlace (Chairperson)	✓	✓	✓	✓	✓	5/5
MS Bomela	✓	✓	✓	✓	✓	5/5
MA Jenkins	✓	✓	✓	✓	✓	5/5
NB Langa-Royds	✓	✓	✓	✓	✓	5/5
TM Mkhwanazi	✓	Apology	✓	✓	Apology	3/5
BA Mazarura	✓	✓	✓	✓	✓	5/5
SS Ntsaluba	✓	✓	✓	✓	✓	5/5
BP Sonjica	✓	✓	✓	✓	✓	5/5
MJ Tsele	✓	✓	✓	✓	✓	5/5
DG Wanblad	✓	Apology	✓	✓	Apology	3/5
ND Zikalala	✓	✓	✓	✓	✓	5/5

The material issues deliberated on by the Board are determined by assessing the external environment, the needs and expectations of key stakeholders and other significant topics and/or events.

Deliberations of the various committees enable the Board discussions to be more focused on strategic matters. Dedicated strategy sessions are held annually to allow the Board to properly interrogate the Company's strategy and to provide its input to management.

This year, presentations from senior management provided the Board with an opportunity to interrogate matters under discussion in more detail and to engage with senior management on material issues.

The following were key activities and outcomes from the Board in 2022:

- approved the capital restructure programme
- reviewed and approved the DAF
- reviewed and approved the treasury policy and Board-specific policies
- reviewed and approved the Kumba mineral residue facilities and water management structures policy
- reviewed and supported the participation of Sishen and Kolomela mines in the RREE
- approved the Evergreen Employee Share Ownership Plan
- approved the appointment of Mr Aman Jeawon as an independent non-executive director with effect from 1 January 2023
- reviewed and approved the 2023 budget
- approved the establishment and composition of the Safety, Health and Sustainable Development Committee on the recommendation of the Nominations and Governance Committee, with effect from 11 November 2022

- reviewed and approved changes to the composition of the Board committees following the establishment of the SHSD Committee, effective 11 November 2022
- comprehensively reviewed the Tswelopele strategy
- overseeing the integrated risk management process and receiving regular feedback from management on all risk-related activities as well as receiving feedback from each of the sub-committees on the management of risks falling within the mandate of the committees
- undertook virtual roadshows and engagements with shareholders and investors ahead of the 2022 AGM

The Board is happy to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2022. Actions for implementation in 2023 have been identified and agreed upon by the Board.

Audit Committee

The role of the Audit Committee, in addition to its statutory duties in line with the Companies Act 2008, as amended, is to provide independent oversight of the effectiveness of the Company's financial, operating, compliance and risk management controls. In addition, the Audit Committee assesses the systems of internal financial controls and accounting systems of the Company and its wholly owned subsidiaries. The Committee also assesses the effectiveness of the internal auditors and the independence and effectiveness of the external auditors. This assists the Board in monitoring the integrity of the Company's AFS and related external reports.

The Committee comprises independent non-executive directors who collectively have the necessary financial literacy, skill and experience to perform the Committee role and functions effectively.

The Committee executed its duties in terms of paragraph 3.84(g) of the JSE Listings Requirements as reported in the Audit Committee's report in the AFS (refer to pages 12 to 14 in the AFS) and satisfied itself that the Company has established appropriate financial reporting procedures and that those procedures are operating, which included the consideration of all entities included in the consolidated group IFRS financial statements.

The table below sets out the composition of the Audit Committee and attendance at the meetings by its members for 2022:

Member	Number of meetings: 5
SS Ntsaluba (Chairperson)	5/5
MS Bomela	5/5
MA Jenkins	5/5

Corporate governance cont.

Meetings of the Audit Committee were aligned with the key reporting and regulatory timelines. The Chairperson of the Audit Committee met with internal audit and external auditors separately between Audit Committee meetings. The agenda also provided for meetings solely with members of the Audit Committee.

In addition to its statutory duties, the following were key activities and outcomes from the Audit Committee in 2022:

- continued focus on governance and the regulatory control environment
- continued focus on the robustness of the internal control framework over financial reporting to support the Chief Executive and Chief Financial Officer’s responsibility statement
- reviewing the business performance against targets
- continued focus on IT governance and the related control environment
- oversight of internal controls around the planned capital expenditure on the group’s major multi-year projects currently in execution
- reviewed its terms of reference and annual work plan and recommended the terms of reference to the Board for approval
- reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee

The Committee is satisfied that it has fulfilled its mandate as set out in its terms of reference and work plan, as required in terms of King IV Principle 8 during the period under review.

The Audit Committee is pleased to confirm that it has achieved the actions identified to enhance governance outcomes further set out for 2022. Actions for implementation in 2023 have been identified and agreed by the Committee (also refer to the Audit Committee’s report in the AFS pages 12 to 14).

Strategy and Investment Committee (Stratco)

The primary purpose of the Strategy and Investment Committee is to evaluate and make recommendations to the Board on the Company’s strategy and its implementation, business development opportunities, capital and other investments or divestments and procurement contracts.

The Committee comprises four independent non-executive directors, three non-executive directors and two executive directors. The Head of strategy and business development, Head of technical and projects, Principal advisor project management office and strategy and Manager corporate development and strategic projects are permanent invitees to the meetings of the Committee.

The table below sets out the composition of the Strategy and Investment Committee and attendance at the meetings by its members for 2022:

Member	Number of meetings:
TP Goodlace (Chairperson) [#]	4/4
MS Bomela*	4/4
MA Jenkins	4/4
SS Ntsaluba	4/4
BA Mazarura	4/4
TM Mkhwanazi	3/4
MJ Tsele	3/4
DG Wanblad	3/4
ND Zikalala	3/3

[#] Mr Terence Goodlace ceased to be the Chairperson and a member of the Committee on 11 November 2022.

* Mrs Mary Bomela was appointed as the Chairperson of the Committee on 11 November 2022.

+ Ms Nompumelelo Zikalala was appointed to the Committee on 18 February 2022.

The following were key activities and outcomes from the Strategy and Investment Committee in 2022:

- reviewed and monitored the implementation of the Company’s strategy and its component parts
- monitored the implementation of approved capital projects
- received quarterly updates from management on the life-of-asset and approved the life-of-asset strategic design
- received updates from management on progress made on decarbonisation
- reviewed and approved the 2022 resource development plan
- reviewed and recommended to the Board the participation of Sishen and Kolomela mines in the RREE
- ensured that in identifying risks relating to the Company’s strategy, consideration was given to the upside presented by such risks to ensure that possible opportunities are captured in a responsible manner and in the best interest of the organisation
- reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee
- reviewed its terms of reference and annual work plan and recommended the terms of reference to the Board for approval

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee’s terms of reference and work plan, as required in terms of King IV Principle 8 during the period under review.

Social, Ethics and Transformation Committee (Setco)

The Social, Ethics and Transformation Committee, as a statutory committee, plays a pivotal role in exercising oversight of organisational ethics, social and economic development, good corporate citizenship, regulatory compliance, environment, health and safety, stakeholder engagement and labour and employment issues. The purpose of the Committee is to ensure that the Company’s activities positively impact its many stakeholders, including employees, communities, members of the public and the environment and to report on this to its shareholders on an annual basis.

The Committee comprises a majority of non-executive directors. In addition to Committee members, the executive heads of safety, health and environment, corporate affairs, and human resources attended Committee meetings.

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee’s terms of reference and work plan, as required in terms of King IV Principle 8 during the period under review.

The Setco’s report (the SR 2022) is available on the Company’s website at:

– www.angloamericankumba.com/investors/annual-reporting/reports-archive/2021

The table below sets out the composition of Setco and attendance at the meetings by its members for 2022:

Member	Number of meetings:
BP Sonjica (Chairperson)	5/5
MS Bomela	5/5
TP Goodlace	5/5
NB Langa-Royds	4/5
TM Mkhwanazi*	1/1
MJ Tsele	5/5
DG Wanblad	4/5
ND Zikalala [#]	3/4

* Mr Themba Mkhwanazi ceased to be a member of the Committee on 18 February 2022.

[#] Ms Nompumelelo Zikalala was appointed to the Committee on 18 February 2022.

The following were some of the key activities and outcomes from the Social, Ethics and Transformation Committee in 2022:

- reviewed the Company’s quarterly transformation and stakeholder engagement reports
- received quarterly updates on the Company’s safety, health and environmental performance
- received an update on the Company’s inclusive procurement performance
- considered the outcomes of the quarterly assessment of the Company’s managed tailings storage facilities as well as the critical controls to manage geotechnical risks
- approved the regulatory compliance plan for 2022 and received quarterly reports on compliance in line with the plan
- received progress reports on the SMP
- considered the Company’s B-BBEE strategy and roadmap
- received reports from the Ethics function relating to the code of ethics, whistleblowing reports and implementation of the business integrity plan
- considered and recommended to the Board for approval the Kumba mineral residue facilities and water management structures policy
- considered and recommended to the Board for approval Kumba’s contribution to the Thabo Mbeki Foundation
- monitored findings from ABAS audits related to material risks falling within the remit of the Committee
- reviewed its terms of reference and annual work plan and recommended the terms of reference to the Board for approval
- reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee

The Social, Ethics and Transformation Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2022. Actions for implementation in 2023 have been identified and agreed upon by members of the Committee.

Corporate governance cont.

Human Resources and Remuneration Committee (Remco)

The purpose of the Human Resources and Remuneration Committee is to ensure that the remuneration policy is fair and reasonable, while remaining compliant with regulatory and governance requirements and that remuneration practices deliver shareholder value. It also ensures the establishment of an appropriate remuneration framework and adoption of remuneration policies that aim to attract and retain top talent, support the Company's long-term strategy and drive sustainable performance.

The Committee comprises a majority of non-executive directors. In addition to the Committee members, the Chief Executive, the Executive Head of human resources and the Anglo American Head of reward attend Committee meetings.

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan, as required in terms of King IV Principle 8 during the period under review.

The remuneration report for the year under review is on page 77.

The table below sets out the composition of Remco and attendance at the meetings by its members for 2022:

Member	Number of meetings: 5
NB Langa-Royds (Chairperson)	4/5
MS Bomela	5/5
TP Goodlace	5/5
MA Jenkins	5/5
TM Mkhwanazi ⁵	4/4

⁵ Mr Themba Mkhwanazi was appointed to the Committee on 18 February 2022.

The following were key activities and outcomes from the Human Resources and Remuneration Committee in 2022:

- determined and approved the remuneration of the Chief Executive, executive directors and prescribed officers
- approved market salary adjustments for the Chief Financial Officer, Chief Operating Officer and Company Secretary
- approved the payment of performance incentives for the 2021 performance year
- considered and recommended the Evergreen Employee Share Ownership Plan to the Board for approval
- reviewed the compensation base and proposed annual increases for bargaining and non-bargaining employees
- reviewed management's proposal for the independent non-executive directors' fee increase and recommended the increase to the Board for shareholder approval

- reviewed and approved the 2021 share allocation awards under the deferred bonus arrangement (DBA) and long-term incentive plans (LTIPs) for the executive directors, prescribed officers and senior management
- approved the 2022 performance conditions for the executive directors' LTIP award
- considered material risks and mitigation strategies related to the retention of critical skills and labour relations
- considered and approved the 2022 performance scorecard for the Chief Executive
- reviewed and approved the 2022 Team+ management short-term incentive (STI) business results and critical tasks performance metrics and weightings
- reviewed its terms of reference and annual work plan and recommended the terms of reference to the Board for approval
- reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee

The Human Resources and Remuneration Committee is pleased to confirm that it has achieved the actions identified to further enhance governance outcomes set out for 2022. Actions for implementation in 2023 have been identified and agreed by members of the Committee.

Safety, Health and Sustainable Development Committee (SHSD)

The Board approved the establishment of the Safety, Health and Sustainable Development Committee on 11 November 2022. The purpose of the Committee is to monitor the safety and health of employees and to oversee that the sustainability initiatives and objectives of the Company are effectively integrated into the business and that the Company operates in an environmentally responsible and safe manner.

The Committee comprises three independent non-executive directors, one non-executive director and one executive director. The Executive heads of safety, health and environment, technical and project and corporate affairs are permanent invitees to the Committee.

The Committee will have its inaugural meeting in February 2023.

Nominations and Governance Committee (NomGov)

The Nominations and Governance Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and

other members of senior management. The Committee comprises independent non-executive directors. The Committee plays a key role in the promotion of sound corporate governance as integral to running of an organisation and delivering governance outcomes such as an ethical culture, good performance, effective control and legitimacy.

The table below sets out the composition of the Nominations and Governance Committee and attendance at the meetings by its members for 2022:

Member	Number of meetings: 5
TP Goodlace (Chairperson)	5/5
NB Langa-Royds	5/5
SS Ntsaluba	5/5
BP Sonjica	5/5

The following were key activities and outcomes from the Nominations and Governance Committee in 2022:

- reviewed the composition of the Board and its sub-committees to ensure the appropriateness of skills, experience, background and diversity
- considered and recommended to the Board for approval, the revision of several policies, including the Board policy on conflicts of interest and the policy on the promotion of broader diversity at board level
- considered the results from the internal Board and Committee evaluation
- assessed the competence of the Company Secretary as required by paragraph 3.84(h) of the JSE Listings Requirements
- considered and recommended changes to important functions of the Board which was communicated to shareholders
- reviewed and recommended the Companies and Intellectual Property Commission (CIPC) enforcement compliance checklist for the Company
- considered the succession planning and talent management processes in respect of the Chief Financial Officer
- considered the succession plans for the Board and Chief Executive
- made recommendations to the Board on the appointment of an independent non-executive director
- made recommendations to the Board on the establishment of a safety, health and sustainable development committee
- reviewed the Board policy framework
- reviewed its terms of reference and annual work plan and recommended the terms of reference to the Board for approval
- reviewed and assessed quarterly reports on risks and opportunities falling within the remit of the Committee

The Committee is satisfied that it has fulfilled its mandate as set out in the Committee's terms of reference and work plan, as required in terms of King IV Principle 8 during the period under review.

The Nominations and Governance Committee confirms that it has achieved the actions identified to further enhance governance outcomes set out for 2022. Actions for implementation in 2023 have been identified and agreed by members of the Committee.

Executive Committee

Exco comprises the individuals most closely involved in the Company's operations including:

- The Chief Executive (Chairperson of Exco)
- The Chief Financial Officer
- Executive heads of each material area

Its responsibilities are subject to the provisions of the DAF and include:

- executing corporate strategy, as approved by the Board
- prioritising capital expenditure allocations
- establishing and overseeing best management practices
- making senior managerial appointments
- overseeing managerial performance

All members of Exco have also been identified as prescribed officers of the Company in terms of the Companies Act.

Commitment to continued excellence

Our Exco continually reviews the way we work by streamlining meetings, encouraging courageous and constructive discussions and eliminating duplication.

We call it "Work Smarter"

Other governance practices

Codes, regulations and compliance

The Board is responsible for the Company's compliance with applicable laws, codes and standards. Compliance is an integral part of the Company's culture in ensuring the achievement of its strategy. The Board has delegated the implementation of an effective compliance framework to management. Supervision of compliance risk management is delegated to the Management Risk Committee, which reviews and monitors compliance. The Company operates in conformity with its MoI. In addition, the Company complied with various codes and regulations such as the Companies Act, the JSE Listings Requirements and King IV. Internal quality audits are performed to assess compliance with legal and industry requirements.

Corporate governance cont.

King IV

The Board always endeavours to apply good corporate governance practices when executing its fiduciary duties and is fully committed to the four governance outcomes as set out in King IV. A self-assessment was conducted against the 16 principles and the Board is satisfied that the Company has adopted the principles and is mindfully overseeing the application of the recommended practices.

The JSE Listings Requirements currently require JSE-listed companies to report on the extent to which they apply the principles set out in King IV. The application of the King IV principles and adoption of the various recommendations are more fully detailed in our King IV application register, available on the Company's website:

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

The Board developed a matrix allocating responsibilities to the Board committees while retaining overall accountability.

Management ethics

Ethics and code of conduct

The main role of the ethics function is to promote ethical business conduct through the implementation of the Company's business integrity policy, code of conduct and anti-corruption policy.

The Company is committed to conducting a business that is consistent with its values, principles and leadership code, through guidelines and policies that set out its ethical culture. These policies guide employees, contractors, suppliers and all other stakeholders on how the Company conducts itself and the way it does business.

Kumba has upheld its principle of "zero tolerance" to unethical behaviour throughout its activities during the year under review. This has intrinsically been achieved through exercising rigorous ethics management and monitoring through a systematic and structured framework. Kumba has a clear governance structure charged with ethics management to ensure effective and efficient monitoring. The Board, through the Audit and Social, Ethics and Transformation Committees, is the ultimate custodian of ethics management as outlined in the Companies Act and King IV. Kumba has a Management Ethics Committee which is responsible for ongoing management of ethics. The Committee meets on a quarterly basis to consider all ethics and integrity-related issues and reports to the Board committees. Kumba has a dedicated anonymous tip-offs (whistleblowing) hotline, independently run by a third party.

The Kumba ethics function is led by the Company Secretary as the ethics officer who also serves as the Chairperson of the Management Ethics Committee. The Committee made good progress on investigating and closing off reported incidents.

During the year, the ethics officer created awareness through targeted communication on unethical behaviour, disclosure of gifts, entertainment and hospitality and conflicts of interest with the launch of the new "Disclose" tool that was done through various platforms to reach all employees, suppliers, contractors, and communities. All reported incidents are thoroughly investigated either internally, or by ABAS or external forensic investigators, and resolved timeously, depending on the complexity of the matter. During the investigation process, fairness and transparency are exercised and the outcome of each investigation is properly considered to ensure that corrective action is taken to address control failures.

Regulatory compliance

Kumba recognises the importance of complying with legislation as well as adhering to non-binding rules, codes and standards impacting its mining operations. The compliance process is an important element in embedding a compliance culture at Kumba and providing the Board and management with the assurance of compliance with legal and regulatory requirements.

The compliance function is aligned with the Company's strategic objectives and works closely with the risk function and Anglo American internal audit department to ensure the alignment of the combined assurance providers approaches to monitoring and reporting. The regulatory compliance controls and monitoring, introduced during the previous financial year, were continued throughout 2022. The outcome of the risk-based compliance monitoring of controls and mining activities resulted in the Company adopting appropriate remedial and/or mitigating steps, where necessary, to comply with the spirit and letter of the findings.

During the year, the compliance function provided reports to the Management Risk Committee and the Social, Ethics and Transformation Committee on the level of regulatory compliance by the Company to the applicable mining and related legislation, regulations, standards, best practices and codes that have been identified to be of importance.

The compliance function reports operationally to the Company Secretary and has regular direct contact with the Chief Financial Officer, Chief Executive and senior management. In addition, the compliance function attends key management and governance meetings.

Annual compliance certificate

The annual compliance certificate confirming the Company's compliance with the JSE Listings Requirements for the period was completed and will be submitted to the JSE on 14 April 2023.

Trading in securities

Kumba has a defined trading in securities policy, which is in alignment with the JSE Listings Requirements, and sets out provisions as to how trading is to be conducted by Kumba's directors, directors of Kumba's major subsidiaries, the Company Secretary and relevant employees, when dealing in the Company's securities, to prevent the misuse of inside information.

The Kumba policy and JSE Listings Requirements prohibit directors and employees from trading in any securities relating to Kumba without obtaining prior approval from the Chairperson of the Board or other designated directors.

Directors are also required to publicly disclose any dealings in the Company's securities by themselves or their associates. The JSE Listings Requirements has defined closed periods that prohibits trading in Kumba securities during these periods:

- the time period from 1 January every year to the date on which the annual financial results are published (1 January 2022 to 22 February 2022)
- the time period from 1 July every year to the date on which interim financial results are published (1 July 2022 to 26 July 2022)
- any period when Kumba is trading under a cautionary announcement

The prohibition applies equally to the directors, executive and designated employees' associates. At the start of a closed period, directors and employees are formally advised of the commencement and duration of the closed period. In addition, ad hoc trading embargoes are imposed on individuals who possess price-sensitive information of a particular nature, at any given time, if it is the opinion of Kumba that there exists a risk of insider trading.

Sponsor

Kumba fully understands the role and responsibilities of the sponsor stipulated in the JSE Listings Requirements and has cultivated a good working relationship with its sponsor, Rand Merchant Bank. The Company is satisfied that the sponsor has executed its mandate with due care and diligence for the year under review.



Komatsu 830E truck next to safety signage at Kolomela.