

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

**BOARD CHARTER**

## **1. CONSTITUTION**

- 1.1 The board of directors of Kumba Iron Ore Limited (“the board”) fully subscribes to the principles of good corporate governance as set out in the King IV™ Report on Corporate Governance for South Africa, 2016 (“King IV™”) and regards these as fundamentally important to the success and sustainability of the Company.
- 1.2 The provisions of the charter will at all times be subject to relevant statutory and regulatory requirements, including, amongst others, the Companies Act No. 71 of 2008, as amended (“the Companies Act”), the JSE Listings Requirements and the Company’s Memorandum of Incorporation.
- 1.3 The purpose of the charter is to regulate the parameters within which the board will operate and to ensure the application of the principles of good corporate governance in all dealings by, in respect and on behalf of, the Company and furthermore to set out the roles and responsibilities of the board and individual directors, including the composition and relevant procedures of the board.
- 1.4 Unless inconsistent with the content, words importing the masculine gender shall include the female gender and words importing persons shall include all legal entities (corporate or otherwise).

## **2. COMPOSITION OF THE BOARD**

- 2.1 The board is a unitary board structure comprised of executive and non-executive directors. There will be a minimum of 4 (four) and a maximum of 14 (fourteen) directors as prescribed by the Company’s Memorandum of Incorporation.
- 2.2 Notwithstanding the above, there will at all times be a majority of non- executive directors, the majority of whom will be independent as defined in King IV™ and the JSE Listings Requirements.

- 2.3 The roles of the chairperson and chief executive officer will be separated as recommended by King IV™ and prescribed by the JSE Listings Requirements.
- 2.4 Notwithstanding the chairperson being an independent non-executive director, the board will appoint a lead independent director from amongst their members to fulfil the role as envisaged in King IV™ and set out in Annexure A hereto, unless the board resolves otherwise.
- 2.5 The chairperson will be responsible for the effective leadership of the board as set out in Annexure A hereto.
- 2.6 There will be a clear division of responsibilities between the executive responsibility for the running of the Company's business and the leadership of the board, such that no one individual has unfettered powers of decision-making. For this purpose, the reporting lines and responsibilities of the chairperson and chief executive officer are set out in Annexure A hereto.
- 2.7 Two executive directors will be appointed as a minimum, being the chief executive officer and the chief financial officer. The termination of the employment relationship of such executive director will result *ipso facto* in the termination of his directorship unless the board resolves otherwise.
- 2.8 The board is authorised by the Company's Memorandum of Incorporation to fill vacancies on the board. This authority will be exercised through a formal process as envisaged in King IV™. The nominations and governance committee of the board will assist with the identification of suitable candidates for appointment to the board. Upon appointment, a director will be provided with a letter of appointment.
- 2.9 The non-executive directors shall serve for a tenure of nine (9) years, which may be extended by a further period subject to the assessment of such director's independence as required by King IV™.



- 2.10 Notwithstanding any of the above, a director shall cease to hold office should any event as contemplated in clause 26 of the Company's Memorandum of Incorporation occur.

### **3. ROLE AND RESPONSIBILITIES OF THE BOARD**

#### **3.1 STEERING AND SETTING STRATEGIC DIRECTION**

- 3.1.1 As its primary function, the board is accountable and responsible for determining the Company's strategic direction and the budgets necessary for the implementation thereof and furthermore to exercise prudent control over the Company and its affairs.
- 3.1.2 In fulfilling its functions, the board will at all times:
- 3.1.2.1 provide effective leadership based on an ethical foundation;
  - 3.1.2.2 act as ultimate custodian of the Company's system of corporate governance by managing its relationship with management, shareholders and other stakeholders based on sound corporate governance principles;
  - 3.1.2.3 appreciate that strategy, risk and opportunities, performance and sustainability are inseparable and give effect to this by:
    - 3.1.2.3.1 contributing to, reviewing and approving the strategy of the Company as presented by management and the budgets necessary for the implementation of the approved strategy;
    - 3.1.2.3.2 satisfying itself that all material risks in the strategy and business plans have been duly considered and addressed by management;

- 3.1.2.3.3 being satisfied that the strategy will result in sustainable outcomes for the Company, taking account of the concept of “people, plant and profit”;
- 3.1.2.3.4 implementing an effective group-wide risk management framework and ensure that key risk areas and key performance indicators of the business are identified and monitored; and
- 3.1.2.3.5 considering sustainability as a business opportunity that guides the formulation of strategy.

## **3.2 APPROVING POLICY AND PLANNING**

### **3.2.1 The Board shall:**

- 3.2.1.1 ensure that the Company has a broad diversity policy in place, which clearly explains the Company’s consideration and promotion of broader diversity at board level;
- 3.2.1.2 be responsible for the proactive and effective governance of information technology;

3.2.2 The board will be responsible for appointing the chief executive officer and the chief financial officer in consultation with the nominations and governance committee. The board shall ensure that a proper process of performance management of the CEO, and succession planning in respect of these positions, are in place

3.2.3 The board, via the human resources and remuneration committee, will provide input regarding senior management appointments, remuneration and succession plans.

3.2.4 The board will implement a formal delegation of authority framework which will be reviewed on a biennial basis or as required.

3.2.5 The board will, with the support of the human resources and remuneration committee, adopt remuneration policies that are fair, responsible and aligned with the strategy of the Company while linked to individual performance. A

remuneration report will be included in the integrated report and the remuneration philosophy will be submitted to shareholders annually for a non-binding, advisory vote.

### **3.3 OVERSIGHT AND MONITORING**

3.3.1 In fulfilling its functions, the board shall further:

- 3.3.1.1 ensure that the Company has a code of ethics and related ethics policies, based on its values as approved by the board, and that the ethical performance of the Company and its representatives is pro-actively and effectively managed and reported on;
- 3.3.1.2 ensure that the Company has an independent and effective audit committee;
- 3.3.1.3 be responsible for the pro-active and effective management of risk in the Company;
- 3.3.1.4 ensure that the Company has an effective internal audit function;
- 3.3.1.5 monitor the performance of the Company against agreed objectives;
- 3.3.1.6 review the performance of executive management against defined objectives and other applicable performance standards through the human resources and remuneration committee; and
- 3.3.1.7 continuously monitor the solvency and liquidity of the Company.

**3.3.1.8 Financial reporting**

- Approve any significant changes in accounting policies or practices;
- Approve preliminary announcements of interim and final results;
- Approve the integrated report and annual financial statements (including the corporate governance statement, remuneration policy and remuneration report);
- Approve the dividend policy, declaration of interim and final dividends.

**3.3.1.9 Business controls**

- Approve the annual operating and capital expenditure budgets, any material changes to the budgets and monitoring of performance against budget;
- Approve material changes to the Company's capital structure, its status as a listed company or its management and control structure.

**3.3.1.10 Financial expenditure**

Approvals will be in accordance with the Delegation of Authority.

**3.3.1.11 Shareholder Communications**

- Convening of meetings of shareholders of the Company and approval of resolutions and corresponding documentation to be submitted to those meetings;
- Approve all circulars, prospectuses and listing particulars or other document requiring to be approved by or filed with the Johannesburg Stock Exchange on which the Company's securities are listed (other than routine announcements and filings);
- Recommendation to shareholders for adoption of any proposed changes to the Memorandum of Incorporation;
- Recommendation to shareholders for the appointment, removal or re-appointment of non-executive directors up for rotation/election and audit committee members;



- Approve the allotment of shares and share buy backs in respect of the Company, subject to the appropriate shareholder authorities.

### **3.4 ACCOUNTABILITY**

3.4.1 The board and individual directors will at all times represent and promote the best interest of the Company and its shareholders and adhere to all relevant laws, regulations and codes of business practice.

3.4.2 The board will:

3.4.2.1 ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations may have on the environment and societies within which it operates;

3.4.2.2 ensure that the Company complies with all applicable laws and considers adherence to non-binding rules and standards;

3.4.2.3 ensure proper management of the relationship between the Company and all its stakeholders so as to protect and, where possible, enhance the reputation of the Company;

3.4.2.4 ensure the integrity of the Company's integrated report;

### **4. RESPONSIBILITIES OF INDIVIDUAL DIRECTORS**

4.1 In fulfilling his responsibility to the Company, a director will at all times:



- 4.1.1 act in the best interest of the Company, in good faith, with integrity and adhere to all relevant legal obligations and codes of conduct;
- 4.1.2 conduct himself in a professional manner;
- 4.1.3 avoid any conflict of interest between his personal affairs and that of the Company and disclose timeously any such conflict or potential conflict;
- 4.1.4 disclose any information that he may be aware of that is material to the Company and which the board is not aware of, unless such director is bound by ethical or contractual obligations of non-disclosure;
- 4.1.5 only use his powers for the purposes for which they were conferred upon him and not to gain an advantage for himself or a third party or to harm the Company in any way;
- 4.1.6 only act within his powers as formally delegated by the board;
- 4.1.7 keep all information learned in his capacity as a director strictly confidential;
- 4.1.8 use his best endeavours to attend board and relevant board committee meetings, as prescribed in the Memorandum of Incorporation and devote appropriate preparation time ahead of each meeting to ensure that he is in a position to contribute to board and committee discussions and to make informed decisions on matters placed before the board or board committee;
- 4.1.9 exhibit the degree and skill and care as may be reasonably expected from a person of his skill and experience, but also exercise both the care and skill any reasonable person would be expected to show in looking after his own affairs; and



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- 4.1.10 actively participate in and contribute to board deliberations in a constructive and frank manner under the leadership and guidance of the chairperson.
- 4.2 Directors who are not able to attend any meetings of the board will submit a formal apology, with reasons, to the chairperson or company secretary.
- 4.3 The directors are entitled to have access, at reasonable times, to all relevant Company information and to management. Such access shall be arranged through the chairperson of the board, the chief executive officer or the company secretary.
- 4.4 It will be the responsibility of each director to ensure a proper disclosure of any potential conflict of interest, not only as and when such conflict arises, but also by submitting and continuously updating a general declaration of interest in the format as required by the company secretary from time to time.

## **5. DEVELOPMENT OF DIRECTORS**

- 5.1 A formal induction programme will be in place for new directors upon appointment.
- 5.2 The need for continuing professional development programmes will be identified as part of the annual assessment of the performance of the directors.
- 5.3 Directors will be provided with regular briefings on changes in risks, laws and the environment but will also be expected to keep abreast of developments in the business environment and markets that may have a material impact on the business.

## **6. BOARD COMMITTEES**

- 6.1 The board will delegate certain of its functions to well-structured committees, but without abdicating its responsibilities.
- 6.2 Each board committee as established by the board will have formal terms of reference to be approved by the board and reviewed annually.
- 6.3 The committees will be appropriately constituted with due regard to the statutory requirements, where applicable, as well as the skills required by each committee.
- 6.4 Each board committee will be chaired by an independent non-executive director and the majority of committee members will be non-executive directors unless otherwise regulated by the Companies Act or in the terms of reference of the committee.
- 6.5 The chairperson of each committee shall report back to the board at each board meeting.
- 6.6 Board committees and members are authorised to obtain independent outside professional advice as and when considered necessary. The company secretary shall assist the board committees and members in obtaining any such professional advice.

## **7. COMPANY SECRETARY**

- 7.1 The board will appoint and remove the company secretary and empower the company secretary to enable him to properly fulfil his duties.
- 7.2 The company secretary is accountable to the board as prescribed by the Companies Act and will work closely with the chairperson in respect of all board related matters as contemplated in King IV™.
- 7.3 The company secretary will ensure that the board procedures are followed and reviewed regularly and that applicable rules and regulations for the conduct of the affairs of the board are complied with.
- 7.4 The company secretary will guide the board members as to how their responsibilities should be properly discharged in the best interests of the Company.
- 7.5 The board will ensure that the company secretary has the requisite knowledge, skills and experience to fulfil the function of company secretary of a public, listed Company.
- 7.6 As prescribed by the JSE Listings Requirements, the board will conduct an annual assessment of the competence, qualifications and experience of the company secretary and must report on this in its report to the shareholders. This communication must specifically include details of the steps which the board took to conduct the annual assessment as well as providing information which demonstrates the actual competence, qualifications and experience of the company secretary.
- 7.7 The company secretary will not be a director of the Company.
- 7.8 The company secretary will, in addition to his statutory duties, fulfil the governance duties of a company secretary.

7.9 The board will implement such procedures as are required to ensure the independence of the company secretary.

## **8. MEETING PROCEDURE**

8.1 The board will hold sufficient scheduled meetings to discharge all its duties but shall not hold less than 4 (four) meetings per year.

8.2 Any board member may, in consultation with the chairperson, request additional board meetings to be held as and when deemed appropriate. A board meeting shall be called if required by at least 2 (two) directors as contemplated in clause 30.1 of the Company's Memorandum of Incorporation.

8.3 The company secretary will be required to facilitate the process of setting the agenda for each meeting as agreed with the chairperson and chief executive officer. Every director will be entitled, in consultation with the chairperson, to add any item to the agenda for a particular board meeting.

8.4 Reasonable notice in writing shall be given to all directors in respect of all board meetings and processes.

8.5 The detailed agenda together with supporting documentation will be circulated prior to the meeting within a reasonable time so as to enable the directors to be properly prepared for the meeting.

8.6 The quorum necessary for the transaction of business shall be a majority of directors.

8.7 From time to time, the non-executive directors of the board shall meet without any members of the executive management team being present *inter alia* for the purposes of evaluating the information received from executive management about the Company and to determine whether it is reliable and of the appropriate standard.



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- 8.8 Members of senior management and service providers may be invited by the chairperson to attend meetings of the board but will not be entitled to vote or be counted for quorum purposes.
- 8.9 In the absence of the chairperson at a meeting, the lead independent director will act as chairperson for purposes of the meeting. Should a lead independent director not be appointed, the members present may nominate and elect one of their members to chair the meeting, provided the member is an independent non-executive director.
- 8.10 The board's discussions shall at all times be open and constructive. The chairperson shall seek consensus but may, where considered necessary, call for a vote as contemplated in clause 30.8 of the Company's Memorandum of Incorporation.
- 8.10.1 The minutes of the meeting must be completed as soon as reasonably possible after the meeting and circulated to the chairperson for review. The minutes will be formally approved by the board at its next scheduled meeting or via electronic communication, if necessary, and will thereafter be signed by the Chairperson. Signed minutes shall be kept with the secretariat and shall be made available to all board members for noting.
- 8.11 The board shall establish an annual workplan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 8.12 Board meetings may be conducted electronically provided that all concerned can actively participate in the meeting. Directors participating via these electronic facilities, (as defined in the Electronic Communications and Transaction Act, 2002 ("ECT Act")), will be counted for quorum purposes.
- 8.13 A resolution in writing signed by a majority of the directors will be as valid and effectual as if it had been passed at a board meeting duly called and constituted, provided that each director shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

8.14 Any proposed resolution referred to in clause 8.13 above:

8.14.1 may be signed, by means of electronic signature, as defined in the ECT Act and in any number of counterparts, all of which, taken together, shall constitute one and the same document; and

8.14.2 may, in signed or unsigned data form, as defined in the ECT Act, be conveyed or transmitted by email or any other form of electronic communication, subject to any conditions decided upon by the board.

## **9. BOARD PROCEDURES AND POLICIES**

The board shall be entitled to adopt and approve such procedures and policies as it may deem necessary to ensure proper governance in the management of its affairs. As a minimum, the board shall adopt policies and procedures in respect of the following:

### **9.1 Independent professional advice**

The board will approve a procedure 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 statutory and/or fiduciary duties and responsibilities.

### **9.2 Conflicts of interest and declaration of directorships**

The board shall adopt a formal Conflicts of Interest Policy in terms of which conflicts are defined and appropriate procedures dealing with conflicts are prescribed.

In addition to the above, the board also endorses the Anglo American Business Integrity Policy and Procedures.



### 9.3 Trading in Company securities

The board shall adopt and approve a formal procedure to regulate the trading by directors, senior management and relevant employees in the Company's securities.

## 10. BOARD AND DIRECTOR EVALUATION

- 10.1 An evaluation of the performance of the board, chairperson, individual directors and board committees will be done on a biennial basis.
- 10.2 An overview of the evaluation process, results and action plans will be disclosed in the integrated report.
- 10.3 The nomination for the re-appointment of a director will only occur after the evaluation of the performance and attendance of the director by the Nominations and Governance committee.

## 11. DIRECTORS' FEES AND SERVICES

- 11.1 Any increase in directors' fees will be approved by shareholders on recommendation by the board with the input and assistance of the human resources and remuneration committee. However, the shareholders' resolution to pay directors remuneration shall be valid for a period of 2 (two) years.
- 11.2 Non-executive directors should, as a general rule, not provide any professional or business services of an on-going nature to the Company.



## **12. GOVERNANCE FRAMEWORK: SUBSIDIARY COMPANIES**

- 12.1 The board, on behalf of the Company, recognises the statutory and fiduciary duties of the directors of subsidiary companies and in particular their duty to act in the best interests of the subsidiary company at all times whether or not the director is nominated to the board of the subsidiary company by the holding company. In the case of a conflict between the duties of a director to a subsidiary company and the interests of the holding company, the duties of the director to the subsidiary company must prevail.
- 12.2 To the extent provided for in the formal delegation of authority framework, adopting and implementing policies and procedures of the holding company in the operations of the subsidiary company should be a matter for the board of the subsidiary company to consider and approve if the subsidiary company's board considers it appropriate.

## **13. DISPUTE RESOLUTION**

- 13.1 The board subscribes to the principle that both internal and external disputes should be resolved as effectively, efficiently, and expeditiously as possible.
- 13.2 To the extent reasonably possible, dispute resolution should be cost effective and not be a drain on the finances and resources of the Company. This entails selecting a dispute resolution method, where possible, that best serves the interests of the Company, considering issues such as the preservation of business relationships and costs, both in money and time, especially executive time, as well as relevant commercial considerations.
- 13.3 Alternative dispute resolution ("ADR"), including methods such as conciliation, mediation and arbitration, should therefore be considered as possible options in the resolution of both internal and external disputes, before approaching a court of law, but only when appropriate and considering the abovementioned principles.



## 14. LEGAL COMPLIANCE

- 14.1 The board subscribes to the principle that being legally compliant is essential, not only for business success, but also to protect, maintain and enhance the reputation of the Company.
- 14.2 The board is responsible for monitoring compliance with applicable laws and with those non-binding rules, codes and standards with which it needs to comply. This responsibility will be undertaken on behalf of the board by the audit committee, the social, ethics and transformation committee for matters falling within its mandate and the safety, health and sustainable development committee for matters falling within its mandate with quarterly reports on compliance being submitted to the board via these committees.
- 14.3 Management is responsible for implementing the required mechanisms to identify and manage compliance in the Company and the group through the implementation of an effective compliance framework and processes, which should form an integral part of the company's risk management process.
- 14.4 The board should be continually informed of relevant laws, rules, codes and standards, and any amendments thereto, to enable the board to adequately discharge its duties in the best interest of the Company and with due care, skill and diligence.
- 14.5 Any material incidences of non-compliance should be immediately reported to the board by the chief executive officer and the company secretary.

**15. GENERAL**

- 15.1 Any member of the board, senior partner of the external auditors, head of internal audit, head of risk or any member of the board committee may bring to the notice of the board or its chairperson, the chief executive officer, the chief financial officer or the company secretary, any material matter that he deems appropriate.
- 15.2 If any part of this Charter conflicts with anything contained in the Mol, the Mol shall take precedence.
- 15.3 This Charter may be amended from time to time by the Board, but will be reviewed on an annual basis.
- 15.4 The Board to identify its focus areas for each financial year for inclusion in the integrated report; and
- 15.5 Confirm annually the fulfilment of its mandate.

**APPROVED BY THE BOARD ON 15 NOVEMBER 2024**

## **ANNEXURE A**

### **POLICY ON DIVISION OF RESPONSIBILITIES**

In order to confirm that there is an appropriate balance of power in the board, the reporting lines and key responsibilities of the chairperson of the board, the lead independent director and the chief executive officer are set out below:

#### **A. CHAIRPERSON**

##### **A1. Reporting lines**

- 1.1 The chairperson is accountable to the board.
- 1.2 The chairperson is not responsible for executive matters regarding the Company's business. Other than the chief executive officer and (in respect of limited matters set out herein and other matters directly relating to the board) the company secretary, no executive reports to him other than through the board.

#### **B. LEAD INDEPENDENT DIRECTOR ("LID")**

##### **B1. Reporting Lines**

- 1.1 The lead independent director ("LID") is accountable to the Board.
- 1.2 The LID will be expected to serve in this capacity where the chairperson of the board is absent and not able to perform his duties for whatsoever reasons or where the independence of the chairperson of the board is questionable or impaired. The independence of the chairperson will be considered to be impaired if the majority of board members

resolve as such. The LID serves in this capacity for as long as the circumstances that caused the chairperson's absence, inability or conflict exists. In the event that a LID has not been appointed, and the independence of the chairperson is questionable or impaired, the chairperson of the audit committee will assume the role of the chairperson for as long as the conflict exists.

- 1.3 In addition, the LID to fulfil the following functions:
  - 1.3.1 To serve as a sounding board for the chairperson.
  - 1.3.2 To act as an intermediary between the chairperson and other members of the board, if necessary.
  - 1.3.3 To deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.
  - 1.3.4 To strengthen independence on the board if the chairperson is not an independent non-executive member of the board.
  - 1.3.5 To lead the performance appraisal of the chairperson. In the absence of a LID, the chairperson of the remuneration and human resources committee will lead the appraisal of the chairperson.

## **C. CHIEF EXECUTIVE OFFICER**

### **C1. Reporting Lines**

- 1.1 The chief executive officer reports to the chairperson (acting on behalf of the board) and to the board directly.
- 1.2 The chief executive officer is responsible for all executive management matters affecting the group. All members of executive management report, either directly or indirectly, to the chief executive officer.

## **ANNEXURE B**

### **EXTENDED ROLE OF THE BOARD**

#### **1. RELATIONSHIP WITH STAKEHOLDERS**

- 1.1 The board, primarily through the Social, Ethics and Transformation Committee, shall endeavour to familiarise itself with any issues of concern to stakeholders.
- 1.2 The board shall evaluate economic, political, social and legal issues on a regular basis, as well as any other relevant external matters that may influence or affect the development of the business or the interests of the stakeholders and, if appropriate, obtain independent expert advice.
- 1.3 The board shall encourage shareholders to attend annual general meetings. All directors shall also be encouraged to attend these meetings and at a minimum the chairperson, the chief executive officer, the lead independent director (if any), chief financial officer, chairpersons of the audit committee, strategy and investment committee, human resources and remuneration committee, nominations and governance committee, safety, health and sustainable development committee and the social, ethics and transformation committee and any other director at the specific request of the chairperson, shall be present.
- 1.4 The board has responsibility for ensuring that a satisfactory dialogue with stakeholders takes place based on the mutual understanding of objectives.
- 1.5 The rights of all stakeholders shall be recognised and respected and their active co-operation will be encouraged in creating a sustainable and financially sound enterprise.