



KUMBA IRON ORE

KUMBA IRON ORE LIMITED
(Registration number: 2005/015852/06)

("Kumba" or "the Company")

STRATEGY AND INVESTMENT COMMITTEE
("StratCo" or "the Committee")

TERMS OF REFERENCE

1. CONSTITUTION

- 1.1 The Strategy and Investment Committee (StratCo or the committee) has been constituted by the Kumba Board (the board) as a standing committee of the Kumba board.
- 1.2 The committee will also perform the functions of a StratCo on behalf of the subsidiaries of Kumba.
- 1.3 These terms of reference are subject to the provisions of the Companies Act (as amended), the Company's Memorandum of Incorporation, the JSE LR and any other applicable law or regulatory provision and should be read together with the Governing Principles Regulating Kumba Board Committees.
- 1.4 The Committee shall have decision-making power in respect of its duties where decision-making power has been specifically delegated by the Board to the Committee in these terms of reference. In respect of all other duties as contained herein, the Committee shall only have the power to make recommendations to the Board.
- 1.5 Committee meetings shall be held four times a year, unless agreed otherwise with the Chairperson of the Committee.

2. COMPOSITION

- 2.1 The Chairperson, who must be an independent non-executive director, and members of the Committee shall be nominated by the Nominations and Governance Committee and appointed by the Board. The Committee shall comprise of at least three independent non-executive directors. The CEO and CFO as well as the AA representatives shall also serve as members of the committee.

2.2 In the absence of the Chairperson, the members present may nominate and elect one of their members to chair the meeting, provided the member is an independent non-executive director.

2.3 Invitations to attend the Committee meetings shall be extended to:

- the Executive Heads of Technical and Strategy;
 - ABAS, and
 - any other senior executives and professional advisors as deemed appropriate.

3. ROLE

The role of the committee is to assist the Board with:

- 3.1 Evaluating the Company's strategy, strategy implementation, mergers, acquisitions, investments, procurement, divestments and disposals prior to approval by the board and to monitor these board approved transactions; and
- 3.2 To ensure that material issues that may affect the Company's strategy, financial health or stakeholder value are identified and discussed in detail and where appropriate or required, recommendations on these issues are made to the Board.

4. RESPONSIBILITIES

4.1 Considerations and risks will be considered by the Committee in respect of the following proposed investments or divestments within the Kumba Group prior to approval by the Board in line with the approved Delegation of Authority Framework:

4.1.1 Capital investments;

- 4.1.2 Merger and acquisition transactions or forming of joint ventures;
- 4.1.3 Divestitures or disposal, encumbrance or transfer of tangible or intangible property or assets not in the normal course of business or below market value;
- 4.1.4 Domestic commodity sales agreements;
- 4.1.5 Procurement of material goods and services; and
- 4.1.6 Plant closures affecting more than 5% of Kumba's group wide turnover for, or profit of, the preceding financial year.

4.2 The committee shall monitor the execution / implementation of any board approved investments, procurement, divestments and disposals in line with the approved Delegation of Authority Framework.

4.3 The committee shall monitor mergers and acquisitions and take-over activities on a Kumba level.

4.4 When evaluating or monitoring any matter within its mandate, the Committee will ensure alignment with the UN sustainable development goals listed below:

UN SUSTAINABLE DEVELOPMENT GOALS

SDG 8

Promote sustained inclusive and sustainable economic growth, full productive employment and decent work for all

SDG 9

Promote industry innovation and resilient infrastructure

SDG 12

Ensure responsible consumption and production

SDG 13

Take urgent action to combat climate change and its impact

SDG 15

Protect, restore and promote sustainable use of terrestrial ecosystems

4.5 Strategy Development

- 4.5.1 Review and recommend to the board, progress on Kumba's strategic plans, strategic actions, programmes and initiatives to ensure such progress on programmes and initiatives support Kumba's strategic objectives and the interests of stakeholders.

- 4.5.2 Review, evaluate and make recommendations to the board with regard to Kumba's strategies relative to emerging concepts, technologies, trends and changing market requirements and address major risks, gaps, opportunities and other issues.
- 4.5.3 Report to the board regarding the long-term strategic goals and objectives of Kumba and execution of Kumba's strategies including investment, divestment and M&A strategies.

4.6 Strategy Implementation and Monitoring

When evaluating or monitoring any matter within its mandate, the committee should as appropriate to the applicable phase of the project:

- 4.6.1 Assess alignment with the Kumba strategy, financial viability, financing, feasibility and sustainability;
- 4.6.2 Assess the cost benefit and technical benefit analysis, considering key risks and the short- and long-term environmental and social-economic impacts, ensuring the necessary mitigation controls are implemented;
- 4.6.3 Assess the sensitivity to determine whether investments would remain feasible if assumptions used in the calculations /projections were to change;

- 4.6.4 Assess cost effectiveness and arrangements for implementation in order to ensure efficiency and execution within time and budget;
- 4.6.5 Consider the Kumba Group structure and funding strategies which would best support the investment; and
- 4.6.6 Consider the appropriateness of a communication strategy if applicable.

4.7 Risk management

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

- 4.7.1 Ensure the effective monitoring of these risks and that potential opportunities are considered as appropriate;
- 4.7.2 Consider and review executive management's reports on the design and implementation of appropriate risk responses, overseeing that the risks are managed within the approved levels of appetite and tolerance and the integration and embedding of risk management in the business activities and culture of the Company;
- 4.7.3 Obtain confirmation that there is adequate assurance and that controls in relation to these risks are appropriate in design and effectiveness; and
- 4.7.4 Inform the board of its findings and recommendations in respect of material capital and investment risks which may have an impact on the Company.

APPROVED BY THE BOARD ON 15 NOVEMBER 2024