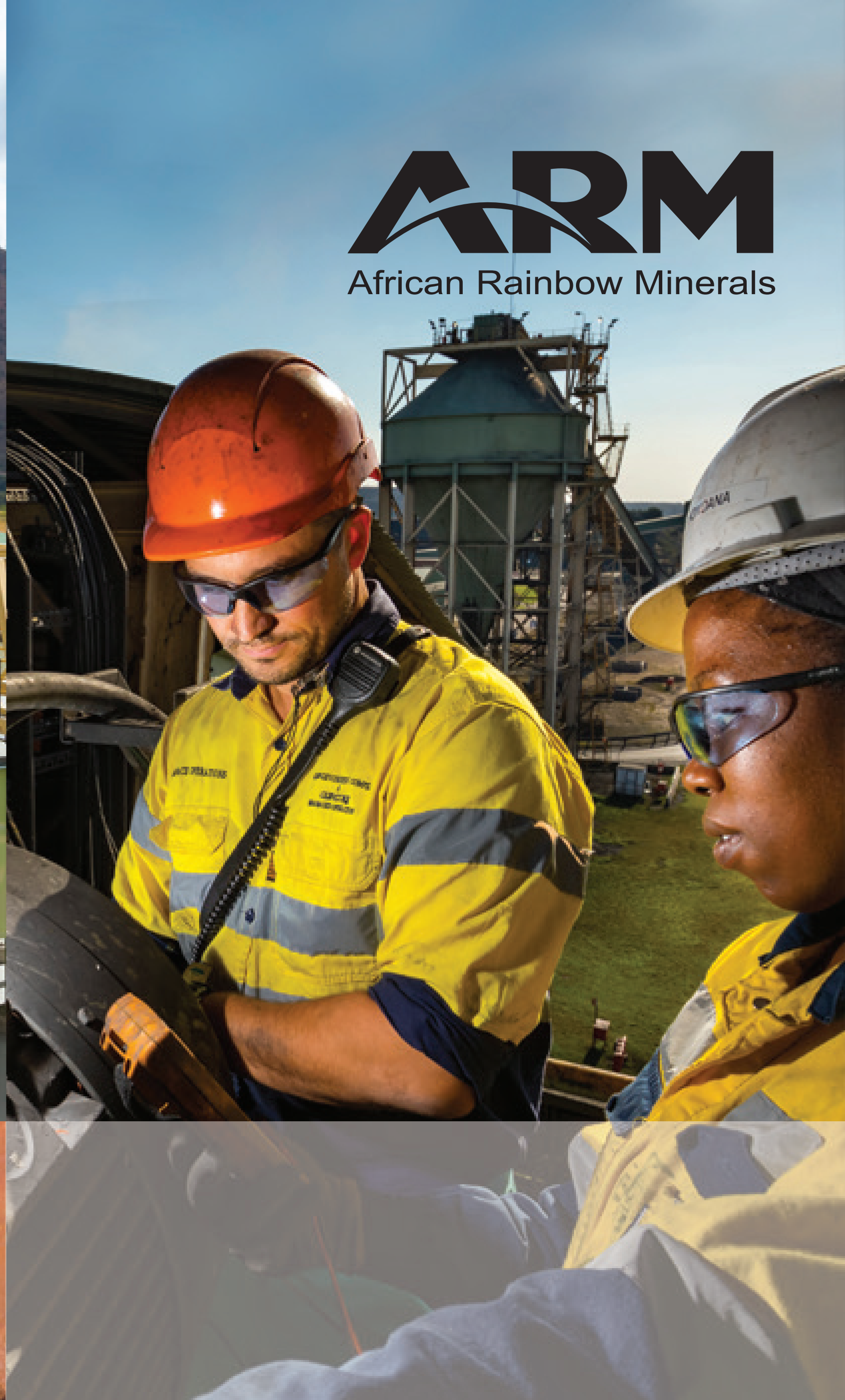


ARM
African Rainbow Minerals

Notice to shareholders

2021

Contents

Information available on our website

Information available elsewhere in this report

All monetary values in this report are in South African rand unless otherwise stated. Rounding may result in computational discrepancies on management and operational review tabulations.

All photographs were taken prior to the onset of Covid-19 and thus may include people without masks.

For a glossary of terms, refer to the ESG report.

Notice of annual general meeting

African Rainbow Minerals Limited
(Incorporated in the Republic of South Africa)
(Registration number 1933/004580/06)
JSE share code: ARI
A2X share code: ARI
ISIN: ZAE000054045
("ARM" or the "company")

Notice is hereby given that the 88th annual general meeting of shareholders of the company will, subject to any cancellation, postponement or adjournment, be held on Thursday, 2 December 2021 at 13:00 South African time, for the following business to be transacted and to consider and, if deemed fit, approve, with or without modification, the resolutions set out below.

In light of the ongoing Covid-19 pandemic in South Africa, the board of directors of ARM ("the board") has, in the interest of the company's stakeholders and their wellbeing, authorised that the AGM be held by way of electronic participation only and not by way of a physical meeting, in accordance with the provisions of section 63(2) of the Companies Act 71 of 2008 (as amended) ("the Companies Act") and the JSE Listings Requirements, as read with the company's memorandum of incorporation. Please refer to the section of this notice titled "Electronic participation by shareholders" for more details.

The record date for the purposes of section 59(1)(a) of the Companies Act for shareholders to be entitled to receive the notice of annual general meeting is Friday, 8 October 2021.

The record date for the purposes of section 59(1)(b) of the Companies Act for shareholders to be recorded as such in the register maintained by the transfer secretaries of the company to be entitled to participate in and vote at the annual general meeting is Friday, 26 November 2021 ("voting record date"). The last day to trade in the company's shares to be recorded as a shareholder by the voting record date is Tuesday, 23 November 2021.

Presentation of financial statements

To present the annual financial statements of the group and company for the financial year ended 30 June 2021 ("annual financial statements"), including the directors', audit and risk committee and independent auditor's reports. The 2021 annual financial statements are available on the company's website: **www.arm.co.za**. Refer to page 65 for the summarised consolidated financial statements.

Social and ethics committee report

To present the report of the social and ethics committee, which is included in the company's 2021 environment, social and governance report ("ESG report"), in terms of regulation 43(5)(c) of the Companies Regulations, 2011 promulgated in terms of the Companies Act. The 2021 ESG report is available on the company's website: **www.arm.co.za.** Refer to page 25 for the social and ethics committee chairman's report.

Re-election of non-executive directors

Ordinary resolutions numbers 1-4 are proposed to re-elect directors who retire by rotation as non-executive directors in line with the provisions of the company's memorandum of incorporation and who, being eligible, offer themselves for re-election. Their résumés appear on page 12 of this notice. The board recommends the re-election of these directors.

Ordinary resolution number 1
– Re-election of Mr F Abbott

1 "Resolved that Mr F Abbott, who retires by rotation in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

Resolution approval threshold
For this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Ordinary resolution number 2
– Re-election of Mr WM Gule

2 "Resolved that Mr WM Gule, who retires by rotation in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

Resolution approval threshold
For this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Ordinary resolution number 3
– Re-election of Mr AK Maditsi

3 "Resolved that Mr AK Maditsi, who retires by rotation in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

Resolution approval threshold

For this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Ordinary resolution number 4
– Re-election of Mr DC Noko

4 "Resolved that Mr DC Noko, who retires by rotation in terms of the company's memorandum of incorporation and who is eligible and available for re-election, be and is hereby re-elected as a director of the company."

Resolution approval threshold

For this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Reappointment of external auditor and designated auditor

Ordinary resolution number 5
– Reappointment of external auditor and designated auditor

Ordinary resolution number 5 is proposed to approve the reappointment of Ernst & Young Inc. as the external auditor of the company and of Mr PD Grobbelaar as the person designated to act on behalf of the external auditor for the financial year ending 30 June 2022, to remain in office until the conclusion of the next annual general meeting.

5 "Resolved that the reappointment of Ernst & Young Inc. as the external auditor of the company be and is hereby approved and that Mr PD Grobbelaar be and is hereby reappointed as the person designated to act on behalf of the external auditor for the financial year ending 30 June 2022, to remain in office until the conclusion of the next annual general meeting."

Resolution approval threshold

For this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Audit and risk committee members

Ordinary resolution number 6
– Election of audit and risk committee members

Ordinary resolution number 6 is proposed to elect audit and risk committee members in terms of section 94(2) of the Companies Act and the King IV Report on Corporate Governance™ for South Africa 2016 ("King IV") as more fully explained in the annexure to this notice on page 14. The résumés of those independent non-executive directors offering themselves for election as members of the audit and risk committee are included on pages 12 and 13 of this notice.

6 "Resolved that the shareholders elect, each by way of a separate vote, the following independent non-executive directors, as members of the audit and risk committee, with effect from the end of this annual general meeting:
6.1 Mr TA Boardman (chairman)
6.2 Mr F Abbott*
6.3 Mr AD Botha
6.4 Mr AK Maditsi*
6.5 Ms PJ Mnisi
6.6 Dr RV Simelane."

** Subject to their re-election as directors pursuant to ordinary resolution numbers 1 and 3 (as applicable).*

Resolution approval threshold

For each of these resolutions to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Remuneration policy

Ordinary resolution number 7
– Non-binding advisory vote on the company's remuneration policy

Ordinary resolution number 7 is proposed for the purpose set out in the annexure on page 14 of this notice.

7 “Resolved that the shareholders hereby endorse, by way of a non-binding advisory vote, the company’s remuneration policy, as set out in the remuneration report contained in the 2021 ESG report.”

Resolution approval threshold

Should 25% or more of the votes cast on this resolution be against this ordinary resolution, the company undertakes to engage with shareholders on the reasons for that outcome, and to appropriately address legitimate and reasonable objections and concerns raised.

Remuneration implementation report

Ordinary resolution number 8

– Non-binding advisory vote on the company’s remuneration implementation report

Ordinary resolution number 8 is proposed for the purpose set out in the annexure on page 14 of this notice.

8 “Resolved that the shareholders hereby endorse, by way of a non-binding advisory vote, the company’s remuneration implementation report, as set out in the 2021 ESG report.”

Resolution approval threshold

Should 25% or more of the votes cast on this resolution be against this ordinary resolution, the company undertakes to engage with shareholders on the reasons for that outcome, and to appropriately address legitimate and reasonable objections and concerns raised.

General authority to allot and issue shares for cash

Ordinary resolution number 9

– Placing control of authorised but unissued company shares in the hands of the board

9 “Resolved that, as a separate and additional authority from that referred to in ordinary resolution number 10, subject to compliance with the provisions of the Companies Act and the JSE Listings Requirements and in terms of article 4.2.1.2 of the company’s memorandum of incorporation, the board, in addition to any authority it may have in terms of any of the company’s share or employee incentive schemes, be and is hereby authorised, on such terms and conditions and for such purposes as the board may in its sole discretion deem fit, to allot and issue, or grant options over, the authorised but unissued shares (or securities) in the share capital of the company representing not more than 5% (five percent) of the number of shares in the issued share capital of the company as at the date of this notice of annual general meeting, such authority to remain in force until the earlier of the next annual general meeting or for 15 (fifteen) months from the date on which this resolution is passed.”

Reason for and effect of ordinary resolution number 9

The reason for and effect of ordinary resolution number 9 is to seek a general authority and approval for the board to allot and issue, or grant options over, the authorised but unissued shares (or securities) in the share capital of the company, up to 5% (five percent) of the number of shares in the issued share capital of the company as at the date of this notice of annual general meeting, as the board in its discretion deems fit, to enable the company to take advantage of business opportunities that might arise.

Resolution approval threshold

For this resolution to be approved, the support of a majority of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Ordinary resolution number 10

– General authority to allot and issue shares for cash

10 “Resolved, as a separate and additional authority from that referred to in ordinary resolution number 9, that the board be and is hereby authorised as a general authority to allot and issue the authorised but unissued shares in the share capital of the company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash on a non-pro rata basis on such terms and conditions as the board may, from time to time in its sole discretion, deem fit subject to the Companies Act and the JSE Listings Requirements, provided that:

a) the equity securities that 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;

b) the equity securities must be issued to public shareholders, as defined in the JSE Listings Requirements, and not to related parties;
c) securities that are the subject of general issues for cash in the aggregate may not exceed 5% (five percent) of the company's shares in issue as at the date of this notice of annual general meeting, excluding treasury shares – the number of shares available for issue for cash will therefore be limited to 11 222 663 shares;
d) this authority will be valid until the company's next annual general meeting or for 15 (fifteen) months from the date on which this resolution is passed, whichever period is shorter, subject to the requirements of the JSE and any other restrictions set out in this authority;
e) the calculation of the company's listed equity securities must be a factual assessment of such securities as at the date of this notice of annual general meeting, excluding treasury shares;
f) any equity securities issued under this authority for cash during the period contemplated in (d) will be deducted from the number set out in (c);
g) in the event of sub-division or consolidation of issued equity securities during the period contemplated in (d), the existing authority will be adjusted accordingly to represent the same allocation ratio; and
h) the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities – the JSE will be consulted for a ruling if the company's securities have not traded in such 30 (thirty) business day period."

Reason for and effect of ordinary resolution number 10

The reason for and effect of ordinary resolution number 10 is that the board considers it advantageous to have the authority to issue authorised but unissued shares in the share capital of the company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash on a non-pro rata basis to enable the company to take advantage of any business opportunity that might arise.

Statement of board's intention

At present, the board has no specific intention to use this authority, and it will only be used if circumstances are appropriate.

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Remuneration of non-executive directors

Special resolution numbers 1 and 2 are proposed to ensure that non-executive directors' fees attract and retain non-executive directors of the required calibre.

Special resolution number 1

11 "Resolved that, with effect from 1 July 2021, the company be and is hereby authorised, each by way of a separate vote, to pay its non-executive directors:

11.1 the annual retainer fees, quarterly or as otherwise determined by the board, which will be pro-rated for periods of less than a full year; and
11.2 the fees for attending board meetings, which fees shall be reduced commensurately in respect of any ad hoc meetings of the board and other work devoted to company business outside of regular scheduled board meetings where the board determines that such meeting or work requires substantially less time to prepare for, attend or undertake than in relation to a regular scheduled board meeting,

in each case as listed in the table below, and that these resolutions will be deemed to supersede and replace all prior authorising resolutions in relation to the remuneration contemplated herein and will continue to apply until the earlier of i) the second anniversary of the passing of this resolution and ii) the effective date of any further special resolution approved by shareholders which supersedes these resolutions:

	Proposed fees from 1 July 2021 (excluding VAT) (R)*		Fees from 1 July 2020 (excluding VAT) (R)	
	Annual retainer	**Per meeting**	Annual retainer	Per meeting
Lead independent non-executive director	**612 950**	**23 400**	582 650	22 250
Independent non-executive directors	**489 050**	**23 400**	464 890	22 250
Non-executive directors	**489 050**	**23 400**	464 890	22 250

** Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.*

Reason for and effect of special resolution number 1

The reason for and effect of special resolution number 1 is to approve the payment of fees to non-executive directors for services rendered in their capacity as directors (which includes any attendance at a committee meeting, at the direction of the board, where the non-executive director is not a member of the committee), and to ensure that non-executive directors' fees attract and retain non-executive directors of the required calibre. The provision for the reduction of fees as set out in paragraph 11.2 above aims to ensure that the payment of fees to directors for attending ad hoc meetings of the board and undertaking other work devoted to company business outside of regular scheduled board meetings is fair and reasonable to both the applicable director and the shareholders, by reflecting the time and effort actually required to be expended by the director, which fees are payable up to the maximum of the full approved per meeting fee. The fees reflected above amount to a 5.2% increase on the previous year (rounded to the nearest R50) and exclude value-added tax (VAT), if any. This resolution, if approved, will from 1 July 2021 supersede and replace the corresponding resolution passed at the annual general meeting in December 2020.

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Special resolution number 2
– Committee meeting attendance fees

12 "Resolved that, with effect from 1 July 2021, the company be and is hereby authorised to pay, quarterly or as otherwise determined by the board, its non-executive directors for attending committee meetings (as a member of the committee) the fees per meeting listed below, which per-meeting fee shall be reduced commensurately in respect of any ad hoc meeting of the committee and other work devoted to committee business outside of regular scheduled committee meetings where the board or the committee determines that such meeting or work requires substantially less time to prepare for, attend or undertake than in relation to a regular scheduled committee meeting, and that this resolution will be deemed to supersede and replace all prior authorising resolutions in relation to the remuneration contemplated herein and will continue to apply until the earlier of i) the second anniversary of the passing of this resolution and ii) the effective date of any further special resolution approved by shareholders which supersedes this resolution:

	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2020 (excluding VAT) (R)
Audit and risk committee		
Chairman	**122 250**	116 200
Member	**48 900**	46 500
Investment committee, nomination committee, remuneration committee and social and ethics committee		
Chairman	**60 600**	57 600
Member	**32 000**	30 400

** Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.*

Reason for and effect of special resolution number 2

The reason for and effect of special resolution number 2 is to approve the payment of fees to non-executive directors for services rendered in their capacity as committee members and to ensure that the committee meeting attendance fees attract and retain non-executive directors of the required calibre. The provision for the reduction of fees as set out in paragraph 12 above aims to ensure that the payment of fees to directors for attending ad hoc committee meetings and undertaking other work devoted to committee business outside of regular scheduled committee meetings is fair and reasonable to both the applicable director and the shareholders, by reflecting the time and effort actually required to be expended by the director, which fees are payable up to the maximum of the full approved per meeting fee. The fees reflected above amount to a 5.2% increase on the previous year (rounded to the nearest R50) and exclude VAT, if any. This resolution, if approved, will from 1 July 2021 supersede and replace the corresponding resolution passed at the annual general meeting in December 2020.

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Financial assistance – for subscription for securities

In terms of the Companies Act, the board may authorise a company to provide financial assistance within the meaning of section 44(1) and (2) of the Companies Act by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of or in connection with the subscription for any option or any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, provided that such assistance is approved by way of a special resolution of the shareholders approved within the previous two years and certain requirements set out in the Companies Act are met, including, inter alia, that the board is satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test. The board seeks such approval from shareholders to provide financial assistance to any person who is a participant in any of the company's share or employee incentive schemes, and not to any other categories of persons. The approval sought from shareholders in terms of this special resolution is therefore limited to the provision of financial assistance to persons only in relation to the company's share or employee incentive schemes.

Special resolution number 3 – Financial assistance – for subscription for securities

13 "Resolved that the provision of direct or indirect financial assistance in terms of section 44 of the Companies Act by the company to any person who is a participant in any of the company's share or employee incentive schemes, including any director or prescribed officer of the company who is a participant in any such scheme (or any person related to any of them or to any company or corporation related or inter-related to any of them who is a participant in any such scheme), for the purpose of, or in connection with, the subscription for or purchase of any securities, or options to subscribe for or purchase any securities, issued or to be issued by the company or any related or inter-related company on the terms and conditions which the board may determine, where any such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of section 97 of the Companies Act, be and is hereby approved. This authority will be in place for a period of two years from the date of adoption of this resolution."

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Financial assistance – for related or inter-related companies

In terms of section 45 of the Companies Act, the board may authorise a company to provide direct or indirect financial assistance within the meaning of section 45(1) to any company or corporation which is related or inter-related to the company, provided that such assistance is approved by way of a special resolution of the shareholders approved within the previous two years and certain requirements set out in the Companies Act are met, inter alia, that the board is satisfied that immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test. The board seeks such approval from shareholders in order to provide financial assistance to any company or corporation which is related or inter-related to the company.

Special resolution number 4
– Financial assistance – for related or inter-related companies

14 "Resolved that the provision of any direct or indirect financial assistance in terms of section 45 of the Companies Act by the company, subject to the provisions of the Companies Act and the JSE Listings Requirements, to any present or future subsidiaries of the company and/or any other company or corporation which is or becomes related or inter-related to the company (as defined in the Companies Act) and/or any juristic persons who are members of any such related or inter-related company or corporation and/or any one or more juristic persons related to any such company, corporation or member, in each case for any purpose or in connection with any matter, including in connection with the subscription for or purchase of any securities, or options to subscribe for or purchase any securities, issued or to be issued by the company or any related or inter-related company, on the terms and conditions which the board may determine be and is hereby approved. This authority will be in place for a period of two years from the date of adoption of this resolution."

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Issue of shares in connection with the company's share or employee incentive schemes

Special resolution number 5
– Issue of shares to persons listed in section 41(1) of the Companies Act in connection with the company's share or employee incentive schemes

15 "Resolved that to the extent required in terms of section 41(1) of the Companies Act, but subject to the JSE Listings Requirements and the memorandum of incorporation of the company, the board be and is hereby authorised to issue such number of authorised but unissued ordinary shares or to grant options for the allotment or subscription of authorised but unissued shares or any other rights exercisable for securities, to any eligible participants in any of the company's share or employee incentive schemes, including:

a) any director, future director, prescribed officer or future prescribed officer of the company;
b) any person related or inter-related to the company, or to a director or prescribed officer of the company; or
c) any nominee of a person contemplated in paragraphs (a) or (b);

in each case, to the extent required or contemplated under the rules of the applicable share or employee incentive scheme."

Reason for and effect of special resolution number 5

The reason for and effect of special resolution number 5 is to ensure that ordinary shares can be issued to the persons set out in this special resolution to the extent required by any of the company's share or employee incentive schemes. Such persons may not be entitled to participate in such schemes in the absence of the authorisation contemplated in terms of this special resolution.

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

General authority to repurchase shares

Special resolution number 6 is proposed to authorise the board, if it deems it appropriate in the interests of the company, to instruct that the company or its subsidiaries acquire or repurchase ordinary shares issued by the company.

The board believes that the company should retain flexibility to take action if future acquisitions of its ordinary shares were considered desirable and in the best interests of the company and its shareholders.

Special resolution number 6
– General authority to repurchase shares

16 "Resolved that, subject to compliance with the JSE Listings Requirements, the Companies Act, and the memorandum of incorporation of the company, the company or any subsidiary of the company, be and is hereby authorised, by way of a general approval, to acquire ordinary shares issued by the company, provided that:

- the number of ordinary shares so acquired in any one financial year will not exceed 5% (five percent) of the ordinary shares in issue at the date on which this resolution is passed;
- any such acquisition will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- this authority will lapse on the earlier of the date of the next annual general meeting of the company or 15 (fifteen) months after the date on which this resolution is passed;
- the price paid per ordinary share may not be greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the purchase is made;
- the board has resolved that it has authorised the acquisition, that the company and its subsidiaries will satisfy the solvency and liquidity test as contained in section 4 of the Companies Act and that, since the solvency and liquidity test was performed, there have been no material changes to the financial position of the group;
- the company or its subsidiaries will not repurchase ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless there is in place a repurchase programme as contemplated in the JSE Listings Requirements where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and which has been submitted to the JSE in writing prior to the start of the prohibited period. The company will instruct an independent third party, which makes its investment decisions on the company's securities independently of, and uninfluenced by the company, prior to the start of the prohibited period to execute the repurchase programme submitted to the JSE;
- the company at any time only appoints one agent to effect any acquisition(s) on its behalf;
- an announcement with details of such acquisitions will be published as soon as the company and/or its subsidiaries, collectively, have acquired ordinary shares issued by the company constituting, in aggregate, 3% of the number of ordinary shares in the company in issue as at the date of this approval; and further announcements with details of such acquisitions will be published for each subsequent acquisition by either the company and/or by the subsidiaries, collectively, of ordinary shares issued by the company, constituting, on a cumulative basis, 3% of the number of ordinary shares in the company in issue as at the date of this approval;
- the company's subsidiaries will not be entitled to acquire ordinary shares issued by the company if the acquisition of shares will result in them holding, on a cumulative basis, more than 10% of the number of ordinary shares in issue in the company; and
- no voting rights attached to the shares acquired by the company's subsidiaries may be exercised while the shares are held by them and they remain subsidiaries of the company."

After considering the effect of acquisitions, up to the maximum limit, of the company's issued ordinary shares in terms of special resolution number 6, the board believes that if such acquisitions were implemented:

- the consolidated assets of the company and the group, recognised and measured in accordance with International Financial Reporting Standards and with accounting policies used in the company and group annual financial statements for the year ended 30 June 2021, will exceed the consolidated liabilities of the company and group for a period of 12 (twelve) months after the date of the notice of annual general meeting;
- the company and group will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the notice of annual general meeting;
- the issued share capital and reserves of the company and group will be adequate for their ordinary business purposes for a period of 12 (twelve) months after the date of the notice of annual general meeting; and
- the company and group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of annual general meeting.

Other disclosure in terms of the JSE Listings Requirements in relation to special resolution number 6

The following additional information, some of which appears in the shareholder analysis in the annual financial statements is provided in terms of paragraph 11.26 of the JSE Listings Requirements in respect of special resolution number 6:

- Major shareholders – page 129 of the annual financial statements
- Share capital of the company – page 74 of the annual financial statements.

Directors' responsibility statement

The directors, whose names appear on pages 20 and 21 of this notice to shareholders and pages 106 to 113 of the 2021 ESG report, collectively and individually accept full responsibility for the accuracy of the information relating to special resolution number 6; 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 law and the JSE Listings Requirements.

No material changes

Other than the facts and developments disclosed in the 2021 integrated annual report, there have been no material changes in the financial or trading position of the company since the date of signature of the annual financial statements for the period ended 30 June 2021 up to the date of this notice of annual general meeting.

Statement of board's intention

At present, the board has no specific intention to use this authority, and it will thus only be used if circumstances are appropriate.

Resolution approval threshold

For this resolution to be approved, the support of at least 75% of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Voting and proxies

In terms of section 63(1) of the Companies Act, any person attending or participating in the annual general meeting, including by way of electronic communication as provided for below, must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote, whether as shareholder (or shareholder's representative) or as proxy for a shareholder, has been reasonably verified. Acceptable forms of identification include a valid identity document, driver's licence or passport.

Voting at the annual general meeting will be conducted by poll and shareholders, or proxies for shareholders, will be able to cast their votes electronically, as provided for below. In terms of section 63(6) of the Companies Act, every person who is present at the annual general meeting, including by way of electronic communication as provided for below, and whether as a shareholder or as a proxy for a shareholder, shall have one vote for every share held by that shareholder.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the annual general meeting, which includes participation by way of electronic communication, provided that they have been granted access to the electronic platform on which the annual general meeting will be hosted, as provided for below, should they decide to do so. A summary of shareholders' rights for proxy appointments as contained in section 58 of the Companies Act is set out on page 16 of this notice (Instructions on signing and lodging the form of proxy).

Electronic participation by shareholders

As a consequence of the impact of the global Covid-19 pandemic, the board has authorised the company to conduct the annual general meeting by way of electronic participation only. Voting via the electronic facility will be the only method available to shareholders or proxies for shareholders to vote their shares at the annual general meeting.

The annual general meeting will be held at 13:00 on Thursday, 2 December 2021. ARM has appointed The Meeting Specialist (Pty) Ltd ("TMS") to host the annual general meeting entirely by way of electronic communication and to provide the company and its shareholders with access to its electronic platform, in order to facilitate electronic participation and voting by shareholders. In accordance with section 63(2)(a) of the Companies Act, this electronic platform will enable all persons attending the annual general meeting to communicate concurrently with each other, without an intermediary, and to participate reasonably effectively and to vote at the meeting.

Notice of annual general meeting continued

Shareholders who wish to participate in and/or vote electronically at the annual general meeting are required to complete the attached electronic participation form and send same to TMS by email at proxy@tmsmeetings.co.za or contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 13:00 on Tuesday, 30 November 2021.

TMS will assist shareholders with the requirements for electronic participation in, and/or voting at, the annual general meeting. TMS is further obliged to validate, in correspondence with ARM, the transfer secretaries and shareholders' central securities depository participants ("CSDPs"), each such shareholder's identity and entitlement to participate in and/or vote at the annual general meeting before providing it with the necessary means to access the annual general meeting and/or the associated voting platform. Failure to provide TMS with the requisite identification and supporting documents may mean that the participant is unable to participate in the meeting either at all, or promptly. ARM and TMS will not be liable for any failure by any shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite documents or identification as aforesaid.

Notwithstanding the aforegoing, any shareholder who wishes to attend the annual general meeting is entitled to contact TMS at any time prior to the start of the meeting, to be validated and provided with the necessary means to access the annual general meeting and/or the associated voting platform. To avoid any delays in being provided with access to the platform by TMS, shareholders are encouraged to contact TMS at their earliest convenience.

In-person registration of annual general meeting participants will not be carried out at the registered office of ARM, and shareholders will be required to register for and gain access to participate in the annual general meeting by following the instructions set out above.

None of the JSE, ARM, the transfer secretaries or TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the annual general meeting.

Shareholders should take note of the following:

1. The cost of the electronic communication facilities will be for the account of the company, although shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the annual general meeting. Any such charges will not be for the account of ARM, the transfer secretaries or TMS.
2. By emailing a completed electronic participation form to TMS and gaining access to the electronic platform, the shareholder indemnifies and holds harmless the company against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic communication facilities to participate in the annual general meeting or any interruption in the ability of the shareholder to participate in the annual general meeting via electronic communication whether or not the problem is caused by any act or omission on the part of the shareholder, or anyone else, including without limitation the company or its employees.

Certificated shareholders/ dematerialised shareholders with own name registrations

Shareholders who have not yet dematerialised their shares or who have dematerialised their shares with own name registrations ("entitled shareholders") may appoint one or more proxies to attend, speak and vote or abstain from voting in their stead. This person need not be a shareholder of the company. A form of proxy is attached for the use of entitled shareholders who wish to be represented. Entitled shareholders should please complete the form in line with the instructions and deposit it at the transfer secretaries, Computershare Investor Services Proprietary Limited, by email to Proxy@computershare.co.za (or physically at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; post to Private Bag X9000, Saxonwold, 2132, South Africa; or fax to the proxy department +27 11 688 5238).

Dematerialised shareholders

Shareholders who have dematerialised their shares through a CSDP (other than those with own name registrations) should provide their CSDP or broker with their voting instructions as per their applicable custody agreement. Should such shareholders wish to attend, participate in or vote at the annual general meeting or be represented by a proxy, they should inform their CSDP or broker timeously and request their CSDP or broker to issue them with the necessary letter of representation to attend, and follow the instructions set out above to be granted access to participate in the annual general meeting by electronic communication. These shareholders must not use the form of proxy.

In light of the ongoing Covid-19 pandemic, it is requested that the necessary letter of representation and supporting documents, including identification documents, of dematerialised shareholders without own name registrations who wish to attend, participate in or vote at the annual general meeting be delivered to the transfer secretaries by email to Proxy@computershare.co.za (or physically at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; post to Private Bag X9000, Saxonwold, 2132, South Africa; or fax to the proxy department +27 11 688 5238) by no later than 13:00 on Tuesday, 30 November 2021, to assist the company to timeously verify the identity of such shareholders and their proxies, as it may not be possible to promptly verify a dematerialised shareholder without own name registration once the meeting has commenced.

By order of the board

AN D'Oyley
Group company secretary and governance officer

8 October 2021

Résumés

Ordinary resolution numbers 1 – 4: Re-election of non-executive directors

The résumés of the non-executive directors offering themselves for re-election appear below.

Frank Abbott (66)

Independent non-executive director

Member of investment and non-executive directors' committees

BCom (University of Pretoria), CA(SA), MBL (Unisa)

Appointed to the board in 2004

Frank Abbott joined Rand Mines Group in 1981, gaining broad financial management experience at operational level and serving as a director of various listed gold mining companies. He is currently an independent non-executive director of ARM, having served as financial director of the company from 2004 to 2009. Frank was the financial director of Harmony Gold Mining Company Limited ("Harmony") from February 2012 to March 2020. He retired from the Harmony board in September 2020. He is also a trustee of the Tshiamiso Trust, which has been established to carry out the settlement terms in the silicosis and tuberculosis class action.

Mangisi Gule (69)

Independent non-executive director

Member of non-executive directors' committee

BA (hons) (Wits), PDM (Wits Business School)

Appointed to the board in 2004

Mangisi Gule was appointed as an executive director in 2004, chief executive of ARM Platinum in 2005 and chief executive of ARM Coal from 2007 to 2012. He served as executive director: corporate affairs until 2013 and has been a non-executive director of the company since 2013. Mangisi has extensive experience in management, training, human resources, communications, corporate affairs and business development. Apart from his academic qualification in business management, he has proven experience in leadership and mentorship. He has been a lecturer, chairman of professional bodies and a member of various executive committees and associations. He has also been an executive director of ARMgold and Harmony.

Alex Maditsi (59)

Lead independent non-executive director

Chairman of nomination and non-executive directors' committees; member of audit and risk, investment, remuneration and social and ethics committees

BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)

Appointed to the board in 2004

Alex Maditsi became lead independent non-executive director in 2015. He is managing director of Copper Moon Trading Proprietary Limited. Previously he was employed by Coca-Cola South Africa as a franchise director for South Africa, country manager for Kenya, and senior director: operations planning and legal director for Coca-Cola Southern and East Africa. Prior to that, he was legal director for Global Business Connections in Detroit, Michigan. He also spent time at Lewis, White and Clay, The Ford Motor Company and Schering-Plough in the USA, practising as an attorney. Alex was a Fulbright scholar and member of the Harvard LLM Association. His directorships include African Rainbow Energy and Power Proprietary Limited, Bidvest Group Limited, Murray & Roberts and Sterling Debt Recoveries Proprietary Limited.

David Noko (64)

Independent non-executive director

Member of investment, non-executive directors' and social and ethics committees

Higher diploma (mech eng) (Wits Technikon), management development programme (Wits), postgraduate diploma (company directorships) (Graduate Institute of Management & Technology), MBA (Heriot-Watt University, UK), senior executive programme (London Business School, UK)

Appointed to the board in 2017

David Noko is an internationally renowned business leader. He worked for South African Breweries, Pepsi Cola International and in senior and executive roles at Air Chefs Proprietary Limited and De Beers Consolidated Mines Limited. He was an executive at AngloGold Ashanti Limited, responsible for the group sustainable development portfolio. His experience and business acumen have seen him serve on the boards of Royal Bafokeng Platinum Limited, Harmony Gold and Astrapak Limited. David is currently deputy chairman of the council of the University of the Free State. He is also non-executive director at Tongaat-Hulett Limited and Aveng Moolmans.

Ordinary resolution number 6: Election of audit and risk committee members

The résumés of Messrs F Abbott and AK Maditsi, independent non-executive directors, offering themselves for election as members of the audit and risk committee appear on page 12.

The résumés of the other independent non-executive directors offering themselves for election as members of the audit and risk committee appear below.

Tom Boardman (71)

Independent non-executive director

Chairman of audit and risk committee; member of investment, non-executive directors' and remuneration committees

BCom (Wits), CA(SA)

Appointed to the board in 2011

Tom Boardman was chief executive of Nedbank Group Limited from 2003 to 2010. Before that, he was chief executive and executive director of BoE Limited, acquired by Nedbank in 2002. He was the founding shareholder and managing director of retail housewares chain Boardmans. He was also previously managing director of Sam Newman Limited and worked for the Anglo American Corporation. He served his articles at Deloitte. He was a non-executive director of Nedbank Limited from 2010 to 2017, chairing the credit as well as capital and risk committees. He was a director of listed Swedish investment company, Kinnevik, from 2011 to 2018, and chairman for the last two years. He was also a non-executive director and chairman of Millicom International Cellular, one of the major mobile and cable network operators in Central and South America, listed on the NASDAQ and Swedish stock exchanges. He is a non-executive director of Royal Bafokeng Holdings, Ubuntu-Botho Investments, African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited and Tyme Bank Proprietary Limited. He is a director of The Peace Parks Foundation and trustee for a number of charitable foundations.

Anton Botha (68)

Independent non-executive director

Chairman of remuneration committee; member of audit and risk, investment and non-executive directors' committees

BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), SEP (Stanford, USA)

Appointed to the board in 2009

Anton Botha is a co-founder, director and co-owner of Imalivest, a private investment group that manages proprietary capital provided by its owners and the Imalivest Flexible Funds. He is also a non-executive director of Sanlam Limited and certain Sanlam subsidiaries.

Pitsi Mnisi (38)

Independent non-executive director

Member of audit and risk and non-executive directors' committees

BCom (acc) (University of Natal), BCom (acc)(hons) (University of Natal), BCom (tax)(hons) (UCT), CA(SA), advanced cert (emerging markets and country-risk analysis) (Fordham University, USA), MBA (Heriot-Watt University, UK)

Appointed to the board in 2020

Pitsi Mnisi has over 17 years' financial experience. She is founder and managing director of the corporate finance advisory business, Lynshpin Cedar. Previously, she was finance manager at De Beers Consolidated Mines. Prior to that, she completed her articles at Deloitte in Cape Town after which she was seconded to the Deloitte London office, returning to Cape Town to join the tax division. She was a non-executive director and audit committee member of state-owned African Exploration & Mining Finance Corporation SOC Limited from 2014 until September 2020. She is a non-executive director of Super Group Limited and Methodist Homes for the Aged NPO.

Dr Rejoice Simelane (69)

Independent non-executive director

Chairman of social and ethics committee; member of audit and risk, nomination and non-executive directors' committees

BA (economics and accounting) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada, and University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Appointed to the board in 2004

Rejoice Simelane began her career at the University of Swaziland (now Eswatini) as a lecturer in economics. Between 1998 and 2001, she worked at the Department of Trade and Industry as well as National Treasury. She later served as a special adviser, economics, to the premier of Mpumalanga until 2004, when she was appointed chief executive of Ubuntu-Botho Investments, a position she held until 2016. While she remains an executive director at Ubuntu-Botho Investments, she is also a non-executive director of its wholly owned subsidiary, African Rainbow Capital Proprietary Limited. Other directorships include Sanlam Limited, African Rainbow Energy and Power Proprietary Limited, Mamelodi Sundowns Football Club and the Blue Bulls Company Proprietary Limited. She also serves on the executive committee of the Premier Soccer League. A CIDA scholarship recipient and Fulbright fellow, Rejoice was also a member of the presidential economic advisory panel under former president Thabo Mbeki.

Annexures

Explanatory note for ordinary resolution number 6: Election of audit and risk committee members

Ordinary resolution number 6 provides for the election of audit and risk committee members. Section 94(2) of the Companies Act and principle 8 of King IV require shareholders of a public company to elect the members of an audit committee at each annual general meeting. Accordingly, a nomination committee should present shareholders with suitable candidates for election as audit committee members. The members of the nomination committee satisfied themselves that, inter alia, the independent non-executive directors offering themselves for election as members of the audit and risk committee:

- Have the necessary knowledge and capacity and are independent non-executive directors as contemplated in the Companies Act and the JSE Listings Requirements
- Have the necessary knowledge and capacity and are suitably qualified and experienced for audit and risk committee membership (see résumés on pages 12 and 13 of this notice)
- Have an understanding of integrated annual reporting (including financial reporting), internal financial controls, external and internal audit processes, risk management, sustainability issues and the governance process in the group
- Collectively have skills that are appropriate to the group's size and circumstance, as well as its industry
- Have an understanding of International Financial Reporting Standards and other financial and sustainability reporting standards, regulations and guidelines applicable to the group
- Adequately keep abreast of key developments affecting their required skills set. The nomination committee recommended that the board recommend to shareholders the election of those audit and risk committee members who offer themselves for election. For further details on the performance of the audit and risk committee in the review period, please refer to the audit and risk committee's report in the annual financial statements.

Explanatory note for ordinary resolution numbers 7 and 8: Non-binding advisory votes

Paragraph 3.84(k) of the JSE Listings Requirements and King IV (principle 14: recommended practice 37) provide that the remuneration policy and remuneration implementation report be tabled every year for separate non-binding advisory votes by shareholders at the annual general meeting.

Ordinary resolution number 7 provides for a non-binding advisory vote on the company's remuneration policy, which is included in the 2021 ESG report.

Ordinary resolution number 8 provides for a non-binding advisory vote on the company's remuneration implementation report, which is included in the 2021 ESG report.

King IV provides that, in the event that either the remuneration policy or implementation report, or both, were voted against by 25% or more of the voting rights exercised, the following should be disclosed in the background statement of the next remuneration report:

- Shareholders with whom the company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes
- Nature of steps taken to address legitimate and reasonable objections and concerns
- The board will consider the outcome of the votes when reviewing the company's remuneration policy and its implementation.

Refer to page 31 for the summarised remuneration report.

Form of proxy

AFRICAN RAINBOW MINERALS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1933/004580/06)
JSE share code: ARI
A2X share code: ARI
ISIN: ZAE000054045
("ARM" or the "company")

A shareholder is entitled to appoint one or more proxies (who need not be shareholders of the company) to attend, speak and vote or abstain from voting in place of that shareholder at the annual general meeting.
Shareholders who have dematerialised their shares (other than those with own name registrations) should provide their central securities depository participant (CSDP) or broker with their voting instructions in terms of the custody agreement entered into with their relevant CSDP or broker. Should such shareholders wish to attend the annual general meeting of the company, they should inform their CSDP or broker timeously and request the necessary letter of representation from their CSDP or broker to attend and vote their ARM shares, and follow the instructions set out in the notice of annual general meeting to be granted access to participate in the annual general meeting by electronic communication.

For completion by shareholders who have not yet dematerialised their shares or who have dematerialised their shares with own name registration.
Shareholders who have not yet dematerialised their shares or who have dematerialised their shares with own name registration (entitled shareholders) may appoint one or more proxies to attend, speak and vote or to abstain from voting in their place. The person appointed need not be a shareholder of the company.

This form of proxy is for the use of entitled shareholders who wish to be represented. Entitled shareholders who wish to be represented by proxy should complete this form as instructed and return it to the transfer secretaries, to be received by the stipulated time and date. If you are unable to attend the 88th annual general meeting of shareholders of the company convened for Thursday, 2 December 2021 at 13:00, South African time, but wish to be represented, you may complete and return this form to be received by 13:00, South African time, on Tuesday, 30 November 2021 (or 48 hours before the time appointed for any adjourned meeting) for administrative purposes. Any forms of proxy not lodged by this time may nevertheless be sent to the transfer secretaries by email immediately before voting begins on the resolutions to be tabled at that meeting, provided that such proxy has been provided with access to the electronic communication platform on which the annual general meeting will be hosted in accordance with the instructions set out in the notice of annual general meeting.

I/We____________________________________ (name in block letters)

of____________________________________ (address)

(email) ____________________ (cell number) ____________________

being the holder of ____________________________ shares in the issued share capital of the company,

do hereby appoint ____________________________________

or failing him/her, the executive chairman of the board of directors, or failing him, the chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held via electronic participation only at 13:00, South African time, on Thursday, 2 December 2021 and at any cancellation, postponement or adjournment on the following resolutions:

(Indicate with an X in the spaces below how votes are to be cast)	For	Against	Abstain
Ordinary business			
1 Ordinary resolution number 1: Re-election of Mr F Abbott			
2 Ordinary resolution number 2: Re-election of Mr WM Gule			
3 Ordinary resolution number 3: Re-election of Mr AK Maditsi			
4 Ordinary resolution number 4: Re-election of Mr DC Noko			
5 Ordinary resolution number 5: Reappointment of external auditor and Mr PD Grobbelaar as the designated auditor			
6 Ordinary resolution number 6: To individually elect the following independent non-executive directors as members of the audit and risk committee			
6.1 Mr TA Boardman			
6.2 Mr F Abbott			
6.3 Mr AD Botha			
6.4 Mr AK Maditsi			
6.5 Ms PJ Mnisi			
6.6 Dr RV Simelane			
7 Ordinary resolution number 7: Non-binding advisory vote on the company's remuneration policy			
8 Ordinary resolution number 8: Non-binding advisory vote on the company's remuneration implementation report			
9 Ordinary resolution number 9: Placing control of authorised but unissued company shares in the hands of the board			
10 Ordinary resolution number 10: General authority to allot and issue shares for cash			
Special business			
11 Special resolution number 1: To individually authorise the company to pay the following remuneration to non-executive directors with effect from 1 July 2021:			
11.1 Annual retainer fees as outlined in the notice of annual general meeting			
11.2 Fees for attending board meetings as outlined the notice of annual general meeting			
12 Special resolution number 2: Committee meeting attendance fees with effect from 1 July 2021 as outlined the notice of annual general meeting			
13 Special resolution number 3: Financial assistance – for subscription for securities			
14 Special resolution number 4: Financial assistance – for related or inter-related companies			
15 Special resolution number 5: Issue of shares to persons listed in section 41(1) of the Companies Act in connection with the company's share or employee incentive schemes			
16 Special resolution number 6: General authority to repurchase shares			

Number of shares

Unless this section is completed for a lesser number, the company is authorised to insert the total number of shares registered in my/our name(s).

Signed at ____________________ on ____________________ 2021

Signature ____________________ Assigned by me (where applicable) ____________________

Notes to the form of proxy

Instructions on signing and lodging the form of proxy

Please read the notes below:

1 Completing and lodging this form of proxy will not preclude the entitled shareholder from attending the meeting and speaking and voting in person, including by way of electronic communication as provided for by the company, at the meeting to the exclusion of any proxy appointed should they wish to do so, provided that such shareholder has been provided with access to the electronic communication platform on which the annual general meeting will be hosted in accordance with the instructions set out in the notice of annual general meeting.

2 Voting at the annual general meeting will be conducted by poll via electronic participation, as provided for by the company, and every shareholder present in person or represented by proxy and entitled to vote will have one vote for every ordinary share held.

3 You may insert the name of any person(s) whom you wish to appoint as your proxy in the space(s) provided. The person whose name appears first on the form of proxy and who is present at this meeting will be entitled to act as a proxy to the exclusion of those whose names follow.

4 When there are joint holders of shares, the vote of the senior present in person or represented by proxy will be accepted to the exclusion of the votes of other joint holders. Seniority will be determined by the order of the names in the register of members in respect of the joint holding. Only the holder whose name appears first in the register need sign this form of proxy.

5 If the form of proxy is signed under the authority of a power of attorney or on behalf of a company or any other juristic person, then it must be accompanied by that power of attorney or a certified copy of the relevant, enabling resolution or other authority of such company/juristic person, unless proof of such authority has been recorded by the company.

6 If the entitled shareholder does not indicate in the appropriate place how they wish to vote on a resolution, their proxy will be entitled to vote as they deem fit on that resolution.

7 Deleting any printed matter and completing any blank spaces need not be signed or initialled. However, any alteration must be signed, not initialled.

8 The chairman of the meeting has the absolute discretion to reject any form of proxy not completed according to these instructions.

9 Forms of proxy, powers of attorney or any other authority appointing a proxy must be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, by email to Proxy@computershare.co.za (or physically at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; posted to Private Bag X9000, Saxonwold, 2132, South Africa; or faxed to the proxy department +27 11 688 5238) to be received by 13:00 on Tuesday, 30 November 2021 (or 48 hours before the time appointed for any adjourned meeting) for administrative purposes. Despite any failure to deposit these documents at the transfer secretaries, completed forms of proxy may nevertheless be sent to the transfer secretaries by email immediately before voting begins on the resolutions to be tabled at that meeting, provided that such proxy has been provided with access to the electronic communication platform on which the annual general meeting will be hosted in accordance with the instructions set out in the notice of annual general meeting.

10 No form of proxy will be valid after the end of the annual general meeting or any cancellation, postponement or adjournment of that meeting.

11 Summary of the rights established by section 58 of the Companies Act 71 of 2008, as amended:

- A shareholder of a company may at any time appoint any individual, including one who is not a shareholder of that company, as a proxy to participate in and speak and vote at a shareholders' meeting on their behalf
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder
- A proxy may delegate their authority to act on behalf of the shareholder to another person
- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting for which it was intended, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation
- A shareholder may revoke a proxy appointment in writing
- A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act in person in exercising their rights as a shareholder
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

Electronic participation form

AFRICAN RAINBOW MINERALS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1933/004580/06)
JSE share code: ARI
A2X share code: ARI
ISIN: ZAE000054045
("ARM" or the "company")

Electronic participation in the annual general meeting of ARM scheduled for Thursday, 2 December 2021 at 13:00

- Shareholders or their proxies who wish to participate in and/or vote electronically at the annual general meeting (participants) are required to apply to The Meeting Specialist (Pty) Ltd (TMS) by submitting this form via email to **proxy@tmsmeetings.co.za**
- Shareholders who have dematerialised their shares (other than those with own name registrations) should provide their central securities depository participant (CSDP) or broker with their voting instructions in terms of the custody agreement entered into with their relevant CSDP or broker. Should such shareholders wish to participate in and vote at the annual general meeting of the company, they should inform their CSDP or broker timeously and request the necessary letter of representation from their CSDP or broker to attend and vote their ARM shares, and submit such letter of representation to TMS together with this form in accordance with the instructions set out in the notice of annual general meeting to be granted access to participate in the annual general meeting by electronic communication
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must provide TMS with the information requested below as soon as possible, but in any event no later than 13:00 on 30 November 2021
- Despite the aforegoing, any shareholder who wishes to attend the annual general meeting is entitled to contact TMS at any time prior to the start of the meeting, to be validated and provided with the necessary means to access the annual general meeting and/or the associated voting platform. To avoid any delays in being provided with access to the platform by TMS, shareholders are encouraged to contact TMS at their earliest convenience
- Each participant, who has complied with the requirements below, will be contacted between Tuesday, 30 November 2021 and Thursday, 2 December 2021 via email/mobile with a unique link to allow them to participate in the electronic annual general meeting
- The cost of the participant's network charges for electronic participation in and/or voting at the annual general meeting will be at their own expense and will be billed separately by their own network service provider
- The participant's unique access credentials will be forwarded to the email address/mobile number provided below.

Application form	
Full name of shareholder	
Identity/registration number of shareholder	
Full name of shareholder representative (if applicable)	
Identity number of shareholder representative (if applicable)	
Email address	
Mobile number	
Telephone number	
Name of CSDP or broker (if shares are held in dematerialised format) (Attach a copy of letter of representation)	
SCA number/broker account number or own-name account number	
Number of ordinary shares in ARM	
Signature	
Date	

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the annual general meeting.

Terms and conditions for participating in the ARM annual general meeting on Thursday, 2 December 2021 at 13:00 via electronic participation

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the participant and will be billed separately by the participant's own network service provider
- The participant indemnifies and holds harmless the company, the JSE, the transfer secretaries and TMS against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic communication facilities to participate in the annual general meeting or any interruption in the ability of the participant to participate in the annual general meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the participant, or anyone else, including without limitation the company, TMS or any of their respective employees or representatives. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, the JSE, the transfer secretaries and/or TMS and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the annual general meeting
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above
- Once the participant has received their unique link and access credentials for accessing the electronic platform, the onus to safeguard this information remains with the participant. The participant hereby indemnifies the company, the JSE, the transfer secretaries and TMS from any claims or losses that may arise as a result of the participant failing to safeguard this link and/or access credentials and/or permitting any unauthorised person to access the annual general meeting and/or vote at the annual general meeting utilising such link and access credentials
- The application will only be deemed successful if this application form has been fully completed and signed by the participant and emailed to TMS at proxy@tmsmeetings.co.za

Participant: ____

Signature: ____

Date: ____

Important: You are required to attach a copy of your identity document/driver's licence/passport when submitting the application.

Commitment to good governance

The sustainability and success of our business depends on maintaining the highest standards of corporate governance. This commitment begins at board level – given its deep understanding of our purpose and values and appropriate committee structures, each director makes a valuable contribution to the responsible governance of the company.

Focus and adding value

Since our previous report, the board focused on:

- Effectively implementing the company's strategy
- Approving ARM's long-term greenhouse gas target
- Approving ARM's tailings storage facilities management policy and monitoring the company's tailings storage facilities
- Updating the information technology strategy and ensuring improved risk management in technology
- Optimising our portfolio of assets, including approval of the Two Rivers Platinum Merensky project
- Overseeing the company's Covid-19 response
- Reviewing proposals to grow the company and improve efficiencies
- Introducing amendments to the remuneration policy, to set new climate change targets for long-term incentive schemes
- Monitoring the company's stakeholder relationships.

ESG

Refer to governance section of the ESG report for detailed disclosure on structures, responsibilities and performance in F2021.

Good governance thrives in an environment where roles and responsibilities are clearly defined, forums are conducive to robust debate and performance is regularly reviewed.

Through our code of conduct, we are committed to high ethical and legal standards in dealing with all our stakeholders. All directors and employees are required to maintain these standards so that ARM's business is conducted honestly, fairly, legally, reasonably and in good faith.

Drawing on the wealth of knowledge and experience of our board members (see detailed experience matrix on pages 116 and 117 in the ESG report), the board provides strategic direction and leadership, monitors the implementation of business and strategic plans and approves the capital funding for these plans. ESG

We have fulfilled our responsibilities in accordance with the board's charter and the company's memorandum of incorporation for the reporting period, have adhered to the highest standards of corporate governance and have an effective framework with supporting processes to comply with all relevant laws and regulations.

Our code of conduct (the code) and ethics policies provide guidance on ARM's ethical standards and culture, and cover key issues, summarised below:

Ethical conduct

Promoting an ethical culture is key to combating instances of bribery and corruption in the workplace. ARM has a zero-tolerance approach to unethical and improper conduct, including bribery, corruption and money laundering. The chief executive officer introduces the code of conduct training programme and emphasises top management's commitment to ARM's stance against bribery and corruption. Our codes and policies explicitly prohibit bribery and corruption, including policies and procedures for giving/receiving gifts, sponsorship, entertainment, hospitality and favours. The audit and risk committee oversees ARM's anti-fraud, bribery and corruption prevention strategy.

The ARM competition law compliance policy was revised and updated for recent amendments to the Competition Act and the competition compliance training programme and competition law compliance handbook were updated in line with the amended policy. The new training programme was rolled out in F2021. New ARM employees receive training in competition law compliance as part of their induction process.

Health and safety

The code reiterates our commitment to health, safety and environmental responsibility, and what this requires from employees and contractors.

Legal and compliance

The company has a legal compliance policy and framework. Internal and external legal compliance and operational audits are regularly conducted at all operations, and any instances of non-compliance with regulatory requirements are reported to management for corrective action.

Dignity and respect

Employees are required to treat their colleagues in a way that upholds individual self-worth and that respects cultural, political, religious and other beliefs.

Conflicts of interest

The code prohibits conflicts of interest, real or perceived. Where these arise, they must be disclosed and dealt with under applicable laws.

Stakeholder engagement

The code encourages complete, accurate and timely communication with stakeholders. The chief executive officer, finance director, executive director: investor relations and new business and the group company secretary and governance officer oversee compliance with disclosure requirements, including those in the JSE Listings Requirements. The social and ethics committee monitors all engagements with stakeholders against stated objectives and the ARM code of conduct.

Whistleblower facility

Our whistleblower policy provides for an independent facility to enable employees and other stakeholders to report, confidentially and anonymously, any alleged unethical behaviour. Information about the facility is included in the code.

Board of directors

The board provides strategic direction and leadership, monitors the implementation of business and strategic plans, and approves capital funding for these plans to support a sustainable business.

Dr Patrice Motsepe (59)

Executive chairman

BA Law and Doctor of Laws Honoris Causa (University of Eswatini), LLB and Doctorate of Commerce Honoris Causa (University of Witwatersrand), Doctorate of Commerce Honoris Causa (Stellenbosch University), Doctor of Management and Commerce Honoris Causa (University of Fort Hare)

In 2003, Dr Motsepe led ARMgold into a merger with Avmin and Harmony Gold. Avmin then changed its name to African Rainbow Minerals (ARM) and he became the founder and executive chairman of ARM.

❖ *African Rainbow Capital, African Rainbow Energy and Power, Harmony Gold Mining Company Limited, Sanlam Limited, UBI General Partner (Pty) Ltd, Ubuntu-Botho Investments.*

Mike Schmidt (63)

Chief executive officer

Mine manager's certificate, MDP (INSEAD), PrCertEng

Appointed to the board in 2011.

Tsundzukani Mhlanga (39)

Finance director

BCom (acc sciences) (University of Pretoria), BCom (acc) (hons) and CTA (University of KZN), CA(SA), MBA (UCT)

Appointed to the board in 2020.

❖ *UBI General Partner Proprietary Limited, African Rainbow Capital Proprietary Limited.*

Jongisa Magagula (39)

Executive director: Investor relations and new business development

BBusSci (finance) (hons) (UCT)

Appointed to the board in 2019.

❖ *Ubuntu-Botho Investments (Eastern Cape) (Pty) Ltd.*

Thando Mkatshana (52)

Executive director and chief executive: ARM Platinum

National higher diploma (coal mining) (Wits Technikon), BSc Eng (mining) (Wits), MDP and MBA (Stellenbosch)

Appointed to the board in 2015.

Alex Maditsi (59)

Lead independent non-executive director

BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)

Chairman of nomination and non-executive directors' committees, member of audit and risk, investment, remuneration and social and ethics committees.

Appointed to the board in 2004.

❖ *African Rainbow Energy and Power Proprietary Limited, Bidvest Group Limited, Murray & Roberts Holdings Limited and Sterling Debt Recoveries Proprietary Limited.*

Frank Abbott (66)

Independent non-executive director

BCom (University of Pretoria), CA(SA), MBL (Unisa)

Member of investment and non-executive directors' committees.

Appointed to the board in 2004.

❖ *Tshiamiso Trust.*

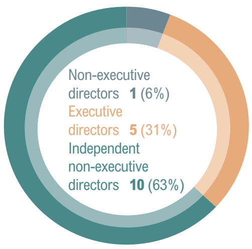
Legend

- Executive directors
- Independent non-executive directors
- Non-executive directors

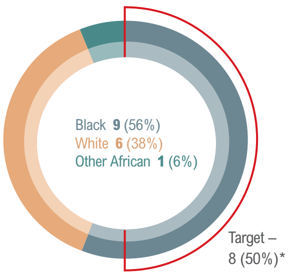
❖ **Other key boards**

Wits refers to University of Witwatersrand.
Unisa refers to University of South Africa.
UCT refers to University of Cape Town.

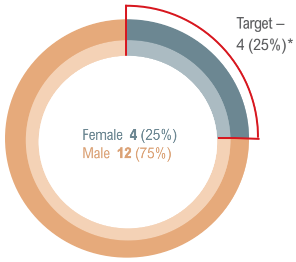
Mix



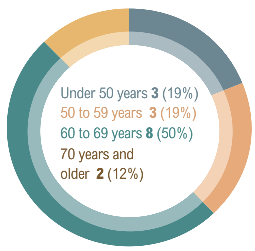
Diversity



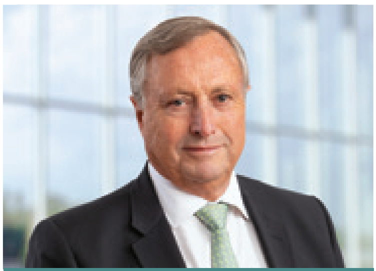
Gender



Age**



* *Target in terms of the board-approved policy.*
** *At the date of the 2021 annual general meeting.*



Tom Boardman (71)

Independent non-executive director

BCom (Wits), CA(SA)

Chairman of audit and risk committee, member of investment, non-executive directors' and remuneration committees.

Appointed to the board in 2011.

- *African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited, Ansor Limited, Royal Bafokeng Holdings Limited, TymeBank Proprietary Limited, Ubuntu-Botho Investments.*

Anton Botha (68)

Independent non-executive director

BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), SEP (Stanford)

Chairman of remuneration committee, member of audit and risk, investment and non-executive directors' committees

Appointed to the board in 2009.

- *Imalivest, Sanlam Limited.*

Joaquim Chissano (81)*

Independent non-executive director

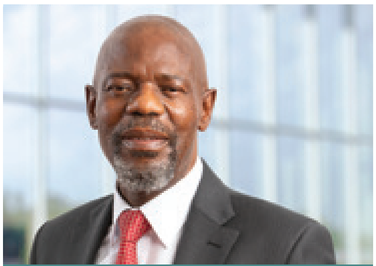
PhD (honoris causa) (Stellenbosch), LLD (honoris causa) (St John's University, USA)

Member of nomination, non-executive directors' and social and ethics committees.

Appointed to the board in 2005.

- *Harmony Gold Mining Company Limited.*

* Non-South African.



Mangisi Gule (69)

Independent non-executive director

BA (hons) (Wits), PDM (Wits Business School)

Member of non-executive directors' committee.

Appointed to the board in 2004.

Pitsi Mnisi (38)

Independent non-executive director

BCom (acc) (University of KZN), BCom (acc) (hons) (University of KZN), BCom (tax)(hons) (UCT), CA(SA), advanced cert (emerging markets and country risk analysis) (Fordham University), MBA (Heriot-Watt University, UK)

Member of non-executive directors' and audit and risk committees.

Appointed to the board in 2020.

- *Super Group Limited, Methodist Homes for the Aged NPO.*

David Noko (64)

Independent non-executive director

HDip (mech eng) (Wits Technikon), MDP (Wits), PGDip (company directorships) (Graduate Institute of Management & Technology), MBA (Heriot-Watt University, UK), SEP (London Business School)

Chairman of investment committee; member of non-executive directors' and social and ethics committees.

Appointed to the board in 2017.

- *University of the Free State (council), Tongaat-Hulett Limited, Aveng (Moolmans).*

Mike Arnold (64)

Non-executive director

BSc (eng) (mining geology) (Wits), BCompt (hons) (Unisa), CA(SA)

Member of investment and non-executive directors' committees.

Appointed to the board in 2009.

- *Ubuntu-Botho Investments Proprietary Limited, African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited.*

Dr Rejoice Simelane (69)

Independent non-executive director

BA (econ and acc) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada), (University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Chairman of social and ethics committee; member of audit and risk, nomination and non-executive directors' committees.

Appointed to the board in 2004.

- *African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited, Sanlam Limited, Ubuntu-Botho Investments.*

Jan Steenkamp (67)

Independent non-executive director

National mining diploma (Wits Technical College), executive development programme (Wits Business School)

Member of investment, non-executive directors' and social and ethics committees.

Appointed to the board in 2017.

- *African Rainbow Energy and Power Proprietary Limited.*

Report of the audit and risk committee

This report is provided by the audit and risk committee appointed for the 2021 financial year (F2021) in compliance with section 94 of the Companies Act 71 of 2008, as amended (the Companies Act).

ESG

Information on the membership and composition of the committee, terms of reference and procedures appears in the ESG report on the company's website: **www.arm.co.za**.

Executing designated functions

The committee has executed its duties and responsibilities during the financial year in line with its terms of reference for ARM's accounting, internal auditing, internal control, risk and financial reporting practices.

In the review period, in terms of the external auditor and external audit, the committee:

- Recommended to shareholders that Ernst & Young Inc. be reappointed as the external auditor and that Mr PD Grobbelaar be reappointed as the designated auditor
- Requested the required accreditation information from the audit firm to assess its suitability for appointment as well as the suitability of the designated audit partner
- Ensured the appointment of the external auditor complied with the Companies Act and all applicable legal and regulatory requirements
- Approved the external audit plan and audit fees payable to the external auditor
- Confirmed it is satisfied that the external auditor is independent of the company and group, and considered the following in its determination:
  - Reviewed and evaluated the effectiveness of the external auditor and its independence
  - Obtained and accepted an annual written statement from the auditor that its independence was not impaired
  - Determined the nature and extent of all non-audit services provided by the external auditor
  - Pre-approved all permissible non-audit services provided by the external auditor in terms of its policy on approving audit services and pre-approving non-audit services
  - Considered the tenure of the external audit firm, Ernst & Young Inc., and its predecessor firms, which have been the auditor of African Rainbow Minerals Limited for 48 years. It was noted that in 2004, Ernst & Young Inc. continued as the auditor of the African Rainbow Minerals Limited group, which was created following a range of indivisible transactions involving certain interests of Anglovaal Mining Limited, African Rainbow Minerals & Exploration Investments Proprietary Limited and Harmony Gold Mining Company Limited (Harmony). Ernst & Young Inc. has been the auditor of the group for 18 years
- Evaluated the quality of the external audit.

For the financial statements, the committee:

- Confirmed the going-concern status of the group and company as the basis of preparing the interim, provisional and annual financial statements
- Examined and reviewed these financial statements, as well as all financial information disclosed to the public prior to submission and approval by the board
- Ensured that the annual financial statements fairly present the financial position of the group and company at the end of the financial year, and the results of operations and cash flows for the financial year of the group and company, in line with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act
- Considered accounting treatments, significant unusual transactions and accounting judgements
- Considered the appropriateness of accounting policies adopted and any changes
- Reviewed the independent auditor's report
- Considered key audit matters, as set out in the independent auditor's report
- In terms of the JSE letter on the proactive monitoring process, dated 19 February 2021, considered the JSE's report titled "Reporting back on proactive monitoring of financial statements in 2020"
- Oversaw the proactive monitoring review by the JSE of the company's financial statements
- Considered any issues identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
- Considered management's recommendation to the board on the going concern, solvency and liquidity assessment after paying dividends to shareholders
- Met separately with management, the external auditor and internal auditor.

The committee considered, inter alia:

- The internal control process for the chief executive officer and finance director to sign the responsibility statement for the F2021 annual financial statements
- The finalisation of the investigation of the ARM Coal receivable, which had not yet been validated at the time of finalising the F2020 annual financial statements
- The International Standard on Review Engagements 2410 review conclusion of the interim financial statements
- The restructuring of the ARM Broad-Based Economic Empowerment Trust loan agreements with ARM and Harmony
- The ongoing impact of the Covid-19 pandemic
- The impairment indicator assessments at Cato Ridge Works, Cato Ridge Alloys, the Participative Coal Business and Sakura.

For internal control and internal audit, the committee:

- Reviewed significant issues raised by the internal audit process and the adequacy of corrective action in response to significant internal audit findings
- Reviewed and approved the internal audit plan
- Evaluated the independence, effectiveness and performance of the internal auditor, Deloitte & Touche, and found the internal auditor to be independent and effective
- Considered reports of the internal auditor on the group's systems of internal control
- Considered the internal auditor's finding that: "Overall, controls were functioning as intended to provide reasonable assurance that the organisation is safeguarded against inherent risks and were assessed to be effective during the period under review."
- Considered the effectiveness of group systems of internal financial controls, with due regard to reports by management, noted reports by the internal auditor and considered reports by the external auditor on the consolidated and separate annual financial statements.

Based on the above, the committee concluded that nothing had come to its attention that would suggest internal financial controls were not effective for the year ended 30 June 2021. In addition, the committee considered the accounting practices and annual financial statements of the group and company and consider these to be fair and reasonable.

In terms of risk management and its oversight role of the management risk and compliance committee, the audit and risk committee:

- Reviewed the enterprise risk management framework setting out ARM's policies and processes on risk assessment and risk management throughout the group and company
- Ensured the group and company have applied a combined assurance model for a coordinated approach to all assurance activities
- Considered and reviewed the findings and recommendations of the management risk and compliance committee.

For legal and regulatory requirements that may have an impact on the consolidated and separate annual financial statements, the committee:

- Reviewed with management and, to the extent deemed necessary, internal and/or external counsel, legal matters that could have a material impact on the group and company
- Discharged the statutory obligations of an audit committee prescribed by section 94 of the Companies Act
- Monitored complaints received via ARM's whistleblower's hotline
- Considered reports from management and the internal auditor on compliance with legal and regulatory requirements.

The committee considered the experience, expertise and effectiveness of the finance director, Ms TTA Mhlanga, and the finance function, and concluded that these were appropriate.

In F2022, the audit and risk committee will consider, inter alia:

- Management's control over key risks including cybersecurity, water and transportation risks
- The mandatory audit firm rotation process
- The effective operation of the group and company's financial systems, processes and controls, and their capacity to respond to industry and environment changes
- Management's implementation of the financial provisioning regulations of the National Environmental Management Act and other pronouncements and standards
- The impact of developments in the audit industry to ensure continued audit independence and objectivity.

Report of the audit and risk committee continued

Qualifications of audit and risk committee members[1, 2, 3]

TOM BOARDMAN (71)
BCom (Wits), CA(SA)

Member since February 2011

Independent non-executive director.

Committees
Chairman of audit and risk committee; member of investment, non-executive directors' and remuneration committees

ANTON BOTHA (68)
BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), senior executive programme (Stanford, USA)

Member since June 2010

Independent non-executive director.

Committees
Chairman of remuneration committee; member of audit and risk, investment and non-executive directors' committees

ALEX MADITSI (59)
BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)

Member since July 2004

Lead independent non-executive director.

Committees
Chairman of nomination committee and non-executive directors' committees; member of audit and risk, investment, remuneration and social and ethics committees

PITSI MNISI (38)
BCom (acc) (University of Natal), BCom (acc)(hons) (University of Natal), BCom (tax)(hons) (UCT), CA(SA), advanced certificate (emerging markets and country-risk analysis) (Fordham, USA), MBA (Heriot-Watt University, UK)

Member since December 2020

Independent non-executive director.

Committees
Member of audit and risk and non-executive directors' committees

DR REJOICE SIMELANE (69)
BA (economics and accounting) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada, and University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Member since July 2004

Independent non-executive director.

Committees
Chairman of social and ethics committee; member of audit and risk, nomination and non-executive directors' committees

[1] *The résumés of audit and risk committee members standing for re-election appear on pages 12 and 13.*
[2] *All members of the audit and risk committee standing for re-election are independent non-executive directors.*
[3] *The résumé of Mr F Abbott, an independent non-executive director standing for election to this committee, appears on page 12.*

Independence of external auditor

The committee is satisfied that Ernst & Young Inc. is independent of ARM. This conclusion was arrived at, inter alia, after considering the factors on page 22 and those below:

- Representations made by Ernst & Young Inc. to the committee
- The external auditor does not, except as external auditor or in rendering permitted non-audit services, receive any remuneration or other benefits from the group and company
- The external auditor's independence was not impaired by any consultancy, advisory or other work undertaken
- The external auditor's independence was not prejudiced by any previous appointment as auditor.

Recommendation

Following our review of the consolidated and separate annual financial statements for the year ended 30 June 2021, we believe that, in all material respects, they comply with the relevant provisions of the Companies Act, International Financial Reporting Standards as issued by the International Accounting Standards Board, and fairly present the consolidated and separate results of operations, cash flows, and the financial position of the group and company. On this basis, the audit and risk committee recommended the consolidated and separate annual financial statements of ARM to the board for approval.

The board subsequently approved the 2021 annual financial statements, which will be open for discussion at the annual general meeting.

TA Boardman
Chairman of the audit and risk committee

Johannesburg
8 October 2021

Report of the social and ethics committee chairman

Dr Rejoice Simelane
Chairman of the social and ethics committee

Responsible environmental, social and governance practices are integral to ARM's strategic priorities to operate safely, responsibly and efficiently; and to partner with communities and other stakeholders. Our commitment to ethical and responsible practices is embedded in the company values and governance structures and embodied by our leadership. Demonstrating this commitment allows ARM to deliver competitive outcomes and live up to our motto of ***We do it better****.*

Responsibilities

The board delegates responsibility for monitoring the effective management of sustainable development to the social and ethics committee while retaining ultimate responsibility for this area.

The purpose of the committee, which is constituted under regulation 43(5)(c) of the Companies Regulations promulgated under the Companies Act, is to monitor and report on the manner and extent to which ARM protects, enhances and invests in the economy, society and natural environment in which it operates to ensure its business practices are sustainable.

The committee is responsible for monitoring specific activities under relevant legislation, other legal requirements and codes of best practice including:

- Social and economic development
- Responsible corporate citizenship, including promoting equality, preventing unfair discrimination and measures to address any incidents and contributing to the development of communities in which ARM operates
- Sustainable development, including environmental management, occupational health and wellness and safety
- Stakeholder relationships
- Labour and employment.

It draws relevant matters to the attention of the board, and reports to shareholders at annual general meetings.

The committee operates according to its terms of reference, which are regularly updated and assumes responsibility for matters assigned by the board. It is supported by executive management and relevant executive committees and governance structures, including the employment equity and skills development committee. It oversees the management of ESG risks, which are identified by internal and external stakeholders and governance processes, including the enterprise risk management programme.

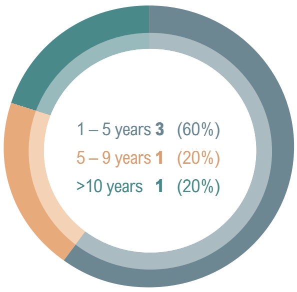
Composition

The committee's terms of reference provide for a minimum of three members, with a majority of independent non-executive directors. Currently, the committee has five non-executive directors, all of whom are independent. Members have extensive experience in mining operations, human capital, sustainable development and stakeholder relations.

Member[1]	Member since
Dr RV Simelane (chairman)	February 2007
JA Chissano	August 2019
AK Maditsi	June 2012
DC Noko	August 2019
JC Steenkamp	April 2018

[1] *Dr MMM Bakane-Tuoane resigned from the board and committee in September 2020.*

Tenure: Social and ethics committee



Invitees include the chief executive officer, executive director: investor relations and new business development, divisional chief executives, executive: sustainable development, group executive: human resources, group executive: legal, group executive: compliance and stakeholder relations, and chief risk officer.

The committee met four times in F2021. Attendance is shown on page 120 of the ESG report.

ESG

Engaging and collaborating to promote good ESG practice

We recognise that we do not operate in isolation from the world around us and we endeavour to build on our good relationships with stakeholders and engage them in open dialogue. We recognise our responsibility to manage and mitigate the potential negative impacts of our business activities, which unlock the value in mineral reserves to catalyse growth and development in the societies in which we operate.

ARM welcomes the maturing of the sustainability discourse evident in the increasing focus on environmental and social responsibility by investors and other providers of capital, customers and civil society, among others. We are extremely pleased that ARM's ESG practices are recognised by our continued inclusion in the FTSE/JSE Responsible Investment Top 30 Index and the FTSE4Good Index Series.

Since F2019, ARM's commitment to responsible ESG practices has been embedded in awards made in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan through a 25% weighting of the performance conditions governing the vesting of these awards. These include safety, transformation and climate change performance conditions (see page 42). Cash bonuses for senior executives also include a safety modifier, with a further downward adjustment in the case of fatalities.

We collaborate across operations and in industry associations to share learnings and implement industry good practice. ARM is a member of the International Council on Mining and Metals (ICMM), shares its commitment to mining with principles and has implemented its sustainability framework. Over the past three years, ARM operations and the corporate office have completed self-assessments against the ICMM's 38 performance expectations (PEs). Validation of these self-assessments was included in the scope of the external assurance over ESG data performed by IBIS ESG Consulting Africa Pty Ltd. Gaps identified are being addressed as part of our preparation to report on the PEs in more detail by September 2022.

Safety, health and wellness

ARM is committed to zero harm and the safety, health and wellbeing of our employees and contractors is a priority. Regrettably, two colleagues died in separate accidents at Modikwa Mine in F2021. We extend our sincere condolences to the families, colleagues and friends of Mr Dennis Hlengani Mdaka and Mr Johannes Mahlalela. Refer to the safety section on pages 75 to 80 of the ESG report.

ESG

Remedial actions, as agreed with the Department of Mineral Resources and Energy (DMRE), were implemented following these two incidents and initiatives are ongoing at all operations to ensure that safety training continues and safety standards are strictly upheld. These include implementing the critical control management process, which is complete at Beeshoek and Black Rock mines and is at an advanced stage at the other mines.

Our integrated wellness management programme aims to prevent occupational health hazards from affecting the health of employees and contractors, and to actively identify and manage health risks and chronic conditions that could affect their wellness and quality of life. These programmes have an emphasis on managing hearing conservation, pulmonary tuberculosis (PTB), HIV and Aids, occupational lung diseases and chronic conditions.

Strict measures and protocols remain in place at all operations and ARM corporate office to prevent the spread of Covid-19 and protect employees and contractors. To 30 June 2021, 142 052 Covid-19 health screenings were conducted, resulting in 7 428 tests of which 2 134 were positive cases. Regrettably, 34 colleagues succumbed to Covid-19. We extend our deepest condolences to their colleagues, families and friends. Five ARM mine clinics were approved as Covid-19 vaccination sites to support the government-led rollout. At 26 September 2021, 7 644 employees and 1 968 community members had been vaccinated at these sites.

We are committed to the national agenda in making a significant contribution to addressing PTB and HIV and Aids. Memorandums of understanding between the Department of Health (DoH) and Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines strengthen the implementation of provincial strategies related to PTB, HIV and Aids, sexually transmitted infections (STIs) and chronic disease management, and extend primary healthcare services to contractors and communities. Community PTB and HIV and Aids initiatives include awareness and outreach initiatives. The clinics also continue to engage other stakeholders such as the DoH and community NGOs in conducting wellness campaigns in the workplace and the community.

Developing our human capital and driving transformation

The employment equity and skills development committee oversees implementation of the group diversity management policy. Representation of historically disadvantaged persons (HDPs) and women continues to improve at all management levels. Management recruitment, selection, promotion and succession planning support further improvement particularly in areas that do not yet meet the targets set in the mining charter.

The human resources department advances women's interests in the company and oversees gender mainstreaming. A gender audit is planned for F2022 to assess the institutionalisation of gender equality in the company and identify areas for improvement.

We invested R239 million in skills development in F2021, through programmes that emphasise the development of women and HDPs in support of the group's transformation strategy.

These initiatives form part of ARM's broader focus on transformation, which includes ensuring HDP ownership, human resources development, preferential procurement, enterprise and supplier development, and mine community development. The mining operations submitted reports to the DMRE in March 2021 on their performance for the 12 months to December 2020 as required by the mining charter.

We are conscious of the stress employees are experiencing due to Covid-19. Mental health awareness sessions were held to provide support and encourage employees to use the toll-free helpline in the employee assistance programme. ARM appointed a group of health and wellness professionals to provide on-site psychological support for mental health.

Support for local communities

We have an opportunity to contribute to the resilience and sustainability of local communities, and improve the living conditions and standards of living of the people in our neighbouring communities. ARM works with community forums, municipalities, the DMRE and other local and national stakeholders to address the challenges they face by investing in infrastructure and social projects.

Our community development initiatives have a core focus on infrastructure development, which this year included upgrading essential water infrastructure, installing electrical infrastructure, erecting streetlights and building roads, schools, early childhood development centres and sports facilities: 74% of our R170 million corporate social responsibility investment in F2021 related to infrastructure development through local economic development commitments identified in partnership with local government and community representative structures.

We continued to support communities in areas identified as priorities during Covid-19. This included establishing a testing and screening facility at a local hospital, running a work relief programme, upgrading ablution facilities at schools to improve sanitation as well as providing additional permanent and mobile classrooms to support social distancing. Other projects included upgrading local libraries to provide e-learning facilities for students while schools were closed and a three-year health screening and promotion programme at local schools.

ARM promotes community education and skills development by directly supporting local schools, providing bursaries for promising students and offering adult education and training opportunities. Youth opportunities include learnerships and a graduate development programme.

The operations promote local job creation and economic development through enterprise and supplier development programmes that support growth in local black-owned, black youth-owned and black women-owned companies by providing business development support, mentoring and coaching, and financial support in certain instances.

Responsible stewardship of natural resources

ARM recognises the critical global challenges that climate change presents and the effects that these may have on our business, our stakeholders and the world. We are committed to participating in the global response to reduce carbon emissions and to mitigating the physical impacts caused by climate change. Our CEO led a qualitative climate-scenario analysis during the year through a series of workshops to assess the resilience of our business to climate transition and physical risks, in line with Task force on climate-related financial disclosures (TCFD) recommendations. This informed our long-term greenhouse gas (GHG) emission reduction target, which was approved by the board after year end and announced by the executive chairman at the presentation of our F2021 provisional results. We aim to achieve net zero GHG emissions (scope 1 and 2) mining by 2050 and have set goals and commitments to achieve this long-term target.

ARM's F2021 estimated carbon footprint (scope 1 and 2 attributable emissions) decreased 2% to 1.0 million tonnes of carbon dioxide equivalent (tCO_2e) and electricity consumption decreased 1.3% to 1 543GWh. Our current target is a 4% absolute reduction of scope 1 and 2 emissions by F2023 against a F2018 baseline through emission-reduction initiatives (excluding divestments and Nkomati Mine).

Water quality and availability are recognised in the group's top ten risks. Our water reporting aligns with the ICMM's position statement, which is based on the water accounting framework for the minerals industry of the Minerals Council of Australia. Since implementing the framework three years ago, measurement of water impacts and water reporting have significantly improved. Our understanding of water reuse efficiency, a key indicator in monitoring and managing consumption and losses, continues to develop. Water reuse efficiency increased to 78%.

Total water withdrawal decreased 1% to 20.0 million m^3 in F2021. We are setting context-based water targets and while these are being finalised, we extended our previous target to reduce withdrawals of potable water by 15% in F2021 relative to F2011. I am pleased to report that we achieved a 17% reduction in F2021 and have set a goal for F2022 to maintain this reduction.

As in previous years, we have published a focused 2021 climate change and water report which provides increased transparency and comparability in water and climate change reporting to meet the requirements of a broad range of stakeholders. CCW

Responsible tailings management is a priority for ARM, the mining industry and investors. External review and dam-breach analysis were completed at our tailings storage facilities (TSFs) to ensure a comprehensive understanding of the potential impact on stakeholders, including communities, the environment and infrastructure, and to inform enhanced emergency response planning. Action plans are being implemented in response to the outcomes.

We developed a TSF management policy and standard that align with appropriate good-practice standards nationally and internationally, including the Global Industry Standard on Tailings Management (GISTM). ARM-managed operations have developed TSF implementation plans to comply with the ARM TSF standard/GISTM as well as reporting dashboards on critical compliance elements.

Ethics and compliance

The code of conduct formalises ARM's values and commits us to the highest moral, ethical and legal compliance in dealing with our stakeholders. Directors and employees are required to maintain these standards to ensure the company's business is conducted honestly, fairly, legally, reasonably, in good faith and in the best interests of all stakeholders.

The committee received and considered reports on compliance with the code of conduct, including the online training programme. The company followed up on assessments to counteract risks of fraud, bribery and corruption. ARM has a whistleblowers policy and the committee received reports on results of investigations into calls made to the independent whistleblower facility.

ARM regards legal compliance as the minimum requirement while we implement targeted improvement initiatives, including reducing water consumption and carbon emissions. We engage with regulators to ensure that the required licences and permit applications are approved and in place, and that we continue to comply with the conditions of these authorisations. Amendments to licences and permits is an ongoing process as operations expand and projects evolve, underpinned by internal and external compliance monitoring processes.

F2021
FOCUS

In the review period, the committee:

- **Received reports on and monitored the company's Covid-19 response**
- **Monitored tailings storage facilities at our managed operations**
- **Monitored safety improvement and rollout of a critical control management system to enhance risk controls**
- **Oversaw transformation, gender mainstreaming and talent management initiatives**
- **Monitored continued implementation of enterprise development programmes, including supplier development initiatives**
- **Monitored ongoing efforts to reduce carbon emissions, considered and recommended a long-term net zero commitment and further improve our corporate water and climate-change reporting process**
- **Monitored allegations received via ARM's whistleblower facility, including complaints or concerns on sustainable development matters**
- **Considered management reports on compliance with legal requirements in terms of the company's legal compliance policy**
- **Received reports on the Competition Act online compliance training programme and annual compliance certification**
- **Received reports on the company's performance against the BBBEE codes of good practice**
- **Received reports on compliance with the National Environmental Management Act, National Water Act and other safety, health and environmental legislation**
- **Monitored risk areas affecting the sustainability of the business, together with the audit and risk committee, and received a report on the findings of the annual corporate risk workshop**
- **Monitored compliance with the mining charter and Department of Trade Industry and Competition targets, as well as the company's adoption of standards of good practice, in terms of its membership of the ICMM.**

No major environmental incidents were reported at our operations in F2021.

Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of an independent external sustainability assurance provider for material elements of the 2021 ESG report and related sections of the 2021 integrated annual report, and reported to ARM's audit and risk committee that the appointment was made.

Execution of responsibilities

Based on its activities, we believe the social and ethics committee has executed its duties and responsibilities during the financial year in line with the Companies Regulations and its terms of reference.

FOCUS FOR F2022

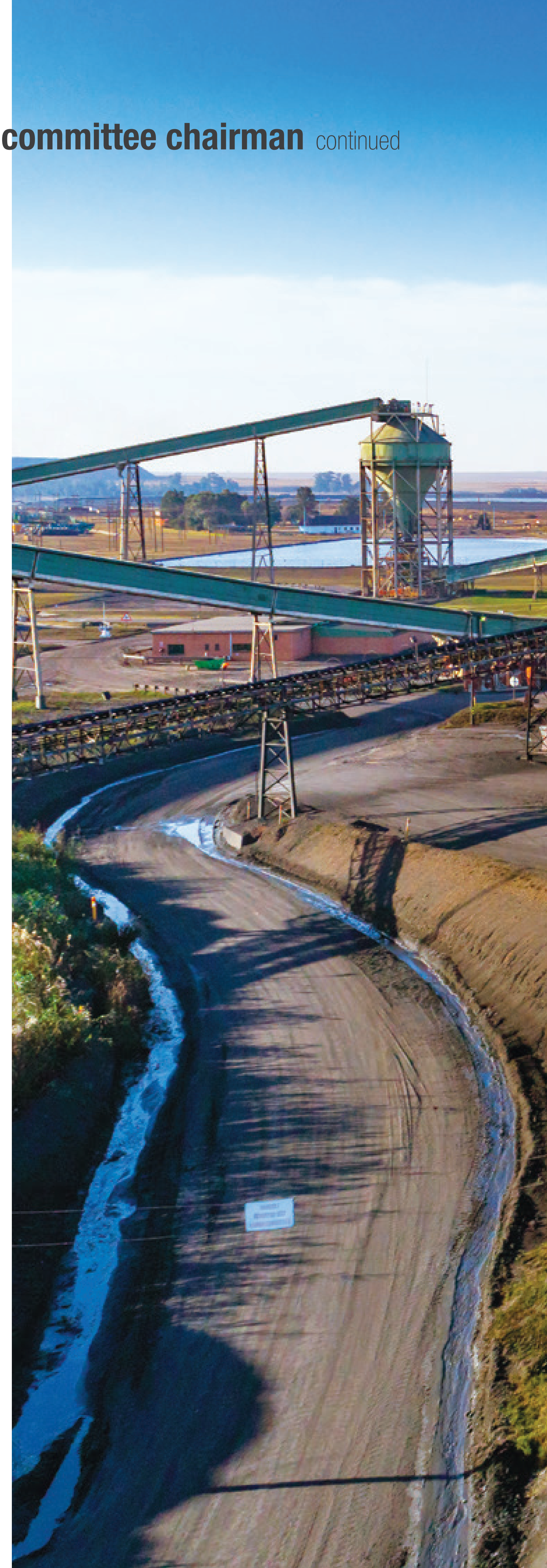
- Oversight of the development of the long-term decarbonisation pathways and GHG emission-reduction targets and finalisation of the context-based water targets
- Monitoring safety improvement programmes and final implementation of the critical control management system
- Oversight of transformation, gender mainstreaming and talent management initiatives
- Monitoring enterprise development programmes, including supplier development initiatives
- Monitoring environmental priorities, including tailings storage facilities, carbon emission reduction initiatives and further improvements to our corporate water and climate-change reporting process
- Monitoring the company's Covid-19 response.

Acknowledgements

I thank my colleagues on the social and ethics committee and board for their support and input during the year. We are grateful to our stakeholders for their support and positive engagements, and remain mindful that ARM's ability to create value depends on the value we create for others.

On behalf of the board, I thank management and employees for their dedication and for demonstrating through their actions our shared commitment to act with integrity, respect the environment and make a positive contribution to society as we work towards achieving our strategic goals.

Dr RV Simelane
Chairman of the social and ethics committee



Summarised remuneration report

PART I – background statement

Philosophy

Our strategic objectives can only be delivered with the foresight, dedication and hard work of our employees. The company competes in a small talent pool for a limited set of skills in the global and South African mining industries.

The remuneration committee assists the board by applying a remuneration strategy that ensures a balance in attracting, motivating, rewarding and retaining human capital through competitive remuneration practices, while creating shareholder value. The committee approved a remuneration policy that gives effect to the remuneration strategy, supports business objectives in the wider operating environment and offers a balanced remuneration mix in line with our goals.

Connecting performance and remuneration

Fair and responsible pay

ARM is committed to fair, responsible and transparent pay. Our remuneration levels are aligned with the performance of the economy, and the specific performance of the company and our people. We focus on elements such as the company's values, culture, talent management, workforce planning, and competitive benefits and remuneration to ensure our policies and practices compare well against local and international practices. ARM takes steps to address the gap between remunerating executives and employees at the lower end of the pay scale, and the committee monitors these developments.

The company monitors the pay gap between the remuneration of our most highly paid employees to the lowest-paid employees as part of our approach to fair and responsible remuneration. As there is currently considerable research and debate on identifying a statutory measure of the pay gap, we will await finalisation of this process so that our reporting is consistent.

Fixed pay

The board approved cost-to-company salary increases in the corporate office from 1 July 2021 based on the current and forecast consumer price index (CPI), as follows:

PATERSON GRADE	ROLE	F2022 increase	F2021 increase
F-band	• Executives (including executive directors)	5.2% CPI*	3% (CPI)
E-band	• Senior management	6.2% (CPI + 1%)	4% (CPI + 1%)
D-band	• Middle management		
A to C-bands	• General staff	7.2% (CPI + 2%)	5% (CPI + 2%)

* *CPI of 5.2% as at May 2021 as published by StatsSA.*

Summarised remuneration report continued

At the bargaining-unit level for our managed operations wage agreements for A to C-bands provided for 2020 increases of 6% to 7% depending on the band. Modikwa, Machadodorp Works and Two Rivers C-band bargaining units have multi-year agreements which provided for 2021 increases of 6% to 7% depending on the band. Wage agreements for employees at Two Rivers in the A and B-bands and Cato Ridge Works as well as the Northern Cape mines' labour forces expired on 30 June 2021 and negotiations are underway. Percentage increases for these employees will be reported in 2022.

Employee benefits as a percentage of cost-to-company are the same for all employees, subject to certain employee elections.

Fair and responsible

Taking care of our employees
We aim to maximise our employee value proposition. We are committed to offering a market-related, competitive, fair and at least living wage to all employees. We operate various wellness programmes to support our employees' mental health and wellbeing.

Monitoring our fair and responsible pay
We periodically monitor the pay gap, enhance policies supporting gender mainstreaming in the workplace and develop more robust employment equity plans and targets. Percentage increases granted to our more junior employees generally exceed those granted to management and executives.

Pay-for-performance
We focus on pay-for-performance in designing our variable pay structures, particularly at senior levels. Our in-house performance-enhancing system creates an opportunity to contract on performance goals, review performance, track developmental areas, assess performance and reward appropriately. This process also promotes staff engagement, constructive feedback for development and performance improvement.

Training and developing our talent
We invest in the development and skills of our employees to maximise learning potential through study assistance and bursaries as well as career-development opportunities based on our talent management strategy.

Specific measures to mitigate the impact of Covid-19 on employees and other stakeholders are set out more fully in the occupational health and wellness section on page 81 of the ESG report.

ESG

Short-term incentives

Short-term incentive outcomes are linked to the company's performance, which reflects management's initiatives to contain costs and improve efficiency:

- Group F2021 profit before interest and taxes (PBIT) was 237% above target
- Profit targets were met at all operations (ie ARM Ferrous, ARM Platinum and ARM Coal)
- Overall, ARM Platinum and ARM Ferrous performed well on cost targets
- Costs at ARM Coal were worse than planned
- Notwithstanding the improvement in the lost-time injury frequency rate, regrettably there were two fatalities (at Modikwa) in F2021. The fatality adjusted safety modifier for ARM Platinum was 1.67%
- The safety modifier target of 10% after adjustment for fatalities was achieved at ARM Ferrous and ARM Coal. The overall group safety modifier adjusted for fatalities was 8.75%.
- A personal performance modifier has been applied after a cash bonus was calculated for each senior executive, except for the executive chairman and chief executive officer. If key performance indicators (KPIs) are met, they may achieve up to an additional 10% of their bonus. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers apply to the short-term incentives payable to the executive chairman and chief executive officer, as their performance is best measured by the performance of the company.

Benchmark

A benchmarking study by the remuneration consultants, Bowmans, showed that the remuneration of senior executives was generally in line with the market. ARM's short-term incentives tend to be below the market median while long-term incentives tend to be above.

Long-term incentives

Outcomes are linked to the company's performance. Performance shares settled in F2021 under The African Rainbow Minerals Limited 2008 share plan (2008 share plan) were based on ARM's ranking against the total shareholder return of its peers. The company has not made any awards under the 2008 share plan since 2018.

Settlements of share options and bonus shares awarded in terms of the previous policy reflect share price movements which are also linked to performance.

2018 conditional share plan

- Shareholders approved the plan, aligned with good practice, to be used for all new long-term incentive awards to senior executives at the 2018 annual general meeting
- Salient features of the 2018 conditional share plan include:
  - Conditional rights to ARM shares, ie conditional shares will be awarded to eligible participants (with no voting or dividend rights until the conditional shares vest and become unrestricted)
  - Performance and employment conditions apply to all awards vesting
  - A limit of 5% of the issued share capital of the company, which is intended to cover awards made over five to ten years under the plan
  - Termination-of-employment (fault and no-fault terminations) provisions are aligned to global good practice
  - Malus (pre-vesting forfeiture) and clawback (post-vesting forfeiture) provisions apply to awards on certain ‘trigger events’. In terms of clawback, the pre-tax cash value of the award will be recouped
  - Dividend-equivalent shares will be determined when conditional shares vest
  - Carbon emission targets apply to:
    - Emissions from direct production activities (scope 1 emissions) and
    - Emissions from electricity consumption (scope 2 emissions).

2018 cash-settled conditional share plan

- In December 2018, the board approved a new long-term incentive plan for awards to management other than senior executives
- The provisions of the 2018 cash-settled conditional share plan are similar to those of the 2018 conditional share plan, but awards are settled in cash rather than shares.

Summarised remuneration report continued

Stakeholder engagement

At the 2020 annual general meeting, the non-binding advisory votes on ARM's remuneration policy and implementation report were each supported by 97.76% of shareholders who voted at the meeting.

Although we were well above the 75% voting threshold for both the remuneration policy and implementation report, we take shareholder feedback seriously and strive to continuously engage with our shareholders. Below, we set out the main areas of feedback on remuneration.

Stakeholder engagement on voting

FEEDBACK	ACTIONS TAKEN/RESPONSE TO FEEDBACK
Short-term incentives – safety modifier: The safety modifier applied to the bonus framework is based on the lost-time injury frequency rate for the divisions/operations and bonuses are payable despite recorded fatalities at the operations.	The company is committed to zero harm. Recorded fatalities have been factored into the safety modifier for the year under review. For future bonuses, after the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier taking into account the context of such fatalities.
Short-term incentives – targets: Only high-level performance conditions were provided for the short-term incentive, without disclosing specific targets.	Performance targets are not disclosed; this is viewed as commercially sensitive information for various reasons, including that targets are based on budget and the company is required to adhere to confidentiality restrictions in some contractual agreements.
Short-term incentives – budget: Performance targets measured against budget are not considered transparent.	It is acknowledged that measuring against budget is not transparent, however, given the significant effect of commodity prices and changes in geology on profits, using a growth factor on previous profit is not a viable measure. In addition as discussed above, this information is considered commercially sensitive. The committee monitors the short-term incentive scheme to ensure its implementation is aligned with the strategic objectives of the company.
Long-term incentives – total shareholder return: Limited disclosure about the vesting scale, exact targets governing vesting in the total shareholder return analysis and the weight of total shareholder return as a performance condition.	For awards made prior to December 2018, vesting was possible for performance below the median of the peer group, in terms of the graphs on the following pages. For settlements of performance shares in F2021, no vesting occurred below median. In line with global practice, vesting below median has not been permitted since shareholders adopted the 2018 conditional share plan and relative total shareholder return now only constitutes 25% of total performance conditions.

Commitment

We continuously monitor the effectiveness and implementation of the remuneration policy, strategy and practices. Should we receive a vote of 25% or more against either at the 2021 annual general meeting, the board commits to:

- An engagement process in line with JSE Listings Requirements to ascertain reasons for dissenting votes
- Appropriately address legitimate and reasonable objections and concerns.

Changes in remuneration policy

Stakeholder engagement on remuneration matters and proactively maintaining regular, transparent and informative dialogue with our stakeholders is important. The committee therefore considered developments in global best practice as well as feedback from shareholders during the financial year.

Accordingly, on the committee's recommendation, changes to the climate change performance targets in the remuneration policy have been approved. As noted by my colleague, the chairman of the social and ethics committee (page 25), ARM has set a target of net zero greenhouse gas emissions from mining by 2050. As a first step towards this long-term company target, we have set appropriate climate-change performance targets that apply to awards to be made in F2022 in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan for the three-year performance period from 1 July 2021 to 30 June 2024. However, we fully understand that our 2050 goal will require a more profound change in the way we work and this can only be implemented over a longer period. Accordingly, we are working on more specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in the F2022 remuneration report.

No changes to performance conditions of awards that have been issued, nor any other aspects of the short-term incentives (bonuses) or long-term incentives were made to address the impact of Covid-19.

The remuneration policy achieved its stated objectives in F2021 and will continue to lead to performance outcomes that generate real long-term value for our shareholders.

AD Botha

Chairman of the remuneration committee

About the remuneration report

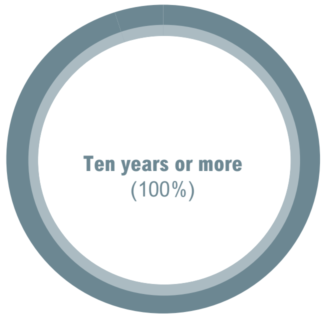
To align with emerging best remuneration-disclosure practices and the King IV Report on Corporate Governance for South Africa 2016 (King IV™*), the remuneration report is presented in three parts: a background statement from the committee chairman, an overview of the remuneration policy for senior executives and, at a high level, other employees, and an implementation report describing how payments were made in the review period.

Remuneration governance framework

Composition

Members	Member since
AD Botha (chairman)	August 2009
TA Boardman	August 2011
AK Maditsi	July 2011

Tenure



The committee comprises only independent non-executive directors. The board is confident that committee members have a strong blend of expertise and experience in the financial, business, mining and human capital fields.

Meetings

Three committee meetings were held in F2021. See meeting attendance summary on page 120 of the ESG report.

The chairman of the committee attends annual general meetings to answer questions from shareholders on the remuneration policy and its implementation.

Invitees

The chief executive officer, finance director, executive director: investor relations and new business development, group executive: human resources and group executive: legal attend committee meetings by invitation and assist the committee in its deliberations, except when their own remuneration is discussed. Invitees do not vote at meetings. No directors were involved in approving their own remuneration.

Advisers

In F2021, the committee was advised by remuneration consultants, PricewaterhouseCoopers (PwC), on the implementation and verification of calculations for offers and awards under the long-term incentive schemes. Bowmans advised the committee on remuneration of non-executive directors and senior executives as well as amendments to the short-term incentive scheme, implementation of the long-term incentive scheme and the policy on fees for ad hoc meetings. Bowmans communicated directly with the committee. Korn Ferry provided advice on principles of performance management and calibrating performance scores. Deloitte provided assurance on some elements of executive remuneration. The committee is satisfied that Bowmans, PwC, Deloitte and Korn Ferry were independent and objective.

Functions

Purpose

The committee assists the board with its responsibility for setting ARM's remuneration policies to ensure these are aligned with its business strategy and create value for ARM over the long term. It also assists the board in promoting a culture that supports enterprise and innovation with appropriate short-term and long-term performance-related rewards that are fair and achievable. The committee considers and recommends remuneration policies for senior executives.

Functions and responsibilities

The remuneration committee performs the functions and responsibilities necessary to fulfil its stated purpose. Amendments to its terms of reference were approved by the board in 2021. The committee's mandate includes:

- Ensuring that, in developing the company's remuneration policies, the mix of fixed and variable remuneration in cash, shares and other elements of remuneration meets ARM's business needs and promotes its strategic objectives, with an appropriate balance between short-term and long-term incentives
- Ensuring that performance targets in all occupational categories in ARM are set and monitored
- Reviewing the results of independent third-party benchmarking surveys of the remuneration packages of executive directors, other senior executives and the group company secretary and governance officer as well as non-executive directors' fees
- Reviewing and recommending specific remuneration packages for executive directors, senior executives and the group company secretary and governance officer to the board for approval, including base salaries
- Recommending to the board cash performance bonuses to be awarded to executive directors, senior executives and the group company secretary and governance officer, taking cognisance of job descriptions and the performance of ARM against budgetary and strategic objectives as approved by the board
- Regularly reviewing and recommending changes to ARM's long-term (share-based) incentive schemes to ensure the continued contribution of executive directors and other senior executives to shareholder value
- Considering and making recommendations to the board on any proposed cash bonus schemes or long-term (share-based) incentive schemes or amendments to any existing schemes for executive directors, senior executives and group company secretary and governance officer
- Recommending to the board grants or awards to be made to executive directors, other senior executives and the group company secretary and governance officer under ARM's long-term share-based incentive schemes
- Satisfying itself on the accuracy of recorded performance measures that govern the vesting of long-term (share-based) incentives
- Ensuring management develops appropriate employee benefit policies for the company.

Focus and adding value in F2021

The scheduled work plan was followed, with a normal cycle of activities and additional duties that included:

- Monitoring the ongoing impact of the pandemic on executive remuneration
- Amendments to the short-term incentive scheme:
  - To mitigate the risk for F2021 from the pandemic, including a cap on the maximum bonus payable
  - To provide that the board will further consider any fatalities during the year and adjust the modifier taking into account the context of such fatalities
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and other senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Overseeing preparation of the remuneration implementation report.

Focus areas for F2022

- Recommending corporate bonus parameters for F2022 to the board
- Reviewing climate change targets
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Reviewing the provisions for termination of employment in the 2018 conditional share plan and the 2018 cash-settled conditional share plan
- Overseeing preparation of the remuneration implementation report
- Monitoring the ongoing impact of the pandemic on executive remuneration.

PART II – overview of main provisions of the remuneration policy

Remuneration philosophy and policy: executive remuneration

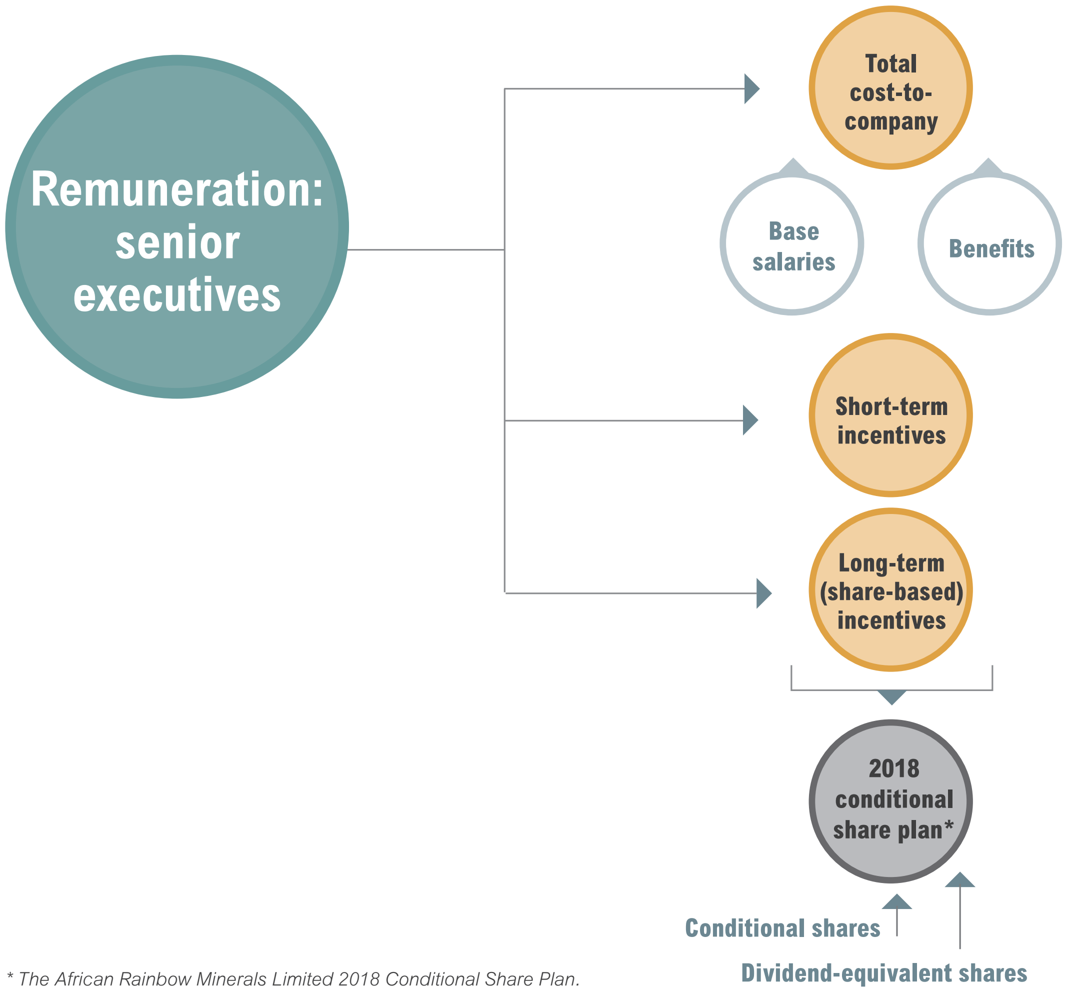
Principles of executive remuneration

ARM's executive remuneration philosophy aims to attract and retain high-calibre executives and to motivate and reward them for developing and implementing the company's strategy of delivering consistent and sustainable shareholder value. In addition, ARM promotes positive outcomes, an ethical culture and corporate citizenship in decisions on pay.

The remuneration policy conforms to international best practice and is based on the following principles:

- Total cost-to-company of base salary plus benefits
- Competitive, incentive-based rewards compared to other employers in the mining and mineral resources sector, earned by achieving performance targets consistent with shareholder expectations over the short and long term:
  - Short-term incentives, ie cash bonuses based on performance measures and targets, and structured to reward effective operational performance
  - Long-term (share-based) incentives used to align the long-term interests of management with those of shareholders and responsibly implemented to avoid exposing shareholders to unreasonable or unexpected financial impact.

Elements of total executive remuneration design



** The African Rainbow Minerals Limited 2018 Conditional Share Plan.*

Summarised remuneration report continued

Total cost-to-company (CTC)

Policy	Implementation
Base salary	
Benchmarked against market practices of South African mining companies comparable in size, business complexity and international scope Generally reflects market median levels based on role, individual skills and experience.	• Paid monthly in cash • Reviewed annually, with changes from 1 July, where applicable • Increases are determined by market conditions, company performance, individual performance and changes in responsibilities, among others • Salary increases for F2022 of 5.2% for executives approved for F2021 from 1 July 2021 (F2021: 3%) • Key component of a total CTC package, including benefits. ARM periodically participates in industry-wide surveys. Participation in short-term and long-term incentive schemes is determined on the basis of, and in addition to, the CTC package.
Pension fund	
Membership of ARM Pension Fund is compulsory. Senior executives, if already members of a recognised industrial pension/retirement fund such as Sentinel, may remain members of that fund.	• Contributions are made by senior executives from base salary. Total contribution to the fund is either 22.5%, 25% or 27.5% of pensionable salary. This includes risk benefits such as life and disability cover as well as administration costs • The ARM Pension Fund is: – Managed by six trustees – 50% appointed by ARM and 50% elected by members. Appointed and elected members may also appoint or elect alternatives – Administered by Alexander Forbes – A defined contribution fund.
Medical schemes	
Membership of a medical scheme is compulsory.	• Executives may participate in a managed medical aid plan of their choice • Contributions are made by senior executives from their base salary.

Other benefits and conditions of employment

All other conditions of employment are comparable to companies in the mining and mineral resources sector. No special or extraordinary conditions apply to senior executives.

Short-term incentives

Policy

Short-term incentives (cash bonuses) are determined under a bonus scheme that rewards senior executives for sustained outperformance of cost and profitability targets set annually for the company's business, and safety performance in terms of its strategy.

Instrument

Cash under the outperformance bonus scheme.

Short-term incentives continued

Bonus percentages

After considering a recommendation from ARM's remuneration consultants to mitigate the risk in F2022 amid ongoing uncertainty due to the pandemic and its impact on global economic conditions, the maximum bonus payable in F2022 will be capped as in F2021 to 2 times on-target bonus multiple. The multiple applicable to each performance measure (being annual profit before interest and taxes (PBIT) and unit costs) will be used to determine a bonus multiple of between 0 times and 3 times depending on the F2022 actual performance relative to targets set for F2021. These multiples will each be weighted by 50% and added together to determine the overall bonus multiple. If this overall bonus multiple is more than 2 times, it will be capped at 2 times. For F2022 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are shown below:

Position	Paterson grade	F2021 % on-target bonus of CTC	F2021 maximum bonus as % of CTC
Executive chairman	FU	**62%**	**124%**
Chief executive officer	FU	**50%**	**100%**
Finance director, other executive directors and senior executives	FL	**45%**	**90%**
Operational senior executives in ARM Ferrous, ARM Platinum and ARM Coal	FL	**45%**	**90%**

Performance measurement

For the executive chairman, chief executive officer, finance director, other executive directors and other senior executives (excluding those from ARM Ferrous, ARM Platinum and ARM Coal), financial performance indicators are calculated as:

- 50% – profit from operations
- 50% – unit cost of sales (a weighted scorecard).

For operational senior executives, financial performance indicators are calculated for each division as:

- 25% – ARM overall profit from operations against target
- 25% – ARM overall unit cost of sales against target (a weighted scorecard)
- 25% – divisional profit from operations against target
- 25% – divisional unit cost of sales against target (a weighted scorecard).

The following divisional unit cost of sales will be measured:

- Manganese
- Iron ore (Beeshoek and Khumani separately)
- Ferromanganese (Machadodorp)
- Ferromanganese (Cato Ridge)
- Nickel
- Platinum (Modikwa)
- Platinum (Two Rivers)
- Coal (Goedgevonden)
- Coal (Participative Coal Business).

The combined percentage (achieved by each senior executive) is applied to their CTC to determine the potential cash bonus.

Safety modifier

A safety modifier is applied after a cash bonus has been calculated for each senior executive. This is based on the lost-time injury frequency rate for each division or operation. If the safety target is met, participants will receive an additional 5% of their cash bonus.

There is a sliding scale for outperformance or underperformance for each division or operation:

- If participants outperform their targets by 10% or more, they will receive an additional 10% of their cash bonus
- If safety targets are not met, between 1% and 10% would be deducted for each percentage point below target, to a maximum 10% deduction.

After the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier taking into account the context of such fatalities.

Short-term incentives continued

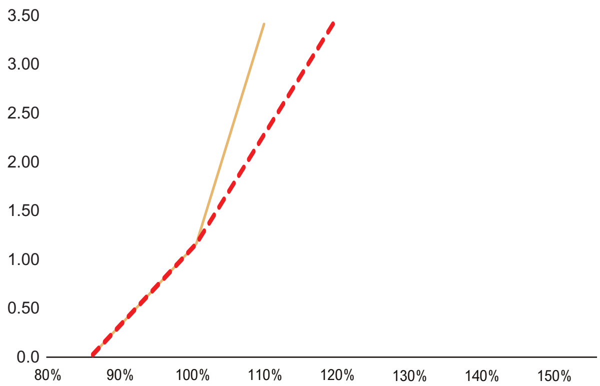
Performance targets

The targets for each metric are in line with the board-approved one-year business plan, and measures are reviewed annually to ensure they are appropriate, given the economic climate and performance expectations for the company. As targets are related to the budget and considered commercially sensitive information, they are not disclosed. F2022 PBIT targets relative to F2021 PBIT targets are set out below. F2022 cost target percentages remain unchanged compared to F2021.

%	F2022 PBIT targets*
ARM group	+98%
ARM Ferrous	+92%
ARM Platinum	+110%
ARM Coal	(7%)

* *Based on approved F2022 plan relative to F2021 targets. The F2022 plan will be trued up for opening balances.*

F2022 BONUS STRUCTURE



Personal performance modifier

A personal performance modifier is applied after a cash bonus has been calculated and the safety modifier applied for each senior executive, except the executive chairman and chief executive officer. If KPIs are met, up to an additional 10% of their bonus may be achieved. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers are applicable to the short-term incentives payable to the executive chairman and the chief executive officer, because their performance is best measured by the performance of the company.

Long-term incentives

2018 conditional share plan (F2022)

The 2018 conditional share plan is aligned with global practice and has been used for all new long-term incentive awards since the 2018 annual general meeting.

Policy

This plan closely aligns the interests of shareholders and senior executives by recognising their contributions to the group, giving them the opportunity to share in its success, and reward superior performance. This plan is used as a tool to incentivise performance and create shareholder value.

Limits

The overall company and individual limits for the conditional share plan are 10 985 514 shares and 2 197 103 shares, respectively.

Eligibility

Employees in the corporate office on Paterson grade D-F bands are eligible to participate in the 2018 conditional share plan. The primary intent is to make awards to executive and senior management, although awards may be made to other employees with the consent of the remuneration committee.

Instrument

Conditional shares (subject to performance and employment conditions) for annual or interim awards of long-term incentives.

Award and settlement

Conditional share awards may be made on an annual or interim basis to reduce the risk of unanticipated outcomes due to share-price volatility and cyclical factors. Conditional shares will vest after three years, subject to meeting predetermined performance criteria, and settled in equity or cash should it not be practical or possible to settle in ARM shares.

Allocation levels

Executive chairman – 2.0 x total CTC
Chief executive officer – 1.67 x total CTC
Finance director, other executive directors and prescribed officers – 1.33 x total CTC
Senior executives – 1.0 x total CTC

Dividend-equivalent shares

Dividend-equivalent shares, for conditional shares, are awarded at the discretion of the board. They are the number of ARM shares equal in value to dividends a participant would have earned if they owned the vested number of ARM shares from award date to vesting date of the conditional shares with reference to the dividend record dates in that period.

Summarised remuneration report continued

2018 CONDITIONAL SHARE PLAN (F2022) CONTINUED

PERFORMANCE CONDITIONS AND VESTING

Performance conditions*	Weight	Threshold	Target	Stretch
Relative total shareholder return (TSR) against a comparator group of 20 mining companies (excluding gold and diamond companies).*	25%	Threshold and target is set at the median of the comparator group (100% vesting)		Upper quartile of the comparator group (200% vesting)
Average free cash flow return on equity US$ operating free cash flow/ US$ equity over the three-year performance period, where operating free cash flow (for the year) is defined as: Net increase/decrease in cash and cash equivalents **Plus** dividends paid to shareholders and non-controlling interest **Plus** expansion capital expenditure **Plus** repayments of debt.	25%	US$ cost of equity of the company (50% vesting)	US$ cost of equity of the company +3% (100% vesting)	US$ cost of equity of the company + 6% (200% vesting)
Consistent and sustainable cost performance as measured against the mining producer price index (PPI). Compound annual growth rate of the company's unit costs over the three-year performance period compared to mining PPI.	25%	Increase equal to mining PPI (50% vesting)	90% of the increase equal to mining PPI (100% vesting)	80% of the increase equal to mining PPI (200% vesting)
Sustainable business				
Improved safety performance as measured by the lost-time injury frequency rate (LTIFR)	10%	Improvement of 3% over the period (50% vesting)	Improvement of 4% over the period (100% vesting)	Improvement of 5% over the period (200% vesting)
Improvement in the B-BBEE score	10%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)
Environmental compliance (see climate-change performance targets alongside)	5%			

Climate-change performance targets

Description of targets: absolute reduction in greenhouse gas emissions through initiatives that reduce:

- Emissions from direct production activities (ie scope 1 emissions) and
- Emissions from electricity consumption (ie scope 2 emissions)

due to emission-reduction initiatives determined at the end of the performance period from 1 July 2021 to 30 June 2024 (F2022 performance period), relative to the saving for F2021.

Threshold: maintain the level of savings in F2021, ie maintain initiatives implemented since F2018 and still actively reducing emissions at the beginning of the F2022 performance period (50% vesting).

Target: 2% further absolute reductions in aggregate of scope 1 and 2 emission levels at the end of the F2022 performance period against the level of savings at the beginning of the F2022 performance period (100% vesting).

Stretch: equal to or greater than 3% further absolute reduction in aggregate of scope 1 and 2 emission levels at the end of the F2022 performance period against the level of savings at the beginning of the F2022 performance period (200% vesting).

Measurement: measurement of the above-mentioned performance targets is based on reductions relative to a business as usual baseline. The approach is based on an industry accepted methodology (ie the GHG Protocol Policy and Action Standard).

* *Should an event occur at any point during the performance period which causes the board to consider that a performance condition is no longer appropriate, the board may substitute or vary the performance condition in such a manner that is reasonable in the circumstances and produces a fairer measure of performance that is not materially less or materially more difficult to satisfy.*

Long-term incentives continued

2018 conditional share plan (F2022)

Vesting

There will be 0% vesting for the applicable performance measure if performance is below threshold. Linear interpolation will be applied for performance between threshold/target, and target/stretch. Vesting is capped at 200% for performance at and above stretch.

Termination of employment

If a senior executive leaves due to a fault termination, eg resignation or dismissal, all unvested awards will be forfeited. If they leave due to retirement, unvested awards will vest on the basis of the original dates and performance conditions, without pro-rating. If they leave due to other no-fault terminations, eg retrenchment or death, the number of conditional shares vesting will be pro-rated against performance and time served.

Malus and clawback

At the discretion of the board, malus (pre-vesting forfeiture) and clawback (post-vesting forfeiture) provisions will be applied to awards to senior executives on certain 'trigger events', including action or conduct which, in the reasonable opinion of the board, amounts to misbehaviour, fraud or gross misconduct. In terms of clawback, the pre-tax cash value of the award would be recouped.

Long-term incentives (Legacy schemes)

ARM no longer makes allocations under the legacy schemes set out below. Outcomes are detailed in part III.

Performance shares (last allocation in F2019)

Policy
Was designed to align the interests of shareholders and senior executives by rewarding superior performance and encouraging them to build a shareholding in the company. The performance criteria incentivised creating shareholder value.

Instrument
Performance shares under The African Rainbow Minerals Limited 2008 share plan (the 2008 share plan).

Award policy and vesting period
Performance shares under the 2008 share plan were conditional rights to shares typically awarded annually to reduce the risk of unanticipated outcomes from share price volatility and cyclical factors.

Performance criteria
For awards made from May 2015, total shareholder return (TSR) in terms of the JSE Limited Resources 10 Index (RESI 10) and the 20-day volume weighted average price (VWAP) were used to determine the number of performance shares that vest. The RESI 10 was discontinued from December 2015, after which the number of companies in the peer group was increased to 20 (excluding gold and diamond companies). From May 2017, the performance measurement graph was clarified to provide for situations where there were less than 20 mining companies in a peer group. The comparator groups for benchmarking were selected through a rigorous process to ensure the overall competitiveness of ARM's remuneration.

Performance measurement
Vesting is based on a sliding scale of achieving the performance criteria as determined by an independent third party, the company's remuneration consultants.

Long-term incentives (Legacy schemes) continued

Vesting period
Performance shares conditionally awarded to senior executives after 1 November 2011 and before 1 November 2014: shares vest and are settled after a period of four years, subject to achieving predetermined performance criteria.

Performance shares conditionally awarded to senior executives after 1 November 2014: shares vest and are settled after a period of three years, subject to achieving predetermined performance criteria.

Bonus shares (last allocation in F2019)

Design policy
Policy designed to align the interests of shareholders and senior executives by rewarding superior performance and encouraging them to build a shareholding in the company. The bonus performance criteria incentivised creating shareholder value.

Instrument
Bonus shares under the 2008 share plan.

Award policy
Bonus shares are conditional rights to shares that were allocated annually, as determined by a specified ratio of the annual cash incentive accruing to senior executives.

Other than bonus shares granted under the deferred bonus share/co-investment scheme and the waived bonus method (F2015 and F2016), no bonus shares have been granted since 2015.

Vesting period
Bonus shares granted to senior executives after 1 November 2011 and before 1 November 2014: shares vested and were settled after four years. Bonus shares granted to senior executives after 1 November 2014: shares vested and were settled after four years.

Bonus shares granted to senior executives after 1 November 2014: shares vest and are settled after three years.

Deferred bonus/co-investment scheme (last allocation in F2019)

Policy
The purpose of this scheme under the 2008 share plan was to align the interests of shareholders and senior executives by rewarding superior performance, encouraging senior executives to build a shareholding in the company and enhancing the retention potential of senior executives.

A final award of bonus shares and a matching number of performance shares under the 2008 share plan was made in November 2018 prior to adopting the 2018 conditional share plan by shareholders in December 2018.

Instrument
Bonus shares (for deferred bonus) and performance shares (for matching performance shares) under the 2008 share plan.

Operation
Senior executives could invest in additional bonus shares that were matched by the company with the equivalent number of performance shares under the terms and conditions of the 2008 share plan.

Award policy
- Scheme prior to F2017: senior executives could defer 25%, 33% or 50%.
- Scheme from F2017: senior executives could defer 25%, 33%, 50%, 75% or 100%.
- There have been no awards using this method since F2019.

Vesting period
The vesting periods of deferred bonus shares and matching equivalent number of performance shares are three years.

Long-term incentives (Legacy schemes) continued

Waived bonus method (last allocation in F2017)

Policy
This method was designed to align the interests of shareholders and senior executives by rewarding superior performance, encouraging senior executives to build a shareholding in the company, and enhancing the retention characteristics of the bonus reward of senior executives. The final award under this policy was settled in F2020.

Instrument
Bonus shares (for 100% of the value of the waived 2016 bonuses) and performance shares (for matching equivalent number of performance shares) in terms of the 2008 share plan.

Award policy
In advance of the 2016 bonus being quantified or declared, and before any such bonus accrued, the executive chairman elected to waive and receive delivery of 100% of the value of any cash bonus that might accrue to him for the 2016 performance year, pre-tax, in the form of 100% of the value of the waived 2016 bonus in bonus shares and matching equivalent number of performance shares. There have been no awards using this method since 2016.

Vesting period
The vesting periods of waived bonus shares and matching equivalent number of performance shares are three years.

Share options (last allocation in F2014)

Policy
Policy designed to align the interests of shareholders and senior executives by encouraging senior executives to build a shareholding in the company.

Instrument
Share options under The African Rainbow Minerals Share Incentive Scheme (the scheme).

Net settlement
The scheme was amended in December 2010 to allow the company to offer participants the opportunity to net settle share options when they exercise these.

Vesting period
Share options vested in total on the third or fourth anniversary of their allocation. The final allocation in the scheme vested in F2018. Senior executives may elect to defer exercising any share option until the eighth anniversary of its allocation, after which it lapses.

Termination policy

Executive directors and prescribed officers have one month's notice period in their employment contracts. Executive agreements do not include restraint provisions on termination. The termination policy is set out on page 46.

Summarised remuneration report continued

Termination policy

Form of remuneration	Resignation	Retirement	Dismissal	Retrenchment/ transfer	Death
Cost-to-company					
Basic salary	One month's notice pay	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment
Benefits including medical/pension	Paid until employment ceases	Pension payout under rules of pension fund scheme	Paid until employment ceases	Paid until employment ceases	Paid until last day of employment
Outperformance bonus scheme					
Short-term incentive (cash bonus)	No entitlement to bonus	Entitled to pro-rata bonus, paid at financial year end	No entitlement to bonus	Entitled to pro-rata bonus, paid at financial year end	Entitled to pro-rata bonus, paid at financial year end
2008 share plan					
Performance shares (awards)	Considered a fault termination: all unvested awards cancelled*	Considered a no-fault termination: awards are settled on vesting if performance criteria are met	Considered a fault termination: all unvested awards cancelled*	Considered a no-fault termination: all awards are settled pro rata for the period until vested	Considered a no-fault termination: all awards are settled pro rata for the period until vested
Bonus shares (grants)	Considered a fault termination: all unvested grants will be deemed cancelled*	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment, and settled as soon as possible	Considered a fault termination: all unvested grants will be deemed cancelled*	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment and settled as soon as possible	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment and settled as soon as possible
Share scheme					
Share options	Within 45 days of terminating employment to exercise vested share options	Retirement does not accelerate vesting and share options may not be exercised later than the eighth anniversary of issue date	All share options lapse*	Vested share options may be exercised within one year of terminating employment	Vested share options may be exercised within one year of date of death, and board may grant a further one-year period
2018 conditional share plan					
Conditional shares	Considered a fault termination, subject to the board's discretion: all unvested awards forfeited	As a rule, awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible. Some exceptions apply: • Where retirement is elected as the cause of terminating • Employment in instances that would be deemed a "fault termination", retirement will be treated as a fault termination and awards will be forfeited. • Early retirement by default is considered a fault termination, and all unvested awards forfeited. However, the board retains the discretion to designate an early retirement as a normal retirement, and thus a no-fault termination	Considered a fault termination: all unvested awards forfeited	Considered a no-fault termination: awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible	Considered a no-fault termination: awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible

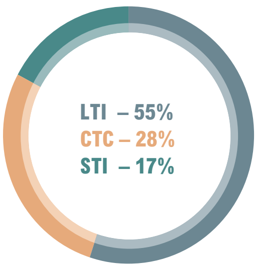
** Unless the board determines otherwise.*

Total remuneration design: F2022

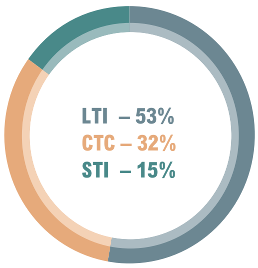
The remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration, and between aspects of the package linked to short-term financial performance and those linked to long-term shareholder value creation. It considers each element of the total remuneration package relative to the market as well as the performance of the company and individual executive in determining both quantum and design.

The scenario graphs represent the on-target total remuneration packages of senior executives, where the base salary CTC, bonus (short-term incentives) and long-term incentives are expressed as a percentage of total remuneration. The pay mix for senior executives is reviewed regularly by the committee to ensure it supports the company's remuneration policy and strategic objectives.

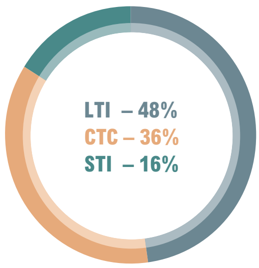
Executive chairman[1]
(R million)



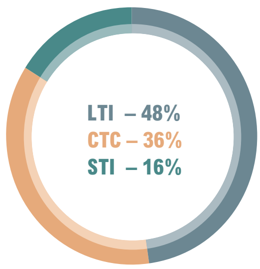
Chief executive officer
(R million)



Finance director
(R million)



Other executive directors and prescribed officer[2]
(R million)



CTC = total annual package before incentives (ie cost-to-company).
STI = short-term incentive.
LTI = long-term incentive (excluding any movement in share price).
[1] *Total annual package before incentives, excludes non-cash benefits.*
[2] *Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula. For Mr Joubert, the total annual package before incentives excludes non-cash benefits.*

Shareholding targets for senior executives

To further align management's interests with those of shareholders and to encourage long-term commitment to the company, senior executives are expected to accumulate a holding of shares in ARM. They have been required to build a minimum shareholding in ARM shares from October 2015, or three years after the first allocation on becoming a senior executive, equivalent to 1 times pensionable salary determined at the date of allocation. This is followed by another period of three years to build a further shareholding of 1 times pensionable salary for a total of 2 times pensionable salary. Senior executives are required to maintain the number of shares while employed by ARM.

Employment agreements

There are employment agreements between the company and executive directors, namely Dr PT Motsepe (executive chairman), Messrs MP Schmidt (chief executive officer), HL Mkatshana (executive director and chief executive: ARM Platinum, also responsible for ARM Coal), and Ms J Magagula (executive director: investor relations and new business development). Ms AM Mukhuba resigned from the company from 30 September 2020 to assume a finance director role with another company. ARM has an employment agreement with Ms TTA Mhlanga who assumed the role of finance director from 1 October 2020.

The company also has an employment agreement with the prescribed officer, Mr A Joubert (chief executive: ARM Ferrous).

None of these is a fixed-term contract. Executive directors and prescribed officers only receive remuneration in terms of their employment relationship with the company and do not earn directors' fees.

Executive directors and the prescribed officer are subject to the performance criteria that apply to all participants in the 2018 conditional share plan, 2008 share plan and the scheme. There are no other service agreements between the company and its executive directors and prescribed officer.

Remuneration policy: non-executive directors

Non-executive directors' fees

On the advice of the remuneration committee, which engages specialist remuneration consultants to assist with benchmarking non-executive directors' fees against comparable companies, the board considers and makes recommendations to shareholders on fees payable.

A comprehensive benchmarking study was conducted in F2021 (prior benchmarking study in 2018). The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5.2% in F2022 (rounded to the nearest R50), excluding value-added tax (VAT), in line with the increase for executives in the Paterson F-band.

Board retainers and board and committee meeting attendance fees are paid quarterly in arrears.

Remuneration for independent non-executive directors does not include any benefit from the short-term or long-term (share-based) incentive schemes.

Annual board retainer fees and per-meeting attendance fees

On the advice of the remuneration committee, the board recommends that shareholders approve paying fees to non-executive directors for services rendered (including attending any committee meeting, at the direction of the board, where they are not a member), and to ensure that these fees attract and retain non-executive directors of the required calibre. The fees below reflect a 5.2% increase on the previous year (rounded to the nearest R50). Annual retainer fees would be paid quarterly or as determined by the board, and would be pro-rated for periods of less than a full year. The per-meeting attendance fee for scheduled meetings would be as set out below.

	Proposed fees from 1 July 2021 (excl VAT) (R)*		Fees from 1 July 2020 (excl VAT) (R)	
	Annual retainer	**Per meeting**	Annual retainer	Per meeting
Lead independent non-executive director	**612 950**	**23 400**	582 650	22 250
Independent non-executive directors	**489 050**	**23 400**	464 890	22 250
Non-executive directors	**489 050**	**23 400**	464 890	22 250

* *Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.*

Attendance fees are paid for ad-hoc board meetings, budget workshops, strategy meetings, site visits, other meetings on board matters and for company-specific work outside regular scheduled board meetings, as well as for attending committee meetings (as a non-member and at the direction of the board). For an ad hoc meeting of the board or other work devoted to company business outside regular scheduled board meetings, which requires substantially less time to prepare for, attend or undertake relative to a regular scheduled board meeting, the per-meeting fee will be reduced commensurately. No offsite strategy meetings or site visits were conducted in F2021 due to the pandemic.

The company reimburses reasonable travel, subsistence and accommodation expenses to attend meetings and contributes towards the cost of tablet for digital meeting packs. Other office costs, including telecommunication costs, are deemed to be included in board retainers.

Committee per-meeting attendance fees

On the advice of the remuneration committee, the board recommends that shareholders approve paying fees to non-executive directors for services rendered as committee members and to ensure that committee meeting-attendance fees attract and retain suitable non-executive directors. The proposed fees are set out below.

	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2020 (excluding VAT) (R)
Audit and risk committee		
Chairman	**122 250**	116 200
Member	**48 900**	46 500
Investment committee, nomination committee, remuneration committee and social and ethics committee		
Chairman	**60 600**	57 600
Member	**32 000**	30 400

* *Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.*

Attendance fees are also paid for ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. For an ad-hoc committee meeting or other work devoted to committee business outside regular scheduled meetings, which requires substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee will be reduced commensurately.

Service agreements: non-executive directors

In addition to directors' fees, non-executive directors may receive consultancy fees under agreements concluded at market rates for defined and pre-approved services. For F2022, the company has:

- A renewable consultancy agreement with Mr M Arnold, which was renewed for two years from 11 December 2019.
- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2021.

There are no other service agreements between the company and its non-executive directors.

Details of amounts paid in F2021 under consultancy agreements appear in part III.

Non-binding advisory vote

Annually, shareholders are requested to cast a non-binding advisory vote on the remuneration policy.

PART III – implementation report: F2021

Directors' remuneration: executive directors and prescribed officer

The remuneration of executive directors and the prescribed officer comprises base salaries, benefits, short-term (annual cash) incentives, and long-term (share-based) incentives. Executive directors do not receive directors' fees.

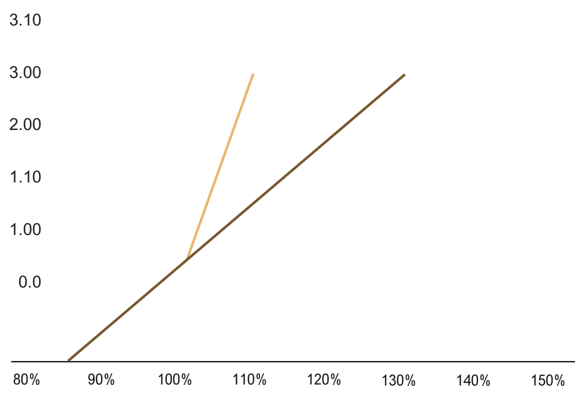
Salary adjustments

The board approved a cost-to-company increase of 3% for senior executives for F2021 (F2020: 6%).

F2021 short-term incentive performance targets

The F2021 targets for profit before interest and taxes (PBIT) and costs are shown alongside.

F2021 BONUS STRUCTURE



Performance against bonus targets for F2021 was as follows:

Above target
- ARM Ferrous
- ARM Platinum
- ARM Coal
- ARM group

Better than plan
- ARM Ferrous
- ARM Platinum
- ARM group

Worse than plan
- ARM Coal

Safety modifier maximum achieved
- ARM Ferrous
- ARM Coal

Safety modifier not achieved
- ARM Platinum
- ARM group

** Based on profit before interest and taxes.*
*** Safety modifier adjusted for fatalities.*

F2021 actual short-term incentive outcomes

The performance measures and targets based on budget are recommended by the remuneration committee to the board for approval annually. Targets are set by considering current market conditions faced by the company or division. The percentage of basic salary paid as a bonus is based on relative achievement against targets.

F2021 short-term incentive performance scorecard: executive directors

The tables below and overleaf illustrate how senior executives performed against targets for performance measures and the relative weighting of each measure.

	Performance level achieved							
Performance measure	**Overall weighting**	**Measure weighting**	**Below target**	**Target**	**Between target and stretch**	**Stretch and above**	**OTB multiple**	**Commentary on key performance outcome and link to reward**
Group performance	100%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
• Unit cost of sales (weighted)		50%			●		1.19	Between target and stretch (OTB multiple = 1.19)
Group performance outcome before capping	100%						2.10	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.19)
Group performance outcome (capped at 2.00*)	100%						2.00	Capped at 2.00*
Group safety modifier adjusted for fatalities					●		8.75%	Between target and stretch (8.75%)

OTB = on-target bonus.

* *In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.*

F2021 short-term incentive performance scorecard: prescribed officer

The prescribed officer, the chief executive: ARM Ferrous, was measured against a combination of group and divisional financial targets.

	Performance level achieved							
Performance measure	**Overall weighting**	**Measure weighting**	**Below target**	**Target**	**Between target and stretch**	**Stretch and above**	**OTB multiple**	**Commentary on key performance outcome and link to reward**
Group performance	50%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
• Unit cost of sales (weighted)		50%			●		1.19	Between target and stretch (OTB multiple = 1.19)
Group performance outcome before capping	50%						2.10	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.19)
Group performance outcome (capped at 2.00*)	50%						2.00	Capped at 2.00*
Divisional performance	50%							
ARM Ferrous • PBIT from division		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
ARM Ferrous • Unit cost of sales (weighted)		50%			●		1.12	Between target and stretch (OTB multiple = 1.12)
Divisional performance outcome before capping	50%						2.06	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.12)
Divisional performance (capped at 2.00*)	50%						2.00	Capped at 2.00*
Overall performance from group and division	100%						2.00	50% of group + 50% of division
Divisional safety modifier					●		10%	Maximum target achieved (10%)

OTB = on-target bonus.

* *In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.*

Summarised remuneration report continued

The F2021 remuneration outcomes are summarised below. The total F2021 bonus was payable in cash and no portion was deferred.

F2021 short-term incentive performance outcomes: executive directors and prescribed officer

	F2021 % on-target bonus	F2021 % maximum bonus (before safety and personal performance modifiers)	F2021 performance multiple[4]	F2021 % bonus (before safety and personal performance modifiers)	F2021 safety modifier adjusted for fatalities[5]	F2021 % bonus (after safety and before personal performance modifiers)	F2021 personal performance modifier	F2021 % bonus (after safety and personal performance modifiers)	F2021 total annual package before incentives (excluding non-cash benefits) (R000)[6]	F2021 short-term incentives (cash bonus) (R000)
Executive directors										
Dr PT Motsepe[1]	62	124	2.00	124.00	8.75	134.85		134.85	8 553	11 531
MP Schmidt[2]	50	100	2.00	100.00	8.75	108.75		108.75	8 931	9 711
J Magagula[3]	45	90	2.00	90.00	8.75	97.88	5.50	103.38	3 479	3 594
TTA Mhlanga[3]	45	90	2.00	90.00	8.75	97.88	2.88	100.76	3 752	3 778
HL Mkatshana	45	90	2.00	90.00	8.75	97.88	5.48	103.36	4 794	4 952
Prescribed officer										
A Joubert	45	90	2.00	90.00	10.00	99.00	5.15	104.15	5 479	5 704

OTB = on-target bonus.

[1, 2] The executive chairman and chief executive officer have overall responsibility for the performance of the company, and their personal performance is thus not determined separately from that of the company.

[3] Ms Mhlanga was appointed to the board as finance director on 1 October 2020 and the cost-to-company portion of the total annual package is the amount received as an executive director and not for the full financial year.

[4] In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

[5] As independently assured by Bowmans.

[6] Per the single-figure remuneration table on page 56.

F2021 long-term incentive awards

Conditional shares under the 2018 conditional share plan

Awards of conditional shares were made to eligible participants in the Paterson grade F-band under the 2018 conditional share plan. Conditional shares are settled after three years, subject to the company achieving prescribed performance criteria. The 20-day volume weighted average price is used to determine the price.

Performance shares under the 2008 share plan

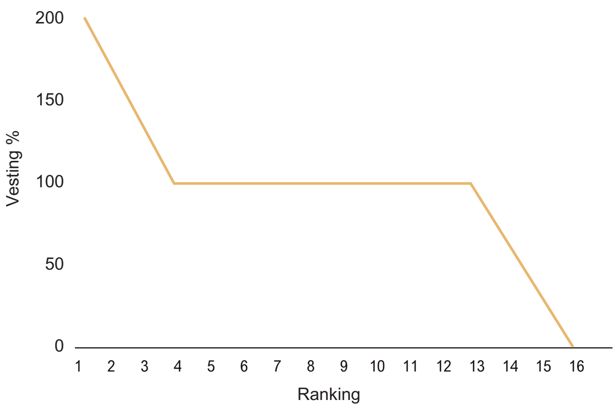
Conditional awards of performance shares were made to eligible participants under the 2008 share plan until November 2018. Performance shares are settled after three years, subject to the company achieving prescribed performance criteria. The 20-day volume weighted average price is used to determine the price.

F2021 long-term incentive performance outcomes

Settlement of F2018 annual performance share awards and waived bonus and deferred bonus/ co-investment scheme performance share awards

The 16 November 2017 performance shares awarded to senior executives in the Paterson F-band in terms of (i) the three-year annual allocation and (ii) the waived bonus and deferred bonus/co-investment schemes) vested on 17 November 2020. Based on ARM's TSR ranking of 4th against 16 listed comparator companies (excluding gold and diamond companies) shown below, 100% of the awarded number of performance shares vested and were settled. Refer to termination-of-office payments for additional information.

VESTING SCHEDULE: 16 November 2017 awards (%)



Source: PwC

The comparator group[1] for the 16 November 2017 performance share awards is shown below:

Rank	Company name
1	Impala Platinum Holdings Limited
2	Northam Platinum Limited
3	Anglo American Platinum Limited
4	African Rainbow Minerals Limited
5	Kumba Iron Ore Limited
6	Royal Bafokeng Platinum Limited
7	Anglo American plc
8	BHP Billiton plc
9	Exxaro Resources Limited
10	Tharisa plc
11	South32 Limited
12	Glencore plc
13	Merafe Resources Limited
14	MC Mining Limited
15	Hulamin Limited
16	ArcelorMittal SA Limited

Source: Bowmans.

[1] *Companies that delisted in the performance period were excluded from the comparator group.*

Settlement of F2018 top-up performance share award

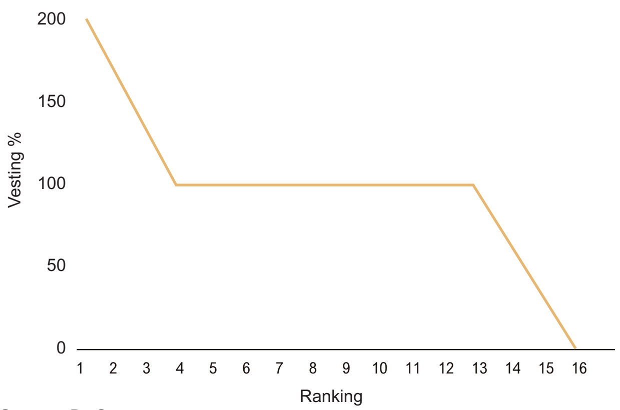
The 11 December 2017 top-up performance shares awarded to the former finance director in the Paterson F-band vested on 12 December 2020. Based on ARM's TSR ranking of 4th against 16 listed comparator companies (excluding gold and diamond companies) shown above were eligible to be settled. The same comparator group and vesting schedule were used in the settlement of the 11 December 2017 award as were used in the settlement of the 17 November 2017 awards. Refer to termination-of-office payments for additional information.

Settlement of F2018 interim performance share awards

The 11 June 2018 interim performance share awards vested on 14 June 2021. Based on ARM's TSR ranking of 5th against 16 listed comparator companies (excluding gold and diamond companies) shown below, 100% of the awarded number of performance shares vested and were settled.

Summarised remuneration report continued

VESTING SCHEDULE: 11 June 2018 awards (%)



Source: PwC

The comparator group[1] for the June 2018 performance share awards is shown below:

Rank	Company name
1	Impala Platinum Holdings Limited
2	Northam Platinum Limited
3	Anglo American Platinum Limited
4	Royal Bafokeng Platinum Limited
5	African Rainbow Minerals Limited
6	Kumba Iron Ore Limited
7	Anglo American plc
8	ArcelorMittal SA Limited
9	Exxaro Resources Limited
10	BHP Billiton plc
11	Tharisa plc
12	Glencore plc
13	South32 Limited
14	Wescoal Holdings Limited
15	Hulamin Limited
16	Kore Potash plc

Source: Bowmans

[1] *Companies that delisted in the performance period and excluded from the comparator group.*

See single-figure remuneration table on pages 56 and 57 for actual value of performance shares settled in F2021 and F2020 and pages 178 and 179 of the ESG report for more on unvested performance shares.

Bonus shares under the 2008 share plan

In terms of the 2008 share plan, eligible participants received grants of full-value ARM shares that matched, according to a specified ratio, a portion of the annual cash incentive accruing to them. Bonus shares are only settled to participants after three years, as the case may be, conditional on continued employment.

The board agreed in 2015 that bonus shares would no longer be granted in the annual allocations. Deferred bonus shares under the 2008 share plan were granted until November 2018 and waived bonus shares under the 2008 share plan were granted until November 2016.

For bonus shares settled in F2021 and F2020 and more on unvested bonus share awards, see page 180 of the ESG report.

Share option scheme

Between 2008 and 2013, annual allocations of share options under The African Rainbow Minerals share incentive scheme (the scheme) were made to eligible participants, but at a much-reduced scale after adopting the 2008 share plan. Share options have not been allocated to executive directors and prescribed officers since October 2013. The final share option grants will lapse in October 2021. Participants exercised their share options in F2021 due to the strong share price which was above the strike price.

For share options settled in F2020 and F2021 and more on unexercised share options, see pages 181 and 182 of the ESG report.

Settlement of unvested share awards to the former finance director

Ms AM Mukhuba resigned as finance director from 30 September 2020. As she had served almost the full vesting period prior to termination of her employment, delayed her departure for her new employer to complete the ARM 2020 annual financial statements on the request of the company and left in good standing after serving her contractual notice period responsibly, the board resolved to settle: (i) 34/36 of Ms Mukhuba's November 2017 performance shares awards, subject to the performance measurement, as she had served 34/36 of the vesting period; (ii) 33/36 of Ms Mukhuba's December 2017 performance share awards, subject to the performance measurement, as she had served 33/36 of the vesting period; and (iii) 34/36 of Ms Mukhuba's November 2017 bonus share awards as she had served 34/36 of the vesting period.

Settlement of unvested share awards to the finance director on termination of employment

F2021

Former director[1]	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
2018 Conditional share plan											
AM Mukhuba[2]	48 849	CSA	07-Dec-18	08-Dec-21	6 292	**48 849**	**–**	**(48 849)**	**–**	**–**	**–**
	43 150	CSA	06-Dec-19	07-Dec-22	6 669	**43 150**	**–**	**(43 150)**	**–**	**–**	**–**
2008 Share plan: performance shares											
AM Mukhuba[3]	8 077	DB	16-Nov-17	17-Nov-20	983	**8 077**	**–**	**(449)**	**(7 628)**	**–**	**1 861**
	25 871	PS3	16-Nov-17	17-Nov-20	3 150	**25 871**	**–**	**(1 437)**	**(24 434)**	**–**	**5 960**
	18 644	PSA	11-Dec-17	12-Dec-20	2 228	**18 644**	**–**	**(1 554)**	**(17 090)**	**–**	**4 118**
2008 Share plan: bonus shares											
AM Mukhuba[4]	8 077	DB	16-Nov-17	17-Nov-20	983	**8 077**	**–**	**(449)**	**(7 628)**	**–**	**1 861**
Total											**13 800**

CSA: Conditional share award
DB: Deferred bonus/co-investment scheme matching performance share award
PS3: Annual performance share award (three-year)
PSA: Additional award

1. *Ms AM Mukhuba resigned as finance director from 30 September 2020.*
2. *All conditional share awards were forfeited.*
3. *The board resolved to settle (i) 34/36 of Ms Mukhuba's November 2017 performance shares awards, subject to the performance measurement, as she had served 34/36 of the vesting period; and (ii) 33/36 of Ms Mukhuba's December 2017 performance shares awards, subject to the performance measurement, as she had served 33/36 of the vesting period (ie almost the full vesting period) prior to termination and left in good standing having served her contractual notice period responsibly.*
4. *The board resolved to settle 34/36 of Ms Mukhuba's bonus shares as she had served 34/36 of the vesting period (ie almost the full vesting period) prior to termination and left in good standing having served her contractual notice period responsibly.*

Termination-of-office payments

In F2021, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2021, there were no actions or conduct by senior executives that triggered either the malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture) provisions applicable to their long-term share-based incentive awards.

Minimum shareholding requirements

At 30 June 2021, the executive directors and prescribed officer below had exceeded targets for the first tranche of their minimum shareholding requirements:

Executive directors and prescribed officer	Shareholding at 30 June 2021 (direct or indirect)	Shareholding at 30 June 2020 (direct or indirect)	Minimum shareholding target (first tranche)	Date to achieve first tranche
Executive directors				
Dr PT Motsepe[1]	**90 204 743**	89 865 787	**62 965**	**October 2018**
MP Schmidt	**480 896**	435 067	**41 094**	**October 2018**
TTA Mhlanga[2]	**–**	–	**10 366**	**December 2023**
J Magagula[3]	**–**	–	**13 705**	**December 2023**
HL Mkatshana	**138 032**	107 459	**21 207**	**October 2018**
Prescribed officer				
A Joubert	**82 108**	55 277	**24 236**	**October 2018**

1. *Shares held by African Rainbow Minerals & Exploration Investments Pty Ltd and Botho-Botho Commercial Enterprises Pty Ltd.*
2. *Ms TTA Mhlanga was appointed to the board as finance director on 1 October 2020 and is required to meet the target for the first tranche in December 2023.*
3. *Ms J Magagula was appointed to the board as an executive director on 18 December 2019 and is required to meet the target for the first tranche in December 2023.*

Dr PT Motsepe and Messrs MP Schmidt, HL Mkatshana and A Joubert are to achieve the second tranche (2 times the first tranche) by 30 October 2021 and have already exceeded their targets.

Single-figure remuneration: executive directors and prescribed officer

The schedules of single-figure remuneration for executive directors and prescribed officer for the years ended 30 June 2021 and 30 June 2020 are set out below.

Single-figure remuneration

				2021						
				Allowances			Short-term incentives		Long-term incentives	
R000	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Non-cash benefit[6]	Other benefits[7]	Total annual package before incentives	Cash bonus[8]	Total annual package after short-term incentives, before long-term incentives	Performance shares[9]	Total single figure remuner-ation
Executive directors										
Dr PT Motsepe	8 551	–	–	9 587	2	**18 140**	11 531	**29 671**	57 974	**87 645**
MP Schmidt	8 237	555	–	–	139	**8 931**	9 711	**18 642**	34 759	**53 401**
J Magagula[1]	3 036	259	168	–	16	**3 479**	3 594	**7 073**	1 619	**8 692**
TTA Mhlanga[2]	3 438	275	30	–	9	**3 752**	3 778	**7 530**	–	**7 530**
HL Mkatshana	4 293	358	–	–	143	**4 794**	4 952	**9 746**	12 211	**21 957**
AM Mukhuba[3]	1 142	123	22	–	5	**1 292**	–	**1 292**	–	**1 292**
AJ Wilkens[4]	–	–	–	–	–	**–**	–	**–**	–	**–**
Total for executive directors	28 697	1 570	220	9 587	314	**40 388**	33 566	**73 954**	106 563	**180 517**
Prescribed officer[5]										
A Joubert	4 693	531	–	–	255	**5 479**	5 704	**11 183**	12 124	**23 307**
Total for prescribed officer	4 693	531	–	–	255	**5 479**	5 704	**11 183**	12 124	**23 307**
Total for executive directors and prescribed officer	33 390	2 101	220	9 587	569	**45 867**	39 270	**85 137**	118 687	**203 824**

Total annual package before incentives = cost-to-company

[1] *Ms J Magagula was appointed an executive director from 18 December 2019. The long-term incentives settled in F2021 had been granted to Ms Magagula prior to her appointment as an executive director.*

[2] *Ms TTA Mhlanga was appointed finance director from 1 October 2020. The amounts in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when she was finance director.*

[3] *Ms AM Mukhuba resigned as finance director from 30 September 2020. See separate table entitled "settlement of unvested share awards to the finance director on termination of employment", on page 55.*

[4] *Mr AJ Wilkens stepped down from the board from 18 December 2019.*

[5] *The prescribed officer of the company was determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. His remuneration is disclosed in terms of the Companies Act, section 30(4)(a).*

[6] *Includes protection services.*

[7] *Includes travel, UIF and risk benefits.*

[8] *No bonuses were deferred in F2021.*

[9] *Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus/co-investment scheme and ii) annual allocation of performance shares (3-year vesting). The value of these performance shares was included in F2021 as performance was measured at the vesting date which falls in F2021.*

Single-figure remuneration continued

R000	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Allowances: Non-cash benefit[5]	Allowances: Other benefits[6]	Total annual package before incentives	Short-term incentives: Cash bonus[7]	Total annual package after short-term incentives, before long-term incentives	Long-term incentives: Performance shares[8]	Total single figure remuner-ation
					2020					
Executive directors										
Dr PT Motsepe	8 302	–	–	8 298	2	16 602	10 532	27 134	46 040	73 174
MP Schmidt	7 996	537	–	–	138	8 671	8 869	17 540	30 654	48 194
J Magagula[1]	1 596	126	90	–	7	1 819	1 727	3 546	–	3 546
TTA Mhlanga[2]	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	4 184	346	–	–	124	4 654	4 307	8 961	10 579	19 540
AM Mukhuba	4 433	484	83	–	17	5 017	4 855	9 872	5 917	15 789
AJ Wilkens[3]	2 690	–	32	75	28	2 825	2 350	5 175	19 749	24 924
Total for executive directors	29 201	1 493	205	8 373	316	39 588	32 640	72 228	112 939	185 167
Prescribed officer[4]										
A Joubert	4 573	514	–	6	232	5 325	5 929	11 254	12 090	23 344
Total for prescribed officer	4 573	514	–	6	232	5 325	5 929	11 254	12 090	23 344
Total for executive directors and prescribed officer	33 774	2 007	205	8 379	548	44 913	38 569	83 482	125 029	208 511

Total annual package before incentives = cost-to-company

1 *Ms J Magagula was appointed an executive director from 18 December 2019. The amounts included in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when Ms Magagula was an executive director. No long-term incentives are shown as these were settled prior to her appointment as an executive director.*

2 *Ms TTA Mhlanga was appointed finance director from 1 October 2020, therefore, no remuneration is included for F2020.*

3 *Mr AJ Wilkens stepped down from the board from 18 December 2019. Mr Wilkens' salary decreased by 30% on 1 August 2019 and he did not receive an annual increase on 1 July 2019. The amounts included in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when Mr Wilkens was an executive director. The long-term incentives were settled when Mr Wilkens was an executive director.*

4 *The prescribed officer of the company was determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. His remuneration is disclosed in terms of the Companies Act, section 30(4)(a).*

5 *Includes protection services.*

6 *Includes travel, UIF and risk benefits.*

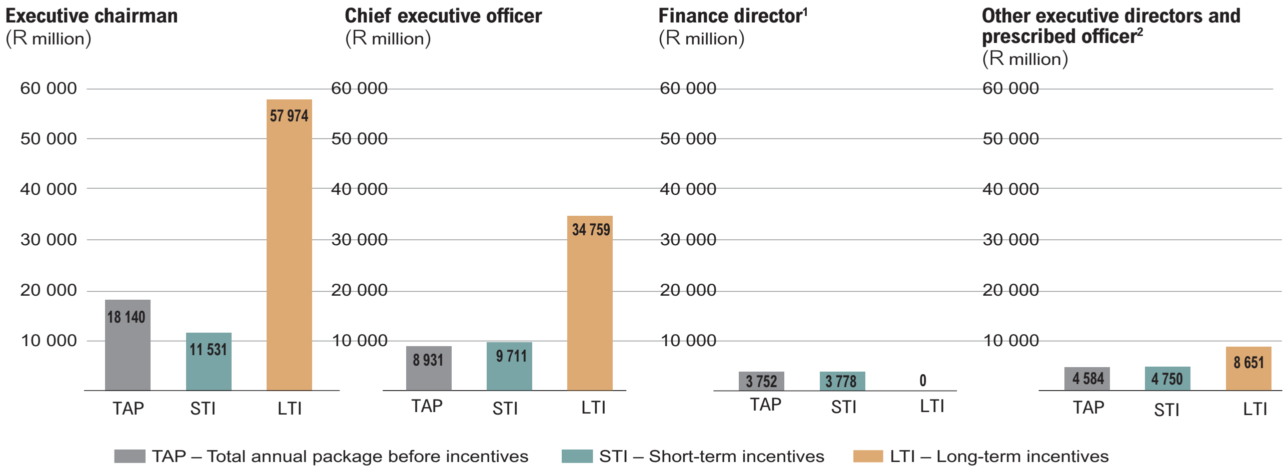
7 *No bonuses were deferred in F2020.*

8 *Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus (waived bonus)/co-investment scheme and ii) annual allocation of performance shares (3-year vesting). The value of these performance shares was included in F2020 as performance was measured at the vesting date which falls in F2020.*

Remuneration outcomes

Remuneration outcomes in 2021 for the executive chairman, chief executive officer, finance director and other executive directors plus the prescribed officer are shown below. Emoluments are detailed in the single-figure remuneration table on page 56.

Total remuneration outcomes: F2021



[1] *Ms TTA Mhlanga was appointed as finance director from 1 October 2020. No LTI is reflected in the total single-figure remuneration for the finance director because the LTI is only reflected three years after the award date when the performance conditions are measured, and not when the award is granted.*
[2] *Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula.*

Directors' remuneration: non-executive directors

Non-executive directors' fees

The remuneration of non-executive directors comprises non-executive directors' fees, including board retainers, board attendance fees and board committee attendance fees. Independent non-executive directors are not eligible for any benefit from the short-term or long-term (share-based) incentive schemes arising from their service as non-executive directors.

Annual board retainer fees

Annual board retainer fees were paid quarterly in arrears and pro-rated for periods of less than a full year.

Per-meeting attendance fees

Board attendance fees were paid quarterly and in arrears for scheduled board meetings, the budget workshop and other meetings on board matters and for company-specific work outside regular scheduled board meetings, as well as for attending committee meetings (as a non-member and at the direction of the board). Committee attendance fees were paid quarterly in arrears for scheduled committee meetings.

For ad hoc meetings of the board or committees or other work devoted to company business outside regular scheduled board and committee meetings, which required substantially less time to prepare for, attend or undertake relative to a regular scheduled board or committee meeting, the per-meeting fee was reduced commensurately.

No board offsite strategy meetings or site visits were conducted in F2021 due to the ongoing pandemic.

Consultancy fees: non-executive directors

In addition to non-executive directors' fees, some non-executive received consultancy fees under agreements concluded at market rates for defined and pre-approved services. In F2021, the company had:

- A renewable consultancy agreement with Mr M Arnold, which was renewed for two years from 11 December 2019
- A consultancy agreement with Mr TA Boardman to November 2020, which was a once-off arrangement to assist the company in resolving an important matter.
- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2019, and renewed for a further two years from 1 May 2021.
- A renewable consultancy agreement with Mr JC Steenkamp, which was terminated in September 2020.

The table below sets out emoluments paid to non-executive directors in the years ended 30 June 2021 and 30 June 2020.

Non-executive directors' fees

	F2021					F2021				
R000	**Board fees**	**Committee fees[10]**	**Consultancy fees excluding VAT[11]**	**VAT**	**Total including VAT**	Board fees	Committee fees[10]	Consultancy fees excluding VAT[11]	VAT	Total including VAT
Non-executive directors[1]										
AK Maditsi (independent lead)	**694**	**942**	**–**	**245**	**1 881**	630	1 272	–	285	2 187
F Abbott	**576**	**175**	**–**	**113**	**864**	559	118	–	102	779
M Arnold[2]	**576**	**87**	**397**	**159**	**1 219**	559	118	428	166	1 271
Dr MMM Bakane-Tuoane[3]	**139**	**317**	**–**	**68**	**524**	559	692	–	188	1 439
TA Boardman[4]	**576**	**1 068**	**3 000**	**697**	**5 341**	559	921	–	222	1 702
AD Botha	**576**	**642**	**–**	**17**	**1 235**	559	602	–	174	1 335
JA Chissano[5]	**576**	**275**	**672**	**128**	**1 651**	538	118	679	98	1 433
WM Gule	**576**	**63**	**–**	**–**	**639**	559	22	–	–	581
PJ Mnisi[6]	**438**	**229**	**–**	**76**	**743**	–	–	–	–	–
DC Noko[7]	**576**	**321**	**–**	**–**	**897**	538	233	–	–	771
Dr RV Simelane	**576**	**777**	**–**	**203**	**1 556**	559	690	–	187	1 436
JC Steenkamp[8]	**576**	**263**	**75**	**126**	**1 040**	559	236	233	–	1 028
ZB Swanepoel[9]	**–**	**–**	**–**	**–**	**–**	367	286	–	98	751
Total for non-executive directors	**6 455**	**5 159**	**4 144**	**1 832**	**17 590**	6 545	5 308	1 340	1 520	14 713

VAT = Value-added tax

1 *Payments to reimburse out-of-pocket expenses have been excluded.*
2 *Mr Arnold, former financial director, became a non-executive director with effect from 11 December 2017. He has a consultancy agreement with the company.*
3 *Dr Bakane-Tuoane resigned from the board on 29 September 2020.*
4 *Mr Boardman received a once-off consultancy fee in F2021 for his assistance in the resolution of an important matter.*
5 *Mr Chissano was appointed to the social and ethics committee with effect from 30 August 2019. He has a consultancy agreement with the company.*
6 *Ms Mnisi was appointed to the board with effect from 30 September 2020.*
7 *Mr Noko was appointed to the investment committee and social and ethics committee with effect from 30 August 2019 and appointed chairman of the investment committee with effect from 2 March 2020.*
8 *Mr Steenkamp's consultancy agreement with the company was terminated in September 2020.*
9 *Mr Swanepoel resigned from the board on 2 March 2020.*
10 *Attendance fees are paid for attendance at ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. From F2021, where such meetings required substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee was reduced commensurately.*
11 *Additional information appears under service agreements: non-executive directors in part II of the remuneration report.*

Non-binding advisory vote

Annually, shareholders are requested to cast a non-binding advisory vote on the remuneration implementation report.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Summarised directors' report

The directors have pleasure in presenting their report on ARM for the year ended 30 June 2021.

Nature of business

ARM is a diversified South African mining company with long-life operations in key commodities. ARM, its subsidiaries, joint ventures, joint operations and associates explore, develop, operate and hold interests in the mining and minerals industry.

IAR For more on ARM's strategy, see page 32 of the integrated annual report.

The current operational focus is on precious metals, base metals, ferrous metals and alloys, which include platinum group metals, nickel, coal, iron ore, manganese ore and ferromanganese. ARM also has an investment in Harmony Gold Mining Company Limited.

ARM's partners at the various South African operations are Anglo American Platinum Limited, Assore Limited, Impala Platinum Holdings Limited, Norilsk Nickel Africa Proprietary Limited and Glencore Operations South Africa Proprietary Limited.

Holding company

The company's largest shareholder is African Rainbow Minerals & Exploration Investments Proprietary Limited (ARMI), holding 39.69% of its issued ordinary share capital at 30 June 2021 (30 June 2020: 39.74%). The sole shareholder of ARMI is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited, the shares of which are held by trusts, all of which, except the Motsepe Foundation, own those shares for the benefit of Dr PT Motsepe and his immediate family. The Motsepe Foundation applies the benefits of its indirect shareholding in ARM for philanthropic purposes.

In addition, at 30 June 2021, 0.50% of the issued share capital of ARM was held by Botho-Botho Commercial Enterprises Proprietary Limited (30 June 2020: 0.50%), in turn owned by trusts, all of which, with the exception of the Motsepe Foundation, hold those shares for the benefit of Dr Motsepe and his immediate family.

As one of the largest black-controlled mineral resource companies in South Africa, ARM is committed to the spirit and objectives of the Mineral and Petroleum Resources Development Act 28 of 2002, and the broad-based socio-economic charter for the South African mining industry (the mining charter). Accordingly, and for the benefit of historically disadvantaged South Africans (HDSAs), the company created the ARM Broad-Based Economic Empowerment Trust. The beneficiaries of this trust include seven regional upliftment trusts, a women's upliftment trust, union representatives, a church group and community leaders. The ARM Broad-Based Economic Empowerment Trust owns 15 897 412 ARM shares (30 June 2020: 15 897 412) or 7.08% of ARM's issued share capital at 30 June 2021 (30 June 2020: 7.12%).

Review of operations

For reviews of the operations, see reviews by the executive chairman, chief executive officer and finance director, and reviews of operations for F2021 in the integrated annual report. IAR

Corporate governance

The board is committed to high standards of corporate governance and continuously reviews governance matters and control systems to ensure these are in line with global good practices. These standards are evident throughout the company's systems of internal controls, policies and procedures to ensure the sustainability of the business.

ARM applies the principles of King IV. For details, see the King IV application register on our website. KING IV

Financial results

The consolidated and separate annual financial statements and accounting policies appear on pages 25 to 120 of the annual financial statements and are summarised on pages 66 to 99 of this report. AFS

The results for the year ended 30 June 2021 have been prepared in accordance with IFRS and interpretations of those standards as adopted by the International Accounting Standards Board (IASB), the SAICA financial reporting guides issued by the Accounting Practices Committee, financial reporting pronouncements issued by the Financial Reporting Standards Council, the requirements of the Companies Act and JSE Listings Requirements. The annual financial statements fairly present the state of affairs of the group and company, and adequate accounting records have been maintained.

Borrowings and cash

Borrowings of R648 million (F2020: R264 million) were repaid in the period, reducing gross debt to R1 469 million (F2020: R1 978 million restated). ARM was in a net cash position of R8 202 million (30 June 2020: R3 737 million restated). There are no borrowing-power provisions in ARM's memorandum of incorporation.

Details of cash and borrowings appear in notes 15, 18 and 23 to the annual financial statements and in notes 14 and 15 in the summarised consolidated financial statements. AFS

Going concern

To determine whether the group and company are going concerns, the directors have considered facts and assumptions, including group and company cash flow forecasts for the year to 30 June 2022. The board believes the company and group have adequate resources to continue business in the foreseeable future. For this reason, the group and company continue to adopt the going-concern basis in preparing these financial statements.

Taxation

The latest tax assessment for the company is for the financial year ended 30 June 2020. All tax submissions up to and including those for F2020 have been submitted.

Subsidiaries, joint arrangements, associates and investments

AFS

The company's direct and indirect interests in its principal subsidiaries, joint arrangements (which include joint ventures and joint operations), associates and investments are reflected in separate schedules on pages 118 to 120 of the annual financial statements.

Dividends

An interim gross dividend of 1 000 cents per ordinary share was declared on 3 March 2021 for the six months ended 31 December 2020 (1H F2020: 500 cents), amounting to a distribution of approximately R2 244 million (1H F2020: R1 119 million) which was paid on Monday, 29 March 2021.

The following additional information is disclosed:

- The dividend was declared out of income reserves
- The South African dividends withholding tax (dividends tax) rate is 20%
- The gross local dividend amount was 1 000 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend amount was 800 cents per ordinary share for shareholders liable to pay dividends tax
- As at the date of the dividend declaration, ARM had 224 409 073 ordinary shares in issue.

A final gross dividend of 2 000 cents per ordinary share was declared on 6 September 2021 for the year ended 30 June 2021 (F2020: 700 cents per share), amounting to a distribution of approximately R4 489 million (F2020: R1 563 million), which was payable on Monday, 4 October 2021.
The following additional information is disclosed:

- The dividend was declared out of income reserves
- The South African dividends withholding tax (dividends tax) rate is 20%
- The gross local dividend amount was 2 000 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend amount was 1 600 cents per ordinary share for shareholders liable to pay dividends tax
- As at the date of the dividend declaration, ARM had 224 453 258 ordinary shares in issue.

In line with section 4 of the Companies Act, the board determined that the prescribed solvency and liquidity requirements were met for the payment of dividends.

ARM's income tax reference number is 9030/018/60/1.

Capital expenditure

Capital expenditure for F2021 totalled R1 884 million (F2020: R1 333 million).

Full details of capital expenditure appear in the finance director's review and relevant operational reviews in the integrated annual report.

IAR

Events after the reporting date

For events after the reporting date, see note 45 of the annual financial statements.

AFS

Share capital

The share capital of the company, both authorised and issued, is set out in note 16 to the consolidated and separate annual financial statements. Information about the share repurchase programme and treasury shares is set out in notes 16 and 17 to the consolidated and separate annual financial statements.

AFS

Shareholder analysis

A comprehensive analysis of shareholders, together with direct or indirect beneficial holdings exceeding 5% of the ordinary shares of the company at 30 June 2021, is set out on pages 128 to 131 of the annual financial statements.

AFS

Directorate

Changes in the directorate during the financial year are noted below.

Dr MMM Bakane-Tuoane resigned from the board on 29 September 2020. Ms PJ Mnisi was appointed to the board on 30 September 2020. Ms AM Mukhuba, the finance director, resigned from the board from 30 September 2020 and Ms TTA Mhlanga was appointed as the new finance director from 1 October 2020.

The memorandum of incorporation provides for one-third of elected non-executive directors to retire by rotation.

The non-executive directors affected by this requirement are Messrs F Abbott, WM Gule, AK Maditsi and DC Noko, each of whom is available to stand for re-election at the forthcoming annual general meeting.

At the date of this report, the directors of the company were:
- **Executive directors:** Dr PT Motsepe (executive chairman), MP Schmidt (chief executive officer), TTA Mhlanga (finance director), J Magagula and HL Mkatshana
- **Independent non-executive directors:** AK Maditsi (lead independent non-executive director), F Abbott, TA Boardman, AD Botha, JA Chissano, WM Gule, PJ Mnisi, DC Noko, Dr RV Simelane and JC Steenkamp
- **Non-executive director:** M Arnold.

For résumés refer to pages 12 and 13. Detailed résumés are included in the ESG report on our website.

ESG

Interests of directors

The direct and indirect beneficial and non-beneficial interests of directors in the issued share capital of the company were as follows:

	30 June 2021				30 June 2020			
	Direct		**Indirect**		Direct		Indirect	
	Beneficial	**Non-beneficial**	**Beneficial**	**Non-beneficial**	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Directors								
Dr PT Motsepe[1]	**–**	**–**	**90 204 743**	**–**	–	–	89 865 787	–
MP Schmidt	**480 896**	**–**	**–**	**–**	435 067	–	–	–
M Arnold	**102 331**	**–**	**–**	**–**	159 037	–	–	–
AD Botha	**–**	**–**	**–**	**–**	–	–	22 450	–
J Magagula[2]	**6 000**	**–**	**–**	**–**	6 209	–	–	–
TTA Mhlanga[3]	**–**	**–**	**–**	**–**	–	–	–	–
HL Mkatshana	**138 032**	**–**	**–**	**–**	107 459	–	–	–
Dr RV Simelane	**1 350**	**–**	**–**	**–**	1 350	–	–	–
JC Steenkamp	**275 651**	**–**	**–**	**–**	275 651	–	–	–

[1] *Shares held by African Rainbow Minerals and Exploration (Pty) Ltd and Botho-Botho Commercial Enterprises (Pty) Ltd.*
[2] *Ms J Magagula was appointed as an executive director with effect from 18 December 2019.*
[3] *Ms TTA Mhlanga was appointed as finance director with effect from 1 October 2020.*

	30 June 2020			
	Direct		Indirect	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Former directors				
AM Mukhuba[1]	27 986	–		–
AJ Wilkens[2]	492 313	–	194 334	–

[1] *Ms AM Mukhuba resigned as finance director with effect from 30 September 2020.*
[2] *Mr AJ Wilkens resigned as an executive director with effect from 18 December 2019 and retired as a senior executive of the company on 28 February 2021.*

No directors acquired or sold a direct or indirect beneficial or non-beneficial interest in the issued share capital of the company between 30 June 2021 and the date of this report.

Summarised directors' report continued

Directors' remuneration

Directors' remuneration is disclosed in the summarised remuneration report on pages 31 to 60.

External auditor

Ernst & Young Inc. continued in office as the external auditor for the company. At the annual general meeting, shareholder approval will be sought to reappoint Ernst & Young Inc. as ARM's external auditor and Mr PD Grobbelaar as the designated individual registered auditor for F2022.

Group company secretary and governance officer

Ms AN D'Oyley is the group company secretary and governance officer of ARM. Her business and postal addresses appear on page 100.

IAR For additional information on the office of the group company secretary and governance officer, see page 16 of the integrated annual report on our website.

Listings

The company's shares are listed on the JSE (general mining) under the share code: ARI. In November 2018, the company completed a secondary listing on the A2X Exchange, where its shares are listed under the share code: ARI.

Strate (share transactions totally electronic)

The company's shares were dematerialised on 5 November 2001. If shareholders wish to trade certificated ARM (previously Avmin) shares on the JSE, they are urged to deposit them with a central securities depository participant or qualifying stockbroker as soon as possible. Trading in the company's shares on the JSE is only possible if the shares are in electronic format in the Strate environment. If members have any queries, they should contact the company's transfer secretaries, Computershare Investor Services Proprietary Limited (details on page 100).

Convenience translations into United States dollars

To assist users of this report, translations of convenience into United States dollars are provided in these annual financial statements. These translations are based on average rates of exchange for the statements of profit or loss, comprehensive income and cash flows, and at rates prevailing at year end for statement of financial position items. These statements appear on pages 121 to 127 of the annual financial statements. AFS

Introduction to the summarised consolidated financial statements

These summarised consolidated financial statements of ARM for the year ended 30 June 2021 have been extracted from the complete set of consolidated and separate annual financial statements on which the auditor, Ernst & Young Inc., has expressed an unqualified audit opinion, but are not themselves audited. The auditor's opinion and annual financial statements are available for inspection at the registered office of the Company or on our website at **www.arm.co.za.**

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for abridged reports, and the requirements of the Companies Act of South Africa applicable to summarised consolidated financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated annual financial statements, from which the summarised consolidated financial statements were derived, are in terms of International Financial Reporting Standards and are set out in the consolidated and separate annual financial statements.

The summarised consolidated financial statements for the financial year under review have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA), on the historical cost basis, except for certain financial instruments that are fairly valued.

Summarised consolidated statement of financial position

at

	Notes	30 June 2021 Rm	Restated[1] 30 June 2020 Rm	Restated[1] 1 July 2019 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	4	**8 244**	7 211	7 062
Investment properties		**24**	24	–
Intangible assets		**76**	83	114
Deferred tax assets	5	**274**	–	485
Loans and long-term receivables	6	**40**	48	53
Non-current financial asset	13	**193**	230	–
Investment in associate	7	**534**	795	1 837
Investment in joint venture	8	**20 938**	17 545	16 702
Other investments	11	**4 210**	5 635	2 648
		34 533	31 571	28 901
Current assets				
Inventories		**467**	568	676
Trade and other receivables	12	**7 825**	3 306	3 026
Taxation		**70**	132	34
Financial assets	13	**523**	1 309	–
Cash and cash equivalents	14	**9 671**	5 715	4 632
		18 556	11 030	8 368
Total assets		**53 089**	42 601	37 269
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary share capital		**11**	11	11
Share premium		**5 212**	4 950	4 700
Treasury shares		**(2 405)**	(2 405)	(2 405)
Other reserves		**2 915**	4 367	1 958
Retained earnings		**34 461**	25 157	23 909
Equity attributable to equity holders of ARM		**40 194**	32 080	28 173
Non-controlling interest		**3 582**	2 028	1 530
Total equity		**43 776**	34 108	29 703
Non-current liabilities				
Long-term borrowings	15	**1 105**	1 565	1 148
Deferred tax liabilities	5	**2 968**	2 085	1 517
Long-term provisions	23	**1 883**	1 953	1 599
		5 956	5 603	4 264
Current liabilities				
Trade and other payables		**1 940**	1 637	1 608
Short-term provisions		**898**	737	648
Taxation		**155**	103	110
Overdrafts and short-term borrowings – interest bearing	15	**57**	413	936
– non-interest bearing	15	**307**	–	–
		3 357	2 890	3 302
Total equity and liabilities		**53 089**	42 601	37 269

[1] Comparative information has been restated. Refer to note 6 for more detail.

Summarised consolidated statement of profit or loss

for the year ended 30 June 2021

	Notes	F2021 Rm	F2020 Rm
Revenue	3	**21 457**	12 386
Sales	3	**19 657**	11 653
Cost of sales		**(7 900)**	(7 492)
Gross profit		**11 757**	4 161
Other operating income	17	**2 378**	1 160
Other operating expenses	18	**(2 717)**	(2 050)
Profit from operations before capital items		**11 418**	3 271
Income from investments		**487**	446
Finance costs		**(329)**	(397)
(Loss)/income from associate	19	**(260)**	33
Income from joint venture	8	**7 498**	4 450
Profit before taxation and capital items		**18 814**	7 803
Capital items before tax	9	**(9)**	(1 693)
Profit before taxation		**18 805**	6 110
Taxation	20	**(3 333)**	(1 076)
Profit for the year		**15 472**	5 034
Attributable to:			
Equity holders of ARM			
Profit for the year		**12 626**	3 965
Basic earnings for the year		**12 626**	3 965
Non-controlling interest			
Profit for the year		**2 846**	1 069
		2 846	1 069
Profit for the year		**15 472**	5 034
Earnings per share			
Basic earnings per share (cents)	10	**6 464**	2 042
Diluted basic earnings per share (cents)	10	**6 399**	2 011

Summarised consolidated statement of comprehensive income

for the year ended 30 June 2021

	Financial instruments at fair value through other compre-hensive income Rm	Other Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
For the year ended 30 June 2020						
Profit for the year to 30 June 2020	–	–	3 965	**3 965**	1 069	**5 034**
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods						
Net impact of revaluation of listed investment	2 325	–	–	**2 325**	–	**2 325**
Revaluation of listed investment[1]	2 996	–	–	**2 996**	–	**2 996**
Deferred tax on above	(671)	–	–	**(671)**	–	**(671)**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods						
Foreign currency translation reserve movement	–	203	–	**203**	–	**203**
Total other comprehensive income	2 325	203	–	**2 528**	–	**2 528**
Total comprehensive income for the year	2 325	203	3 965	**6 493**	1 069	**7 562**
For the year ended 30 June 2021						
Profit for the year to 30 June 2021	–	–	12 626	**12 626**	2 846	**15 472**
Other comprehensive income that will not be reclassified to the statement of profit or loss in subsequent periods						
Net impact of revaluation of listed investment	(1 107)	–	–	**(1 107)**	–	**(1 107)**
Revaluation of listed investment[1]	(1 426)	–	–	**(1 426)**	–	**(1 426)**
Deferred tax on above	319	–	–	**319**	–	**319**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods						
Foreign currency translation reserve movement	–	(161)	–	**(161)**	–	**(161)**
Total other comprehensive loss	(1 107)	(161)	–	**(1 268)**	–	**(1 268)**
Total comprehensive (loss)/income for the year	(1 107)	(161)	12 626	**11 358**	2 846	**14 204**

[1] *The share price of Harmony decreased from R71.86 per share at 30 June 2020 to R52.76 at 30 June 2021 and increased from R31.74 at 30 June 2019 to R71.86 per share at 30 June 2020. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level in terms of International Financial Reporting Standards (IFRS).*

Summarised consolidated statement of changes in equity

for the year ended 30 June 2021

	Share capital and premium Rm	Treasury shares Rm	Other reserves: Financial instruments at fair value through other comprehensive income Rm	Other reserves: Share-based payments Rm	Other reserves: Other[1] Rm	Retained earnings Rm	**Total share-holders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Balance at 30 June 2019	4 711	(2 405)	1 019	1 003	(64)	23 909	**28 173**	1 530	**29 703**
Total comprehensive income for the year	–	–	2 325	–	203	3 965	**6 493**	1 069	**7 562**
Profit for the year to 30 June 2020	–	–	–	–	–	3 965	**3 965**	1 069	**5 034**
Other comprehensive income	–	–	2 325	–	203	–	**2 528**	–	**2 528**
Bonus and performance shares issued to employees	307	–	–	(298)	–	–	**9**	–	**9**
Dividend paid[2]	–	–	–	–	–	(2 717)	**(2 717)**	–	**(2 717)**
Dividend declared to non-controlling interests[3]	–	–	–	–	–	–	**–**	(571)	**(571)**
Share repurchase	(57)	–	–	–	–	–	**(57)**	–	**(57)**
Share-based payments expense	–	–	–	179	–	–	**179**	–	**179**
Balance at 30 June 2020	4 961	(2 405)	3 344	884	139	25 157	**32 080**	2 028	**34 108**
Total comprehensive income for the year	–	–	(1 107)	–	(161)	12 626	**11 358**	2 846	**14 204**
Profit for the year to 30 June 2021	–	–	–	–	–	12 626	**12 626**	2 846	**15 472**
Other comprehensive income	–	–	(1 107)	–	(161)	–	**(1 268)**	–	**(1 268)**
Bonus and performance shares issued to employees	262	–	–	(332)	–	–	**(70)**	–	**(70)**
Dividend paid[2]	–	–	–	–	–	(3 322)	**(3 322)**	–	**(3 322)**
Dividend declared to non-controlling interests[3]	–	–	–	–	–	–	**–**	(1 292)	**(1 292)**
Share-based payments expense	–	–	–	148	–	–	**148**	–	**148**
Balance at 30 June 2021	5 223	(2 405)	2 237	700	(22)	34 461	**40 194**	3 582	**43 776**

[1] *Other reserves consist of the following:*

	F2021 Rm	F2020 Rm	F2019 Rm
Dilution in Two Rivers	**(26)**	(26)	(26)
Foreign currency translation reserve – Assmang	**62**	167	24
Foreign currency translation reserve – other entities	**13**	69	9
Capital redemption and prospecting loans written off	**28**	28	28
Tamboti assets sale to Two Rivers	**(99)**	(99)	(99)
Total	**(22)**	139	(64)

[2] *Interim dividend paid of 1 000 cents (F2020: 500 cents) per share and final dividend paid of 700 cents (F2020: 900 cents) per share.*
[3] *Dividends to Impala Platinum and Modikwa non-controlling interests.*

Summarised consolidated statement of cash flows

for the year ended 30 June 2021

	Notes	F2021 Rm	F2020 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**17 189**	12 499
Cash paid to suppliers and employees		**(9 387)**	(8 633)
Cash generated from operations	21	**7 802**	3 866
Interest received		**358**	373
Interest paid		**(45)**	(79)
Taxation paid		**(2 291)**	(800)
		5 824	3 360
Dividends received from joint venture	8	**4 000**	3 750
Dividends received from investments – Harmony		**82**	–
Dividends received from other		**–**	2
Dividend paid to non-controlling interest – Impala Platinum		**(1 219)**	(566)
Dividend paid to shareholders		**(3 322)**	(2 717)
Net cash inflow from operating activities		**5 365**	3 829
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations		**(1 224)**	(651)
Additions to property, plant and equipment to expand operations		**(433)**	(154)
Proceeds on disposal of property, plant and equipment		**3**	1
Investments in financial assets		**(308)**	(1 539)
Proceeds from financial assets matured		**1 124**	–
Net cash outflow from investing activities		**(838)**	(2 343)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**44**	4
Share buy back		**–**	(57)
Long-term borrowings raised		**264**	–
Long-term borrowings repaid		**(461)**	(216)
Short-term borrowings raised		**–**	43
Short-term borrowings repaid		**(187)**	(48)
Net cash outflow from financing activities		**(340)**	(274)
Net increase in cash and cash equivalents		**4 187**	1 212
Cash and cash equivalents at beginning of year		**5 512**	4 239
Foreign currency translation on cash balance		**(44)**	61
Cash and cash equivalents at end of year		**9 655**	5 512
Made up as follows:			
– Available	14	**8 849**	4 767
– Cash set aside for specific use	14	**806**	745
		9 655	5 512
Overdrafts	15	**16**	203
Cash and cash equivalents per statement of financial position		**9 671**	5 715
Cash generated from operations per share (cents)		**3 994**	1 991

Notes to the summarised consolidated financial statements

for the year ended 30 June 2021

1 STATEMENT OF COMPLIANCE

The summarised consolidated financial statements for the financial year under review have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and contains the information required by IAS 34 *Interim Financial Reporting*, requirements of the South African Companies Act and the Listings Requirements of the Johannesburg Stock Exchange (JSE) Limited.

Basis of preparation

The summarised consolidated financial statements for the financial year under review have been prepared under the supervision of the finance director Ms TTA Mhlanga CA(SA). The summarised consolidated financial statements for the financial year under review have been prepared on the historical cost basis, except for certain financial instruments that are fairly valued. The accounting policies used are in terms of IFRS and are consistent with those applied in the most recent annual financial statements, apart from the new standards adopted in the current year.

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (Listings Requirements) for abridged reports, and the requirements of the Companies Act of South Africa applicable to summarised consolidated financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting.*

Adoption of new and revised accounting standards

The group has adopted the following new and/or revised standards and interpretations issued by the International Accounting Standards Board (IASB) that became effective.

Standard	Subject	Effective date
IFRS 3	Business Combinations – Amendments	1 January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	1 January 2020
IAS 1	Presentation of Financial Statements – Amendment	1 January 2020
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors – Amendment	1 January 2020
IFRS 16	Covid-19-Related Rent Concessions – Amendment	1 June 2020

The adoption of the above standards had no significant effect on the group financial statements.

IFRS 15 *Revenue from Contracts with Customers*

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Some fees only become payable to the group when the entity paying the fees receives payments from its customers for saleable products.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

1 STATEMENT OF COMPLIANCE continued

Covid-19 impact on operations

Health and safety measures are complied with at all operations. Measures that have been put in place to reduce the risk of a Covid-19 outbreak include the following:
- Daily screening of all employees
- Compulsory wearing of face masks
- Social distancing throughout the mine
- Installation of hand wash basins and sanitising stations
- Regular disinfection of high risk areas
- Driving vaccinations.

ARM Platinum

Two Rivers

Two Rivers sells its PGM concentrate to African Rainbow Minerals Limited's 46% partner Impala Platinum. There were no defaults on payments due during the F2021 reporting period. The mine was operating at 70% capacity and returned to full capacity towards the end of August 2020. The mine remained at full workforce capacity for the remainder of F2021.

It is estimated that the negative impact of Covid-19 on production is currently minimal.

Management continues to follow the safety measures put in place to curb the spread of Covid-19.

Two Rivers was selected to be a Covid-19 vaccination site by the Department of Health. A number of vaccinations have taken place since the opening of the vaccination site.

Modikwa

Modikwa Mine is allowed to produce at 100% capacity, with strict social distancing and other health and safety measures to be complied with. Modikwa Mine experienced a slower than anticipated ramp-up of production following the easing of the lockdown regulations.

It is estimated that the negative impact of Covid-19 on production is currently less than 10%.

Voluntary separation and early retirement options were given to Covid-19-vulnerable employees over the period.

Modikwa sells its concentrate to African Rainbow Minerals Limited's 50% joint venture partner Rustenburg Platinum Mines. There were no defaults on payments due during F2021.

The mine was operating with 100% of the workforce as at the end of F2021.

Modikwa was selected to be a Covid-19 vaccination site by the Department of Health. A number of vaccinations have taken place since the opening of the vaccination site.

Nkomati

Nkomati did not experience any material challenges with the sales of its products during the reporting period.

The joint venture partners of Nkomati ceased mining operations on 14 March 2021. The mine is currently under care and maintenance.

1 STATEMENT OF COMPLIANCE continued

ARM Ferrous

Assmang

All of Assmang's operations were operating at 100% capacity for F2021. Sales volumes and production were not impacted by Covid-19, with the exception of Black Rock Mine, where production was impacted by Covid-19-related challenges and increasing community protest action.

The Northern Cape operations (Khumani, Black Rock and Beeshoek) were selected to be Covid-19 vaccination sites by the Department of Health. A number of vaccinations have taken place since the opening of the vaccination sites.

Sakura

At 30 June 2021 Sakura was operating at 100% capacity, sales and production were not impacted by Covid-19.

From 3 February 2021, a decision was taken to operate the plant with only essential personnel, in order to limit the possible exposure to Covid-19.

The identified positive cases had no impact on production. Hygiene and screening processes on-site remain enforced and are working well. The current recovery movement control order (RMCO) has been extended indefinitely until the high number of new positive cases in Malaysia drops below 4 000 cases per day.

ARM Coal

At the beginning of F2021 production volumes were negatively impacted by approximately 10% due to increased health and safety measures at the ARM Coal operations resulting from the Covid-19 pandemic.

The impact on production resulting from Covid-19 reduced to approximately 5% towards the latter part of F2021.

New standards issued but not yet effective

The following amendments, standards or interpretations have been issued but are not yet effective for the group. The effective date refers to periods beginning on or after, unless otherwise indicated.

Standard	Subject	Effective date
IFRS 3	Business Combinations – Amendments	1 January 2022
IAS 1	Presentation of Financial Statements – Amendment	1 January 2023
IAS 16	Property, Plant and Equipment – Amendment	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent assets – Amendment	1 January 2022
IFRS 9	Financial Instruments – Amendment	1 January 2022
IFRS 9, IFRS 7, IFRS 4, IAS 39 and IFRS 16	Interest Rate Benchmark Reform – Amendment	1 January 2021
IFRS 17	Insurance Contracts	1 January 2023

The group does not intend early adopting any of the above amendments or standards.

ARM continuously evaluates the impact of these standards and amendments, the adoption of which are not expected to have a significant effect on the group financial statements.

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION

Business segments

For management purposes, the group is organised into the following operating divisions: ARM Platinum (which includes platinum and nickel), ARM Ferrous, ARM Coal and ARM Corporate. Machadodorp Works, corporate and other and gold are included in ARM Corporate.

Attributable	ARM Platinum Rm	ARM Ferrous[1] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[2] Rm	Total per IFRS financial statements Rm
2.1 Year to 30 June 2021							
Sales	18 463	24 907	1 058	136	**44 564**	(24 907)	**19 657**
Cost of sales	(6 687)	(11 046)	(1 078)	(93)	**(18 904)**	11 004	**(7 900)**
Other operating income[3]	293	81	236	1 747	**2 357**	21	**2 378**
Other operating expenses[3]	(1 611)	(2 914)	(50)	(1 056)	**(5 631)**	2 914	**(2 717)**
Segment result	10 458	11 028	166	734	**22 386**	(10 968)	**11 418**
Income from investments	72	245	11	404	**732**	(245)	**487**
Finance cost	(95)	(37)	(175)	(59)	**(366)**	37	**(329)**
Income from associate[4]	–	–	(260)	–	**(260)**	–	**(260)**
Loss from joint venture	–	(3)	–	–	**(3)**	7 501	**7 498**
Capital items before tax (refer note 9)	–	(502)	–	(9)	**(511)**	502	**(9)**
Taxation	(2 925)	(3 190)	8	(399)	**(6 506)**	3 173	**(3 333)**
Profit/(loss) after tax	7 510	7 541	(250)	671	**15 472**	–	**15 472**
Non-controlling interest	(2 844)	–	–	(2)	**(2 846)**	–	**(2 846)**
Consolidation adjustment[5]	–	(43)	–	43	**–**	–	**–**
Contribution to basic earnings/(losses)	4 666	7 498	(250)	712	**12 626**	–	**12 626**
Contribution to headline earnings/(losses)	4 666	7 927	(250)	721	**13 064**	–	**13 064**
Other information							
Segment assets, including investment in associate	14 403	27 441	3 085	14 663	**59 592**	(6 503)	**53 089**
Investment in associate			534		**534**		**534**
Investment in joint venture						20 938	**20 938**
Segment liabilities	2 644	2 997	1 847	1 699	**9 187**	(2 997)	**6 190**
Unallocated liabilities (tax and deferred tax)					**6 629**	(3 506)	**3 123**
Consolidated total liabilities					**15 816**	(6 503)	**9 313**
Cash generated from operations	7 758	9 836	197	(153)	**17 638**	(9 836)	**7 802**
Cash inflow/(outflow) from operating activities	4 742	7 255	199	(3 576)	**8 620**	(3 255)	**5 365**
Cash (outflow)/inflow from investing activities	(1 562)	(2 345)	(193)	917	**(3 183)**	2 345	**(838)**
Cash outflow from financing activities	(313)	(19)	(10)	(17)	**(359)**	19	**(340)**
Capital expenditure	1 611	2 221	263	10	**4 105**	(2 221)	**1 884**
Amortisation and depreciation	619	1 126	182	8	**1 935**	(1 126)	**809**
Impairment before tax	–	500	–	9	**509**	(500)	**9**
EBITDA	11 077	12 154	348	742	**24 321**	(12 094)	**12 227**

There were no significant inter-company sales.

[1] *Refer to ARM Ferrous segment note 2.4 and note 8 for more detail.*
[2] *Includes IFRS 11 Joint Arrangements – adjustments related to ARM Ferrous.*
[3] *The re-measurement of the ARM Coal loans amounts to R53 million gain with no tax effect.*
The re-measurement of the Modikwa loans amounts to R6 million loss with no tax effect.
The fair value adjustment of the Harmony loan amounts to R47 million gain with no tax effect.
[4] *The re-measurement of the ARM Coal loans amounts to a gain of R36 million with no tax effect.*
[5] *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

Attributable	ARM Platinum Rm	ARM Ferrous[1] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[2] Rm	Total per IFRS financial statements Rm
2.2 Year to 30 June 2020							
Sales	10 548	15 717	1 056	49	**27 370**	(15 717)	**11 653**
Cost of sales	(6 165)	(8 768)	(1 201)	(92)	**(16 226)**	8 734	**(7 492)**
Other operating income[3]	120	538	232	713	**1 603**	(443)	**1 160**
Other operating expenses[3]	(1 098)	(1 334)	(20)	(932)	**(3 384)**	1 334	**(2 050)**
Segment result	3 405	6 153	67	(262)	**9 363**	(6 092)	**3 271**
Income from investments	99	305	13	334	**751**	(305)	**446**
Finance cost	(120)	(53)	(173)	(104)	**(450)**	53	**(397)**
Profit from associate[4]	–	–	33	–	**33**	–	**33**
Loss from joint venture	–	(127)	–	–	**(127)**	4 577	**4 450**
Capital items before tax (refer note 9)	–	(38)	(937)	(756)	**(1 731)**	38	**(1 693)**
Taxation	(1 174)	(1 746)	211	(96)	**(2 805)**	1 729	**(1 076)**
Profit/(loss) after tax	2 210	4 494	(786)	(884)	**5 034**	–	**5 034**
Non-controlling interest	(1 068)	–	–	(1)	**(1 069)**	–	**(1 069)**
Consolidation adjustment[5]	–	(44)	–	44	**–**	–	**–**
Contribution to basic earnings/(losses)	1 142	4 450	(786)	(841)	**3 965**	–	**3 965**
Contribution to headline earnings/(losses)	1 142	4 479	(2)	(85)	**5 534**	–	**5 534**
Other information							
Segment assets, including investment in associate	10 179	22 835	3 428	11 449	**47 891**	(5 290)	**42 601**
Investment in associate			795		**795**	–	**795**
Investment in joint venture						17 545	**17 545**
Segment liabilities	2 924	2 090	1 801	1 580	**8 395**	(2 090)	**6 305**
Unallocated liabilities (tax and deferred tax)					**5 388**	(3 200)	**2 188**
Consolidated total liabilities					**13 783**	(5 290)	**8 493**
Cash generated from operations	4 055	7 463	144	(333)	**11 329**	(7 463)	**3 866**
Cash inflow/(outflow) from operating activities	2 608	6 080	161	(2 690)	**6 159**	(2 330)	**3 829**
Cash outflow from investing activities	(829)	(2 183)	(192)	(1 322)	**(4 526)**	2 183	**(2 343)**
Cash (outflow)/inflow from financing activities	(127)	9	–	(147)	**(265)**	(9)	**(274)**
Capital expenditure	1 132	2 173	197	4	**3 506**	(2 173)	**1 333**
Amortisation and depreciation	448	994	197	7	**1 646**	(994)	**652**
Impairment before tax	–	7	941	750	**1 698**	(7)	**1 691**
EBITDA	3 853	7 147	264	(255)	**11 009**	(7 086)	**3 923**

There were no significant inter-company sales.

1 *Refer to ARM Ferrous segment note 2.4 and note 8 for more detail.*
2 *Includes IFRS 11* Joint Arrangements *– adjustments related to ARM Ferrous.*
3 *The re-measurement of the ARM Coal loans amounts to R147 million gain with no tax effect. The re-measurement of the Modikwa loans amounts to R8 million loss.*
4 *The re-measurement of the ARM Coal loans amounts to a gain of R279 million with no tax effect. Impairment losses included in income from associate are R4 million before tax of R1 million.*
5 *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

The ARM Platinum segment is analysed further into Two Rivers Platinum Mine, ARM Mining Consortium (which includes Modikwa Platinum Mine) and Nkomati Nickel Mine.

Attributable	Nkomati[1] Rm	Two Rivers Rm	Modikwa Rm	**Platinum total Rm**
2.3 Year to 30 June 2021				
External sales	1 547	11 992	4 924	**18 463**
Cost of sales	(1 230)	(3 533)	(1 924)	**(6 687)**
Other operating income	3	180	110	**293**
Other operating expenses	(134)	(952)	(525)	**(1 611)**
Segment result	186	7 687	2 585	**10 458**
Income from investments	6	32	34	**72**
Finance cost	(26)	(60)	(9)	**(95)**
Taxation	(1)	(2 156)	(768)	**(2 925)**
Profit after tax	165	5 503	1 842	**7 510**
Non-controlling interest	–	(2 531)	(313)	**(2 844)**
Contribution to basic earnings	165	2 972	1 529	**4 666**
Contribution to headline earnings	165	2 972	1 529	**4 666**
Other information				
Segment and consolidated assets	284	9 709	4 410	**14 403**
Segment liabilities	690	1 402	552	**2 644**
Unallocated liabilities (tax and deferred tax)				**2 388**
Consolidated total liabilities				**5 032**
Cash generated from operations	115	5 878	1 765	**7 758**
Cash inflow from operating activities	119	3 289	1 334	**4 742**
Cash outflow from investing activities	(6)	(1 182)	(374)	**(1 562)**
Cash outflow from financing activities	–	(221)	(92)	**(313)**
Capital expenditure	–	1 281	330	**1 611**
Amortisation and depreciation	–	488	131	**619**
EBITDA	186	8 175	2 716	**11 077**

[1] *Nkomati ceased mining operations on 14 March 2021. The mine is currently under care and maintenance.*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

Attributable	Nkomati Rm	Two Rivers Rm	Modikwa Rm	Platinum total Rm
2.3 Year to 30 June 2020 continued				
External sales	1 282	6 173	3 093	**10 548**
Cost of sales	(1 475)	(2 994)	(1 696)	**(6 165)**
Other operating income	12	21	87	**120**
Other operating expenses	(523)	(383)	(192)	**(1 098)**
Segment result	(704)	2 817	1 292	**3 405**
Income from investments	7	25	67	**99**
Finance cost	(32)	(83)	(5)	**(120)**
Taxation	25	(786)	(413)	**(1 174)**
(Loss)/profit after tax	(704)	1 973	941	**2 210**
Non-controlling interest	–	(908)	(160)	**(1 068)**
Contribution to basic (losses)/earnings	(704)	1 065	781	**1 142**
Contribution to headline (losses)/earnings	(704)	1 065	781	**1 142**
Other information				
Segment and consolidated assets	445	6 029	3 705	**10 179**
Segment liabilities	1 009	1 339	576	**2 924**
Unallocated liabilities (tax and deferred tax)				**1 363**
Consolidated total liabilities				**4 287**
Cash generated from operations	(121)	2 641	1 535	**4 055**
Cash (outflow)/inflow from operating activities	(132)	1 261	1 479	**2 608**
Cash outflow from investing activities	(51)	(428)	(350)	**(829)**
Cash outflow from financing activities	(6)	(72)	(49)	**(127)**
Capital expenditure	–	813	319	**1 132**
Amortisation and depreciation	–	355	93	**448**
EBITDA	(704)	3 172	1 385	**3 853**

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

2.4 Analysis of the ARM Ferrous segment on a 100% basis

	Iron ore division Rm	Manganese division Rm	ARM Ferrous total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
Year to 30 June 2021						
Sales	37 621	12 192	**49 813**	**24 907**	(24 907)	–
Cost of sales	(12 286)	(9 807)	**(22 093)**	**(11 046)**	11 046	–
Other operating income	1 329	168	**1 497**	**81**	(81)	–
Other operating expense	(5 970)	(1 190)	**(7 160)**	**(2 914)**	2 914	–
Segment result	20 694	1 363	**22 057**	**11 028**	(11 028)	–
Income from investments	478	13	**491**	**245**	(245)	–
Finance cost	(62)	(12)	**(74)**	**(37)**	37	–
Loss from joint venture	–	(7)	**(7)**	**(3)**	3	–
Capital items before tax (refer note 9)	(49)	(956)	**(1 005)**	**(502)**	502	–
Taxation	(6 065)	(314)	**(6 379)**	**(3 190)**	3 190	–
Profit after tax	14 996	87	**15 083**	**7 541**	(7 541)	–
Consolidation adjustment				**(43)**	43	–
Contribution to basic earnings	14 996	87	**15 083**	**7 498**	–	**7 498**
Contribution to headline earnings	15 046	897	**15 943**	**7 927**	–	**7 927**
Other information						
Consolidated total assets	35 662	20 806	**56 468**	**27 441**	(6 503)	**20 938**
Consolidated total liabilities	6 846	6 606	**13 452**	**2 997**	(2 997)	–
Capital expenditure	2 397	2 248	**4 645**	**2 221**	(2 221)	–
Amortisation and depreciation	1 561	775	**2 336**	**1 126**	(1 126)	–
Cash inflow/(outflow) from operating activities[2]	10 477	(3 968)	**6 509**	**7 255**	(7 255)	–
Cash outflow from investing activities	(2 464)	(2 225)	**(4 689)**	**(2 345)**	2 345	–
Cash outflow from financing activities	(39)	–	**(39)**	**(19)**	19	–
EBITDA	22 255	2 138	**24 393**	**12 154**	(12 154)	
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			**29 029**		(29 029)	–
Investment in joint venture			**778**		(778)	–
Other non-current assets			**1 851**		(1 851)	–
Current assets						
Inventories			**5 131**		(5 131)	–
Trade and other receivables			**11 378**		(11 378)	–
Financial assets			**102**		(102)	–
Cash and cash equivalents			**8 198**		(8 198)	–
Non-current liabilities						
Other non-current liabilities			**8 199**		(8 199)	–
Current liabilities						
Trade and other payables			**3 511**		(3 511)	–
Short-term provisions			**1 423**		(1 423)	–
Taxation			**161**		(161)	

[1] *Includes consolidation and IFRS 11* Joint Arrangements *– adjustments.*
[2] *Dividend paid amounting to R4 billion included in cash flows from operating activities.*

Refer note 2.1 and note 8 for more detail on the ARM Ferrous segment.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

2.4 Analysis of the ARM Ferrous segment on a 100% basis continued

	Iron ore division Rm	Manganese division Rm	ARM Ferrous total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
Year to 30 June 2020						
Sales	20 638	10 795	**31 433**	**15 717**	(15 717)	**–**
Cost of sales	(10 033)	(7 503)	**(17 536)**	**(8 768)**	8 768	**–**
Other operating income	1 235	701	**1 936**	**538**	(538)	**–**
Other operating expense	(2 267)	(1 258)	**(3 525)**	**(1 334)**	1 334	**–**
Segment result	9 573	2 735	**12 308**	**6 153**	(6 153)	**–**
Income from investments	595	15	**610**	**305**	(305)	**–**
Finance cost	(48)	(56)	**(104)**	**(53)**	53	**–**
Loss from joint venture	–	(254)	**(254)**	**(127)**	127	**–**
Capital items before tax (refer note 9)	(64)	(13)	**(77)**	**(38)**	38	**–**
Taxation	(2 730)	(764)	**(3 494)**	**(1 746)**	1 746	**–**
Profit after tax	7 326	1 663	**8 989**	**4 494**	(4 494)	**–**
Consolidation adjustment			**–**	**(44)**	44	**–**
Contribution to basic earnings	7 326	1 663	**8 989**	**4 450**	–	**4 450**
Contribution to headline earnings	7 376	1 672	**9 048**	**4 479**	–	**4 479**
Other information						
Consolidated total assets	22 002	25 132	**47 134**	**22 835**	(5 290)	**17 545**
Consolidated total liabilities	4 953	6 036	**10 989**	**2 090**	(2 090)	**–**
Capital expenditure	2 223	2 314	**4 537**	**2 173**	(2 173)	**–**
Amortisation and depreciation	1 419	637	**2 056**	**994**	(994)	**–**
Cash inflow from operating activities	4 980[2]	3 429	**8 409**	**6 080**	(6 080)	**–**
Cash outflow from investing activities	(2 099)	(2 267)	**(4 366)**	**(2 183)**	2 183	**–**
EBITDA	10 992	3 372	**14 364**	**7 147**	(7 147)	**–**
Additional information for ARM Ferrous at 100%						
Non-current assets						
Property, plant and equipment			**27 306**		(27 306)	**–**
Investment in joint venture			**1 442**		(1 442)	**–**
Other non-current assets			**1 542**		(1 542)	**–**
Current assets						
Inventories			**5 198**		(5 198)	**–**
Trade and other receivables			**5 131**		(5 131)	**–**
Financial assets			**99**		(99)	**–**
Cash and cash equivalents			**6 416**		(6 416)	**–**
Taxation			**189**		(189)	**–**
Non-current liabilities						
Other non-current liabilities			**8 303**		(8 303)	**–**
Current liabilities						
Trade and other payables			**1 813**		(1 813)	**–**
Short-term provisions			**1 024**		(1 024)	**–**

[1] *Includes consolidation and IFRS 11* Joint Arrangements *– adjustments.*
[2] *Dividend paid amounting to R3.8 billion included in cash flows from operating activities.*

Refer note 2.2 and note 8 for more detail on the ARM Ferrous segment.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

2.5 Additional information

ARM Corporate as presented in the table on pages 74 and 75 is analysed further into Machadodorp, corporate and other, and gold segments.

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2021				
Sales	136	–		**136**
Cost of sales	(149)	56		**(93)**
Other operating income[1]	7	1 740		**1 747**
Other operating expenses[1]	(130)	(926)		**(1 056)**
Segment result	(136)	870		**734**
Income from investments	–	322	82	**404**
Finance costs	(22)	(37)		**(59)**
Capital item (refer note 9)	–	(9)		**(9)**
Taxation	51	(450)		**(399)**
(Loss)/profit after tax	(107)	696	82	**671**
Non-controlling interest	–	(2)		**(2)**
Consolidation adjustments[2]	–	43		**43**
Contribution to basic losses	(107)	737	82	**712**
Contribution to headline (losses)/earnings	(107)	746	82	**721**
Other information				
Segment and consolidated assets	151	10 572	3 940	**14 663**
Segment liabilities	298	1 401		**1 699**
Cash outflow from operating activities	(4)	(3 654)	82	**(3 576)**
Cash (outflow)/inflow from investing activities	(1)	918		**917**
Cash outflow from financing activities	–	(17)		**(17)**
Capital expenditure	1	9		**10**
Amortisation and depreciation	–	8		**8**
Impairment before tax	–	9		**9**
EBITDA	(136)	878		**742**

[1] *Corporate and other includes a re-measurement loss on the loans to Modikwa and ARM Coal of R16 million and a fair value gain on the loan from Harmony of R47 million.*

[2] *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

2 PRIMARY SEGMENTAL INFORMATION continued

2.5 Additional information continued

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2020				
Sales	49	–		**49**
Cost of sales	(142)	50		**(92)**
Other operating income[1]	5	708		**713**
Other operating expenses[1]	(133)	(799)		**(932)**
Segment result	(221)	(41)		**(262)**
Income from investments	–	334		**334**
Finance costs	(18)	(86)		**(104)**
Capital item (refer note 9)	(7)	(749)		**(756)**
Taxation	76	(172)		**(96)**
Loss after tax	(170)	(714)		**(884)**
Non-controlling interest	–	(1)		**(1)**
Consolidation adjustment[2]	–	44		**44**
Contribution to basic losses	(170)	(671)		**(841)**
Contribution to headline (losses)/earnings	(163)	78		**(85)**
Other information				
Segment and consolidated assets	89	5 994	5 366	**11 449**
Segment liabilities	370	1 210		**1 580**
Cash inflow/(outflow) from operating activities	4	(2 694)		**(2 690)**
Cash outflow from investing activities	–	(1 322)		**(1 322)**
Cash outflow from financing activities	–	(147)		**(147)**
Capital expenditure	–	4		**4**
Amortisation and depreciation	2	5		**7**
Impairment before tax	7	743		**750**
EBITDA	(219)	(36)		**(255)**

[1] *Corporate and other includes a re-measurement gain on the loans to Modikwa and ARM Coal of R68 million.*
[2] *Relates to fees capitalised in ARM Ferrous and reversed on consolidation.*

3 REVENUE AND SALES

	F2021 Rm	F2020 Rm
Sales	**19 657**	11 653
Local sales	**17 266**	9 618
Export sales	**2 391**	2 035
Revenue	**21 457**	12 386
Fair value adjustments to revenue	**792**	539
Revenue from contracts with customers	**20 665**	11 847
Sales – mining and related products	**19 273**	11 527
Penalty and treatment charges	**(408)**	(413)
Modikwa	**(2)**	(11)
Nkomati	**(58)**	(99)
Two Rivers	**(348)**	(303)
Fees received	**1 800**	733

4 IMPAIRMENT

4.1 ARM Ferrous

Property, plant and equipment

Tshenolo Iron Ore Mine
An attributable impairment loss was recognised in F2021 on property, plant and equipment for R26 million with no tax effect (F2020: R7 million before tax of R2 million). The impairment relates to the prospecting right carried at cost in the Assmang subsidiary company Tshenolo Iron Ore Mine which was written down to zero. This is accounted for in the income from joint venture in the statement of profit and loss (refer note 9).

Cato Ridge Works
An impairment loss of R514 million before tax of R144 million was recognised in F2021 on property, plant and equipment. ARM's attributable share of the impairment amounted to R257 million before tax of R72 million (refer note 9).

This impairment was due to a combination of:
- An increase in long-term manganese ore prices (market prices) (production cost)
- A decline in long-term high-carbon manganese alloys prices (sales prices)
- The strengthening of the rand to the US dollar.

Impairment indicators were identified at the Cato Ridge Works cash-generating unit (CGU). A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the CGU.

The net discounted cash flow valuation resulted in a negative net present value (NPV), which resulted in the impairment of the total net asset value of Cato Ridge Works. The recoverable amount of the CGU amounted to Rnil at 30 June 2021.

The level 3 valuation model was calculated using a nominal pre-tax South African discount rate of 15.89%. The valuation period was based on two years. The short valuation period is due to the CGU generating negative cash flows from year one in the impairment model.

4 IMPAIRMENT continued

4.1 ARM Ferrous continued

Property, plant and equipment continued

The following assumptions were used in the valuation model:

		F2022	F2023
Manganese Ore Price Assumptions (37% and 44%)	US$/dmtu CIF	**4.82 – 5.16**	5.10 – 5.54
HCFeMn Export Lumpy USA 77	US$/mt Ex Whse (USA)	**1 384**	1 268
HCFeMn Export Lumpy EUR 77	US$/mt DDP (Europe)	**1 236**	1 193
HCFeMn Export Lumpy OTH 77	US$/mt DDP (China)	**1 150**	1 226
Exchange rates			
US$/ZAR	ZAR nominal	**14.82**	14.94
EUR/ZAR	ZAR nominal	**18.37**	18.92
US$/EUR	EUR nominal	**0.81**	0.81

Investments

Cato Ridge Alloys

An impairment of R97 million with no tax effect was recognised on Assmang's equity-accounted investment in Cato Ridge Alloys. ARM's attributable share of the impairment amounted to R48 million with no tax effect (refer note 9).

This impairment was due to a combination of:
- A decline in long-term medium-carbon manganese alloys prices
- The strengthening of the rand against the US dollar.

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment.

The level 3 valuation model was calculated using a nominal pre-tax South African discount rate of 15.89%. The valuation period was based on two years. The short valuation period is due to Cato Ridge Alloys generating losses from year one in the impairment model.

The following assumptions were used in the valuation model for the equity investment:

		F2022	F2023
HC FeMn Molten metal purchase price	ZAR/mt	**14 505**	14 785
MCFeMn Lumpy USA 80	US$/mt CIF (US)	**1 883**	1 826
MCFeMn Export Lumpy OTH 80	US$/mt CIF (US)	**1 629**	1 652
MCFeMn Export Lumpy EUR 80	EUR/mt DDP	**1 568**	1 447
Exchange rates			
US$/ZAR	ZAR nominal	**14.82**	14.94
EUR/ZAR	ZAR nominal	**18.37**	18.92
US$/EUR	EUR nominal	**0.81**	0.81

4 IMPAIRMENT continued

4.1 ARM Ferrous continued

Investments continued

Sakura

An impairment loss of R337 million with no tax effect was recognised on Assmang's equity-accounted investment, Sakura Ferroalloys Sdh Bhd. ARM's attributable share of the impairment loss amounted to R169 million with no tax effect (refer note 9).

This impairment was due to a combination of:
- A consistent decline in the long-term manganese alloys prices
- Lower sale volumes compared to prior year forecast.

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment. The valuation was performed in Malaysian Ringgit (MYR) and in terms of IFRS. The recoverable amount of the attributable investment amounted to R200 million at 31 December 2020, with no further impairment recognised at 30 June 2021.

The level 3 valuation model was calculated over a 15-year period with no terminal value assumptions at the end of year 15. A pre-tax Malaysian discount rate of 10.33% was used in the impairment calculation. The MYR valuation was converted to South African rand using an exchange rate of R3.62 at 31 December 2020.

The following assumptions were used in the valuation model:

		F2022	F2023	F2024	F2025
Manganese ore price assumptions – 44% Mn	US$/dmtu CIF	**4.42**	4.46	4.80	5.08
Manganese ore price assumptions – 36%-38% Mn	US$/dmtu CIF	**4.16**	4.09	4.43	4.61
Manganese alloy price assumptions – US import	US$/mt DDP	**1 178**	1 248	1 306	1 338
Manganese alloy price assumptions – Europe spot	US$/mt DDP	**1 033**	1 077	1 116	1 144
Exchange rates					
US$/MYR	MYR nominal	**4.15**	4.15	4.10	4.00
US$/EUR	EUR nominal	**0.85**	0.87	0.84	0.82

4.2 ARM Coal

Cash-generating units

Impairment losses were recognised in F2020 in the GGV and PCB cash-generating units. ARM's attributable share of the impairment losses amounted to R1 680 million before tax and R1 524 million after tax (refer note 9), with no further impairment recognised at 30 June 2021.

Details of the impairments were included in the financial results ended 30 June 2020, which can be found on **www.arm.co.za.**

Other impairment losses were recognised in F2020 on property, plant and equipment for R4 million before tax of R1 million (refer note 9). These were accounted for in the income from associate line in the statement of profit or loss.

4.3 Venture Building Trust

An impairment loss was recognised in F2021 on property, plant and equipment of R9 million with no tax effect (refer note 9).

4.4 Machadodorp Works

An impairment loss was recognised in F2020 on property, plant and equipment for R7 million with no tax effect (refer note 9).

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
5	**DEFERRED TAX**		
	Deferred tax assets		
	Opening balance	**–**	485
	Investment in Harmony recognised in other comprehensive income	**64**	(416)
	Other	**210**	(69)
	Deferred tax assets on the statement of financial position	**274**	–
	Deferred tax liabilities		
	Opening balance	**2 085**	1 517
	Investment in Harmony recognised in other comprehensive income	**(255)**	255
	Two Rivers	**691**	333
	Modikwa	**271**	292
	ARM Coal	**(8)**	(211)
	Other	**184**	(101)
	Deferred tax liabilities on the statement of financial position	**2 968**	2 085

		30 June 2021 Rm	Restated 30 June 2020 Rm	Restated 1 July 2019 Rm
6	**LOANS AND LONG-TERM RECEIVABLES**			
	ARM Coal	**40**	48	53
	Glencore South Africa	**–**	–	–
	Total	**40**	48	53

ARM Coal, an entity jointly controlled by ARM Limited (51%) and Glencore Operations South Africa (Pty) Ltd (GOSA) (49%), in prior periods recorded an amount payable by GOSA to ARM Coal of R452 million (ARM's attributable portion: R230 million) as a long-term receivable (receivable).

At the date of the previous year-end results, GOSA had not agreed the outstanding balance of the receivable and ARM Coal was at that time unable to provide sufficient evidence to validate this receivable in its accounting records. Details of this and the resulting qualification were included in the audited financial statements for the financial year ended 30 June 2020, which can be found on **www.arm.co.za**.

ARM has since completed the investigation and the entries which gave rise to the long-term receivable have been identified and agreed between ARM Coal, GGV and GOSA.

The results of the investigation concluded that all the items included in the ARM Coal long-term receivable were indeed receivables, however, R283 million should have been classified as trade and other receivables and R53 million should have been included in the long-term borrowings rather than being accounted for as long-term receivables in the statement of financial position.

Management have accounted for the above as a prior period error in terms of IAS 8.

6 LOANS AND LONG-TERM RECEIVABLES continued

The restatement had no impact on the statement of profit or loss, statement of comprehensive income and the statement of cash flows. The error has been corrected by restating each of the following affected line items in the statement of financial position for the prior periods as follows:

	Restated Year ended 30 June 2020 Rm	Restated Year starting 1 July 2019 Rm
STATEMENT OF FINANCIAL POSITION		
Loans and long-term receivables		
Previously reported balance	278	283
Reclassification	(230)	(230)
Restated balance	48	53
Long-term borrowings		
Previously reported balance	1 512	1 095
Reclassification	53	53
Restated balance	1 565	1 148
Trade and other receivables		
Previously reported balance	3 023	2 743
Reclassification	283	283
Loans and long-term receivables	230	230
Long-term borrowings	53	53
Restated balance	3 306	3 026
PRIMARY SEGMENTAL INFORMATION		
ARM Coal: Segment assets, including investment in associate		
Previously reported balance	3 375	4 962
Reclassification	53	53
Restated balance	3 428	5 015
ARM Coal: Segment liabilities		
Previously reported balance	1 748	1 319
Reclassification	53	53
Restated balance	1 801	1 372

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
7	**INVESTMENT IN ASSOCIATE**		
	Through ARM's 51% investment in ARM Coal and ARM's 10% direct investment, the group holds a 20.2% investment in the Participative Coal Business (PCB) of Glencore Operations South Africa Proprietary Limited (GOSA).		
	Opening balance	**795**	1 837
	Share of (loss)/profit for the current year	**(260)**	33
	Loss for the current year	**(296)**	(246)
	Re-measurement of loans (refer note 16)	**36**	279
	Movement in loans	**(1)**	46
	Impairment on investment (refer note 4 and 9)	**–**	(1 121)
	Closing balance	**534**	795

		F2021 Rm	F2020 Rm
8	**INVESTMENT IN JOINT VENTURE**		
	The investment relates to ARM Ferrous and consists of Assmang as a joint venture which includes iron ore and manganese.		
	Opening balance	**17 545**	16 702
	Net income for the period[1]	**7 498**	4 450
	Income for the period	**7 541**	4 494
	Consolidation adjustment	**(43)**	(44)
	Foreign currency translation reserve	**(105)**	143
	Less: Cash dividend received for the period	**(4 000)**	(3 750)
	Closing balance	**20 938**	17 545

Refer note 2.1 and 2.4 for more detail on the ARM Ferrous segment.

[1] *Includes expected credit losses recorded of R81 million less tax of R1 million (F2020: R74 million less tax of R1 million).*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
9	**CAPITAL ITEMS**		
	Impairment loss on property, plant and equipment – Machadodorp Works (refer note 4)	–	(7)
	Loss on sale of Lubambe – other	–	(6)
	Impairment loss on property, plant and equipment and intangible assets – ARM Coal	–	(559)
	Impairment loss on investment in 20.2% PCB – ARM (refer note 4)	–	(1 121)
	Impairment loss of property, plant and equipment – Venture Building Trust	**(9)**	–
	Capital items per statement of profit or loss before taxation effect	**(9)**	(1 693)
	Impairment loss on property, plant and equipment accounted for directly in associate – ARM Coal (refer note 4)	–	(4)
	Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4)	**(283)**	(7)
	Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4)	**(169)**	–
	Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang (refer note 4)	**(48)**	–
	Loss on sale on property, plant and equipment accounted for directly in joint venture – Assmang	**(2)**	(31)
	Capital items before taxation effect	**(511)**	(1 735)
	Taxation accounted for in joint venture – impairment loss of property, plant and equipment and intangible assets – Assmang	**72**	–
	Taxation accounted for in joint venture – loss on disposal of property, plant and equipment – Assmang	**1**	9
	Taxation accounted for in associate – impairment loss – ARM Coal	–	1
	Taxation on impairment loss of property, plant and equipment and intangible assets – ARM Coal	–	156
	Total	**(438)**	(1 569)

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
10	**EARNINGS PER SHARE**		
	Headline earnings (R million)	**13 064**	5 534
	Headline earnings per share (cents)	**6 688**	2 850
	Basic earnings per share (cents)	**6 464**	2 042
	Diluted headline earnings per share (cents)	**6 621**	2 807
	Diluted basic earnings per share (cents)	**6 399**	2 011
	Number of shares in issue at end of year (thousands)	**224 453**	223 326
	Weighted average number of shares (thousands)	**195 333**	194 188
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	**197 314**	197 170
	Net asset value per share (cents)	**17 908**	14 365
	EBITDA (R million)	**12 227**	3 923
	Interim dividend declared (cents per share)	**1 000**	500
	Dividend declared after year end (cents per share)	**2 000**	700
	Reconciliation to headline earnings (R million)		
	Basic earnings attributable to equity holders of ARM	**12 626**	3 965
	– Impairment loss on property, plant and equipment and intangible assets – ARM Coal	**–**	559
	– Impairment loss on property, plant and equipment in associate – ARM Coal	**–**	4
	– Impairment loss on property, plant and equipment in joint venture – Assmang	**283**	7
	– Loss on sale of property, plant and equipment in joint venture – Assmang	**2**	31
	– Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang	**169**	–
	– Impairment loss on investment in Cato Ridge Works accounted for directly in joint venture – Assmang	**48**	–
	– Impairment loss on property, plant and equipment – Venture Building Trust	**9**	–
	– Impairment loss of property, plant and equipment – Machadodorp Works	**–**	7
	– Impairment loss on investment in 20.2% PCB – ARM	**–**	1 121
	– Loss on sale of Lubambe – other	**–**	6
		13 137	5 700
	– Taxation accounted for in joint venture – impairment loss at Assmang	**(72)**	–
	– Taxation accounted for in joint venture – loss on disposal of fixed assets at Assmang	**(1)**	(9)
	– Taxation accounted for in associate – impairment loss at ARM Coal	**–**	(157)
	Headline earnings	**13 064**	5 534

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
11	**OTHER INVESTMENTS**		
	Harmony[1]	3 940	5 366
	Opening balance	5 366	2 370
	Fair value (loss)/gain in other comprehensive income	(1 426)	2 996
	Guardrisk[2]	36	30
	Preference shares	1	1
	Richards Bay Coal Terminal[3]	233	238
	Closing balance	4 210	5 635

[1] *This is a level 1 valuation in terms of IFRS 7 and 9.*
[2] *This is a level 2 valuation in terms of IFRS 7 and 9.*
Fair value based on the net asset value of the cell captive.
[3] *This is a level 3 valuation in terms of IFRS 7 and 9.*

Richards Bay Coal Terminal (RBCT)

The fair value of the RBCT investment was determined by calculating the present value of the future wharfage cost savings by being a shareholder in RBCT as opposed to the wharfage payable by non-shareholders. The fair value is most sensitive to wharfage cost. The current RBCT valuation is based on a wharfage cost differential ranging between R42/tonne and R48/tonne (F2020: R42/tonne and R46/tonne). If increased by 10% this would result in a R23 million (F2020: R24 million) increase in the valuation on the RBCT investment.

If decreased by 10% this would result in a R23 million (F2020: R24 million) decrease in the valuation on the RBCT investment. The valuation is calculated based on the duration of the RBCT lease agreement with Transnet SOC Limited to 31 December 2038, using a pre-tax discount rate of 19.1% (F2020: 19.4%).

	F2021 Rm	F2020 Rm
Opening balance	238	251
Fair value loss	(5)	(13)
Closing balance	233	238

12 TRADE AND OTHER RECEIVABLES

The increase in trade and other receivables is largely as a result of an increase in revenue during the reporting period.

Trade and other receivables contain provisional pricing features linked to commodity prices and exchange rates, which have been designated to be measured at fair value through profit or loss because of the embedded derivative. This is a level 2 valuation in terms of IFRS.

Trade and other receivables include a contract asset from Assmang of R1 156 million (F2020: Rnil). The contract asset resulted from revised fee arrangements whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

Trade and other receivables have been restated (refer note 6).

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
13	**FINANCIAL ASSETS**		
	Investments in fixed deposits		
	Current financial assets[1]		
	– ARM Corporate	**–**	1 074
	– ARM Finance Company SA[2]	**161**	–
	– Two Rivers	**30**	25
	– Modikwa	**203**	105
	– Nkomati	**59**	51
	– Mannequin Captive Cell (Cell AVL 18) (refer note 23.2)	**61**	39
	– Other	**9**	15
		523	1 309
	Non-current financial assets[1]		
	– ARM Coal (investment in fixed deposit)	**46**	41
	– Mannequin Captive Cell (Cell AVL 18) (refer note 23.2)	**145**	189
	– Modikwa	**1**	–
	– Venture Building Trust	**1**	–
		193	230
	Total	**716**	1 539

[1] Cash and cash equivalents were invested in fixed deposits with maturities longer than three months to achieve better returns. When these investments mature, to the extent that amounts are not re-invested in new investments with maturities of longer than three months, they will again form part of cash and cash equivalents. The carrying amounts of the financial assets shown above approximate their fair value.

[2] During F2021 ARM Finance Company SA invested R173 million in fixed deposits with maturities longer than three months. The amount was translated at the 30 June 2021 closing exchange rate resulting in a foreign currency translation loss of R12 million.

The following guarantees issued are included in financial assets:

- Guarantees issued by Two Rivers to DMRE, Eskom and BP Oil amounting to R30 million (F2020: R25 million)
- Guarantees issued by Nkomati to DMRE and Eskom amounting to R59 million (F2020: R51 million)
- Guarantees issued by Modikwa to DMRE and Eskom amounting to R164 million (F2020: R105 million)
- Guarantees issued by ARM Coal to DMRE amounting to R46 million (F2020: R41 million).

Other financial assets include trust funds of R9 million (F2020: R15 million).

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
14	**CASH AND CASH EQUIVALENTS**		
	Total cash at bank and on deposit	**8 865**	4 970
	– African Rainbow Minerals Limited	**7 739**	3 294
	– ARM BBEE Trust	**4**	66
	– ARM Finance Company SA	**81**	295
	– ARM Platinum Proprietary Limited	**538**	1 217
	– ARM Treasury Investments Proprietary Limited	**42**	41
	– Nkomati	**106**	1
	– Two Rivers Platinum Proprietary Limited	**329**	21
	– Other cash at bank and on deposit	**26**	35
	Total cash set aside for specific use	**806**	745
	– Mannequin Captive Cell (Cell AVL 18)[1]	**681**	644
	– Rehabilitation trust funds[1]	**44**	45
	– Other cash set aside for specific use[1]	**81**	56
	Total as per statement of financial position	**9 671**	5 715
	Less: Overdrafts (refer note 15)	**(16)**	(203)
	Total as per statement of cash flows	**9 655**	5 512

Cash at bank and on deposit earns interest at floating rates based on daily bank deposit rates.

[1] Cash set aside for specific use in respect of the group includes:
- *Mannequin Captive Cell is used as part of the group insurance programme. The cash held in the cell is invested in highly liquid investments and is used to settle claims as and when they arise as part of the risk finance retention strategy*
- *The trust funds of R6 million (F2020: R12 million)*
- *African Rainbow Mineral Limited of R35 million (F2020: Rnil)*
- *Guarantees issued by ARM Coal to DMRE amounting to R44 million (F2020: R41 million)*
- *Guarantees issued by Two Rivers to DMRE, Eskom and BP Oil amounting to Rnil (F2020: R4 million)*
- *Guarantees issued by Nkomati to DMRE and Eskom amounting to R40 million (F2020: R44 million).*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		30 June 2021 Rm	Restated[1] 30 June 2020 Rm
15	**BORROWINGS**		
	Long-term borrowings are held as follows:		
	ARM Coal Proprietary Limited (partner loans)[1]	**707**	1 016
	ARM BBEE Trust (loan from Harmony Gold)[2]	**217**	316
	African Rainbow Minerals Limited (lease liability)	**–**	2
	Anglo Platinum Limited (lease liability)	**29**	39
	Two Rivers Platinum Proprietary Limited (lease liability)	**152**	192
		1 105	1 565
	Short-term borrowings		
	African Rainbow Minerals Limited (lease liability)	**4**	3
	Anglo Platinum Limited (partner loans)	**–**	67
	Anglo Platinum Limited (lease liability)	**30**	23
	ARM Coal Proprietary Limited (partner loans)[1]	**307**	–
	ARM Coal (lease liability)	**1**	6
	Two Rivers Platinum Proprietary Limited (lease liability)	**6**	111
		348	210
	Overdrafts (refer note 14)		
	Nkomati Mine	**–**	26
	Two Rivers Platinum Proprietary Limited	**–**	150
	Other	**16**	27
		16	203
	Overdrafts and short-term borrowings – interest bearing	**57**	413
	– non-interest bearing	**307**	–
	Overdrafts and short-term borrowings	**364**	413
	Total borrowings	**1 469**	1 978

The carrying amounts of the financial liabilities shown above approximate their fair value.

[1] *Long-term borrowings have been restated (refer note 6). During F2021 R307 million was transferred to short-term borrowings.*

[2] *On 28 June 2021 ARM and Harmony advanced new loans to the ARM BBEE Trust. The proceeds from the new loans were used to settle the old loans. This resulted in a gain for the ARM BBEE Trust. The new loans carry interest at zero percent, subject to the lenders reserving the right to charge interest in the future. The new loans are fully repayable on or before 30 June 2035. Earlier payments are at the discretion of the ARM BBEE Trust.*

	F2021 Rm	F2020 Rm
16 RE-MEASUREMENT AND FAIR VALUE GAINS AND LOSSES		
ARM Coal		
Included in other operating income and (loss)/income from associate are re-measurements with no tax effect in both years relating to the GGV and PCB loans. The gain and loss is as a result of a re-measurement of debt between ARM and Glencore Operations South Africa Proprietary Limited (GOSA) and ARM Coal Proprietary Limited.		
The re-measurement adjustments are as follows:		
Other operating income increase (re-measurement gain on loans) – ARM Coal segment	**206**	206
– ARM Corporate segment	**(153)**	(59)
Re-measurement gain in operating income	**53**	147
Income from associate (re-measurement gain on loans) (refer note 7)	**36**	279
Net ARM Coal re-measurement gain	**89**	426
The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 10%. A US$1 increase in commodity prices would decrease the re-measurement gain by R17 million (F2020: R6 million). A US$1 decrease in commodity prices would increase the re-measurement gain by R17 million (F2020: R17 million). This a level 3 valuation in terms of IFRS 13.		
Modikwa		
The re-measurement loss in Modikwa of R143 million (F2020: R135 million loss) is partially eliminated against a re-measurement gain in ARM Corporate of R137 million (F2020: R127 million). The net re-measurement gain attributable to ARM being R18 million (F2020: R15 million).		
The re-measurement adjustments are as follows:		
Other operating expense increase	**(6)**	(8)
ARM Platinum segment (re-measurement loss)	**(143)**	(135)
ARM Corporate segment (re-measurement gain)	**137**	127
Non-controlling interest	**24**	23
Net Modikwa re-measurement gain	**18**	15
The re-measurements are as a result of changes in the future repayment cash flows applied to the net present value calculations. The discount rate used in the calculation of the re-measurement is 5%. This a level 3 valuation in terms of IFRS 13.		
ARM BBEE Trust (loan from Harmony)		
Included in other operating income for F2021 is a fair value gain of R47 million (F2020: Rnil). The gain is as a result of the new loans advanced to the ARM BBEE Trust by Harmony.		
The fair value gains are as follows:		
Other operating income increase (fair value gain on loan) – ARM Corporate segment	**47**	–
Net ARM BBEE Trust fair value gain	**47**	–

The fair value at initial recognition is as a result of the difference in the stipulated interest rate the lender may charge in the future in the new loan agreement and the interest rate the ARM BBEE Trust would have to pay if the loan was advanced in an open market. The discount rate used in the calculation of the fair value is 9.04%.

The carrying amounts of the financial liabilities approximate their fair value.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
17	**OTHER OPERATING INCOME**		
	Management fees	**1 800**	733
	Insurance income	**92**	84
	Realised foreign exchange gains	**1**	9
	Royalties received	**173**	80
	Loan fair value gain (refer note 16)	**47**	–
	Loan re-measurement gains (refer note 16)	**53**	147
	Other	**212**	107
	Total	**2 378**	1 160
18	**OTHER OPERATING EXPENSES**		
	Provisions	**233**	574
	Mineral royalty tax	**1 215**	381
	Staff cost	**317**	347
	Loan re-measurement loss (refer note 16)	**6**	8
	Consulting fees	**58**	33
	Share-based payments expense	**220**	211
	Insurance	**105**	95
	Research and development	**105**	115
	Other	**458**	286
	Total	**2 717**	2 050
19	**(LOSS)/INCOME FROM ASSOCIATE**		
	Loss (before re-measurement on loans)	**(296)**	(246)
	Loan re-measurement gain (refer note 16)	**36**	279
	Total	**(260)**	33
20	**TAXATION**		
	South African normal taxation – current year	**2 411**	758
	– mining	**1 880**	589
	– non-mining	**531**	169
	– prior year	**(6)**	(64)
	Deferred taxation	**928**	382
	Total taxation	**3 333**	1 076
21	**CASH GENERATED FROM OPERATIONS**		
	Cash generated from operations before working capital changes	**13 107**	5 055
	Working capital changes	**(5 305)**	(1 189)
	Movement in inventories	**54**	(3)
	Movement in receivables	**(4 630)**	(157)
	Movement in payables and provisions	**(729)**	(1 029)
	Cash generated from operations	**7 802**	3 866

		F2021 Rm	F2020 Rm
22	**COMMITMENTS**		
	Commitments in respect of future capital expenditure, which will be funded from operating cash flows and by utilising available cash and/or borrowing resources, are summarised below:		
	Commitments		
	Commitments in respect of capital expenditure:		
	Approved by directors		
	– contracted for	**677**	228
	– not contracted for	**126**	–
	Total commitments	**803**	228
23	**PROVISIONS**		
	Long-term provisions		
	Opening balance	**1 953**	1 599
	Machadodorp Works restoration and decommissioning provision	**1**	52
	Nkomati restoration and decommissioning provision	**42**	322
	Two Rivers restoration and sterilisation provision	**(65)**	20
	ARM Coal restoration and decommissioning provision	**93**	46
	African Rainbow Minerals Silicosis provision	**(43)**	(130)
	Other	**(98)**	44
	Closing balance	**1 883**	1 953
23.1	**Nkomati restoration and decommissioning provision**[1]		
	Long-term provisions		
	Opening balance	**525**	203
	Provision for the period[1]	**(13)**	370
	Transfer from/(to) short-term provisions	**34**	(63)
	Unwinding of discount rate	**21**	15
	Closing balance	**567**	525
	Short-term provision		
	Opening balance	**63**	–
	Transfer (to)/from long-term provisions	**(34)**	63
	Closing balance	**29**	63
	Total Nkomati restoration and decommissioning provision	**596**	588

[1] *Nkomati ceased mining operations on 14 March 2021. The mine is currently under care and maintenance.*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

		F2021 Rm	F2020 Rm
23	**PROVISIONS continued**		
23.2	**Silicosis and tuberculosis class action provision**		
	Long-term provision		
	The provision movement is as follows:		
	Opening balance	**189**	319
	Settlement payments	**–**	(92)
	Interest unwinding	**16**	25
	Demographic assumptions changes	**(3)**	(12)
	Transfer to short-term provisions	**(56)**	(51)
	Closing balance	**146**	189
	Short-term provision		
	Opening balance	**51**	–
	Settlement payments	**(47)**	–
	Transfer from long-term provisions	**56**	51
	Closing balance	**60**	51
	Total silicosis and tuberculosis class action provision	**206**	240

ARM has a contingency policy in this regard which covers environmental site liability and silicosis liability with Guardrisk Insurance Company Limited (Guardrisk). In turn, Guardrisk has reinsured the specified risks with Mannequin Insurance PCC Limited – Cell AVL 18, Guernsey which cell captive is held by ARM.

Following the High Court judgment previously reported, the Tshiamiso Trust was registered in November 2019. As part of the settlement a guarantee of R304 million was issued by Guardrisk on behalf of ARM in favour of the Tshiamiso Trust on 13 December 2019 (refer note 13).

Details of the provision were discussed in the 30 June 2020 financial results, which can be found on **www.arm.co.za**.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

24 RELATED PARTIES

The company in the ordinary course of business enters into various sale, purchase, service and lease transactions with subsidiaries, associated companies, joint ventures and joint operations. Transactions between the company, its subsidiaries and joint operations related to fees, insurances, dividends, rentals and interest are regarded as intra-group transactions and eliminated on consolidation.

	F2021 Rm	F2020 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties		
Subsidiaries		
Impala Platinum – sales	**11 992**	6 173
Joint operations		
Rustenburg Platinum Mines – sales[1]	**4 924**	3 093
Glencore International AG – sales[1]	**884**	837
Norilsk Nickel – management fees	**13**	–
Norilsk Nickel – sales	**1 507**	1 200
Glencore Operations SA – management fees	**68**	–
Joint venture		
Assmang Proprietary Limited		
– Management fees	**1 770**	730
– Dividends received	**4 000**	3 750
Amounts outstanding at year end (owing to)/receivable by ARM on current account		
Joint venture		
Assmang – debtor	**1 156**	110
Joint operations		
Rustenburg Platinum Mines – debtor[1]	**1 755**	660
Norilsk Nickel – creditor	**–**	(4)
Norilsk Nickel – debtor	**67**	61
Rustenburg Platinum Mines – short-term borrowings[1]	**–**	(66)
Glencore Operations SA – long-term borrowings[2]	**(707)**	(1 016)
Glencore Operations SA – short-term borrowings[2]	**(307)**	–
Glencore Operations SA – trade and other receivables[2]	**218**	383
Glencore International AG – trade and other receivables[1]	**120**	55
Glencore Operations SA – loans and long-term receivables[2]	**–**	–
Subsidiary		
Impala Platinum – debtor	**4 324**	1 812
Impala Platinum – dividend paid	**1 219**	566

[1] *These transactions and balances for joint operations do not meet the definition of a related party as per IAS 24 but have been included to provide additional information.*

[2] *Comparative information has been restated. Refer note 6 for more detail.*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2021

25 CONTINGENT LIABILITIES

Nkomati

The Nkomati Mine closure may have a potential exposure regarding rehabilitation and management of water post-closure. There are uncertainties regarding the ongoing assessment of long-term water management measures, and anticipated amendments to the existing Water Use Licence (WUL). Technical studies towards providing an integrated water management plan are underway. The results of the studies will be used as input towards a risk assessment that is required to apply for an amended WUL, such as applying for authorised water discharges. The WUL conditions are not yet known and the subsequent potential water resource impact liability as part of the mine rehabilitation and closure process is uncertain. The obligation will be recognised when it is probable and can be reliably estimated.

The environmental rehabilitation provision at 30 June 2021 is the best independent estimate and is based on the most reliable information currently available. It will be re-assessed on an ongoing basis as engineering designs evolve and new information becomes available, as well as when approvals of a revised environmental management plan and water use licence are secured.

ARM Coal

The South African Revenue Services (SARS) disallowed Glencore Operations South Africa (Pty) Ltd (GOSA) diesel rebates for the period 2011 to 2013 on the basis that the diesel was not considered to be used in the primary production activities in the mining process. GOSA lost the SARS internal appeal process and took the matter to the High Court. The matter was heard in the High Court, which ruled in favour of GOSA. SARS, however, appealed the ruling through the Supreme Court of Appeal (SCA). The dispute was heard on 27 May 2021 and judgment was handed down on 10 August 2021 where the SCA ruled in favour of SARS.

The ruling has an impact on ARM's investment in the PCB associate for diesel rebates accounted for from 2011 to date. The portion of the diesel rebates that is not considered to be used in the primary production activities in the mining process, will have to be repaid if already received or written off if receivable at 30 June 2021. This financial effect of the SCA ruling is still to be quantified wherein an exercise will be undertaken to split the activities between primary and non-primary production activities in the mining process. The obligation will be recognised once the quantum can be reliably estimated.

No provision had been recognised previously due to the High Court ruling as evidence that the outcome would be positive.

For a detailed disclosure on contingent liabilities, refer to ARM's annual financial statements for the year ended 30 June 2021 available on the group's website **www.arm.co.za**.

26 EVENTS AFTER REPORTING DATE

Subsequent to year end, ARM received a dividend from Assmang of R3 500 million.

Harmony declared a final dividend of 27 cents per share, bringing their total dividend for F2021 to 137 cents per share. At 30 June 2021 and at the date of this report, ARM owned 74 665 545 Harmony shares.

ARM declared a dividend of R20.00 per share.

The ARM Corporate Revolving Credit Facility was extended subsequent to year end and is available until September 2022.

No other significant events have occurred subsequent to the reporting date that could materially affect the reported results.

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A2X share code: ARI
ISIN: ZAE000054045

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The Standard Bank of South Africa Limited
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F Abbott*
M Arnold**
TA Boardman*
AD Botha*
JA Chissano (Mozambican)*
WM Gule*
AK Maditsi*
J Magagula
TTA Mhlanga (finance director)
HL Mkatshana
P Mnisi*
DC Noko*
Dr RV Simelane*
JC Steenkamp*

** Independent non-executive*
*** Non-executive*

Forward-looking statements

Certain statements in this document constitute forward-looking statements that are neither reported financial results nor other historical information. They include statements that predict or indicate future earnings, savings, synergies, events, trends, plans or objectives. Such forward-looking statements may or may not take into account and may or may not be affected by known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements of the company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include: economic, business and political conditions in South Africa; decreases in the market price of commodities; hazards associated with underground and surface mining; labour disruptions; changes in government regulations, particularly environmental, health and safety and tax regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; electricity supply disruptions, constraints and cost increases; supply chain shortages and increases in the price of production inputs; the unavailability of mining and processing equipment or transportation infrastructure; the impact of the Covid-19 pandemic; and the impact of tuberculosis. The forward-looking statements apply only as of the date of publication of these pages. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these pages or to reflect any unanticipated events.

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