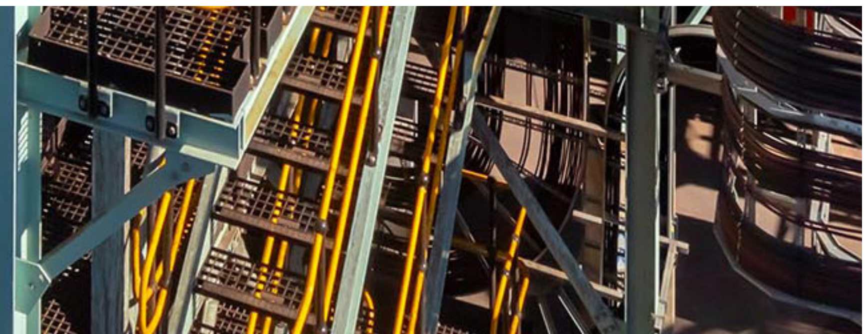
ARM

African Rainbow Minerals

Notice to shareholders

2022



Contents

Notice and proxy

Governance

Reports

Summarised consolidated financial statements

Information available on ourwebsite
www.arm.co.za

Information available elsewhere
in our reports

For a glossary of terms, refer to the ESG 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.

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 89th annual general meeting of shareholders of the company will, subject to any cancellation, postponement or adjournment, be held on Thursday, 1 December 2022 at 10:00 South African time, in Boardrooms 6 and 7, Sandton Convention Centre (corner of Fifth and Maude Streets), Sandton, and via electronic communication, for the following business to be transacted and to consider and, if deemed fit, approve, with or without modification, the resolutions set out below.

The board of directors of ARM ("the board") has authorised that the annual general meeting be held as a physical meeting and by way of electronic participation, 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 regarding electronic participation in the annual general meeting.

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, 14 October 2022.

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, 25 November 2022 ("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, 22 November 2022.

Presentation of financial statements

To present the annual financial statements of the group and company for the financial year ended 30 June 2022 ("2022 annual financial statements"), including the directors', audit and risk committee and independent auditor's reports. The 2022 annual financial statements are available on the company's website: www.arm.co.za. Refer to page 68 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 2022 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 2022 ESG report is available on the company's website: www.arm.co.za. Refer to page 27 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 M Arnold

1 "Resolved that Mr M Arnold, 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 TA Boardman

2 "Resolved that Mr TA Boardman, 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 Ms PJ Mnisi

3 "Resolved that Ms PJ Mnisi, 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 JC Steenkamp

4 "Resolved that Mr JC Steenkamp, 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.

Election of non-executive directors

Ordinary resolutions numbers 5 – 6 are proposed to elect non-executive directors of the company who were appointed between annual general meetings and whose terms of office terminate at the annual general meeting in accordance with the company's memorandum of incorporation. Their résumés appear on page 13 of this notice. The board recommends the election of these directors.

Ordinary resolution number 5
– Election of Mr B Kennedy

5 "Resolved that Mr B Kennedy, who, being eligible and having made himself available for election, be and is hereby 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 6
– Election of Mr B Nqwababa

6 "Resolved that Mr B Nqwababa, who, being eligible and having made himself available for election, be and is hereby 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 7
– Reappointment of external auditor and designated auditor

Ordinary resolution number 7 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 2023, to remain in office until the conclusion of the next annual general meeting.

7 "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 2023, 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.

Rotation of external auditor in respect of the 2024 financial year

Ordinary resolution number 8
– Appointment of external auditor and designated auditor in respect of the 2024 financial year

Ordinary resolution number 8 is proposed to approve the appointment of KPMG Inc. as the external auditor of the company and the appointment of Ms S Loonat as the person designated to act on behalf of such external auditor in respect of the financial year ending 30 June 2024 (the "2024 financial year").

8 "Resolved that the appointment of KPMG Inc. as the external auditor of the company be and is hereby approved and that Ms S Loonat be and is hereby appointed as the person designated to act on behalf of such external auditor of ARM, in respect of the 2024 financial year."

Reason for and effect of ordinary resolution number 8

In line with the rules of the Independent Regulatory Board for Auditors (IRBA) regarding mandatory audit firm rotation, the 2023 financial year will be Ernst & Young Inc.'s final financial year as the company's external auditor. Ernst & Young Inc. has been the company's external auditor for 49 years. The audit and risk committee has recommended, and the board of directors has approved for recommendation to the shareholders, the proposed appointment of KPMG Inc. as the external auditor of ARM, in respect of the 2024 financial year.

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 9

– Election of audit and risk committee members

Ordinary resolution number 9 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 15.

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 to 14 of this notice.

9 "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:
 9.1 Mr TA Boardman (chairman)*
 9.2 Mr F Abbott
 9.3 Mr AD Botha
 9.4 Mr AK Maditsi
 9.5 Mr B Nqwababa*
 9.6 Ms PJ Mnisi*
 9.7 Dr RV Simelane."

* *Subject to their re-election or election as directors pursuant to ordinary resolution numbers 2, 3 and 6 (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 10

– Non-binding advisory vote on the company's remuneration policy

Ordinary resolution number 10 is proposed for the purpose set out in the annexure on page 15 of this notice.

10 "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 2022 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 11

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

Ordinary resolution number 11 is proposed for the purpose set out in the annexure on page 15 of this notice.

11 "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 2022 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 12

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

12 "Resolved that, as a separate and additional authority from that referred to in ordinary resolution number 13, 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 12

The reason for and effect of ordinary resolution number 12 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 13
– General authority to allot and issue shares for cash

13 "Resolved, as a separate and additional authority from that referred to in ordinary resolution number 12, 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, except as contemplated in (i) below;
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 10 597 523 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;
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; and
i) related parties may participate in a general issue for cash through a bookbuild process, provided that:
   1 related parties may only participate with a maximum bid price at which they are prepared to take up shares or at book close price (in the event of a maximum bid price and the book closes at a higher price the relevant related party will be "out of the book" and not be allocated shares); and
   2 equity securities will be allocated equitably "in the book" through the bookbuild process and the measures to be applied will be disclosed in the SENS announcement launching the bookbuild."

Reason for and effect of ordinary resolution number 13

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.

Amendment of the rules of the 2018 Conditional Share Plan

Ordinary resolution number 14 is proposed to approve certain amendments to the rules of the company's 2018 Conditional Share Plan, which was initially approved and adopted by the company's shareholders at the company's annual general meeting on 7 December 2018 ("2018 CSP Rules"), for the purpose set out in the annexure on pages 15 and 16.

The full 2018 CSP Rules incorporating the proposed amendments ("the Amended 2018 CSP Rules") are available for inspection by shareholders during normal business hours at ARM's registered office from the date of issue of this notice of annual general meeting up to and including the date of the annual general meeting.

A summary of the principal terms of the proposed amendments to the 2018 CSP Rules are set out in the annexure on pages 15 and 16.

Ordinary resolution number 14
– Amendment of the rules of the 2018 Conditional Share Plan

14 "Resolved that the amendments to the 2018 CSP Rules proposed by the board, a copy of which has been labelled for identification purposes and tabled at the annual general meeting, be and are hereby approved."

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 generating meeting is required, excluding the votes attaching to securities owned or controlled by persons who are existing participants in the 2018 Conditional Share Plan, in accordance with the JSE Listings Requirements.

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

15 "Resolved that, with effect from 1 July 2022, the company be and is hereby authorised, each by way of a separate vote, to pay its non-executive directors:

15.1 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

15.2 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 2022 (excluding VAT) (R)*		Fees from 1 July 2021 (excluding VAT) (R)	
	Annual retainer	Per meeting	Annual retainer	Per meeting
Lead independent non-executive director	**643 600**	**24 550**	612 950	23 400
Independent non-executive directors	**513 500**	**24 550**	489 050	23 400
Non-executive directors	**513 500**	**24 550**	489 050	23 400

* *Effective 1 July 2022, should fees be approved by shareholders at the 2022 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 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 15.2 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% (five percent) 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 2022 supersede and replace the corresponding resolution passed at the annual general meeting in December 2021.

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

16 "Resolved that, with effect from 1 July 2022, 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 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 2022 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)
Audit and risk committee		
Chairman	**128 350**	122 250
Member	**51 350**	48 900
Investment and technical committee, nomination committee, remuneration committee, social and ethics committee (or other committee(s) performing substantially the same function)**		
Chairman	**63 650**	60 600
Member	**33 600**	32 000

* *Effective 1 July 2022, should fees be approved by shareholders at the 2022 annual general meeting.*

** *The name of the committee was changed from the investment committee to the investment and technical committee in December 2021.*

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 respect of committee meetings and other committee-related work, 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 16 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% (five percent) increase on the previous year (rounded to the nearest R50) and exclude VAT, if any. This resolution, if approved, will from 1 July 2022 supersede and replace the corresponding resolution passed at the annual general meeting in December 2021.

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

17 "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

18 "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

19 "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

20 "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 JSE will be consulted for a ruling if the company's securities have not traded in such 5 (five) business day period;
- 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, which has been submitted to the JSE in writing prior to the start of the prohibited period. The company will instruct only one 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 repurchase programme submitted to the JSE will include the following details:
  – the name of the independent agent;
  – the date the independent agent was appointed by the company;
  – the commencement and termination date of the repurchase programme; and
  – where the quantities of securities to be traded during the relevant period are fixed (not subject to any variation);
- 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% (three percent) 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% (three percent) 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% (ten percent) 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 2022, 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 2022 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 126 of the 2022 annual financial statements; and
- Share capital of the company – page 70 of the 2022 annual financial statements.

Directors' responsibility statement

The directors, whose names appear on pages 22 and 23 of this notice to shareholders and pages 116 to 122 of the 2022 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 2022 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 2022 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 18 of this notice (Instructions on signing and lodging the form of proxy).

Electronic participation by shareholders

The board has authorised the company to conduct the annual general meeting as a physical meeting and by way of electronic participation. Voting via the electronic facility will be the only method available to shareholders or proxies for shareholders who choose to participate in the annual general meeting by electronic participation to vote their shares at the annual general meeting.

The annual general meeting will be held at 10:00 on Thursday, 1 December 2022. ARM has appointed The Meeting Specialist Proprietary Limited (TMS) to host the annual general meeting 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)(b) of the Companies Act, this electronic platform will enable all persons attending the annual general meeting by electronic participation to communicate concurrently with each other, without an intermediary, including by voice and to participate reasonably effectively and to vote at the meeting.

Shareholders or their proxies 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 81 711 4255, +27 84 433 4836 or +27 61 440 0654 as soon as possible, but in any event no later than 10:00 on Tuesday, 29 November 2022.

TMS will assist shareholders or their proxies 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 or their proxy who wishes to attend the annual general meeting by electronic participation 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 who wish to participate electronically will not be carried out at the registered office of ARM, and shareholders will be required to register for and gain access to the electronic platform 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. In this regard, shareholders are reminded that, in the email granting access to the electronic platform to participants who have registered, TMS also provides participants with a dial-in telephone number as an alternative means of participating in the annual general meeting should the above circumstances arise. TMS is also available on request by any participant until 10:00 on Tuesday, 29 November 2022, to conduct a test of such participant's ability to connect to the electronic platform.

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 if they wish to participate electronically. These shareholders must not use the form of proxy.

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 10:00 on Tuesday, 29 November 2022, 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

7 October 2022

Résumés

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

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

Mike Arnold (65)

Non-executive director

Member of investment and technical, and non-executive directors' committees

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

Appointed to the board in 2009

Mike Arnold's career started in the mining industry in 1980 as a geologist for Anglo American Corporation. He qualified as a chartered accountant in 1987. Mike joined ARM in 1999 as the group financial manager of Avgold Limited and, in 2003, he was appointed financial director. He became executive: finance of ARM in 2004, chief financial officer in 2008 and financial director in 2009. He retired in 2017, but remains on the ARM board as a non-executive director. He is also a non-executive director of Ubuntu-Botho Investments Proprietary Limited, African Rainbow Capital Proprietary Limited, African Rainbow Energy and Power Proprietary Limited and African Rainbow Energy General Partner (RF) Proprietary Limited.

Tom Boardman (72)

Independent non-executive director

Chairman of audit and risk committee; member of investment and technical, 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, African Rainbow Energy General Partner (RF) Proprietary Limited and TymeBank Proprietary Limited. He is a director of The Peace Parks Foundation and trustee for a number of charitable foundations.

Pitsi Mnisi (39)

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 18 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.

Jan Steenkamp (68)

Independent non-executive director

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

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

Appointed to the board in 2017

Jan Steenkamp started his career with the Anglovaal Group in 1973. Trained as a mining engineer, he has worked at and managed group mining operations in the gold, copper, manganese, iron ore and chrome sectors. He was appointed managing director of Avgold Limited in 2002 and served on the board of Assmang Limited. In 2003, he was appointed to the Avmin board and became chief executive officer in July 2003 after serving as chief operating officer. He later served as chief executive of ARM Ferrous and an executive director on the ARM board from 2005 to 2012. He was appointed chief executive of ARM exploration and strategic services in 2012 until retiring in 2017. Jan is also a non-executive director of African Rainbow Energy and Power Proprietary Limited.

Ordinary resolution numbers 5–6: Election of non-executive directors

The résumés of individuals offering themselves for election as non-executive directors appear below.

Brian Kennedy (62)

Independent non-executive director

MSc Eng (elec), MBA (Wits); advanced management programme (Harvard University); non-executive directors course (Insead)

Appointed to the board in 2022

Brian Kennedy is a skilled leader with over 30 years' experience in engineering and financial services in Africa, encompassing executive (CEO) and non-executive board roles in large institutions and smaller high-growth private companies. After an early career in systems engineering for automated test equipment, he moved into the financial services field, developing his skills in project and structured finance. He then spent 20 years with the Nedbank group, primarily responsible for developing its corporate and investment banking division into the group's largest revenue stream. He is a non-executive director of Ecobank Transnational Limited, Afrisam Holdings Proprietary Limited, Nozala Women Investments Proprietary Limited and Telkom Limited.

Bongani Nqwababa (56)

Independent non-executive director

BAcc (hons) (University of Zimbabwe), FCA (Institute of Chartered Accountants of Zimbabwe), MBA (with merit) (jointly awarded by universities of Wales, Bangor and Manchester)

Appointed to the board in 2022

Bongani Nqwababa has 30 years' global experience in the industrial, energy, petrochemical and mining sectors. As chief financial officer for major companies (Shell Southern Africa, Eskom SOE, Anglo American Platinum and Sasol), he has a strong record of building efficient finance functions and executing complex local and global transactions. He is a senior adviser on the energy, mining and petrochemicals sectors for a global consultancy group, non-executive director of Development Bank of Southern Africa (member of audit and risk, investment committees) and non-executive director of Harmony Gold Mining Company Limited (chairman of investment committee, member of audit and risk, remuneration committees). He is also chairman of Babcock Ntuthuko Engineering Proprietary Limited and Babcock Plant Services Proprietary Limited.

Résumés continued

Ordinary resolution number 9: Election of audit and risk committee members

The résumés of Mr TA Boardman, Ms PJ Mnisi and Mr B Nqwababa, independent non-executive directors, offering themselves for election as members of the audit and risk committee appear on pages 12 and 13.

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

Frank Abbott (67)

Independent non-executive director

Member of audit and risk, investment and technical, 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 from February 2012 to March 2020. He retired from the Harmony board in September 2020. He is also a trustee of the Tshiamiso Trust, established to carry out the settlement terms in the silicosis and tuberculosis class action.

Anton Botha (69)

Independent non-executive director

Chairman of remuneration committee; member of audit and risk, investment and technical, 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.

Alex Maditsi (59)

Lead independent non-executive director

Chairman of nomination and non-executive directors' committees; member of audit and risk, investment and technical, 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, Famous Brands Limited, Murray & Roberts, and Sterling Debt Recoveries Proprietary Limited.

Dr Rejoice Simelane (70)

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. She retired from the board of Sanlam Limited in March 2022. Other directorships include 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 a member of the presidential economic advisory panel under former president Thabo Mbeki.

Annexures

Explanatory note for ordinary resolution number 9: Election of audit and risk committee members

Ordinary resolution number 9 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 resumes on pages 12 to 14 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 2022 annual financial statements.

Explanatory note for ordinary resolution numbers 10 and 11: Non-binding advisory votes

Paragraph 3.84(j) 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 10 provides for a non-binding advisory vote on the company's remuneration policy, which is included in the 2022 ESG report.

Ordinary resolution number 11 provides for a non-binding advisory vote on the company's remuneration implementation report, which is included in the 2022 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 32 for the summarised remuneration report.

Explanatory note for ordinary resolution number 14: Amendment of the rules of the 2018 Conditional Share Plan

In line with local and global best practice, the company intends to adopt amendments to the company's 2018 CSP Rules as approved by the board (the "Amended 2018 CSP Rules"), to continue to incentivise, motivate and retain the right calibre of executives and senior management.

The 2018 Conditional Share Plan awards eligible employees conditional shares in the company, the vesting of which is subject to performance conditions. These awards enable participants to share in the success of the company and ensure alignment between the interests of participants and shareholders.

Presently, the 2018 CSP Rules provide that where a participant's employment with ARM is terminated for a reason that constitutes a no-fault termination, such as retrenchment, retirement or death, a pro-rated portion of the participant's unvested awards will vest early on the date of termination of employment (or as soon as reasonably practically possible thereafter), and the remaining portion of the participant's unvested awards will lapse.

Annexures continued

The amendments to the 2018 CSP Rules are proposed to provide that where a participant's employment is terminated due to retirement, the participant's unvested awards will not vest early on (or as soon as reasonably practically possible after) the date of termination of employment on a pro-rated basis, as is the case for other no-fault terminations, but will instead continue in force in terms of the 2018 CSP Rules and will vest in full on the original vesting date(s), subject to the satisfaction of the applicable performance conditions.

The principal proposed amendments to the 2018 CSP Rules are summarised below (where terms are capitalised, these terms have the meanings given to them in the 2018 CSP Rules):

Rule 10.2.3: insertion of the following underlined words in Rule 10.2.2:

"10.2.2 In the event of a No Fault Termination other than Retirement, a portion of the Participant's unvested Awards will Vest on the Date of Termination of Employment or the date as soon as reasonably practically possible thereafter when the Board has determined the extent to which the Performance Condition and any other conditions imposed in terms of Rule 6, where applicable, have been met. The portion of the Award that will Vest will be calculated in accordance with Rule 6.3.2."

Rule 10.2.2: The deletion of the following words in square brackets in Rule 10.2.3:

"10.2.3 If the Participant's employment is terminated due to [: 10.2.3.1] retrenchment, [Retirement,] ill-health, injury, disability and sale of the Company the Board will, in accordance with Rule 6.3.2, calculate whether, and the extent to which, the Performance Conditions have been satisfied on the Date of Termination of Employment. The portion of the Award which shall Vest will be determined based on the extent to which the Performance Conditions have been satisfied pro-rated for the number of complete months served since the Award Date to the Date of Termination of Employment over the total number of months in the Employment Period."

Rule 10.2.4: The insertion of the following new Rule 10.2.4 after Rule 10.2.3 as follows:

"10.2.4 If the Participant's employment is terminated due to Retirement, the Participant's unvested Awards will continue in force in terms of the Rules and will Vest on the original Vesting Date(s), notwithstanding that the Participant has ceased to be employed by the Company. The terms and conditions of the Rules will continue to apply and the Board will determine the extent to which the Performance Conditions and any other conditions imposed in terms of Rule 6, where applicable, have been met on the original Vesting Date(s)."

General

The full Amended 2018 CSP Rules are available for inspection by shareholders during normal business hours at ARM's registered office from the date of issue of this notice up to and including the date of the annual general meeting.

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 if they wish to participate electronically.

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 89th annual general meeting of shareholders of the company convened for Thursday, 1 December 2022 at 10:00, South African time, to be held in Boardrooms 6 and 7, Sandton Convention Centre (corner of Fifth and Maude Streets), Sandton, and via electronic communication, but wish to be represented, you may complete and return this form to be received by 10:00, South African time, on Tuesday, 29 November 2022 (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 in Boardrooms 6 and 7, Sandton Convention Centre (corner of Fifth and Maude Streets), Sandton, and via electronic participation at 10:00, South African time, on Thursday, 1 December 2022 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 M Arnold			
2 Ordinary resolution number 2: Re-election of Mr TA Boardman			
3 Ordinary resolution number 3: Re-election of Ms PJ Mnisi			
4 Ordinary resolution number 4: Re-election of Mr JC Steenkamp			
5 Ordinary resolution number 5: Election of Mr B Kennedy			
6 Ordinary resolution number 6: Election of Mr B Nqwababa			
7 Ordinary resolution number 7: Reappointment of external auditor and designated auditor			
8 Ordinary resolution number 8: Appointment of external auditor and designated auditor in respect of the 2024 financial year			
9 Ordinary resolution number 9: To individually elect the following independent non-executive directors as members of the audit and risk committee			
9.1 Mr TA Boardman			
9.2 Mr F Abbott			
9.3 Mr AD Botha			
9.4 Mr AK Maditsi			
9.5 Mr B Nqwababa			
9.6 Ms PJ Mnisi			
9.7 Dr RV Simelane			
10 Ordinary resolution number 10: Non-binding advisory vote on the company's remuneration policy			
11 Ordinary resolution number 11: Non-binding advisory vote on the company's remuneration implementation report			
12 Ordinary resolution number 12: Placing control of authorised but unissued company shares in the hands of the board			
13 Ordinary resolution number 13: General authority to allot and issue shares for cash			
14 Ordinary resolution number 14: Amendment of the rules of the 2018 Conditional Share Plan			
Special business			
15 Special resolution number 1: To individually authorise the company to pay the following remuneration to non-executive directors with effect from 1 July 2022			
15.1 Annual retainer fees as outlined in the notice of annual general meeting			
15.2 Fees for attending board meetings as outlined the notice of annual general meeting			
16 Special resolution number 2: Committee meeting attendance fees with effect from 1 July 2022 as outlined in the notice of annual general meeting			
17 Special resolution number 3: Financial assistance – for subscription for securities			
18 Special resolution number 4: Financial assistance – for related or inter-related companies			
19 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			
20 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 ______________________ 2022

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 a shareholder wishing to participate electronically 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, 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 10:00 on Tuesday, 29 November 2022 (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 a proxy wishing to participate electronically 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, 1 December 2022 at 10:00

- 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 10:00 on 29 November 2022
- 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, 29 November 2022 and Thursday, 1 December 2022 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, 1 December 2022 at 10:00 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

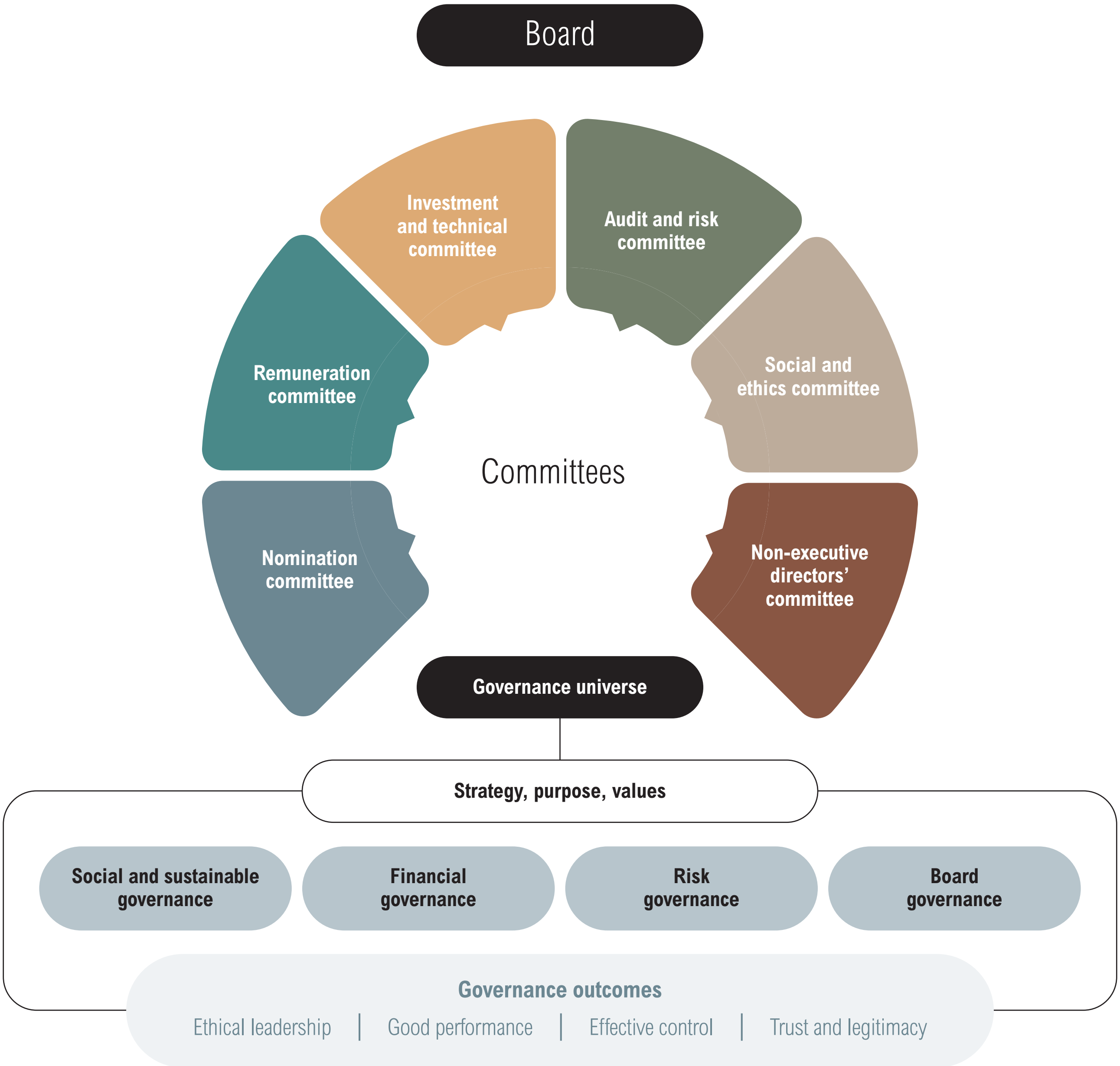
Participant: ______________________________

Signature: ______________________________

Date: ______________________________

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

Protecting value through good governance



Adhering to the highest standards of corporate governance is fundamental to the sustainability of our business. Our business practices are conducted in good faith, in the interests of the company and all its stakeholders, with due regard for the principles of good corporate governance.

Understanding that our stakeholders are central to achieving our strategic priorities, the ARM team engages regularly and constructively with our stakeholder groups at all levels.

Our people have proved their mettle in finding creative solutions to drive our progress amid the prevailing global uncertainty. We also continually assess how the company is perceived and valued by shareholders, current and prospective, as well as specialist stakeholders focused on sustainability-related aspects of our business. Across the group, management teams are focused on trends and shifts in our markets that may affect how we implement our strategy.

All this feedback informs decisions taken at meetings of the board, which has transitioned seamlessly to the new hybrid way of working in the post-pandemic world. At the same time, board effectiveness has become increasingly important in rapidly changing markets. The effectiveness of the board and its committees was again externally assessed this year, with positive results.

ESG See page 114 of the ESG report.

These reviews are instrumental in developing the board's objectives and work plan for F2023 and beyond.

One of the primary functions of the board is to ensure ARM's strategy is carefully considered, clearly defined and actionable. Management is accountable to the board for implementing all facets of this strategy, while the board is responsible for ensuring implementation proceeds against plan while considering broader developments that should be taken into account in refining the strategy. Either directly or through its mandated committees, the board maintained and monitored its robust processes to ensure that good governance and ethical behaviour are central to the way ARM operates.

Key actions in F2022

IAR Refer to page 14 of the IAR for more detail on our strategy.

Strategic objectives

Responsible	Resilient	Ready
Operate our portfolio of assets safely, responsibly and efficiently	**Allocate capital to investments that create and preserve value**	**Focus on value-enhancing, integrated growth**
The board approved targets and governance enhancements that underpin our long-term environmental objectives A board-level diversity and inclusion policy was approved, reinforcing the approach and targets at company level for employment equity, diversity and inclusion	Approving the investment to support hybrid working through robust technology and systems The board approved the R3.5 billion acquisition of Bokoni Platinum Mine, which is a significant value-accretive opportunity for the company In collaboration with peers and industry bodies, approving appropriate capital and expertise to address key infrastructural risks, ie logistics, water and energy	ARM's growth depends on good governance. The board and its committees regularly review information about our safety and health culture and performance, approach to assessing and monitoring risk, and real-time sustainability-related data. ARM is on track to implementing global best practice in tailings storage facilities, as per ICMM GISTM

ESG Detailed committee reports begin on page 131 of the ESG report.

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.

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

Mike Schmidt (64)

Chief executive officer

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

Appointed to the board in 2011.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, mining technical expertise, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight, technology and information, transformation best practice

Tsundzukani Mhlanga (40)

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.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, mining strategy, risk management, strategic leadership, tax expertise, technology and information

Alex Maditsi (60)

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)

Appointed to the board in 2004.

Value added to the board: commercial and business acumen, executive leadership, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, health and safety, operational experience, stakeholder engagement, strategic leadership

Dr Patrice Motsepe (60)

Executive chairman

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) and BA Law and Doctor of Laws Honoris Causa (University of Eswatini, formerly the University of Swaziland)

Value added to the board: commercial and business acumen, executive leadership, financial acumen, governance and ethics, government relations, international experience, legal and regulatory compliance, mining strategy, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

Jongisa Magagula (40)

Executive director: Investor relations and new business development

BBusSci (finance) (hons) (UCT)

Appointed to the board in 2019.

Value added to the board: commercial and business acumen, economics, executive leadership, financial acumen, governance and ethics, international experience, mining strategy, stakeholder engagement, strategic leadership

Thando Mkatshana (53)

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.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, government relations, human capital best practice, international experience, mining technical expertise, mining strategy, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight

Frank Abbott (67)

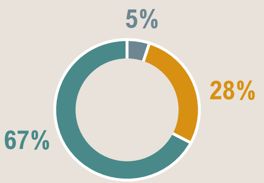
Independent non-executive director

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

Appointed to the board in 2004.

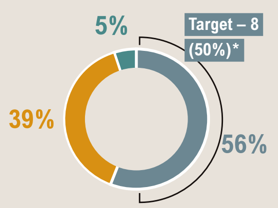
Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, strategic leadership, tax expertise

Mix



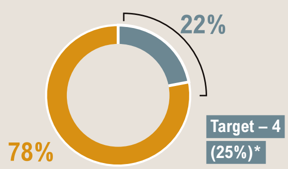
1 Non-executive directors
5 Executive directors
12 Independent non-executive directors

Diversity



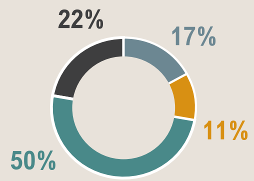
10 Black 7 White 1 Other African

Gender



4 Female 14 Male

Age**



3 Under 50 years 2 50 to 59 years
9 60 to 69 years 4 70 years and older

* Target in terms of the board-approved policy.
** At the date of the 2022 annual general meeting.

Tom Boardman (72)

Independent non-executive director

BCom (Wits), CA(SA)

Appointed to the board in 2011.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

Dr Rejoice Simelane (70)

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)

Appointed to the board in 2004.

Value added to the board: economics, executive leadership, financial acumen, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, risk management, stakeholder engagement, strategic leadership, sustainability best practice, transformation best practice

Mike Arnold (65)

Non-executive director

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

Appointed to the board in 2009.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, financial expert, governance and ethics, international experience, legal and regulatory compliance, mining strategy, mining technical expertise, risk management, strategic leadership, tax expertise, technical insight

Anton Botha (69)

Independent non-executive director

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

Appointed to the board in 2009.

Value added to the board: commercial and business acumen, economics, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, stakeholder engagement, strategic leadership, sustainability best practice, tax expertise, technology and information, transformation best practice

David Noko (65)

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)

Appointed to the board in 2017.

Value added to the board: commercial and business acumen, engineering, executive leadership, governance and ethics, government relations, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight

Joaquim Chissano (82)*

Independent non-executive director

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

Appointed to the board in 2005.

Value added to the board: governance and ethics, government relations, human capital best practice, international experience, strategic leadership

* Non-South African.

Pitsi Mnisi (39)

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)

Appointed to the board in 2020.

Value added to the board: commercial and business acumen, executive leadership, financial acumen, financial expert, governance and ethics, human capital best practice, international experience, legal and regulatory compliance, mining strategy, health and safety, operational experience, strategic leadership, tax expertise

Brian Kennedy (62)

Independent non-executive director

MSc Eng (elec), MBA (Wits); advanced management programme (Harvard University); non-executive directors course (Insead)

Appointed to the board in 2022.

Value added to the board: commercial, business and financial acumen, governance and ethics, government relations experience, human capital best practice, stakeholder engagement, strategic and executive leadership

Mangisi Gule (70)

Independent non-executive director

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

Appointed to the board in 2004.

Value added to the board: executive leadership, governance and ethics, human capital best practice, mining strategy, health and safety, stakeholder engagement, strategic leadership, transformation best practice

Jan Steenkamp (68)

Independent non-executive director

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

Appointed to the board in 2017.

Value added to the board: commercial and business acumen, engineering, executive leadership, financial acumen, governance and ethics, international experience, mining strategy, mining technical expertise, health and safety, operational experience, risk management, stakeholder engagement, strategic leadership, sustainability best practice, technical insight, transformation best practice

Bongani Nqwababa (56)

Independent non-executive director

BAcc (hons) (University of Zimbabwe), FCA (Institute of Chartered Accountants of Zimbabwe), MBA (with merit) (jointly awarded by universities of Wales, Bangor and Manchester)

Appointed to the board in 2022.

Value added to the board: commercial and business acumen, financial expert, governance and ethics, government relations experience, mining strategy, risk management, stakeholder engagement, strategic and executive leadership, sustainability best practice

Report of the audit and risk committee

This report is provided by the audit and risk committee appointed for the 2022 financial year (F2022) in compliance with section 94 of the Companies Act.

ESG

Information on the membership and composition of the committee, terms of reference and procedures appears in the ESG report on 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 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 49 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 19 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, and 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 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 Limited (JSE) letter on the proactive monitoring process, dated 9 November 2021, considered the JSE's report titled "Reporting back on proactive monitoring of financial statements in 2021"
- Considered the company's response to the areas of improvement to the 2021 Mineral Resources and Mineral Reserves Report set out by the JSE in its review thereof
- 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 F2022 annual financial statements
- The impact of global developments on our business
- Impairment indicators and impairment reversal indicators at all operations including the impairment reversal at ARM Coal.

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 controls
- 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's system 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 2022. 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 whistleblowers' 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 F2023, the audit and risk committee will consider, inter alia:
- Management's control over key risks including transportation, water and cybersecurity risks
- The seamless process to hand over to the new external auditor
- 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 (72)	FRANK ABBOTT (67)	ANTON BOTHA (69)	ALEX MADITSI (60)	PITSI MNISI (39)	DR REJOICE SIMELANE (70)
BCom (Wits), CA(SA)	BCom (University of Pretoria), CA(SA), MBL (Unisa)	BCom (marketing) (University of Pretoria), BProc (Unisa), BCom (hons) (University of Johannesburg), senior executive programme (Stanford, USA)	BProc (University of the North), LLB (Wits), HDip company law (Wits), LLM company and labour law (Pennsylvania, USA), LLM international commercial law (Harvard, USA)	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)	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 February 2011	Member since 2021	Member since June 2010	Member since July 2004	Member since December 2020	Member since July 2004
Independent non-executive director.	*Independent non-executive director.*	*Independent non-executive director.*	*Lead independent non-executive director.*	*Independent non-executive director.*	*Independent non-executive director.*
Committees Chairman of audit and risk committee, member of investment and technical, non-executive directors' and remuneration committees	**Committees** Member of audit and risk, investment and technical, and non-executive directors' committees	**Committees** Chairman of remuneration committee, member of audit and risk, investment and technical, and non-executive directors' committees	**Committees** Chairman of nomination and non-executive directors' committees, member of audit and risk, investment and technical, remuneration and social and ethics committees	**Committees** Member of audit and risk and non-executive directors' committees	**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 in the notice of annual general meeting, available on the website.*
2 *All members of the audit and risk committee standing for re-election are independent non-executive directors.*
3 *The résumé of Mr B Nqwababa, an independent non-executive director standing for election to this committee, appears in the notice of annual general meeting, available on the website.*

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 24 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 2022, we believe that, in all material respects, they comply with the relevant provisions of the Companies Act, IFRS as issued by the International Accounting Standards Board (IASB) the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the JSE Listing Requirements, 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 2022 annual financial statements, which will be open for discussion at the annual general meeting.

TA Boardman
Chairman of the audit and risk committee

Johannesburg
7 October 2022

Social and ethics committee chairman's report

Dr Rejoice Simelane Chairman of the social and ethics committee

ARM's strategic priorities to operate safely, responsibly and efficiently, and to partner with communities and other stakeholders, are founded on responsible environmental, social and governance (ESG) practices and our commitment, as ICMM members, to mining with principles.

Responsibilities

Ultimate responsibility for monitoring the effective management of sustainable development lies with the ARM board. The board delegates this responsibility to the social and ethics committee.

The committee is constituted under regulation 43(5)(c) of the Companies Regulations promulgated under the Companies Act. Its purpose 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.

The committee operates according to its terms of reference, which are regularly updated, and assumes responsibility for matters assigned by the board. It draws relevant matters to the attention of the board and reports to shareholders at annual general meetings.

Social and ethics committee chairman's report continued

The committee 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 identified by the enterprise risk management (ERM) process. This in turn considers internal and external stakeholders as well as governance processes.

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 independent. Members have extensive experience in mining operations, human resources, sustainable development and stakeholder engagement. Invitees to meetings include the chief executive officer, executive director: investor relations and new business development, divisional chief executives, executive: risk and sustainability, group executive: human resources, group executive: legal and group executive: compliance and stakeholder relations.

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

The committee had four scheduled meetings in F2022. Attendance is shown on page 129 of the ESG report.

Engaging and collaborating to promote good ESG practice

Mining and processing unlock the value in mineral reserves, catalysing growth and development. As we conduct our activities, we never lose sight of our responsibility to manage and mitigate any potential negative impacts. We recognise that we operate in a broader context and endeavour to build on our good relationships with stakeholders and engage them in open dialogue.

We share learnings and implement industry good practice across operations and with our peers in industry associations. ARM is a member of the ICMM, shares its commitment to mining with principles and has implemented its sustainable development framework. Since 2019, ARM operations and the corporate office have completed self-assessments against the ICMM's 38 performance expectations. For the past two years, these self-assessments were validated as part of the external assurance over ESG data performed by IBIS ESG Consulting Africa Pty Ltd.

F2022 focus

In the review period, the committee:
- Monitored tailings storage facilities (TSFs) at our managed operations
- Monitored safety improvement and rollout of a critical control management (CCM) programme to enhance risk engagement
- Received reports on and monitored the company's ongoing Covid-19 response, including vaccinations
- Oversaw transformation, gender mainstreaming and talent management initiatives
- Monitored continued implementation of enterprise development programmes, including supplier development initiatives
- Monitored ongoing initiatives to reduce carbon emissions and further improve our corporate water and climate-change reporting process. This included developing long-term decarbonisation pathways, operational GHG emission-reduction targets and finalising context-based water targets
- Monitored allegations received via ARM's whistleblower facility, including complaints or concerns on sustainable development matters
- Considered management reports on compliance 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 ARM's performance against the BBBEE codes of good practice
- Received reports on compliance with the National Environmental Management Act (NEMA), 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 CoGP targets, as well as the company's adoption of standards of good practice.

Safety, health and wellness

ARM is committed to zero harm and we prioritise the safety, health and wellbeing of our employees and contractors in striving for this goal. Regrettably, two colleagues were fatally injured in separate accidents at Modikwa and Two Rivers mines in F2022. We extend our heartfelt condolences to the families of Mr Jacob Puleng Leshaba and Ms Phasoana Rheina Malatji, their friends and colleagues.

Both accidents were thoroughly investigated and the learnings and opportunities for improvement were presented to the committee. The operations implemented the remedial actions agreed with the Department of Mineral Resources and Energy (DMRE) following these incidents and initiatives are ongoing at all operations to ensure that safety training continues and safety standards are strictly upheld. These include implementing the CCM process, which is complete at Beeshoek and Black Rock mines, and at an advanced stage at the other mines. Both mines passed significant safety milestones during the year, with Black Rock Mine achieving 10 million fatality-free and Beeshoek Mine achieving 5 million fatality-free shifts, which took 13 and 18 years respectively to achieve.

The group's integrated wellness management programme focuses on preventing occupational health hazards from affecting the health of employees and contractors, and actively identifying and managing health risks and chronic conditions that could affect their wellness and quality of life. These programmes prioritise effective management of hearing conservation, tuberculosis (TB), HIV and Aids, occupational lung diseases and chronic conditions.

Our programmes support the national agenda to address TB and HIV and Aids. Khumani, Black Rock, Beeshoek, Modikwa and Two Rivers mines have memorandums of understanding (MoUs) with the regional Departments of Health (DoH) to strengthen the implementation of provincial strategies related to TB, HIV and Aids, sexually transmitted infections and chronic disease management. The MoUs also extend primary healthcare services to contractors and communities. The clinics continue to engage other stakeholders such as the DoH and community NGOs in conducting wellness campaigns in the workplace and the community, which include TB and HIV and Aids awareness and outreach.

We continued to proactively prevent the spread of Covid-19 through strict health and safety measures at all operations and ARM corporate office. A total of 7 716 employees were tested in F2022, with 1 891 positive tests. 99% of positive cases recovered compared to the national rate of 96.3%. Sadly, we lost 12 of our colleagues during the year, bringing to 46 the number of colleagues we have lost to Covid-19 since the onset of the pandemic. We extend our condolences to their families, friends and colleagues.

Initiatives to promote vaccination continue and at year end 14 939 employees were fully vaccinated, representing 73% of the workforce, compared to the mining industry figure of 75% and national rate of 51%. 2 683 community members were vaccinated at ARM-managed sites during the year.

Developing our human capital and driving transformation

Implementation of the group diversity management policy is overseen by the employment equity and skills development committee. Transformation is embedded in succession planning, management recruitment, selection and promotion to improve representation of historically disadvantaged persons (HDPs) and women, which continues to increase at all management levels. Skills development is critical for developing internal talent and, in F2022, ARM invested R198 million in these programmes. The majority of candidates on our leadership development programmes are HDPs and a high proportion are women.

Gender mainstreaming continues across the group, with the gender mainstreaming and development framework integrating a gender perspective into all phases of planning cycles, policies, programmes and projects. We have engaged a labour law specialist to conduct a high-level evaluation of group policies for gender sensitivity that will be rolled out to the operations.

These initiatives form part of ARM's broader focus on transformation, which includes 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 2021 as required by the mining charter.

Social and ethics committee chairman's report continued

Support for local communities

Infrastructure development comprised 77% of our R150 million corporate social responsibility investment in F2022. These projects are identified in partnership with local government and community representative structures.

We provide support for community education and skills development through direct support for local schools, bursaries, adult education and training opportunities as well as learnerships and a graduate development programme.

Enterprise and supplier development programmes at the operations promote local job creation and economic development for local black-owned, black youth-owned and black women-owned companies. Programmes include 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. We announced our long-term greenhouse gas (GHG) emission reduction target at the start of F2022, which aims to achieve net zero GHG emissions (scope 1 and 2) mining by 2050. This year we focused on developing operation specific decarbonisation pathways that detail the short and medium term steps that need to be taken to achieve that target.

Globally, water systems are under threat from rising consumption, pollution, weak governance and climate change. ARM is exposed to increased water-related risks that could affect production, increase costs, constrain growth, disrupt our supply chains and place our communities under strain. We have made significant advances in measuring water impacts and water reporting over the last four years and are making progress towards reporting water data according to the revised ICMM water accounting framework guideline. Context-relevant water targets or objectives were set for operations with material water-related risks, aligned with ICMM guidance.

More information is available in the 2022 climate change and water report, which provides increased transparency and comparability in water and climate-change reporting that aim to meet the requirements of a broad range of stakeholders.

The tragic events at Jagersfontein early in September 2022 serve as a timely reminder of the dangers presented by TSF failures.

Responsible management of TSFs is a priority for ARM, the mining industry and investors. In addition to the critical compliance requirements set in the guidelines of the DMRE and the South African National Standard on the management of mine residue (SANS 10286), ARM has implemented a TSF management policy and standard that align with appropriate good-practice standards nationally and internationally, including the programme for alignment to the Global Industry Standard on Tailings Management (GISTM).

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.

During the year, 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. Ongoing engagements with regulators ensure that the required licences and permit applications are approved and in place, so 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.

Environmental incidents and ARM's response are discussed on pages 55 and 68 of the ESG report.

Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of an independent external sustainability assurance provider for the 2022 ESG report, in line with the ICMM and related sections of the 2022 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.

Acknowledgements

I thank my colleagues on the social and ethics committee and board for their diligent contribution during the year. On behalf of the board, I thank management and employees for their hard work during the year and for continuing to demonstrate 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.

We remain mindful that ARM's ability to create value depends on the value we create for others and thank all our stakeholders for their support and positive engagements.

Dr RV Simelane
Chairman of the social and ethics committee

Focus for F2023

- Oversight of refining operation-specific long-term decarbonisation pathways, setting revised GHG reduction targets and measures to achieve those targets
- Monitoring safety improvement programmes and implementation of the critical control management process across all managed operations
- Oversight of transformation, gender mainstreaming and talent management initiatives
- Monitoring enterprise development programmes, including supplier development initiatives
- Monitoring environmental priorities, carbon emission-reduction initiatives and further improvements to our corporate water and climate-change reporting process
- Complete alignment to GISTM for high-risk TSFs.

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 supports the board by applying a remuneration strategy that is focused on attracting, motivating, rewarding and retaining talent through competitive remuneration practices, while creating shareholder value. Stakeholder feedback is considered in regular reviews of our remuneration policy, which gives effect to the remuneration strategy by supporting business objectives in the wider operating environment and offering a balanced remuneration mix based on the principles set out below.

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 before external reporting of the pay gap so that our reporting is consistent.

Fixed pay

The board approved cost-to-company salary increases in the corporate office from 1 July 2022 based on the current and forecast consumer price index (CPI), as follows:

Paterson grade	Role	F2023 increase	F2022 increase
F-band	• Executives (including executive directors)	5% (CPI – 1.5%)	5.2% (CPI)[1]
D- and E-bands	• Middle and senior management	5% (CPI – 1.5%)	6.2% (CPI + 1%)
A- to C-bands	• General staff	6.5% (CPI)[2]	7.2% (CPI + 2%)

[1] *CPI of 5.2% at May 2021 as published by StatsSA.*
[2] *CPI of 6.5% at May 2022 as published by StatsSA.*

At the bargaining-unit level for our managed operations, wage agreements for employees at Two Rivers Mine 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 multi-year agreements have been negotiated. The Machadodorp Works, Modikwa Mine and Two Rivers Mine C-band bargaining units started wage negotiations in June 2022 and agreements have been concluded at Machadodorp Works and Modikwa. Negotiations at Two Rivers Mine (C-band) are still in progress.

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	Monitoring our fair and responsible pay	Pay-for-performance	Training and developing our talent
We aim to maximise our employee value proposition. We are committed to offering equitable, market-related and competitive wages to all employees. We operate various wellness programmes to support our employees' mental health and wellbeing.	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.	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.	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 85 of the ESG report.

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 F2022 profit before interest and taxes (PBIT) was 30% above target
- Profit targets were met at all divisions (ie ARM Platinum, ARM Ferrous and ARM Coal)
- Costs at Beeshoek, Sakura and Machadodorp Works were better than plan
- Overall ARM Platinum, ARM Ferrous, ARM Coal and ARM group were worse than plan on cost targets
- Despite the improved lost-time injury frequency rate, there were regrettably two fatalities (one each at Modikwa and Two Rivers) in F2022. The fatality adjusted safety modifier for ARM Platinum was -3.33%
- 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 6.25%
- 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. Conditional share awards settled in F2022 under The African Rainbow Minerals 2018 Conditional Share Plan were based on six performance criteria, and adjusted for dividend equivalents as follows (also see page 57):

- Total shareholder return against a comparator group of 20 mining companies (excluding gold and diamond companies)
- Average free cash flow return on equity
- Consistent and sustainable cost performance

Summarised remuneration report continued

- Improved safety performance (measured by lost-time injury frequency rate or LTIFR)
- Improvement in broad-based black economic empowerment (BBBEE) score
- Performance against climate-change targets.

Performance shares settled in F2022 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 prior 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 absolute savings due to emission-reduction initiatives, comprising:
    - 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.

Stakeholder engagement

At the 2021 annual general meeting, the non-binding advisory votes on ARM's remuneration policy and implementation report were each supported by 97.23% and 97.69%, respectively, 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. As implied by the high level of votes in favour, there was limited feedback on remuneration at the previous annual general meeting, summarised below.

Stakeholder engagement on voting

Feedback	Response
Long-term incentives: Some shareholders indicated that they would monitor the use of provisions to make conditional share plan awards on an annual basis to reduce the risk of unanticipated outcomes due to share price volatility and cyclical factors.	The company makes interim allocations of conditional share plan awards, rather than annual allocations, to participants whose tenure in the first year of employment is insufficient to be eligible for an annual award.
Short-term incentives – stretch targets: A shareholder enquired how F2021 stretch targets had been revised in light of the effects of the pandemic.	The short-term incentive stretch targets were achieved despite the pandemic and required no revision.
Executive directors' remuneration: A shareholder enquired about the reasons for the executives' particularly high total single-figure remuneration in F2021.	The quantum of remuneration was due in large part to the settlement of previously issued long-term share scheme awards, where the value of the shares had increased significantly from award date, which reflects the concomitant premium shareholder return.

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 2022 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 are 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 27), in 2021 ARM set a target of net-zero greenhouse gas emissions from mining by 2050. Last year, we set appropriate climate-change performance targets that applied to awards 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 2022 to 30 June 2025. These targets are unchanged. Understanding that our 2050 goal will require a more profound change in the way we work, we continue to work on decarbonisation pathways to develop more specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in the F2023 remuneration report.

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

We considered the shift in the greenhouse gas reporting boundary from equity share to operational control in line with the market (as discussed on page 56 of the ESG report). The new reporting boundary will only be applied to the measurement of performance conditions for long-term incentive awards granted from F2023 onwards, and not to outstanding awards made from F2019 to F2022. This approach ensures consistency and fairness of measurement for prior awards.

Proposed amendments to the 2018 conditional share plan

We have proposed an amendment to the 2018 conditional share plan to align with latest practice. If approved, this will change the rule for retiring participants from early pro-rata vesting on retirement (with unvested awards lapsing) to vesting in full on the original vesting date if applicable performance conditions are met. This provides for post-retirement exposure to share price and company performance, encouraging focus by executives on succession and sustainability.

The remuneration policy achieved its stated objectives in F2022 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

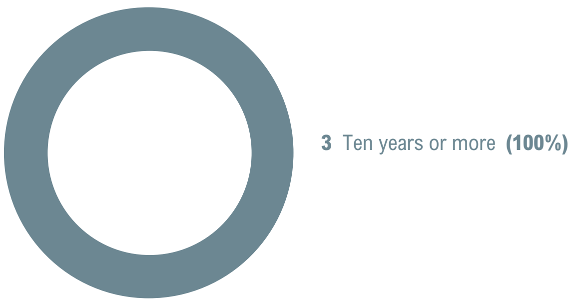
To align with best remuneration-disclosure practices and the King IV Report on Corporate Governance for South Africa 2016 (King IV), the remuneration report is presented in three parts: a background statement from the committee chairman; an overview of the remuneration policy for senior executives and,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

Remuneration governance framework

Composition

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

Tenure: Remuneration committee



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 scheduled committee meetings were held in F2022. See meeting attendance summary on page 129 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, chief operating officer, 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 F2022, the committee was advised by remuneration consultants, PricewaterhouseCoopers (PwC), on the verification of calculations for settling 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.

As the 2018 conditional share plan (CSP) and 2018 cash-settled CSP were settled for the first time in F2022, the remuneration committee relied on independent assurance reports:

- Andisa provided assurance on dividend-equivalent shares and dividend-equivalent cash payments
- Honeycomb provided an independent assessment of broad-based black economic empowerment performance
- IBIS provided assurance on environmental incidents
- PwC provided an independent assessment of total shareholder returns
- Bowmans provided assurance on the overall long-term incentive vesting outcomes.

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 2022. 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 the 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 F2022

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
- Monitoring the short-term incentive scheme, including:
  - The ongoing risk for F2023 from the pandemic and global supply-chain constraints, and recommending that the board maintain a cap on the maximum bonus payable
  - Any fatalities during the year and recommending that the board adjust the modifier taking into account the context of such fatalities
- Reviewing provisions for termination of employment in the 2018 conditional share plan and 2018 cash-settled conditional share plan
- Making recommendations to shareholders regarding amendments to the 2018 conditional share plan
- Recommending the procedure to be adopted for the annual allocation and settlement of long-term incentives due to the delay of initiating the Bokoni Platinum Mine transaction
- 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
- Recommending a change to provisions for retirement in the long-term incentive plans to align with latest practice and the emerging trend of post-termination of employment shareholding
- Reviewing malus and clawback policy.

Focus areas for F2023

- Recommending corporate bonus parameters for F2023 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
- 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

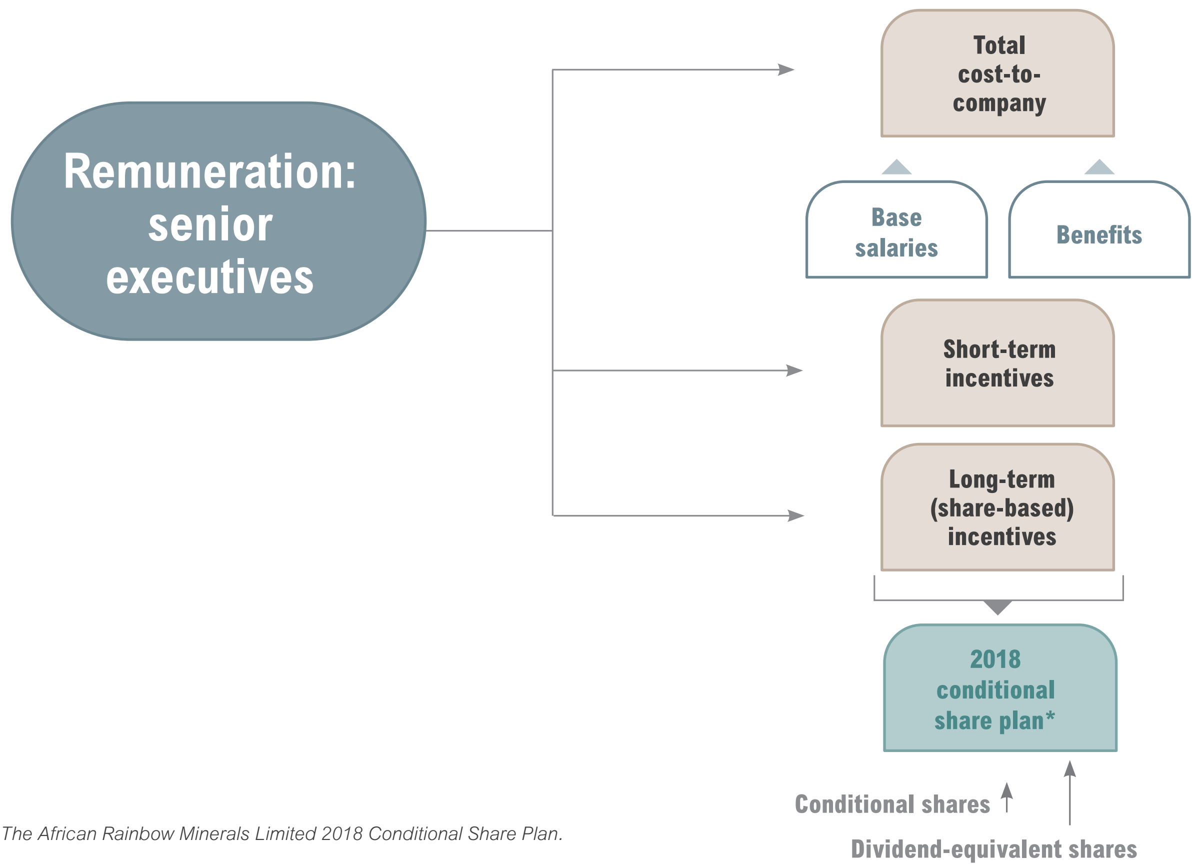
Philosophy

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 with 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** (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
Strategic alignment	
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 F2023 of 5% for executives approved from 1 July 2022 (F2022: 5.2%) • 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.

Short-term incentives continued

Instrument

Cash under the outperformance bonus scheme.

Bonus percentages

After considering a recommendation from ARM's remuneration consultants to mitigate the risk in F2023 amid ongoing uncertainty due to continuing global uncertainty and risk, the maximum bonus payable in F2023 will be capped as in F2022 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 F2023 actual performance relative to targets set for F2022. 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. Therefore, for F2023 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are unchanged from F2022, as shown below:

Position	Paterson grade	F2022 % on-target bonus of CTC	F2022 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 (from ARM Ferrous, ARM Platinum and ARM Coal), 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.

Summarised remuneration report continued

Short-term incentives continued

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.

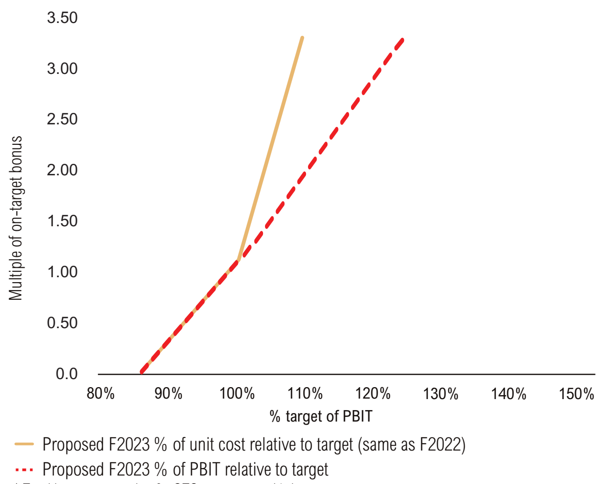
Performance targets

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. F2023 PBIT targets relative to F2022 PBIT targets are set out below. The requirement for the achievement of the maximum bonus award (as a percentage of target) has been increased to 125% for F2023 compared to 120% for F2022 due to the reduction in the target to be achieved to receive on-target awards. F2023 cost target percentages are unchanged from F2022.

%	F2023 PBIT targets*
ARM group	**(24%)**
ARM Ferrous	**(26%)**
ARM Platinum	**(32%)**
ARM Coal	**>200%**

* *Based on approved F2023 plan relative to F2022 targets. The F2023 plan will be trued up for opening balances.*

F2023 bonus structure*



** Total bonus capped at 2x CTC – see page 41: bonus percentage*

Short-term incentives continued

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 added. 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 (F2023)

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.

Instrument

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

Limits

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

Award and settlement

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

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.

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

Long-term incentives continued

2018 conditional share plan (F2023) 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 are 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 company's unit costs over three-year performance period compared with 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 lost-time injury frequency rate (LTIFR).	10%	Improvement of 3% over period (50% vesting)	Improvement of 4% over period (100% vesting)	Improvement of 5% over period (200% vesting)
Improvement in the BBBEE 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: absolute reduction in greenhouse gas emissions through initiatives that reduce:

- Emissions from direct production activities (ie scope 1 emissions)
- Emissions from electricity consumption (ie scope 2 emissions) due to emission-reduction initiatives determined at the end of the performance period from 1 July 2022 to 30 June 2025 (F2023 performance period), relative to the saving for F2022.

Threshold: maintain level of savings in F2022, ie maintain initiatives implemented since F2018 and still actively reducing emissions at the beginning of the F2023 performance period (50% vesting).

Target: 2% further absolute reductions in aggregate of scope 1 and 2 emission levels at the end of the F2023 performance period against level of savings at the beginning of the F2023 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 F2023 performance period against level of savings at the beginning of the F2023 performance period (200% vesting).

Measurement: measuring these performance targets is based on reductions relative to a business-as-usual baseline. The approach is based on an industry-accepted methodology (ie Greenhouse Gas 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, it may substitute or vary the performance condition in 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 (F2023) continued

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, and the applicable resolution is approved at the 2022 annual general meeting, 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

Performance shares (last allocation in F2019) 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

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 48.

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

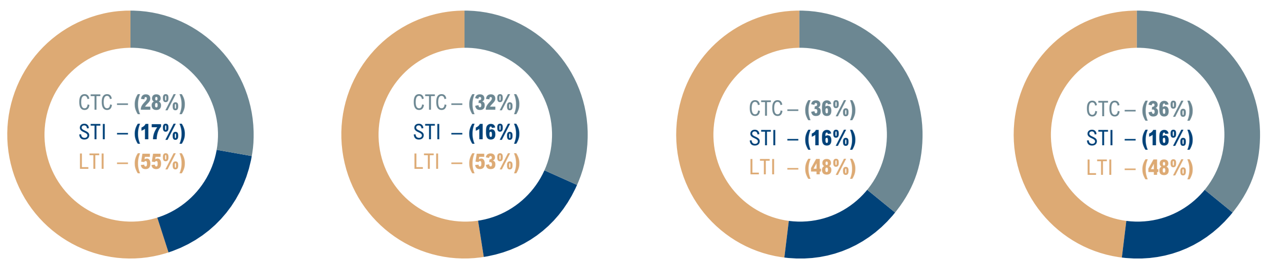
* *Unless the board determines otherwise.*

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] | **Chief executive officer** | **Finance director[1]** | **Other executive directors and prescribed officer[2]**



■ *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 VP Tobias, HL Mkatshana, 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 Mesdames J Magagula (executive director: investor relations and new business development) and TTA Mhlanga.

The company also has employment agreements with the prescribed officers, Messrs A Joubert (chief executive: ARM Ferrous) and VP Tobias (chief operating officer).

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 prescribed officers 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 officers.

Chief operating officer sign-on arrangements

Mr VP Tobias was appointed as ARM's chief operating officer from 15 November 2021. In terms of a formal agreement, he will receive:

- Cash sign-on awards paid as follows and provided he remains in ARM's employ:
  - 2022: R1 262 496 on 15 November 2022
  - 2023: R2 133 781 on 15 November 2023.

He received an annual long-term share incentive award in the F2022 allocation under the African Rainbow Minerals Limited 2018 conditional share plan, based on the award multiple applicable to his role (ie 1.33 times cost-to-company).

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 F2022. The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5% in F2023 (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 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% 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 2022 (excluding VAT) (R)*		Fees from 1 July 2021 (excluding VAT) (R)	
	Annual retainer	**Per meeting**	Annual retainer	Per meeting
Lead independent non-executive director	**643 600**	**24 550**	612 950	23 400
Independent non-executive directors	**513 500**	**24 550**	489 050	23 400
Non-executive directors	**513 500**	**24 550**	489 050	23 400

* *Effective 1 July 2022, should fees be approved by shareholders at the 2022 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.

The company reimburses reasonable travel, subsistence and accommodation expenses to attend meetings and contributes towards the cost of tablets 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 2022 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)
Audit and risk committee		
Chairman	**128 350**	122 250
Member	**51 350**	48 900
Investment and technical committee, nomination committee, remuneration committee, social and ethics committee (or other committee(s) performing substantially the same function)**		
Chairman	**63 650**	60 600
Member	**33 600**	32 000

* *Effective 1 July 2022, should fees be approved by shareholders at the 2022 annual general meeting.*

** *The name of the committee was changed from the investment committee to the investment and technical committee in December 2021.*

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.

Consultancy 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.
In F2023, the company has:

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

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

Details of amounts paid in F2022 under non-executive directors' fees appear in part III.

Non-binding advisory vote

Annually, shareholders are requested to cast a non-binding advisory vote on the remuneration policy set out in part II.

AGM See notice of annual general meeting on the company's website.

Summarised remuneration report continued

PART III – implementation report: F2022

Directors' remuneration: executive directors and prescribed officers

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

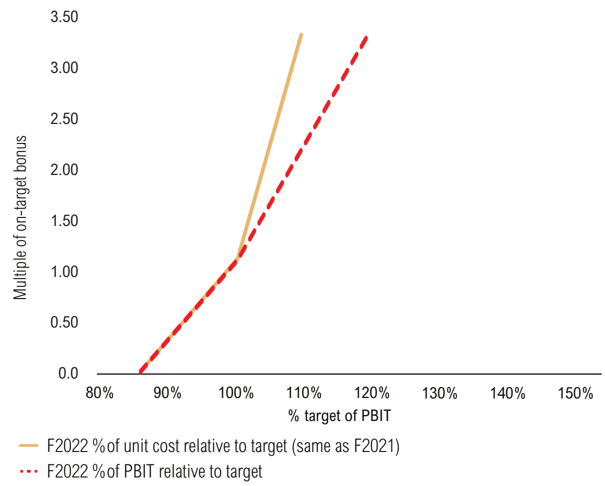
Salary adjustments

The board approved a cost-to-company increase of 5.2% for senior executives for F2022 (F2021: 3%).

F2022 short-term incentive performance targets

The F2022 targets for profit before interest and taxes (PBIT) and costs are shown alongside.

F2022 bonus structure



Performance against bonus targets for F2022 was as follows:

Profitability*

Above target

ARM Ferrous

ARM Platinum

ARM Coal

ARM group

Cost targets

Overall worse than plan

ARM Ferrous

ARM Platinum

ARM Coal

ARM group

Safety modifier**

Maximum achieved

ARM Ferrous

ARM Coal

Between target and maximum

ARM group

Not achieved

ARM Platinum

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

F2022 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.

F2022 short-term incentive performance scorecard: executive directors and ARM corporate prescribed officer

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%	●				0.63	Between threshold and target (OTB multiple = 0.63)
Group performance outcome before capping	100%						1.82	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.63)
Group performance outcome (capped at 2.00*)	100%						1.82	Capped at 2.00*
Group safety modifier adjusted for fatalities					●		6.25%	Between target and stretch (6.25%)

OTB = on-target bonus.

* *In terms of the board-approved remuneration policy for F2022, performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.*

Summarised remuneration report continued

F2022 short-term incentive performance scorecard: ARM Ferrous prescribed officer

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

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
		Performance level achieved						
Group performance	50%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3.00)
• Unit cost of sales (weighted)		50%	●				0.63	Between threshold and target (OTB multiple = 0.63)
Group performance outcome before capping	50%						1.82	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.63)
Group performance outcome (capped at 2.00*)	50%						1.82	Capped at 2.00*
Divisional performance	50%							
ARM Ferrous • PBIT from division		50%			●		2.27	Between target and stretch (OTB multiple = 2.27)
ARM Ferrous • Unit cost of sales (weighted)		50%	●				0.64	Between threshold and target (OTB multiple = 0.64)
Divisional performance before capping	50%						1.46	50% of OTB multiple from PBIT from operations (2.27) + 50% of OTB multiple from unit cost of sales (0.64)
Divisional performance (capped at 2.00*)	100%						1.46	Capped at 2.00*
Overall performance from group and division	100%						1.64	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 F2022, the performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.*

The F2022 remuneration outcomes are summarised below. The total F2022 bonus was payable in cash and no portion was deferred.

F2022 short-term incentive performance outcomes: executive directors and prescribed officers

	F2022 % on-target bonus	F2022 % maximum bonus (before safety and personal performance modifiers)	F2022 performance multiple[4]	F2022 % bonus (before safety and personal performance modifiers)[5]	F2022 safety modifier adjusted for fatalities[6]	F2022 % bonus (after safety and before personal performance modifiers)[7]	F2022 personal performance modifier	F2022 % bonus (after safety and personal performance modifiers)[8]	F2022 total annual package before incentives (excluding non-cash benefits) (R000)[9]	F2022 short-term incentives (cash bonus) (R000)[10]
Executive directors										
Dr PT Motsepe[1]	62%	124%	1.82	113.0%	6.25%	120.0%		120.0%	8 998	10 760
MP Schmidt[2]	50%	100%	1.82	90.8%	6.25%	96.4%		96.4%	9 396	9 061
J Magagula	45%	90%	1.82	81.7%	6.25%	86.8%	4.67%	91.5%	4 157	3 801
TTA Mhlanga	45%	90%	1.82	81.7%	6.25%	86.8%	3.86%	90.6%	5 377	4 874
HL Mkatshana	45%	90%	1.82	81.7%	6.25%	86.8%	4.12%	90.9%	5 043	4 584
Prescribed officers										
A Joubert	45%	90%	1.64	73.6%	10.00%	81.0%	2.75%	83.7%	5 764	4 825
VP Tobias[3]	45%	90%	1.82	81.7%	6.25%	86.9%	4.34%	91.3%	4 408	4 023

OTB = on-target bonus.
The percentage values and multipliers displayed are rounded to three significant digits.

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 *Mr VP Tobias was appointed chief operating officer from 14 November 2021 and the cost-to-company portion of the total annual package is the amount received for the applicable portion of the full financial year.*

4 *In terms of the board-approved remuneration policy for F2022, the performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00. Refer to the scorecards on pages 53 and 54 for the performance multiples.*

5 *The % bonus (before safety and personal performance modifiers) is the % on-target bonus times the performance multiple (rounded).*

6 *As independently assured by Bowmans. Refer to the scorecards on pages 53 and 54 for the safety modifiers.*

7 *The % bonus (after safety and before personal performance modifiers) is the % bonus (before safety and personal performance modifiers) times (1 plus the safety modifier adjusted for fatalities) (rounded).*

8 *The % bonus (after safety and personal performance modifiers) is the % bonus (after safety and before personal performance modifiers) plus the personal performance modifier (rounded).*

9 *Per the single-figure remuneration table on page 60.*

10 *The short-term incentives (cash bonus) is the % bonus (after safety and personal performance modifiers) times the total annual package before incentives (excluding non-cash benefits), as shown on the single-figure remuneration table on page 60.*

F2022 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. The awards would usually have been made in December; however, the award date was delayed as the company was in a prohibited period for trading in the company's securities due to the Bokoni transaction, which was finalised in December 2021. This was followed by the interim results closed period, which ended in early March 2022. The awards were therefore made on 8 March 2022. The applicable performance period remained 1 July 2022 to 30 June 2025.

F2022 long-term incentive performance outcomes

Settlement of F2018 conditional share awards and the F2018 conditional awards

Awards granted under the 2018 CSP and the 2018 cash-settled CSP were originally due to vest in December 2021, but vesting was delayed by the closed periods, as noted above.

The performance period was 1 July 2018 to 31 July 2021.

The final vesting date of these awards was the date of determination by the board of the extent to which the applicable performance conditions had been met (the vesting percentage), being 8 March 2022.

The 2018 CSP awards that vested also included dividend-equivalent shares and the 2018 cash-settled CSP awards include dividend-equivalent payments. These additional amounts reflected dividends paid between the award date and settlement date, if applicable.

Summarised remuneration report continued

The number of shares settled to holders of **2018 CSP awards**, based on these parameters was:

Number of awards x vesting percentage x (1 + dividend-equivalent shares per award)

The cash payable to holders of **2018 cash-settled CSP awards**, based on these parameters was:

Number of awards x vesting percentage x **settlement amount per award***

* ***Settlement amount per award*** *is the 20-day volume-weighted average price on the vesting date plus the dividend-equivalent payment per award.*

Each performance outcome as well as the overall vesting percentage was independently assured.

The quantum of long-term incentives was due to the total vesting percentage above 100%, dividend-equivalent shares and the value of the shares, which had increased significantly from the award date.

Vesting percentages

Vesting percentages per performance condition and in total are shown below:

Performance conditions	Weighting	Below threshold	Threshold	Between threshold and target	Target	Between target and stretch	Stretch and above	Vesting percentage	Weighted percentage	Commentary on performance condition measurement and link to reward
Relative total shareholder return (TSR)	25%						●	200%	50%	ARM's TSR performance was above the upper quartile of the comparator group of 20 mining companies (excluding gold and diamond companies)[1]
Average free cash flow return on equity	25%						●	200%	50%	ARM's return was above the US$ cost of equity of the company plus 6%[2]
Consistent and sustainable cost performance	25%						●	200%	50%	The unit cost increase was below 80% of the increase of the mining producer price index (PPI)[3]
Sustainable business										
Safety performance	10%	●						0%	0%	ARM's safety performance, as measured by the lost-time injury frequency rate (LTIFR) did not improve over the three-year performance period[4]
Improvement in BBBEE score	10%	●						0%	0%	ARM's BBBEE score did not improve over the three-year performance period[4]
Environmental compliance	5%						●	100%	5%	ARM had no material environmental incidents over the three-year performance period
Total vesting percentage									**155%**	

[1] *The table below shows the TSR of ARM and comparator group companies and results of the relative TSR calculation for the performance period from 1 July 2018 to 30 June 2021:*

Rank	***Company****	***Rank***	***Company****
1	*Impala Platinum Holdings Ltd*	*10*	*Tharisa plc*
2	*Northam Platinum Ltd*	*11*	*Glencore plc*
3	*Anglo American Platinum Ltd*	*12*	*South32 Ltd*
4	*Royal Bafokeng Platinum Ltd*	*13*	*Merafe Resources Ltd*
5	*Kumba Iron Ore Ltd*	*14*	*Wescoal Holdings Ltd*
6	*Anglo American plc*	*15*	*Hulamin Ltd*
7	*ArcelorMittal South Africa Ltd*	*16*	*MC Mining Ltd*
8	*Exxaro Resources Ltd*	*17*	*Kore Potash plc*
9	*BHP Group plc*		

TSR returns are as follows:

ARM	*43.12%*
Median	*20.01%*
Upper quartile	*42.60%*
Vesting %	***200.00%***

Vesting is capped at 200% for performance at and above stretch.

Source: PwC

* *Companies that delisted during the performance period were excluded from the TSR testing.*

2 *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** repayment of debt*

The vesting percentage due to the US$ free cash flow return performance is detailed below:

Free cash flow return on equity	*17.10%*
US$ weighted average cost of capital (WACC)	*10.94%*
Stretch return (US$ WACC +6%)	*16.94%*
Vesting %	***200.00%***

Vesting is capped at 200% for performance at and above stretch.

3 ***Consistent and sustainable cost performance** is measured against the mining producer price index (PPI), ie the compound annual growth rate of company's unit costs over the three-year performance period compared with mining PPI. Vesting is capped at 200% for performance at and above stretch.*

*2018 – 2021 mining PPI increase**	*74.15%*
2018 – 2021 unit cost increase	*Less than 80% of mining PPI*
Vesting %	***200.00%***

**Source: Statistics SA*

Vesting is capped at 200% for performance at and above stretch.

4 *The vesting percentage is 0% vesting for the applicable performance measure if performance is below threshold.*

Dividend equivalent shares and dividend equivalent cash payments

The dividend equivalent shares and dividend equivalent cash payments for awards which were due to vest in December 2021 were calculated on the basis of the dividend amounts and the ex-dividend dates sourced from the applicable SENS announcements and on the 20-day volume-weighted share price following the ex-dividend dates.

The calculations were assured by Andisa.

The number of dividend equivalent shares per CSP award granted on 7 December 2018 was 0.2997 per award, and the value of dividend equivalent payments per cash-settled CSP award granted on 7 December 2018 and vested on 8 March 2022 was R55 per award.

Award	Ex-dividend date	Dividend (R)	Market value of share (R)	DE shares	DE payment
Interim dividend	Wednesday, 3 April 2019	4.00	174.89	0.0229	4.00
Final dividend	Wednesday, 25 September 2019	9.00	144.61	0.0622	9.00
Interim dividend	Wednesday, 18 March 2020	5.00	102.14	0.0490	5.00
Final dividend	Wednesday, 30 September 2020	7.00	226.64	0.0309	7.00
Interim dividend	Wednesday, 24 March 2021	10.00	275.18	0.0363	10.00
Final dividend	Wednesday, 29 September 2021	20.00	203.27	0.0984	20.00
Total dividend equivalent shares				**0.2997**	**55.00**

DE = dividend equivalent.

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

Matching performance shares were awarded to senior executives in the Paterson F-band in terms of the deferred bonus/co-investment schemes on 6 November 2018. The performance condition for the matching performance shares was based on the total shareholder return (TSR) of the company compared with that of the 20 largest mining companies listed on the JSE (excluding gold and diamond mining companies) over the applicable performance period.

The performance period would usually have been the three-year period from 6 November 2018 to 7 November 2021; however, the vesting date for this award was a Sunday, so the new vesting date was the first business day thereafter. The vesting was also delayed as the company was in a prohibited period for trading in the company's securities due to the Bokoni Platinum Mine transaction, which was finalised in December 2021, and subsequently due to the interim results closed period, which ended early March 2022, and therefore the vesting was delayed until 8 March 2022.

The remuneration committee requested that the TSR be measured over the period 6 November 2018 to 8 November 2021 as well as the period 6 November 2018 to 8 March 2022. The TSR outcomes over both performance periods (period 1 and 2 below) for these companies, as calculated by Mentenova, from data provided by Bloomberg, are shown below:

Period 1	6 November 2018 – 8 November 2021
Rank	**Company***
1	Impala Platinum Holdings Limited
2	Northam Platinum Holdings Limited
3	Royal Bafokeng Platinum Limited
4	Anglo American Platinum Limited
5	Kumba Iron Ore Limited
6	**African Rainbow Minerals Limited**
7	Anglo American plc
8	Exxaro Resources Limited
9	BHP Billiton plc
10	ArcelorMittal South Africa Limited
11	Tharisa plc
12	Glencore plc
13	South32 Limited
14	Wescoal Holdings Limited
15	Merafe Resources Limited
16	Hulamin Limited
17	Kore Potash plc

Period 2	6 November 2018 – 8 March 2022
Rank	**Company***
1	Impala Platinum Holdings Limited
2	Royal Bafokeng Platinum Limited
3	Northam Platinum Holdings Limited
4	Anglo American Platinum Limited
5	Kumba Iron Ore Limited
6	Anglo American Platinum Limited
7	**African Rainbow Minerals Limited**
8	ArcelorMittal South Africa Limited
9	BHP Billiton plc
10	Exxaro Resources Limited
11	Tharisa plc
12	Glencore plc
13	South32 Ltd
14	Merafe Resources Limited
15	Wescoal Holdings Limited
16	Hulamin Limited
17	Kore Potash plc

* *Lonmin Limited was acquired by Sibanye-Stillwater Limited during the performance period, and Tawana Resources NL and Assore Limited were delisted, so the vesting percentage is based on the TSR of the 17 surviving companies.*

ARM ranked in position 6 of the 17 surviving comparators over the first performance period, and in position 7 over the second performance period. Over both performance periods, the vesting percentage was 100% and therefore 100% of the awarded number of performance shares vested and were settled.

ESG For performance shares settled in F2022 and F2021, see page 185.

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.

ESG For bonus shares settled in F2022 and F2021 and more on unvested bonus share awards, see page 186.

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 were to lapse in October 2022; however, the exercise was delayed due to the closed periods described above. Participants exercised their share options in F2022 due to the strong share price which was above the strike price.

ESG For share options settled in F2022 and F2021 and more on unexercised share options, see page 187.

Termination-of-office payments

In F2022, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2022, 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

The executive directors and prescribed officers have met their shareholding requirements by the targets dates, or still have some time left to acquire further shares. The minimum shareholding of the executive directors and prescribed officers as at 30 June 2022 is set out below:

Executive directors and prescribed officers	Shareholding at 30 June 2022 (direct or indirect)	Shareholding at 30 June 2021 (direct or indirect)	Minimum shareholding target (first tranche)	Date to achieve first tranche	Minimum shareholding target (second tranche)	Date to achieve second tranche
Executive directors						
Dr PT Motsepe[1]	**90 696 906**	90 204 743	**62 965**	October 2018	**125 930**	October 2021
MP Schmidt	**616 454**	480 896	**41 094**	October 2018	**82 188**	October 2021
TTA Mhlanga[2]	**–**	–	**10 366**	December 2023	**20 732**	December 2026
J Magagula[3]	**6 000**	6 000	**13 705**	December 2023	**27 410**	December 2026
HL Mkatshana	**186 676**	138 032	**21 207**	October 2018	**42 413**	October 2021
Prescribed officers						
A Joubert[4]	**28 441**	82 108	**24 236**	October 2018	**48 472**	October 2021
VP Tobias[5]	**–**	–	**13 362**	December 2024	**26 724**	December 2027

[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 from 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 from 18 December 2019 and is required to meet the target for the first tranche in December 2023.*

[4] *Mr A Joubert will meet the minimum shareholding target for the second tranche by December 2022.*

[5] *Mr VP Tobias was appointed as chief operating officer from 14 November 2021 and is required to meet the target for the first tranche in December 2024.*

Summarised remuneration report continued

Single-figure remuneration: executive directors and prescribed officers

The schedules of single-figure remuneration for executive directors and prescribed officers for the years ended 30 June 2022 and 30 June 2021 are set out below.

Single-figure remuneration

				Allowances			Short-term incentives			
2022 R000	**Basic salary**	**Retirement fund contributions (including pension scheme contributions)**	**Medical benefits**	**Non-cash benefits[6]**	**Other benefits[7]**	**Total annual package before incentives**	**Cash bonus[8]**	**Total annual package after short-term incentives, before long-term incentives**	**Long-term incentives[9]**	**Total single figure remuneration**
Executive directors										
Dr PT Motsepe	8 996	–	–	10 976	2	**19 974**	10 760	**30 734**	107 897	**138 631**
MP Schmidt	8 672	585	–	–	139	**9 396**	9 061	**18 457**	69 167	**87 624**
J Magagula[1]	3 653	307	177	–	20	**4 157**	3 801	**7 958**	3 267	**11 225**
TTA Mhlanga[2]	4 923	399	42	–	13	**5 377**	4 874	**10 251**	–	**10 251**
HL Mkatshana	4 504	376	–	–	163	**5 043**	4 584	**9 627**	24 820	**34 447**
AM Mukhuba[3]	–	–	–	–	–	**–**	–	**–**	–	**–**
Total for executive directors	30 748	1 667	219	10 976	337	**43 947**	33 080	**77 027**	205 151	**282 178**
Prescribed officers[4]										
A Joubert	4 882	560	–	11	322	**5 775**	4 825	**10 600**	28 371	**38 971**
VP Tobias[5]	3 991	339	–	–	78	**4 408**	4 023	**8 431**	–	**8 431**
Total for prescribed officers	8 873	899	–	11	400	**10 183**	8 848	**19 031**	28 371	**47 402**
Total for executive directors and prescribed officers	39 621	2 566	219	10 987	737	**54 130**	41 928	**96 058**	233 522	**329 580**

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 F2022 (ie conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted prior to her appointment as executive director.*

2 *Ms TTA Mhlanga was appointed finance director from 1 October 2020. No long-term incentive is reflected for her because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.*

3 *Ms AM Mukhuba resigned as finance director from 30 September 2020.*

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

5 *Mr VP Tobias was appointed chief operating officer from 14 November 2021. No long-term incentive is reflected for him because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured.*

6 *Includes protection services.*

7 *Includes travel, UIF and risk benefits.*

8 *No bonuses were deferred in F2022.*

9 *Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus/co-investment scheme; ii) conditional share awards in terms of the 2018 conditional share plan; and iii) conditional awards in terms of the 2018 cash-settled conditional share plan. The value of the performance shares, conditional share awards and conditional awards were included in F2022 as performance was determined at the vesting date which fell in F2022.*

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 remuneration**
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**
Total for executive directors	28 697	1 570	220	9 587	314	**40 388**	33 566	**73 954**	106 563	**180 517**
Prescribed officers[4]										
A Joubert	4 693	531	–	–	255	**5 479**	5 704	**11 183**	12 124	**23 307**
VP Tobias[5]	–	–	–	–	–	**–**	–	**–**	–	**–**
Total for prescribed officers	4 693	531	–	–	255	**5 479**	5 704	**11 183**	12 124	**23 307**
Total for executive directors and prescribed officers	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 (ie performance shares) 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. No long-term incentive is reflected for Ms Mhlanga because the final allocation of performance shares was made prior to her appointment.*

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 172 of the 2021 ESG Report.*

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

5 *Mr VP Tobias was appointed chief operating officer from 14 November 2021.*

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 fell in F2021.*

Summarised remuneration report continued

Remuneration outcomes

Remuneration outcomes in 2022 for the executive chairman, chief executive officer, finance director and other executive directors plus the prescribed officers are shown below. Emoluments are detailed in the single-figure remuneration table on page 60.

Total remuneration outcomes: F2022

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 end of the performance period when the performance conditions are measured, and not when the award is granted.*

2 *Average remuneration for Messrs VP Tobias, HL Mkatshana, A Joubert and Ms J Magagula. Mr Tobias was appointed chief operating officer from 14 November 2021. No LTI is reflected for Mr Tobias for the reasons set out under footnote 1 above.*

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.

The remuneration of non-executive directors comprises directors' fees. Board retainers and attendance fees as well as committee attendance fees are paid quarterly in arrears. The table below sets out emoluments paid to non-executive directors for F2022 and F2021.

Non-executive directors' fees

R000	**F2022** Board fees	**F2022** Committee fees[9]	**F2022** Consultancy fees (excluding VAT)[10]	**F2022** VAT	**F2022** Total (including VAT)	F2021 Board fees	F2021 Committee fees[9]	F2021 Consultancy fees (excluding VAT)[10]	F2021 VAT	F2021 Total (including VAT)
Non-executive directors[1]										
AK Maditsi (independent lead)	**730**	**893**	**–**	**243**	**1 866**	694	942	–	245	1 881
F Abbott	**606**	**235**	**–**	**126**	**967**	576	175	–	113	864
M Arnold[2]	**606**	**141**	**152**	**135**	**1 034**	576	87	397	159	1 219
Dr MMM Bakane-Tuoane[3]	**–**	**–**	**–**	**–**	**–**	139	317	–	68	524
TA Boardman[4]	**606**	**1 070**	**–**	**251**	**1 927**	576	1 068	3 000	697	5 341
AD Botha	**606**	**625**	**–**	**94**	**1 325**	576	642	–	17	1 235
JA Chissano[5]	**606**	**302**	**672**	**136**	**1 716**	576	275	672	128	1 651
WM Gule	**606**	**56**	**–**	**–**	**662**	576	63	–	–	639
PJ Mnisi[6]	**606**	**383**	**–**	**148**	**1 137**	438	229	–	76	743
DC Noko[7]	**606**	**320**	**–**	**–**	**926**	576	321	–	–	897
Dr RV Simelane	**606**	**746**	**–**	**203**	**1 555**	576	777	–	203	1 556
JC Steenkamp[8]	**606**	**261**	**–**	**130**	**997**	576	263	75	126	1 040
Total for non-executive directors	**6 790**	**5 032**	**824**	**1 466**	**14 112**	6 455	5 159	4 144	1 832	17 590

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 from 11 December 2017. His consultancy agreement with the company terminated in December 2021.*
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 resolving an important matter. He no longer has a consulting agreement with the company.*
5 *Mr Chissano has a consultancy agreement with the company.*
6 *Ms Mnisi was appointed to the board from 30 September 2020.*
7 *Mr Noko was appointed chairman of the investment and technical committee from 2 March 2020.*
8 *Mr Steenkamp's consultancy agreement with the company was terminated in September 2020.*
9 *Attendance fees are paid for attending scheduled committee meetings, ad hoc committee meetings and other work devoted to committee business outside regular scheduled committee meetings. From F2021, where such ad hoc meetings required substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee was reduced commensurately.*
10 *Additional information appears under consultancy agreements: non-executive directors in part II of the remuneration report.*

Consultancy fees: non-executive directors

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

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

There are no consultancy agreements between the company and its executive directors.

Non-binding advisory vote

Annually, shareholders are requested to cast a non-binding advisory vote on the remuneration implementation report set out in part III of this report.

AGM

See notice of annual general meeting on the company's website.

Summarised directors' report

The directors have pleasure in presenting their report on ARM for the year ended 30 June 2022.

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 14 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 South Africa Proprietary 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 39.87% of its issued ordinary share capital at 30 June 2022 (30 June 2021: 39.69%). 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 2022, 0.50% of the issued share capital of ARM was held by Botho-Botho Commercial Enterprises Proprietary Limited (30 June 2021: 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 2021: 15 897 412) or 7.08% of ARM's issued share capital at 30 June 2022 (30 June 2021: 7.08%).

Review of operations

IAR See reviews by the executive chairman, chief executive officer and finance director, and reviews of operations for F2022 in the integrated annual report.

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.

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

Financial results

The consolidated and separate annual financial statements and accounting policies appear on pages 23 to 122 of the annual financial statements.

The results for the year ended 30 June 2022 have been prepared in accordance with IFRS and interpretations of those standards as adopted by the 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.

Sales

-14% since 2021

R16 917m

Gross profit

-21% since 2021

R9 257m

Total assets

+11% since 2021

R59 171m

Borrowings and cash

Borrowings of R109 million (F2021: R648 million) were repaid in the period, reducing gross debt to R484 million (F2021: R1 469 million). ARM was in a net cash position of R11 175 million (30 June 2021: R8 202 million). There are no borrowing-power provisions in ARM's memorandum of incorporation.

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

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 2023 and beyond. 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 2021. All tax submissions up to and including those for F2021 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 113 to 115 of the annual financial statements.

Dividends

An interim gross dividend of 1 200 cents per ordinary share was declared on 3 March 2022 for the six months ended 31 December 2021 (1H F2021: 1 000 cents), amounting to a distribution of approximately R2 694 million (1H F2021: R2 244 million) which was paid on Monday, 4 April 2022.

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 1 200 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend amount was 960 cents per ordinary share for shareholders liable to pay dividends tax
- As at the date of the dividend declaration, ARM had 224 458 652 ordinary shares in issue.

A final gross dividend of 2 000 cents per ordinary share was declared on 1 September 2022 for the year ended 30 June 2022 (F2021: 2 000 cents per share), amounting to a distribution of approximately R4 493 million (F2021: R4 489 million), which was payable on Monday, 3 October 2022.

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 224 667 778 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 F2022 totalled R2 277 million (F2021: R1 884 million).

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

Events after the reporting date

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

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 treasury shares is set out in note 17.

Shareholder analysis

A comprehensive analysis of shareholders, together with direct or indirect beneficial holdings exceeding 3% of the ordinary shares of the company at 30 June 2022, is set out on pages 123 and 126 of the annual financial statements.

Directorate

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 M Arnold, TA Boardman and JC Steenkamp and Ms PJ Mnisi, each of whom is available to stand for re-election at the forthcoming annual general meeting.

Their terms of office terminate at the annual general meeting in accordance with the MoI. They have made themselves available for election at the annual general meeting on Thursday, 1 December 2022, or any adjournment thereof.

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, B Kennedy, PJ Mnisi, DC Noko, B Nqwababa, Dr RV Simelane and JC Steenkamp
- **Non-executive director:** M Arnold.

ESG Detailed résumés of the directors appear in the notice of annual general meeting and in the ESG report on our website.

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 2022				30 June 2021			
	Direct		Indirect		Direct		Indirect	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Directors*								
Dr PT Motsepe[1]	–	–	**90 696 906**	–	–	–	90 204 743	–
MP Schmidt	**616 454**	–	–	–	480 896	–	–	–
M Arnold	**65 331**	–	–	–	102 331	–	–	–
J Magagula	**6 000**	–	–	–	6 000	–	–	–
TTA Mhlanga[2]	–	–	–	–	–	–	–	–
HL Mkatshana	**186 676**	–	–	–	138 032	–	–	–
Dr RV Simelane	**1 350**	–	–	–	1 350	–	–	–
JC Steenkamp	**275 651**	–	–	–	275 651	–	–	–

* *Messrs B Kennedy and B Nqwababa were appointed subsequent to the financial year end. Neither director holds shares in the company.*
[1] *Shares held by African Rainbow Minerals and Exploration Proprietary Limited and Botho-Botho Commercial Enterprises Proprietary Limited.*
[2] *Ms TTA Mhlanga was appointed as finance director with effect from 1 October 2020.*

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 2022 and the date of this report.

Directors' remuneration

Directors' remuneration is disclosed in the summarised remuneration report on pages 32 to 63.

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 F2023.

In line with the rules of the Independent Regulatory Board for Auditors (IRBA) regarding mandatory audit firm rotation, the 2023 financial year will be Ernst & Young Inc.'s final financial year as the company's external auditor. Ernst & Young Inc. has been the company's external auditor for 49 years. The audit and risk committee has recommended, and the board of directors has approved for recommendation to the shareholders, the proposed appointment of KPMG Inc. as the external auditor of ARM company and the appointment of Ms S Loonat as the person designated to act on behalf of such external auditor, in respect of the 2024 financial year.

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 the inside back cover of this report.

ESG For additional information on the office of the group company secretary and governance officer, see page 129 of the ESG 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 the inside back cover).

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.

AFS These statements appear on pages 116 to 122 of the annual financial statements.

Introduction to the summarised consolidated financial statements

These summarised consolidated financial statements of ARM for the year ended 30 June 2022 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.

Contents

Summarised consolidated statement of financial position

at

	Notes	30 June 2022 Rm	30 June 2021 Rm
ASSETS			
Non-current assets			
Property, plant and equipment		**9 621**	8 244
Investment properties		**24**	24
Intangible assets		**63**	76
Deferred tax assets		**215**	274
Loans and long-term receivables	5	**–**	40
Other financial assets	12	**214**	193
Investment in associate	6	**2 048**	534
Investment in joint venture	7	**22 145**	20 938
Other investments	10	**4 104**	4 210
Non-current inventories		**52**	–
		38 486	34 533
Current assets			
Inventories		**343**	467
Trade and other receivables	11	**7 737**	7 825
Taxation		**116**	70
Financial assets	12	**830**	523
Cash and cash equivalents	13	**11 659**	9 671
		20 685	18 556
Total assets		**59 171**	53 089
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital		**11**	11
Share premium		**5 267**	5 212
Treasury shares		**(2 405)**	(2 405)
Other reserves		**2 668**	2 915
Retained earnings		**40 617**	34 461
Equity attributable to equity holders of ARM		**46 158**	40 194
Non-controlling interest		**4 205**	3 582
Total equity		**50 363**	43 776
Non-current liabilities			
Long-term borrowings	14	**305**	1 105
Deferred tax liabilities		**3 226**	2 968
Long-term provisions	22	**1 979**	1 883
		5 510	5 956
Current liabilities			
Trade and other payables		**2 148**	1 940
Short-term provisions		**716**	898
Taxation		**255**	155
Overdrafts and short-term borrowings – interest bearing	14	**40**	57
– non-interest bearing	14	**139**	307
		3 298	3 357
Total equity and liabilities		**59 171**	53 089

Summarised consolidated statement of profit or loss

for the year ended 30 June 2022

	Notes	F2022 Rm	F2021 Rm
Revenue	3	**18 406**	21 457
Sales	3	**16 917**	19 657
Cost of sales		**(7 660)**	(7 900)
Gross profit		**9 257**	11 757
Other operating income	16	**1 983**	2 378
Other operating expenses	17	**(3 239)**	(2 717)
Profit from operations before capital items		**8 001**	11 418
Income from investments		**685**	487
Finance costs		**(290)**	(329)
Income/(loss) from associate	18	**927**	(260)
Income from joint venture	7	**6 649**	7 498
Profit before taxation and capital items		**15 972**	18 814
Capital items before tax	8	**1 128**	(9)
Profit before taxation		**17 100**	18 805
Taxation	19	**(2 736)**	(3 333)
Profit for the year		**14 364**	15 472
Attributable to:			
Equity holders of ARM			
Profit for the year		**12 426**	12 626
Basic earnings for the year		**12 426**	12 626
Non-controlling interest			
Profit for the year		**1 938**	2 846
		1 938	2 846
Profit for the year		**14 364**	15 472
Earnings per share			
Basic earnings per share (cents)	9	**6 343**	6 464
Diluted basic earnings per share (cents)	9	**6 338**	6 399

Summarised consolidated statement of comprehensive income

for the year ended 30 June 2022

	Financial instruments at fair value through other comprehensive income Rm	Other Rm	Retained earnings Rm	**Total shareholders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
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**
For the year ended 30 June 2022						
Profit for the year to 30 June 2022	–	–	12 426	**12 426**	1 938	**14 364**
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	(49)	–	–	**(49)**	–	**(49)**
Revaluation of listed investment[1]	(59)	–	–	**(59)**	–	**(59)**
Deferred tax on above	10	–	–	**10**	–	**10**
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods						
Foreign currency translation reserve movement	–	97	–	**97**	–	**97**
Total other comprehensive (loss)/income	(49)	97	–	**48**	–	**48**
Total comprehensive (loss)/income for the year	(49)	97	12 426	**12 474**	1 938	**14 412**

[1] *The share price of Harmony decreased from R52.76 per share at 30 June 2021 to R51.97 at 30 June 2022 and decreased from R71.86 at 30 June 2020 to R52.76 per share at 30 June 2021. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy in terms of International Financial Reporting Standards (IFRS).*

Summarised consolidated statement of changes in equity

for the year ended 30 June 2022

			Other reserves						
	Share capital and premium Rm	Treasury shares Rm	Financial instruments at fair value through other comprehensive income Rm	Share-based payments Rm	Other[1] Rm	Retained earnings Rm	**Total shareholders of ARM Rm**	Non-controlling interest Rm	**Total Rm**
Balance at 30 June 2020	4 961	(2 405)	3 344	884	139	25 157	**32 080**	2 028	**34 108**
Total comprehensive (loss)/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 loss	–	–	(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**
Total comprehensive (loss)/income for the year	–	–	(49)	–	97	12 426	**12 474**	1 938	**14 412**
Profit for the year to 30 June 2022	–	–	–	–	–	12 426	**12 426**	1 938	**14 364**
Other comprehensive (loss)/income	–	–	(49)	–	97	–	**48**	–	**48**
Bonus and performance shares issued to employees	55	–	–	(470)	–	–	**(415)**	–	**(415)**
Dividend paid[2]	–	–	–	–	–	(6 270)	**(6 270)**	–	**(6 270)**
Dividend declared to non-controlling interests[3]	–	–	–	–	–	–	**–**	(1 315)	**(1 315)**
Share-based payments expense	–	–	–	175	–	–	**175**	–	**175**
Balance at 30 June 2022	5 278	(2 405)	2 188	405	75	40 617	**46 158**	4 205	**50 363**

1 *Other reserves consist of the following:*

	F2022 Rm	F2021 Rm	F2020 Rm
Dilution in Two Rivers	**(26)**	(26)	(26)
Foreign currency translation reserve – Assmang	**120**	62	167
Foreign currency translation reserve – other entities	**52**	13	69
Capital redemption and prospecting loans written off	**28**	28	28
Tamboti assets sale to Two Rivers	**(99)**	(99)	(99)
Total	**75**	(22)	139

2 *Interim dividend paid of 1 200 cents (F2021: 1 000 cents) per share and final dividend paid of 2 000 cents (F2021: 700 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 2022

	Notes	F2022 Rm	F2021 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		**18 128**	17 189
Cash paid to suppliers and employees		**(9 620)**	(9 387)
Cash generated from operations	20	**8 508**	7 802
Interest received		**601**	358
Interest paid		**(46)**	(45)
Taxation paid		**(2 303)**	(2 291)
		6 760	5 824
Dividends received from joint venture	7	**5 500**	4 000
Dividends received from investments – Harmony		**50**	82
Dividend paid to non-controlling interests		**(1 247)**	(1 219)
Dividend paid to shareholders		**(6 270)**	(3 322)
Net cash inflow from operating activities		**4 793**	5 365
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment to maintain operations		**(1 739)**	(1 224)
Additions to property, plant and equipment to expand operations		**(463)**	(433)
Proceeds on disposal of property, plant and equipment		**6**	3
Investments in financial assets		**(819)**	(308)
Proceeds from financial assets matured		**523**	1 124
Net cash outflow from investing activities		**(2 492)**	(838)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		**7**	44
Cash payments to owners to acquire the entity's shares		**(225)**	–
Long-term borrowings raised		**–**	264
Long-term borrowings repaid		**(95)**	(461)
Short-term borrowings repaid		**(14)**	(187)
Net cash outflow from financing activities		**(327)**	(340)
Net increase in cash and cash equivalents		**1 974**	4 187
Cash and cash equivalents at beginning of year		**9 655**	5 512
Net foreign exchange difference		**14**	(44)
Cash and cash equivalents at end of year		**11 643**	9 655
Made up as follows:			
– Available	13	**11 053**	8 849
– Cash set aside for specific use	13	**590**	806
		11 643	9 655
Overdrafts	14	**16**	16
Cash and cash equivalents per statement of financial position		**11 659**	9 671
Cash generated from operations per share (cents)		**4 343**	3 994

Notes to the summarised consolidated financial statements

for the year ended 30 June 2022

1 STATEMENT OF COMPLIANCE

The condensed group provisional results for the financial year under review have been prepared in accordance with the framework concepts and the measurement and recognition requirements of the 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 contain 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 condensed group provisional results for the financial year under review have been prepared under the supervision of the finance director, Ms TTA Mhlanga CA(SA). The condensed group provisional results 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.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position, performance and cash flow since the last annual financial statements.

Adoption of new and revised accounting standards

The group has not adopted any new and/or revised standards and interpretations issued by the International Accounting Standards Board (IASB).

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 16	*Property, plant and equipment* – amendments	1 January 2022
IAS 37	*Provisions, contingent liabilities and contingent assets* – amendments	1 January 2022
IFRS 9	*Financial instruments* – amendments	1 January 2022
IFRS 17	*Insurance contracts*	1 January 2023
IAS 1	*Presentation of financial statements* – amendments	1 January 2023
IAS 8	*Accounting policies, changes in accounting estimates and errors* – amendments	1 January 2023
IAS 12	*Income taxes* – amendments	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 is not expected to have a significant effect on the group financial statements.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

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 2022 (Reviewed)**							
	Sales	13 960	21 291	2 821	136	38 208	(21 291)	16 917
	Cost of sales	(6 246)	(11 988)	(1 303)	(61)	(19 598)	11 938	(7 660)
	Other operating income[3]	217	240	84	1 577	2 118	(135)	1 983
	Other operating expenses[3]	(1 087)	(1 692)	(1 025)	(1 127)	(4 931)	1 692	(3 239)
	Segment result	6 844	7 851	577	525	15 797	(7 796)	8 001
	Income from investments	171	285	11	503	970	(285)	685
	Finance cost	(84)	(34)	(159)	(47)	(324)	34	(290)
	Income from associate[4]	–	–	927	–	927	–	927
	Income from joint venture	–	728	–	–	728	5 921	6 649
	Capital items before tax (refer note 8)	–	(45)	382	746	1 083	45	1 128
	Taxation	(1 929)	(2 096)	(435)	(357)	(4 817)	2 081	(2 736)
	Profit after tax	5 002	6 689	1 303	1 370	14 364	–	14 364
	Non-controlling interest	(1 936)	–	–	(2)	(1 938)	–	(1 938)
	Consolidation adjustment[5]	–	(40)	–	40	–	–	–
	Contribution to basic earnings	3 066	6 649	1 303	1 408	12 426	–	12 426
	Contribution to headline earnings	3 066	6 682	928	662	11 338	–	11 338
	Other information							
	Segment assets, including investment in associate	16 063	28 252	5 448	15 516	65 279	(6 108)	59 171
	Investment in associate			2 048		2 048		2 048
	Investment in joint venture						22 145	22 145
	Segment liabilities	2 671	2 488	676	1 980	7 815	(2 488)	5 327
	Unallocated liabilities (tax and deferred tax)					7 101	(3 620)	3 481
	Consolidated total liabilities					14 916	(6 108)	8 808
	Cash generated from operations	8 333	10 836	(46)	221	19 344	(10 836)	8 508
	Cash inflow/(outflow) from operating activities	5 524	9 172	(230)	(501)	13 965	(9 172)	4 793
	Cash outflow from investing activities	(1 911)	(2 415)	(125)	(456)	(4 907)	2 415	(2 492)
	Cash outflow from financing activities	(34)	(14)	(1)	(292)	(341)	14	(327)
	Capital expenditure	2 159	2 450	110	8	4 727	(2 450)	2 277
	Amortisation and depreciation	651	1 189	190	12	2 042	(1 189)	853
	Impairment/(impairment reversal) before tax	–	20	(378)	(746)	(1 104)	(20)	(1 124)
	EBITDA	7 495	9 040	767	537	17 839	(8 985)	8 854

There were no significant inter-company sales.

Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer to ARM Ferrous segment note 2.4 and note 7 for more detail.*

2 *Includes IFRS 11 Joint Arrangements adjustments related to ARM Ferrous and other consolidation adjustments.*

3 *The net re-measurement of the ARM Coal loans amounts to R323 million loss with no tax effect.*
The re-measurement adjustment of the Harmony loan amounts to R5 million gain with no tax effect.

4 *The re-measurement of the ARM Coal loans amounts to R490 million loss with no tax effect.*

5 *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

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 PRIMARY SEGMENTAL INFORMATION continued

2.2 Year to 30 June 2021 (Audited)

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
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)
Loss from associate[4]	–	–	(260)	–	(260)	–	(260)
Loss from joint venture	–	(3)	–	–	(3)	7 501	7 498
Capital items before tax (refer note 8)	–	(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.
Segment results take into account inter-company eliminations with the exception of inter-company re-measurements.

1 *Refer to ARM Ferrous segment note 2.4 and note 7 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 2022

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	ARM Platinum total Rm
2.3 Year to 30 June 2022 (Reviewed)				
External sales	(18)	9 416	4 562	13 960
Cost of sales	–	(3 927)	(2 319)	(6 246)
Other operating income	4	91	122	217
Other operating expenses	(136)	(651)	(300)	(1 087)
Segment result	(150)	4 929	2 065	6 844
Income from investments	8	97	66	171
Finance cost	(28)	(41)	(15)	(84)
Capital items (refer note 8)	2	(2)	–	–
Taxation	(2)	(1 341)	(586)	(1 929)
(Loss)/profit after tax	(170)	3 642	1 530	5 002
Non-controlling interest	–	(1 676)	(260)	(1 936)
Contribution to basic (losses)/earnings	(170)	1 966	1 270	3 066
Contribution to headline (losses)/earnings	(172)	1 968	1 270	3 066
Other information				
Segment and consolidated assets	187	11 117	4 759	16 063
Segment liabilities	756	1 256	659	2 671
Unallocated liabilities (tax and deferred tax)				2 514
Consolidated total liabilities				5 185
Cash generated from operations	(38)	5 862	2 509	8 333
Cash (outflow)/inflow from operating activities	(30)	3 805	1 749	5 524
Cash outflow from investing activities	(51)	(1 711)	(149)	(1 911)
Cash outflow from financing activities	–	(4)	(30)	(34)
Capital expenditure	–	1 806	353	2 159
Amortisation and depreciation	–	500	151	651
EBITDA	(150)	5 429	2 216	7 495

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

Attributable	Nkomati[1] Rm	Two Rivers Rm	Modikwa Rm	ARM Platinum total Rm
2 PRIMARY SEGMENTAL INFORMATION continued				
2.3 Year to 30 June 2021 (Audited) continued				
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 2022

		Iron ore division Rm	Manganese division Rm	ARM Ferrous total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
2	**PRIMARY SEGMENTAL INFORMATION** continued						
2.4	**Analysis of the ARM Ferrous segment on a 100% basis**						
	Year to 30 June 2022 (Reviewed)						
	Sales	27 856	14 727	42 583	21 291	(21 291)	–
	Cost of sales	(13 006)	(10 969)	(23 975)	(11 988)	11 988	–
	Other operating income	105	697	802	240	(240)	–
	Other operating expense	(2 763)	(945)	(3 708)	(1 692)	1 692	–
	Segment result	12 192	3 510	15 702	7 851	(7 851)	–
	Income from investments	558	12	570	285	(285)	–
	Finance cost	(41)	(26)	(67)	(34)	34	–
	Profit from joint venture	–	1 455	1 455	728	(728)	–
	Capital items before tax (refer note 8)	(73)	(15)	(88)	(45)	45	–
	Taxation	(3 383)	(811)	(4 194)	(2 096)	2 096	–
	Profit after tax	9 253	4 125	13 378	6 689	(6 689)	–
	Consolidation adjustment				(40)	40	
	Contribution to basic earnings	9 253	4 125	13 378	6 649	–	6 649
	Contribution to headline earnings	9 307	4 136	13 443	6 682	–	6 682
	Other information						
	Consolidated total assets	34 775	23 427	58 202	28 252	(6 108)	22 145
	Consolidated total liabilities	6 974	5 718	12 692	2 488	(2 488)	–
	Capital expenditure	2 890	2 220	5 110	2 450	(2 450)	–
	Amortisation and depreciation	1 566	911	2 477	1 189	(1 189)	–
	Cash inflow from operating activities[2]	4 393	2 950	7 343	9 172	(9 172)	–
	Cash outflow from investing activities	(2 630)	(2 200)	(4 830)	(2 415)	2 415	–
	Cash outflow from financing activities	(27)	–	(27)	(14)	14	–
	EBITDA	13 758	4 421	18 179	9 040	(9 040)	
	Additional information for ARM Ferrous at 100%						
	Non-current assets						
	Property, plant and equipment			31 548		(31 548)	–
	Investment in joint venture			2 130		(2 130)	–
	Other non-current assets			2 044		(2 044)	–
	Current assets						
	Inventories			5 070		(5 070)	–
	Trade and other receivables			6 348		(6 348)	–
	Financial assets			379		(379)	–
	Cash and cash equivalents			10 684		(10 684)	
	Non-current liabilities						
	Other non-current liabilities			8 629		(8 629)	–
	Current liabilities						
	Trade and other payables			2 867		(2 867)	–
	Short-term provisions			994		(994)	–
	Taxation			201		(201)	

1 *Includes consolidation and IFRS 11* Joint Arrangements *adjustments.*

2 *Dividend paid amounting to R5.5 billion included in cash flows from operating activities.*

Refer note 2.1 and note 7 for more detail on the ARM Ferrous segment.

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 2021 (Audited)						
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 8)	(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	10 477[2]	(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%

	Iron ore division Rm	Manganese division Rm	ARM Ferrous total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
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 7 for more detail on the ARM Ferrous segment.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

2 PRIMARY SEGMENTAL INFORMATION continued

2.5 Additional information

ARM Corporate as presented in the table on pages 76 and 77 is analysed further into the Machadodorp Works, Corporate and other, and Gold segments.

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2022 (Reviewed)				
Sales	136	–		136
Cost of sales	(125)	64		(61)
Other operating income[1]	3	1 574		1 577
Other operating expenses[1]	(216)	(911)		(1 127)
Segment result	(202)	727		525
Income from investments	–	453	50	503
Finance costs	(25)	(22)		(47)
Capital item (refer note 8)	3	743		746
Taxation	63	(420)		(357)
(Loss)/profit after tax	(161)	1 481	50	1 370
Non-controlling interest	–	(2)		(2)
Consolidation adjustments[2]	–	40		40
Contribution to basic (losses)/earnings	(161)	1 519	50	1 408
Contribution to headline (losses)/earnings	(164)	776	50	662
Other information				
Segment and consolidated assets	62	11 573	3 881	15 516
Segment liabilities	305	1 675		1 980
Cash inflow/(outflow) from operating activities	4	(555)	50	(501)
Cash outflow from investing activities	(4)	(452)		(456)
Cash outflow from financing activities	–	(292)		(292)
Capital expenditure	4	4		8
Amortisation and depreciation	4	8		12
Impairment reversal before tax	(3)	(743)		(746)
EBITDA	(198)	735		537

1 *Corporate and other includes a re-measurement gain on the loans to ARM Coal of R443 million and a re-measurement gain on the loan from Harmony of R5 million.*

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

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 2021 (Audited)				
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 items (refer note 8)	–	(9)		(9)
Taxation	51	(450)		(399)
(Loss)/profit after tax	(107)	696	82	671
Non-controlling interest	–	(2)		(2)
Consolidation adjustment[2]	–	43		43
Contribution to basic (losses)/earnings	(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 inflow/(outflow) from operating activities	(4)	(3 654)	82	(3 576)
Cash outflow 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 2022

		Reviewed F2022 Rm	Audited F2021 Rm
3	**REVENUE AND SALES**		
	Sales	**16 917**	19 657
	Local sales	**14 308**	17 266
	Export sales	**2 609**	2 391
	Revenue	**18 406**	21 457
	Fair value adjustments to revenue	**(1 257)**	792
	Revenue from contracts with customers	**19 663**	20 665
	Sales – mining and related products	**18 479**	19 273
	Penalty and treatment charges	**(305)**	(408)
	Modikwa	**–**	(2)
	Nkomati	**–**	(58)
	Two Rivers	**(305)**	(348)
	Fees received	**1 489**	1 800

4 IMPAIRMENT AND IMPAIRMENT REVERSAL

4.1 ARM Ferrous

Property, plant and equipment

Khumani Mine

An impairment loss was recognised in F2022 on property, plant and equipment at Khumani for R40 million before tax. This relates to a capital project to fill an underground cavity. The impairment loss was accounted for due to management's assessment of limited future economic benefits associated with the capital spend. ARM's attributable share of the impairment amounted to R20 million before tax of R6 million (refer note 8). This is accounted for in the income from joint venture line in the statement of profit or loss.

Tshenolo Iron Ore Mine

An impairment loss was recognised in F2021 on property, plant and equipment for R52 million with no tax effect. ARM's attributable share of the impairment loss amounted to R26 million with no tax effect (refer note 8).

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 8).

Investments

Cato Ridge Alloys

An impairment loss of R97 million with no tax effect was recognised in F2021 on Assmang's equity-accounted investment in Cato Ridge Alloys. ARM's attributable share of the impairment loss amounted to R48 million with no tax effect (refer note 8).

Sakura

An impairment loss of R337 million with no tax effect was recognised in F2021 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 8).

4 IMPAIRMENT AND IMPAIRMENT REVERSAL continued

4.2 ARM Coal

Investments

Participative Coal Business (PCB)

At 30 June 2022 previous impairment losses recognised against the investment in PCB were reversed by ARM, mainly due to an earlier than anticipated settlement of PCB loans.

A discounted cash flow valuation model was prepared to determine the net present value of the investment in PCB. The recoverable amount of ARM's net investment in PCB amounted to R4 450 million.

The level 3 valuation recoverable amount of the investment in the PCB cash-generating unit was determined based on the fair value less cost of disposal calculation performed in terms of IFRS.

ARM's attributable share of the impairment reversal amounted to R1 121 million (nil tax impact) (refer notes 6 and 8).

	Gross Rm	Tax Rm	After tax Rm
PCB 20.2%: reversal of impairment (refer notes 6 and 8)	1 121	–	1 121
Total attributable to ARM	1 121	–	1 121

A pre-tax discount rate of 20.5% was used for the discounted cash flow valuation model together with the following commodity prices and exchange rates:

	F2023 Real	F2024 Real	Long-term Real
ZAR/US$	15.66	15.28	15.15
US$/t	184	136	80

4.3 Machadodorp Works

An impairment reversal was recognised in F2022 on property, plant and equipment for R3 million with no tax effect (refer note 8).

4.4 Venture Building Trust

An impairment loss was recognised in F2021 on property, plant and equipment for R9 million with no tax effect (refer note 8).

Details of the F2021 impairments were included in the financial results for the year ended 30 June 2021, which can be found on **www.arm.co.za.**

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

		F2022 Rm	F2021 Rm
5	**LOANS AND LONG-TERM RECEIVABLES**		
	ARM Coal[1]	–	40
	Total	–	40

[1] *F2022 includes an amount of R93 million in trade and other receivables as it is expected to be repaid within the next 12 months (refer note 11).*

		F2022 Rm	F2021 Rm
6	**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	534	795
	Income/(loss) for the current year	927	(260)
	Income/(loss) for the current year before the re-measurement of loans	1 417	(296)
	Re-measurement of loans (refer note 15)	(490)	36
	Movement in loans (non-cash flow)[1]	(534)	(1)
	Reversal of impairment on investment (refer notes 4.2 and 8)	1 121	–
	Closing balance	2 048	534

[1] *Settled together with the partner loans during F2022.*

		F2022 Rm	F2021 Rm
7	**INVESTMENT IN JOINT VENTURE**		
	The investment relates to ARM Ferrous and consists of Assmang as a joint venture which includes the iron ore and manganese segments.		
	Opening balance	20 938	17 545
	Net income for the period[1]	6 649	7 498
	Income for the period	6 689	7 541
	Consolidation adjustment	(40)	(43)
	Foreign currency translation reserve	58	(105)
	Less: Cash dividend received for the period	(5 500)	(4 000)
	Closing balance	22 145	20 938

[1] *Includes reversal of expected credit losses recorded of R126 million less tax of R6 million (F2021: R81 million expected credit losses less tax of R1 million).*

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

	F2022 Rm	F2021 Rm
8 CAPITAL ITEMS		
Reversal of impairment on property, plant and equipment – Machadodorp Works (refer note 4.3)	**3**	–
Profit on sale of property, plant and equipment – Nkomati	**2**	–
Loss on sale of property, plant and equipment – Two Rivers	**(2)**	–
Profit on sale of property, plant and equipment – ARM Coal	**4**	–
Reversal of impairment on investment in PCB – ARM Coal (refer notes 4.2 and 6)	**1 121**	–
Impairment loss on property, plant and equipment – Venture Building Trust (refer note 4.4)	**–**	(9)
Capital items per statement of profit or loss before taxation effect	**1 128**	(9)
Loss on property, plant and equipment accounted for directly in associate – ARM Coal	**(9)**	–
Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4.1)	**(20)**	(283)
Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang (refer note 4.1)	**–**	(169)
Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang (refer note 4.1)	**–**	(48)
Loss on sale on property, plant and equipment accounted for directly in joint venture – Assmang	**(25)**	(2)
Capital items before taxation effect	**1 074**	(511)
Taxation accounted for in joint venture – impairment loss on property, plant and equipment – Assmang	**6**	72
Taxation accounted for in joint venture – loss on disposal of property, plant and equipment – Assmang	**6**	1
Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**3**	–
Taxation on profit on sale of property, plant and equipment – ARM Coal	**(1)**	–
Total	**1 088**	(438)

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

		F2022 Rm	F2021 Rm
9	**EARNINGS PER SHARE**		
	Headline earnings (Rm)	**11 338**	13 064
	Headline earnings per share (cents)	**5 787**	6 688
	Basic earnings per share (cents)	**6 343**	6 464
	Diluted headline earnings per share (cents)	**5 783**	6 621
	Diluted basic earnings per share (cents)	**6 338**	6 399
	Number of shares in issue at end of year (thousands)	**224 668**	224 453
	Weighted average number of shares (thousands)	**195 899**	195 333
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	**196 033**	197 314
	Net asset value per share (cents)	**20 545**	17 908
	EBITDA (Rm)	**8 854**	12 227
	Interim dividend declared (cents per share)	**1 200**	1 000
	Dividend declared after year end (cents per share)	**2 000**	2 000
	Reconciliation to headline earnings (Rm)		
	Basic earnings attributable to equity holders of ARM	**12 426**	12 626
	– Profit on sale of property, plant and equipment – ARM Coal	**(4)**	–
	– Profit on sale of property, plant and equipment – Nkomati	**(2)**	–
	– Loss on sale of property, plant and equipment in associate – ARM Coal	**9**	–
	– Loss on sale of property, plant and equipment – Two Rivers	**2**	–
	– Impairment loss on property, plant and equipment in joint venture – Assmang	**20**	283
	– Loss on sale of property, plant and equipment in joint venture – Assmang	**25**	2
	– Impairment loss on investment in Sakura accounted for directly in joint venture – Assmang	**–**	169
	– Impairment loss on investment in Cato Ridge accounted for directly in joint venture – Assmang	**–**	48
	– Impairment loss on property, plant and equipment – Venture Building Trust	**–**	9
	– Impairment reversal on property, plant and equipment – Machadodorp Works	**(3)**	–
	– Impairment reversal on investment in 20.2% PCB – ARM	**(1 121)**	–
		11 352	13 137
	– Taxation accounted for in joint venture – impairment loss at Assmang	**(6)**	(72)
	– Taxation accounted for in joint venture – loss on sale of property, plant and equipment at Assmang	**(6)**	(1)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	**(3)**	–
	– Taxation accounted for profit on sale of property, plant and equipment – ARM Coal	**1**	–
	Headline earnings	**11 338**	13 064

	F2022 Rm	F2021 Rm
10 OTHER INVESTMENTS		
Harmony[1]	**3 881**	3 940
Opening balance	**3 940**	5 366
Fair value loss in other comprehensive income	**(59)**	(1 426)
Guardrisk[2]	**9**	36
Preference shares	**1**	1
Richards Bay Coal Terminal[3]	**213**	233
Closing balance	**4 104**	4 210

[1] *This is a level 1 valuation in terms of IFRS 13.*

[2] *This is a level 2 valuation in terms of IFRS 13.*
Fair value based on the net asset value of the cell captive.

[3] *This is a level 3 valuation in terms of IFRS 13.*

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 R44/tonne and R49/tonne (F2021: R42/tonne and R48/tonne). If increased by 10% this would result in a R22 million (F2021: R23 million) increase in the valuation on the RBCT investment. If decreased by 10% this would result in a R22 million (F2021: R23 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 20.8% (F2021: 19.1%).

	F2022 Rm	F2021 Rm
Opening balance	**233**	238
Fair value loss	**(20)**	(5)
Closing balance	**213**	233

11 TRADE AND OTHER RECEIVABLES

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 R985 million (F2021: R1 156 million). The contract asset resulted from revised fee arrangements in the prior year, whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

Trade and other receivables include an amount of R93 million relating to ARM Coal which was included in loans and long-term receivables in F2021 (refer note 5).

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

		F2022 Rm	F2021 Rm
12	**FINANCIAL ASSETS**		
	Investments in fixed deposits		
	Current financial assets[1]		
	– ARM Finance Company SA[2]	**185**	161
	– Two Rivers	**31**	30
	– Modikwa	**–**	203
	– Nkomati	**114**	59
	– Mannequin Captive Cell (Cell AVL 18)	**500**	61
	– Other	**–**	9
		830	523
	Non-current financial assets[1]		
	– ARM Coal (investment in fixed deposit)	**50**	46
	– Mannequin Captive Cell (Cell AVL 18) (refer note 22.2)	**162**	145
	– Modikwa	**2**	1
	– Venture Building Trust	**–**	1
		214	193
	Total	**1 044**	716

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 reinvested 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 ARM Finance Company SA invested R172 million (F2021: R173 million) in fixed deposits with maturities longer than three months. The amount was translated at the 30 June closing exchange rate resulting in a foreign currency translation gain of R13 million (F2021: R12 million loss).

The following guarantees issued are included in financial assets:

- Two Rivers to DMRE, Eskom and BP Oil amounting to R31 million (F2021: R30 million)
- Nkomati to DMRE and Eskom amounting to R114 million (F2021: R59 million)
- Modikwa to DMRE and Eskom amounting to Rnil (F2021: R164 million)
- ARM Coal to DMRE amounting to R50 million (F2021: R46 million).

Other financial assets include trust funds of Rnil (F2021: R9 million).

		F2022 Rm	F2021 Rm
13	**CASH AND CASH EQUIVALENTS**		
	Total cash at bank and on deposit	**11 069**	8 865
	– African Rainbow Minerals Limited	**8 770**	7 739
	– ARM BBEE Trust	**38**	4
	– ARM Finance Company SA	**92**	81
	– ARM Platinum Proprietary Limited	**874**	538
	– ARM Treasury Investments Proprietary Limited	**43**	42
	– Nkomati	**52**	106
	– Two Rivers Platinum Proprietary Limited	**1 174**	329
	– Other cash at bank and on deposit	**26**	26
	Total cash set aside for specific use	**590**	806
	– Mannequin Captive Cell (Cell AVL 18)[1]	**245**	681
	– Rehabilitation trust funds[1]	**65**	44
	– Other cash set aside for specific use[1]	**280**	81
	Total as per statement of financial position	**11 659**	9 671
	Less: Overdrafts (refer note 14)	**(16)**	(16)
	Total as per statement of cash flows	**11 643**	9 655

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 R16 million (F2021: R6 million)*
- *African Rainbow Minerals Limited of R37 million (F2021: R35 million)*
- *Guarantees issued by ARM Coal to DMRE amounting to R46 million (F2021: R44 million)*
- *Guarantees issued by Modikwa to DMRE and Eskom amounting to R234 million (F2021: Rnil)*
- *Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (F2021: R40 million).*

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

		F2022 Rm	F2021 Rm
14	**BORROWINGS**		
	Long-term borrowings are held as follows:		
	ARM Coal Proprietary Limited (partner loans)[1]	**–**	707
	ARM BBEE Trust (loan from Harmony Gold)[2]	**166**	217
	Anglo Platinum Limited (lease liability)	**9**	29
	Two Rivers Platinum Proprietary Limited (lease liability)	**130**	152
		305	1 105
	Short-term borrowings		
	African Rainbow Minerals Limited (lease liability)	**–**	4
	Anglo Platinum Limited (lease liability)	**20**	30
	ARM Coal Proprietary Limited (partner loans)[1]	**139**	307
	ARM Coal (lease liability)	**–**	1
	Two Rivers Platinum Proprietary Limited (lease liability)	**4**	6
		163	348
	Overdrafts (refer note 13)		
	ARM Treasury Operations	**16**	16
		16	16
	Overdrafts and short-term borrowings – interest bearing	**40**	57
	– non-interest bearing	**139**	307
	Overdrafts and short-term borrowings	**179**	364
	Total borrowings	**484**	1 469

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

1 *ARM Coal loans from Glencore were settled at 30 June 2022 from cash generated by the GGV and PCB operations. In terms of the loan agreements, cash generated available for distribution to ARM Coal is utilised by Glencore to settle the outstanding GGV and PCB loans. Therefore these settlements did not result in any cash flows to or from ARM Coal. The short-term liability at 30 June 2022 relates to an operational loan between GGV and PCB.*

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. F2022 includes repayments of R65 million and re-measurements of R5 million.*

	F2022 Rm	F2021 Rm

15 RE-MEASUREMENT GAINS AND LOSSES

ARM Coal

Included in other operating income and income/(loss) from associate are re-measurements with no tax effect in both years relating to the GGV and PCB loans. The gain and loss are as a result of a re-measurement of debt between ARM and Glencore Operations South Africa Proprietary Limited (GOSA) and ARM Coal Proprietary Limited.

	F2022 Rm	F2021 Rm
The re-measurement adjustments are as follows:		
Re-measurement gain in operating income – ARM Coal segment	**49**	206
Re-measurement loss in operating expenses – ARM Coal segment	**(815)**	–
Net re-measurement (loss)/gain – ARM Coal segment	**(766)**	206
Re-measurement gain in operating income/(loss in operating expenses) – ARM Corporate segment	**443**	(153)
Net re-measurement (loss)/gain on group profit from operations before capital items	**(323)**	53
Income from associate re-measurement (loss)/gain on loans (refer note 6)	**(490)**	36
Net ARM Coal re-measurement (loss)/gain	**(813)**	89

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 Rnil (F2021: R17 million). A US$1 decrease in commodity prices would increase the re-measurement gain by Rnil (F2021: R17 million). As the remaining liabilities are current, changes in US$1 commodity prices would be nominal. This is a level 3 valuation in terms of IFRS 13. The group loans were repaid at 30 June 2022.

Modikwa

The F2021 re-measurement loss in Modikwa of R143 million is partially eliminated against a re-measurement gain in ARM company of R137 million. The net re-measurement gain attributable to ARM being R18 million. Since the loans were repaid in F2021 there are no further re-measurements.

	F2022 Rm	F2021 Rm
The re-measurement adjustments are as follows:		
Other operating expense increase	**–**	(6)
ARM Platinum segment (re-measurement loss)	**–**	(143)
ARM Corporate segment (re-measurement gain)	**–**	137
Non-controlling interest	**–**	24
Net Modikwa re-measurement gain	**–**	18

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 is a level 3 valuation in terms of IFRS 13.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

		F2022 Rm	F2021 Rm
15	**RE-MEASUREMENT GAINS AND LOSSES** continued		
	ARM BBEE Trust (loan from Harmony)		
	Included in other operating income for F2022 is a re-measurement gain of R5 million (F2021: R47 million fair value gain). The gain is as a result of the new loans advanced to the ARM BBEE Trust by Harmony in F2021.		
	The re-measurement/fair value gains are as follows:		
	Other operating income increase – ARM Corporate segment	**5**	47
	Net ARM BBEE Trust gain	**5**	47

The fair value at initial recognition in F2021 was 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 rate used to determine the re-measurement and fair value is 11.69% (F2021: 9.04%).

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

		F2022 Rm	F2021 Rm
16	**OTHER OPERATING INCOME**		
	Management fees	**1 489**	1 800
	Cost recoveries	**51**	50
	Insurance income	**115**	92
	Realised foreign exchange gains	**35**	1
	Royalties received	**114**	173
	Loan fair value gain (refer note 15)	**–**	47
	Loan re-measurement gains (refer note 15)	**54**	53
	Other	**125**	162
	Total	**1 983**	2 378

		F2022 Rm	F2021 Rm
17	**OTHER OPERATING EXPENSES**		
	Provisions	**231**	233
	Mineral royalty tax	**911**	1 215
	Staff cost	**337**	317
	Loan re-measurement loss (refer note 15)	**372**	6
	Consulting fees	**130**	58
	Share-based payments expense	**263**	220
	Insurance	**129**	105
	Research and development	**166**	105
	Other	**700**	458
	Total	**3 239**	2 717
18	**INCOME/(LOSS) FROM ASSOCIATE**		
	Income/(loss) from associate before the re-measurement of loans	**1 417**	(296)
	Loan re-measurement (loss)/gain (refer note 15)	**(490)**	36
	Total	**927**	(260)
19	**TAXATION**		
	South African normal taxation		
	– current year	**2 384**	2 411
	– mining	**2 003**	1 880
	– non-mining	**381**	531
	– prior year	**25**	(6)
	Total deferred taxation	**327**	928
	Deferred taxation	**413**	928
	Deferred tax – rate change[1]	**(86)**	–
	Total tax	**2 736**	3 333

[1] *During the 2022 budget speech held on 23 February 2022, it was announced that the corporate income tax rate will be reduced from 28% to 27% for companies with years of assessment ending on or after 31 March 2023. This change has affected recorded deferred tax assets and liabilities at 30 June 2022 and the effective tax rate in the future.*

		F2022 Rm	F2021 Rm
20	**CASH GENERATED FROM OPERATIONS**		
	Cash generated from operations before working capital changes	**10 148**	13 107
	Working capital outflow	**(1 640)**	(5 305)
	Movement in inventories inflow	**70**	54
	Movement in receivables outflow	**(737)**	(4 630)
	Movement in payables and provisions outflow	**(973)**	(729)
	Cash generated from operations	**8 508**	7 802

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

		F2022 Rm	F2021 Rm
21	**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	**1 684**	677
	– not contracted for	**1 848**	126
	Total commitments	**3 532**	803
22	**PROVISIONS**		
22.1	**Nkomati restoration and decommissioning provision**[1]		
	Long-term provisions		
	Opening balance	**567**	525
	Provision for the period[1]	**55**	(13)
	Transfer from/(to) short-term provisions	**(2)**	34
	Unwinding of discount rate	**25**	21
	Closing balance	**645**	567
	Short-term provision		
	Opening balance	**29**	63
	Transfer from/(to) long-term provisions	**2**	(34)
	Closing balance	**31**	29
	Total Nkomati restoration and decommissioning provision	**676**	596

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

	F2022 Rm	F2021 Rm
22 PROVISIONS continued		
22.2 Silicosis and tuberculosis class action provision		
Long-term provision		
The provision movement is as follows:		
Opening balance	**146**	189
Interest unwinding	**12**	16
Demographic assumptions changes	**(13)**	(3)
Transfer from/(to) short-term provisions	**14**	(56)
Closing balance	**159**	146
Short-term provision		
Opening balance	**60**	51
Settlement payments	**(30)**	(47)
Transfer (to)/from long-term provisions	**(14)**	56
Closing balance	**16**	60
Total silicosis and tuberculosis class action provision	**175**	206

ARM has a contingency policy in this regard that 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.

Details of the provision were discussed in the 30 June 2021 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 2022

23 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.

	F2022 Rm	F2021 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties		
Subsidiaries		
Impala Platinum – sales	**9 416**	11 992
Joint operations		
Rustenburg Platinum Mines – sales[1]	**4 522**	4 924
Modikwa non-controlling interest – dividend declared[1]	**255**	72
Glencore International AG – sales	**2 627**	884
Norilsk Nickel – sales	**–**	1 507
Norilsk Nickel – management fees	**–**	13
Glencore Operations SA – management fees	**78**	68
Joint venture		
Assmang Proprietary Limited		
– Management fees	**1 478**	1 770
– Dividends received	**5 500**	4 000
Amounts outstanding at year end (owing to)/receivable by ARM on current account		
Joint venture		
Assmang – trade and other receivables	**985**	1 156
Joint operations		
Rustenburg Platinum Mines – trade and other receivables[1]	**1 526**	1 755
Norilsk Nickel – trade and other payables	**2**	–
Norilsk Nickel – trade and other receivables	**–**	67
Glencore Operations SA – long-term borrowings	**–**	(707)
Glencore Operations SA – short-term borrowings	**(139)**	(307)
Glencore Operations SA – trade and other receivables	**887**	218
Glencore International AG – trade and other receivables	**376**	120
Subsidiary		
Impala Platinum – trade and other receivables	**3 646**	4 324
Impala Platinum – dividend paid	**1 060**	1 219

[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.*

24 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 2022 is the best independent estimate and is based on the most reliable information currently available. It will be reassessed 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 WUL are secured.

There have been no other significant changes in the contingent liabilities of the group as disclosed since the 30 June 2021 annual financial statements.

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**.

25. EVENTS AFTER THE REPORTING DATE

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

25.2 Harmony declared a final dividend of 22 cents per share, bringing their total dividend for F2022 to 62 cents per share. At 30 June 2022 and at the date of this report, ARM owned 74 665 545 Harmony shares.

25.3 ARM declared a dividend of R20.00 per share on 1 September 2022.

25.4 Acquisition of Bokoni Platinum Mine Proprietary Limited (BPM)

On 20 December 2021 ARM entered into a sale and purchase agreement which provides for ARM Platinum, a wholly owned subsidiary of ARM, to acquire all of the shares (100%) of BPM from Bokoni Platinum Holdings Proprietary Limited (BPH), in turn owned by Rustenburg Platinum Mines Limited (RPM), a wholly owned subsidiary of Anglo American Platinum Limited (AAPL), and Plateau Resources Proprietary Limited (Plateau), a wholly owned subsidiary of Atlatsa Resources Corporation (Atlatsa), through a newly formed entity ARM Bokoni Mining Consortium Proprietary Limited (ARM BMC), for a consideration of R3 500 million payable in cash.

The sale and purchase agreement included various conditions to the purchase becoming effective, most notably approval for the transfer of the controlling interest in BPM to ARM BMC in terms of Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002, as well as the approval of the acquisition by the Competition Commission.

As at the date of authorising these financial statements, the significant conditions precedent in the sale and purchase agreement had been fulfilled and the closing date was 1 September 2022.

ARM BMC transferred the consideration of R3 500 million in cash, on 1 September 2022. This was funded by ARM through the subscription of an additional 99 000 shares in ARM Platinum. ARM Platinum thereafter subscribed for 254 900 ordinary shares and 175 000 preference shares in ARM BMC.

The following are the primary objectives of the transaction:
- Long-life ore body favourably impacting medium-term production. Adding a long-life operation greater than 24 years with significant opportunity for further value accretive growth
- Provides exposure to a high-grade UG2 resource that has an attractive prill split with high concentration of palladium and rhodium, and favourable iridium and ruthenium contributions
- Improves ARM's portfolio mix and competitiveness, with the addition of a mechanised underground operation (in new mining areas) that is expected to lower ARM's overall PGM cost curve position
- Provides for potential scale benefits and opportunities for operational optimisation, given its proximity to ARM's other Eastern limb PGM operations.

Notes to the summarised consolidated financial statements continued

for the year ended 30 June 2022

25. EVENTS AFTER THE REPORTING DATE continued

25.4 Acquisition of Bokoni Platinum Mine Proprietary Limited (BPM) continued

On 11 June 2022, approval was granted to transfer a controlling interest in BPM (the mining right holder) to ARM BMC for which consent was obtained in terms of section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002 from the Department of Minerals Resources and Energy.

On 2 August 2022, the Competition Commission approved the proposed acquisition of BPM, pending Competition Tribunal clearance. Competition Tribunal clearance was granted on 11 August 2022.

In terms of IFRS 3 *Business combinations*, ARM has concluded that the acquisition of BPM is considered to be a "business combination" as defined in IFRS 3, with an acquisition date of 1 September 2022, in line with transfer of control, being the effective date as per the sale and purchase agreement.

As a result of the timing of the Competition Tribunal clearance and the uncertainties associated with potential directives which may have been issued by the Competition Commission in their consideration of the proposed structure of the sale and purchase agreement, as well as the different mining approaches (conventional vs mechanised) to be determined after the various feasibility studies are completed, the fair value for each major class of assets acquired and liabilities assumed, cannot yet be accurately determined. The option analysis (conventional vs mechanised) to restart the mine has an impact on the mine plan. The final mine plan and resultant valuation of assets can therefore only be accurately determined once all the feasibility studies have been completed. This is a complex process as it involves different sites, and an assessment of which option will yield the best outcome.

ARM Platinum has appointed a valuator in order to conduct a fair value valuation of at-acquisition identifiable assets and liabilities through a purchase price allocation (PPA) mechanism, at which point an amount of either goodwill or gain on bargain purchase will be determined.

Since BPM is currently on care maintenance and not generating income from sale goods, the amounts of revenue and profit or loss have not been disclosed. Included in operating expenditure (refer note 29), is an amount of R28 million relating to the acquisition costs of Bokoni. These acquisition costs do not include depreciation or amortisation of the Bokoni Platinum Mine or any of the assets which are being acquired.

25.5 Subsequent to year end, prices for iron ore, manganese ore and manganese alloys decreased which will negatively impact the sales and debtors subject to provisional pricing and inventory net realisable values at Assmang and ultimately the equity-accounted earnings. The financial impact will only be determined on actual final pricing of sales and inventory realisation. This is considered a non-adjusting subsequent event.

No other significant events have occurred subsequent to the reporting date that could materially effect the reported results or require further disclosure.

Contact details

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A2X share code: ARI
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B Kennedy*
AK Maditsi*
J Magagula
TTA Mhlanga (finance director)
HL Mkatshana
PJ Mnisi*
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** *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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