ARM
African Rainbow Minerals

Enter

2023

Notice to shareholders

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Contents

African Rainbow Minerals (ARM) is a **leading South African diversified mining and minerals company** with operations in South Africa and Malaysia. ARM mines and beneficiates iron ore, manganese ore, chrome ore, platinum group metals (PGMs), nickel and coal. It also produces manganese alloys and has a strategic investment in gold through Harmony Gold Mining Company Limited (Harmony Gold).

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.

Information available on our website **www.arm.co.za**

Information available elsewhere in our reports

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 90th annual general meeting of shareholders of the company will, subject to any cancellation, postponement or adjournment, be held on Friday, 8 December 2023 at 13:00 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 Listings Requirements of the JSE Limited ("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, 20 October 2023.

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, 1 December 2023 ("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, 28 November 2023.

Presentation of financial statements

To present the annual financial statements of the group and company for the financial year ended 30 June 2023 (2023 annual financial statements), including the directors', audit and risk committee and independent auditor's reports. The 2023 annual financial statements are available on the company's website: www.arm.co.za. Refer to page 80 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 2023 environment, social and governance report ("2023 ESG report"), in terms of regulation 43(5)(c) of the Companies Regulations, 2011 promulgated in terms of the Companies Act. The 2023 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 – 5 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 pages 13 and 14 of this notice. The board recommends the re-election of these directors.

Ordinary resolution number 1
– Re-election of Mr AD Botha

1 "Resolved that Mr AD Botha, 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 JA Chissano

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

Resolution approval threshold

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

Ordinary resolution number 3
– Re-election of Mr WM Gule

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

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

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

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

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

Ordinary resolution number 5
– Re-election of Dr RV Simelane

5 "Resolved that Dr RV Simelane, 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 executive director

Ordinary resolution number 6 is proposed to elect an executive director of the company who was appointed between annual general meetings and whose term of office terminates at the annual general meeting in accordance with the company's memorandum of incorporation. His résumé appears on page 14 of this notice. The board recommends the election of this director.

Ordinary resolution number 6
– Election of Mr VP Tobias

6 "Resolved that Mr VP Tobias, the chief executive officer, whose period of office as a director terminates in accordance with the company's memorandum of incorporation at this annual general meeting and 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.

Appointment of external auditor and designated auditor

Ordinary resolution number 7
– Appointment of external auditor and designated auditor

Ordinary resolution number 7 is proposed to approve the appointment of KPMG Inc. as the external auditor of the company and of Ms S Loonat as the person designated to act on behalf of the external auditor for the financial year ending 30 June 2024, to remain in office until the conclusion of the next annual general meeting.

7 "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 the external auditor for the financial year ending 30 June 2024, to remain in office until the conclusion of the next annual general meeting."

Reason for and effect of ordinary resolution number 7
The reason for and effect of ordinary resolution number 7 is to comply with the requirements of section 90(1) of the Companies Act, which requires the company, each year at its annual general meeting, to appoint an auditor who complies with the requirements of section 90(2) of the Companies Act.

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 8
– Election of audit and risk committee members

Ordinary resolution number 8 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 16.

The résumés of those independent non-executive directors offering themselves for election as members of the audit and risk committee are included on pages 13 to 15 of this notice.

8 "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:

8.1 Mr TA Boardman (chairman)
8.2 Mr F Abbott
8.3 Mr AD Botha*
8.4 Mr B Nqwababa
8.5 Ms PJ Mnisi
8.6 Dr RV Simelane*."

* *Subject to their re-election as directors pursuant to ordinary resolution numbers 1 and 5 (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 9
– Non-binding advisory vote on the company's remuneration policy

Ordinary resolution number 9 is proposed for the purpose set out in the annexure on page 16 of this notice.

9 "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 2023 ESG report."

Resolution approval threshold
Should 25% (twenty-five percent) 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 10
– Non-binding advisory vote on the company's remuneration implementation report

Ordinary resolution number 10 is proposed for the purpose set out in the annexure on page 16 of this notice.

10 "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 2023 ESG report."

Resolution approval threshold
Should 25% (twenty-five percent) 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.

Notice of annual general meeting continued

General authority to allot and issue shares

Ordinary resolution number 11

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

11 "Resolved that, as a separate and additional authority from that referred to in ordinary resolution number 12, 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 11

The reason for and effect of ordinary resolution number 11 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 12

– General authority to allot and issue shares for cash

12 "Resolved, as a separate and additional authority from that referred to in ordinary resolution number 11, 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 9 802 651 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 JSE Listings Requirements 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 subdivision 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;
i) Upon any issue of ordinary shares which, together with prior issues of ordinary shares during the same financial year, will constitute, on a cumulative basis, 5% (five percent) of the total number of ordinary shares in issue prior to that issue, the company will publish an announcement in terms of section 11.22 of the JSE Listings Requirements, giving full details, including:
   (i) The number of securities issued;
   (ii) The average discount to the weighted average traded price of the securities over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the issuer and the party/ies subscribing to the securities;
   (iii) An issue of options and convertible securities issued for cash, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, earnings per share, the statement of comprehensive income, headline earnings per share and if applicable diluted earnings and headline earnings per share; and
   (iv) An issue of shares for cash, an explanation, including supporting information if any, of the intended use of funds; and
j) Related parties may participate in a general issue for cash through a bookbuild process, provided that:
   (i) 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
   (ii) 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 12

The reason for and effect of ordinary resolution number 12 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% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the annual general meeting is required.

Remuneration of non-executive directors

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

Special resolution number 1

13 "Resolved that, with effect from 1 July 2023, the company be and is hereby authorised, each by way of a separate vote, to pay its non-executive directors:

13.1 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

13.2 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 regularly 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 regularly 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 2023 (excluding VAT^) (R)*		Fees from 1 July 2022 (excluding VAT) (R)	
	Annual retainer	Per meeting	Annual retainer	Per meeting
Lead independent non-executive director	675 800	25 800	643 600	24 550
Independent non-executive directors	539 200	25 800	513 500	24 550
Non-executive directors	539 200	25 800	513 500	24 550

^ Value-added tax.

* *Effective 1 July 2023, should the increase be approved by shareholders at the 2023 annual general meeting.*

Notice of annual general meeting continued

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 13.2 on the previous page 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 regularly 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 amount 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 2023 supersede and replace the corresponding resolution passed at the annual general meeting in December 2022.

Resolution approval threshold
For this resolution to be approved, the support of at least 75% (seventy-five percent) 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

14 "Resolved that, with effect from 1 July 2023, 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 regularly 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 regularly 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 2023 (excluding VAT) (R)*	Per-meeting attendance fees from 1 July 2022 (excluding VAT) (R)
Audit and risk committee		
Chairman	134 750	128 350
Member	53 900	51 350
Investment and technical committee, nomination committee, remuneration committee, social and ethics committee and any other board committee		
Chairman	66 850	63 650
Member	35 300	33 600

* *Effective 1 July 2023, should fees be approved by shareholders at the 2023 annual general meeting.*

Reason for and effect of special resolution number 2
The reason for and effect of special resolution number 2 is to approve the payment of fees to non-executive directors for services rendered in 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 14 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 regularly 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 2023 supersede and replace the corresponding resolution passed at the annual general meeting in December 2022.

Resolution approval threshold
For this resolution to be approved, the support of at least 75% (seventy-five percent) 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 2 (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

15 "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 2 (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% (seventy-five percent) 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 2 (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

16 "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 2 (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% (seventy-five percent) 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

17 "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;
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% (seventy-five percent) of the votes cast by shareholders present 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

18 "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 2023, 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.

Notice of annual general meeting continued

Other disclosures 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 2023 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 2023 annual financial statements
- Share capital of the company – page 68 of the 2023 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 the 2023 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 2023 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 2023 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% (seventy-five percent) 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 13:00 on Friday, 8 December 2023. 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 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 13:00 on Wednesday, 6 December 2023.

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 prevent 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 13:00 on Wednesday, 6 December 2023, 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.

Notice of annual general meeting continued

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 13:00 on Wednesday, 6 December 2023, 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

10 October 2023

Résumés

Ordinary resolution numbers 1 – 5: Re-election of non-executive directors

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

Anton Botha (70)

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.

Mangisi Gule (71)

Independent non-executive director

Member of non-executive directors' committee

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

Appointed to the board in 2004

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

David Noko (66)

Independent non-executive director

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

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

Appointed to the board in 2017

David Noko is a globally renowned business leader with 40 years' experience in engineering, manufacturing and mining. As an engineer, he worked for South African Breweries and Pepsi Cola International in South Africa and internationally.

As an executive, he worked for De Beers as managing director of its South African operations and later joined AngloGold Ashanti Limited where he was the executive responsible for the group's business sustainable development and government relations portfolios. His experience and business acumen have seen him serve on boards of various publicly listed companies in South Africa. David is the founder and lead adviser at ESG Advisory Limited.

He is currently chairman of the council of the University of the Free State and non-executive director at Aveng Limited, Aveng Moolmans Proprietary Limited and Bushveld Minerals Limited.

Dr Rejoice Simelane (71)

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 Proprietary Limited, a position she held until 2016. While she remains an executive director at Ubuntu-Botho Investments Proprietary Limited, 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.

Joaquim Chissano (83)

Independent non-executive director

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

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

Appointed to the board in 2004

Joaquim Chissano is a former president of Mozambique and has served that country in many capacities, initially as a founding member of the Frelimo movement in the struggle for independence. After independence in 1975, he was appointed foreign minister and became president in 1986. He declined to stand for a further term of office in 2004. His presidency began during a devastating civil war and ended as the economy was being reconstructed. He was chairman of the African Union from 2003 to 2004. In 2006, he was awarded the annual Chatham House prize for significant contributions to the improvement of international relations. He also received the inaugural Mo Ibrahim prize for achievement in African leadership in 2007 and has been awarded a number of honorary degrees.

Ordinary resolution number 6: Election of executive director

The résumé of the individual offering himself for election as an executive director appears below.

Phillip Tobias (52)

Chief executive officer

BSc Eng (mining), mine manager's certificate, EDP (Wits), AMP (GIBS), professional engineer (Engineering Council of South Africa)

Appointed to the board in 2023

Phillip Tobias is a mining engineer with over 28 years' experience in the industry. He joined ARM as chief operating officer ("COO") in November 2021. Prior to this, he was COO: business development, corporate strategy and capital projects of Harmony Gold Mining Company Limited. He has also held executive positions at Anglo American Platinum Limited and Gold Fields Limited. Phillip has been chief executive officer of ARM since 1 May 2023, and represents the group on the board of the Minerals Council South Africa.

Ordinary resolution number 8: Election of audit and risk committee members

The résumés of Mr AD Botha and Dr RV Simelane, independent non-executive directors, offering themselves for election as members of the audit and risk committee, appear on pages 13 and 14.

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

Tom Boardman (73)

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.

Frank Abbott (68)

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.

Bongani Nqwababa (57)

Independent non-executive director

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

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 and non-executive director of Harmony Gold Mining Company Limited. He is also chairman of Babcock Ntuthuko Engineering Proprietary Limited and Babcock Plant Services Proprietary Limited.

Pitsi Mnisi (40)

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, Nampak Limited and Methodist Homes for the Aged NPO.

Annexures

Explanatory note for ordinary resolution number 8: Election of audit and risk committee members

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

- Have the necessary knowledge and capacity and are independent non-executive directors as contemplated in the Companies Act and the JSE Listings Requirements
- Have the necessary knowledge and capacity and are suitably qualified and experienced for audit and risk committee membership (see résumés on pages 13 to 15 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 committee's report in the 2023 annual financial statements.

Explanatory note for ordinary resolution numbers 9 and 10: 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 9 provides for a non-binding advisory vote on the company's remuneration policy, which is included in the 2023 ESG report.

Ordinary resolution number 10 provides for a non-binding advisory vote on the company's remuneration implementation report, which is included in the 2023 ESG report.

King IV provides that, in the event that either the remuneration policy or implementation report, or both, were voted against by 25% (twenty-five percent) 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.

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 90th annual general meeting of shareholders of the company convened for Friday, 8 December 2023 at 13:00, 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 13:00, South African time, on Wednesday, 6 December 2023 (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 13:00, South African time, on Friday, 8 December 2023 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 AD Botha			
2 Ordinary resolution number 2: Re-election of Mr JA Chissano			
3 Ordinary resolution number 3: Re-election of Mr WM Gule			
4 Ordinary resolution number 4: Re-election of Mr DC Noko			
5 Ordinary resolution number 5: Re-election of Dr RV Simelane			
6 Ordinary resolution number 6: Election of Mr VP Tobias			
7 Ordinary resolution number 7: Appointment of external auditor and designated auditor			
8 Ordinary resolution number 8: To individually elect the following independent non-executive directors as members of the audit and risk committee			
8.1 Mr TA Boardman (chairman)			
8.2 Mr F Abbott			
8.3 Mr AD Botha*			
8.4 Mr B Nqwababa			
8.5 Ms PJ Mnisi			
8.6 Dr RV Simelane*			
* *Subject to their re-election as directors pursuant to ordinary resolution numbers 1 and 5 (as applicable).*			
9 Ordinary resolution number 9: Non-binding advisory vote on the company's remuneration policy			
10 Ordinary resolution number 10: Non-binding advisory vote on the company's remuneration implementation report			
11 Ordinary resolution number 11: Placing control of authorised but unissued company shares in the hands of the board			
12 Ordinary resolution number 12: General authority to allot and issue shares for cash			
Special business			
13 Special resolution number 1: To individually authorise the company to pay the following remuneration to non-executive directors with effect from 1 July 2023			
13.1 Annual retainer fees as outlined in the notice of annual general meeting			
13.2 Fees for attending board meetings as outlined in the notice of annual general meeting			
14 Special resolution number 2: Committee meeting attendance fees with effect from 1 July 2023 as outlined in the notice of annual general meeting			
15 Special resolution number 3: Financial assistance – for subscription for securities			
16 Special resolution number 4: Financial assistance – for related or inter-related companies			
17 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			
18 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 ______________________ 2023

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 needs to sign this form of proxy.

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

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

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

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

9 Forms of proxy, powers of attorney or any other authority appointing a proxy must be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, by email to proxy@computershare.co.za (or physically at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa; posted to Private Bag X9000, Saxonwold, 2132, South Africa; or faxed to the proxy department +27 11 688 5238) to be received by 13:00 on Wednesday, 6 December 2023 (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:
- 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 2 (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 Friday, 8 December 2023 at 13:00
- Shareholders or their proxies who wish to participate in and/or vote electronically at the annual general meeting ("participants") are required to apply to The Meeting Specialist (Pty) Ltd ("TMS") by submitting this form via email to **proxy@tmsmeetings.co.za**
- Shareholders who have dematerialised their shares (other than those with own-name registrations) should provide their central securities depository participant ("CSDP") or broker with their voting instructions in terms of the custody agreement entered into with their relevant CSDP or broker. Should such shareholders wish to participate in and vote at the annual general meeting of the company, they should inform their CSDP or broker timeously and request the necessary letter of representation from their CSDP or broker to attend and vote their ARM shares, and submit such letter of representation to TMS together with this form in accordance with the instructions set out in the notice of annual general meeting to be granted access to participate in the annual general meeting by electronic communication
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must provide TMS with the information requested below as soon as possible, but in any event no later than 13:00 on Wednesday, 6 December 2023
- 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 Wednesday, 6 December 2023 and Friday, 8 December 2023 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 Friday, 8 December 2023 at 13:00 via electronic participation
- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the participant and will be billed separately by the participant's own network service provider
- The participant indemnifies and holds harmless the company, the JSE, the transfer secretaries and TMS against any loss, injury, damage, penalty or claim arising in any way from the use of the electronic communication facilities to participate in the annual general meeting or any interruption in the ability of the participant to participate in the annual general meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the participant, or anyone else, including without limitation the company, TMS or any of their respective employees or representatives. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, the JSE, the transfer secretaries and/or TMS and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the annual general meeting
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above
- Once the participant has received their unique link and access credentials for accessing the electronic platform, the onus to safeguard this information remains with the participant. The participant hereby indemnifies the company, the JSE, the transfer secretaries and TMS from any claims or losses that may arise as a result of the participant failing to safeguard this link and/or access credentials and/or permitting any unauthorised person to access the annual general meeting and/or vote at the annual general meeting utilising such link and access credentials
- The application will only be deemed successful if this application form has been fully completed and signed by the participant and emailed to TMS at proxy@tmsmeetings.co.za.

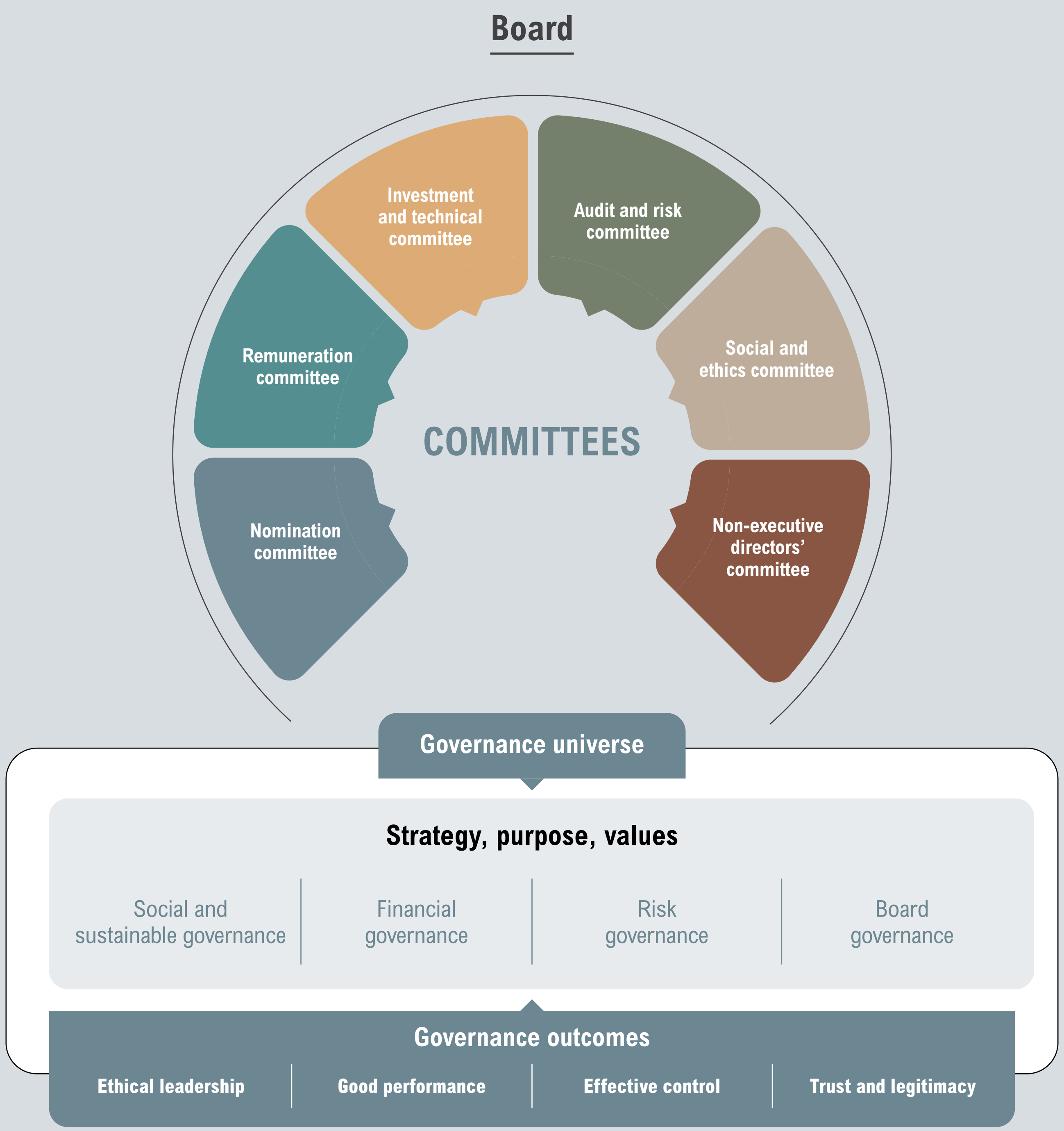
Participant: ____________________

Signature: ____________________

Date: ____________________

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

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.

ESG Detailed on page 46 of the ESG report.

To illustrate, 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 (ESG) 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 that characterises 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 (see page 128 of the ESG report). These reviews are instrumental in developing the board's objectives and work plan for F2024 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 F2023

ESG Refer to page 14 of the ESG report 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 policy on diversity and inclusion at board level was renewed, reinforcing ARM's commitment to transformation.	Approving the investment to support hybrid working through robust technology and systems Concluding the 100MW power-purchase agreement and approving the early-ounce project for Bokoni Platinum Mines Allocating capital to the Two Rivers Merensky project, which was approved in F2022, to enable the production of PGMs at competitive costs 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 align with the GISTM as per the required timeframes and published its required conformance reports in August 2023

Our corporate governance: outcomes and practices

Consistent with the apply-and-explain approach of King IV to disclosure, ARM considers and applies the principles of corporate governance relevant to ARM (both those recorded in King IV and in terms of best practice in international governance standards). ARM is confident that these practices assist in maintaining good performance in the governance outcomes of ethical culture, effective control and legitimacy with stakeholders.

The King IV application register is available on www.arm.co.za.

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

Board of directors

A deliberate blend of skills and experience

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

Dr Patrice Motsepe (61)

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)

Phillip Tobias (52)

Chief executive officer

BSc Eng (mining), mine manager's certificate, EDP (Wits), AMP (GIBS), professional engineer (Engineering Council of South Africa)

Appointed to the board in May 2023.

Tsundzukani Mhlanga (41)

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.

Thando Mkatshana (54)

Executive director and chief executive: ARM Platinum

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

Appointed to the board in 2015.

Alex Maditsi (61)

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.

Dr Rejoice Simelane (71)

Independent non-executive director

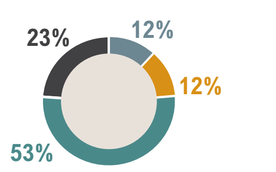
BA (econ and acc) (University of Botswana, Lesotho and Swaziland), MA (econ) (University of New Brunswick, Canada), (University of Connecticut, USA), PhD (econ) (University of Connecticut), LLB (Unisa)

Appointed to the board in 2004.

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

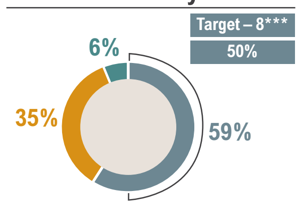
ESG Refer to directors' experience on pages 118 to 123 and pages 126 and 127 of the ESG report.

Age**



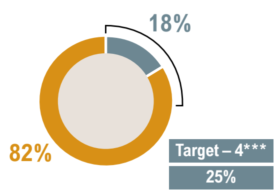
2 Under 50 years 2 50 to 59 years
9 60 to 69 years 4 70 years and older

Diversity



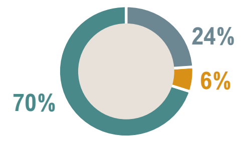
10 Black 6 White 1 Other African

Gender



3 Female 14 Male

Mix



4 Executive directors
1 Non-executive director
12 Independent non-executive directors

* At the date of this report.
** At date of 2023 annual general meeting.
*** Target in terms of board-approved policy.

Frank Abbott (68)

Independent non-executive director

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

Appointed to the board in 2004.

Tom Boardman (73)

Independent non-executive director

BCom (Wits), CA(SA)

Appointed to the board in 2011.

Anton Botha (70)

Independent non-executive director

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

Appointed to the board in 2009.

Joaquim Chissano (83)*

Independent non-executive director

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

Appointed to the board in 2005.

* Non-South African.

Pitsi Mnisi (40)

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.

Mangisi Gule (71)

Independent non-executive director

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

Appointed to the board in 2004.

David Noko (66)

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.

Jan Steenkamp (69)

Independent non-executive director

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

Appointed to the board in 2017.

Brian Kennedy (63)

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.

Bongani Nqwababa (57)

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.

Mike Arnold (66)

Non-executive director

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

Appointed to the board in 2009.

Report of the audit and risk committee

This report is provided by the audit and risk committee appointed for the 2023 financial year (F2023) 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 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 for the audit for F2023
- Recommended to shareholders that KPMG Inc. be appointed as the external auditor and that Ms S Loonat be appointed as the designated auditor for the audit for F2024 under the rules for mandatory audit-firm rotation after 10 years, notwithstanding that the rule was set aside by the Supreme Court of Appeal
- 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. From 15 December 2022, in terms of amendments to the non-assurance services provisions and fee-related provisions of the International Ethics Standards Board for Accountants Code, provided concurrence of any non-assurance 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 50 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 20 years
- Evaluated the quality of the external audit.

For the F2023 financial statements, the committee:

- Confirmed the going-concern status of the group and company as the basis of preparing the interim, condensed 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 the acquisition of Bokoni Platinum Mine and related accounting entries
- 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 4 November 2022, considered the JSE's report titled "Reporting back on proactive monitoring of financial statements in 2022"
- Considered management's implementation of changes to the JSE Listings Requirements and other pronouncements and standards
- 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 F2023 annual financial statements
- The impact of global developments on our business
- Impairment indicators and reversal of impairment indicators at all operations including the impairment at Beeshoek, Cato Ridge Works and Sakura at 1H F2023 and at the end of F2023.

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 the 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 2023. 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 F2024, 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, amendments to the JSE Listings Requirements and other pronouncements and standards, as well as considering the Companies Act amendment bills
- 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]

TOM BOARDMAN (73)	FRANK ABBOTT (68)	ANTON BOTHA (70)	ALEX MADITSI (61)[3]	PITSI MNISI (40)	B NQWABABA (57)	DR REJOICE SIMELANE (71)
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)	BAcc (hons) (University of Zimbabwe), FCA (Institute of Chartered Accountants of Zimbabwe), MBA (with merit) (jointly awarded by universities of Wales, Bangor and Manchester)	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 2022**	**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.*	*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** 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] *Mr AK Maditsi will not stand for re-election at the forthcoming annual general meeting.*

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 2023, 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 Listings 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 2023 annual financial statements, which will be open for discussion at the annual general meeting.

TA Boardman
Chairman of the audit and risk committee

Johannesburg
10 October 2023

Social and ethics committee chairman's report

As ICMM members, ARM is committed to mining with the required principles. Our strategic priorities to operate safely, responsibly and efficiently, and to partner with host communities and other stakeholders, are founded on responsible ESG practices.

Dr Rejoice Simelane
Chairman of the social and ethics committee

Responsibilities

The ARM board is ultimately responsible for monitoring the effective management of sustainable development and delegates this responsibility to the social and ethics committee. The committee is constituted under regulation 43(5)(c) of the Companies Act.

The committee operates according to its terms of reference, which are regularly updated. It monitors and reports on the manner and extent to which ARM protects, enhances and invests in the economy, society and natural environment to ensure its business practices are sustainable. It holds responsibility 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, implementing 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.

In addition, the committee assumes responsibility for matters assigned by the board. It draws relevant matters to the board's attention and reports to shareholders at annual general meetings. In its responsibilities, it is supported by executive management and relevant management committees and governance structures, including the employment equity and skills development committee.

The committee oversees the management of ESG risks identified through the enterprise risk management (ERM) process, which considers internal and external stakeholders as well as governance processes.

Social and ethics committee chairman's report continued

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

Composition

The committee's terms of reference provide for a minimum of three members, with a majority of independent non-executive directors. The committee currently comprises five independent non-executive directors who bring extensive experience in mining operations, human resources, sustainable development and stakeholder engagement.

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

The committee met four times in F2023. Attendance is shown ESG on page 129 of the ESG report.

Assurance

In line with its terms of reference, the committee had oversight of ARM's appointment of a new independent external sustainability assurance provider for the 2023 ESG report, and reported to ARM's audit and risk committee that the appointment was made.

F2023 FOCUS

During the year, the committee:

- Monitored tailings storage facilities (TSFs) at our managed operations and progress in conformance to the GISTM
- Monitored safety improvement, rollout of the critical control management (CCM) programme to enhance risk engagement and progress in implementing level 9 of the collision avoidance system
- Considered an independent report on the regrettable accident at Two Rivers Mine that resulted in a fatality, including discussing root causes, contributing factors and remedial actions implemented
- 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 refining operation-specific decarbonisation pathways, setting short-term operational GHG emission-reduction targets, drafting medium-term GHG emission-reduction targets and assessing performance against operation-specific water targets
- Assessed proposals to integrate climate-change and water targets into executive remuneration
- Monitored allegations received via ARM's whistleblower facility
- Considered management reports on compliance in terms of the company's legal compliance policy
- Received reports on the code of conduct training programme
- Received reports on implementation of Protection of Personal Information Act and Promotion of Access to Information Act
- 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 the status of implementation of recommendations from the 2022 sustainability assurance process
- Monitored the process of identifying a new sustainability assurance provider
- Monitored the process to procure an automated system to capture and report ESG data
- Reviewed and provided input into the human rights policy
- 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 dtic CoGP targets, as well as the company's adoption of standards of good practice.

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 promulgated under the Companies Act and its terms of reference.

Working together to entrench good ESG practice

Sustainability is embedded in ARM's strategy and a principle deeply integrated into our operational ethos. We recognise that the company's long-term success and ability to create value are inherently tied to how responsibly and ethically we act.

The traditional core factors of production, particularly in the mining industry, expand to recognise the importance of ESG factors such as environmental management, human capital and our relationships with our host communities and broader society. Our activities help to realise the value of the country's mineral reserves to catalyse growth and development. In the process, we are committed to operating sustainably, ethically and with full regard for the interests of our stakeholders and mindful of our responsibility to manage and mitigate potential negative impacts arising from our activities and operations. ESG targets are included in the remuneration packages of relevant executives to align management and stakeholder interests.

ARM has implemented the ICMM's sustainable development framework and, since F2019, our operations (except for Bokoni which was acquired in September 2022) and the corporate office have completed self-assessments against the ICMM's 38 performance expectations (PE). ARM determined that the operations that will be prioritised for validation will follow the ESG report assurance process, with the undertaking that all operations will be subject to the external PE validation process over a three-year cycle. In F2023, the Modikwa and Khumani PE self-assessments were prioritised for validation as part of the external assurance over ESG information.

Supporting the safety, health and wellness of our employees and contractors

ARM aims to maintain a safe and healthy work environment for all employees and contractors. Regrettably, there was a fatality at Two Rivers Mine when a contractor employee, Mr Seutlwadi Esron Ramathesela, an engineering assistant, was injured and later succumbed to his injuries. We extend our sincere condolences to his family, friends and colleagues. Independent root cause investigations were done and action plans were implemented and closed out.

We continue to work towards ensuring zero harm at our operations, including implementing the CCM process and a level 9 collision avoidance system. The group achieved its best lost-time injury frequency rate (LTIFR) of 0.27 in F2023 from 0.31 in F2022, ARM Ferrous mines achieved a number of notable safety milestones and safety performance at ARM Platinum mines has improved consistently.

ESG Refer page 82 of the ESG report.

The group's integrated wellness management programme focuses on preventing occupational health hazards from affecting the health of employees and contractors, and supports the national agenda to address TB and HIV and Aids. The programme prioritises effective management of hearing conservation, occupational lung diseases and chronic conditions. The mines have memorandums of understanding (MoUs) with regional departments of health to strengthen the implementation of provincial strategies for TB, HIV and Aids, sexually transmitted infections and chronic disease management. The MoUs also extend primary healthcare services to contractors and communities, while the clinics participate in wellness campaigns in the workplace and the community, which include TB and HIV and Aids awareness and outreach.

The World Health Organization declared that Covid-19 is no longer a public health emergency of international concern and the South African Department of Health eased all Covid-19 regulations and protocols during the year. ARM operations nevertheless continue with Covid-19 management as dictated by the outcomes of risk assessments.

Optimising human capital and realising benefits of diversity

The success of our business depends on our ability to attract, develop and retain talented, highly skilled and experienced professionals. ARM's human resources management aims to align our available human capital with the group's strategic goals, while entrenching our desired organisational culture.

ARM embraces the principle of transformation and endorses the ICMM position statement on improving diversity, equity and inclusion in the industry and positively influencing the communities that we are a part of. Transformation imperatives and gender mainstreaming inform succession planning, management recruitment, retention, selection and

Social and ethics committee chairman's report continued

promotion to improve representation of historically disadvantaged persons (HDPs), women and people with disabilities.

To further support the implementation of these objectives the board has approved changes to the long-term incentive performance measures for awards in the 2024 financial year to include measures of diversity, equity and inclusion. These changes are detailed in the remuneration report in the ESG report on page 167.

The group's ongoing investment in learning and development programmes builds the skills required to meet current and future needs, and helps to develop a diverse and representative pipeline of future leaders. The group's broader focus on transformation contributes to the requirements of the mining charter and the Department of Trade, Industry and Competition (dtic) Code of Good Practice (CoGP) which include HDP ownership, human resources development, preferential procurement, enterprise and supplier development, and mine community development.

Supporting host communities

ARM invests in projects that aim to make a meaningful contribution to the lives of people in local communities and to improve community resilience. Infrastructure projects are identified in partnership with local government and community representative structures to address current and future priority areas.

Local job creation and economic development are promoted through enterprise and supplier development programmes at the operations, which assist sustainable local black-owned, black youth-owned and black women-owned companies to graduate into the mining supply chain.

Responsible stewardship of natural resources

Protecting and preserving our natural resources is integrated into our business strategy. Climate risks are escalating rapidly, underscoring the urgency of changing the way we work and consume natural resources.

We recognise the critical global challenges that climate change presents and the effects these may have on our business, our stakeholders and the world. ARM is committed to participating in the global response to reduce carbon emissions and mitigating the physical impacts caused by climate change. We are working to identify contextually appropriate and just mitigation options for each operation.

We announced our long-term 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 refining our operation-specific decarbonisation pathways, setting short and medium-term scope 1 and 2 emission-reduction targets.

Globally, water systems are under threat from rising consumption, pollution, weak governance and climate change. ARM is exposed to greater 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. We now comply with updates to the ICMM's water accounting framework (WAF) and are following the guidelines of the ICMM's recently revised water reporting good practice guide.

More information is available in the 2023 climate change and water report, which provides increased transparency and comparability in water and climate-change reporting that aims to meet the requirements of a broad range of stakeholders.

Responsible tailings management is a priority for ARM, the mining industry and investors. ARM and its joint-venture partners have adopted the GISTM at all its operations and good progress has been made in achieving full conformance. A report on this progress is available on our website.

For further information regarding how we continue to integrate measurable greenhouse gas emissions reduction targets into executive remuneration. Please see the summarised remuneration report on page 32.

Ethics and compliance

ARM's long-term success and reputation depend on our unwavering commitment to ethics and integrity. The code of conduct is built on our values and emphasises our dedication to the highest moral, ethical and legal compliance in dealing with our stakeholders. Directors and employees are required to maintain these standards to ensure the company's business is conducted honestly, fairly, legally, reasonably, in good faith and in the best interests of all stakeholders. The committee reviews reports of calls made to the independent anonymous whistleblower facility and the outcomes of resulting investigations.

We regard legal compliance as the minimum requirement and engage with regulators to ensure that licences and permit applications are approved and in place so that we continue to comply with the conditions of these authorisations. Amending 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 page 71 of the ESG report.

The ARM group human rights policy, which was approved by the board in April 2023, formalises our commitment, already set out in the code of conduct, to conducting business in a manner that respects and gives utmost consideration to the rights and dignity of all people, while centrally embracing the values and principles of ubuntu. It promotes respect for human rights and instils a culture of human rights between and among employees and the group's stakeholders.

Acknowledgements

I extend my sincere gratitude to my fellow committee members and the entire board for their support and contribution during the year.

On behalf of the board, I thank management and employees for their diligence and ongoing commitment to operating responsibly, and our shareholders for their support and constructive engagements.

Dr RV Simelane
Chairman of social and ethics committee

FOCUS FOR F2024

- Monitoring safety improvement programmes and implementation of CCM process and collision avoidance systems at 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
- Monitoring management's implementation of the new ICMM accounting and reporting guidelines and the development of the appropriate company scope 3 targets and commitments
- Oversee TSF management and conformance to GISTM.

Summarised remuneration report

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 remuneration outcomes for F2023.

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 highest-paid employees to the lowest-paid employees as part of our approach to fair and responsible remuneration. There is currently no regulated methodology for reporting the pay gap in South Africa. ARM will report on the pay gap once there is a statutory measure.

Fixed pay

The board-approved cost-to-company salary increases in the corporate office from 1 July 2023 based on independent benchmarking processes and after considering the current consumer price index (CPI). These are summarised below:

Paterson grade	Role	F2024 increase[1]	F2023 increase[2]
F-band	Executives (including executive directors)	5%	5%
D and E-bands	Middle and senior management	6%	5%
A to C-bands	General staff	7%	6.5%

[1] *CPI of 6.3% at May 2023 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, multiple-year wage agreements are in place for all ARM-managed operations, except Bokoni Platinum Mine. For Bokoni, a recognition agreement was concluded with the National Union of Mine Workers (NUM) in terms of which NUM would not submit any wage demands for F2023 and F2024.

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 create an environment that promotes a sense of belonging for our employees.	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.

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 F2023 profit before interest and taxes (PBIT) was 29% above target
- Profit targets were met at ARM Ferrous and ARM Coal, but not ARM Platinum
- Costs at Cato Ridge Alloys, Sakura and Machadodorp Works were better than plan. Overall, ARM Ferrous, ARM Coal and ARM Platinum were worse than plan
- Overall, ARM Ferrous, ARM Coal and ARM group were better than plan on cost targets, while ARM Platinum was below plan
- Despite the improved lost-time injury frequency rate, there was regrettably one fatality (at Two Rivers) in F2023. The fatality adjusted safety modifier for ARM Platinum was (1.67)%
- The safety modifier target of 10% after adjustment for fatalities was achieved at ARM Ferrous and ARM Coal. The overall group safety modifier adjusted for fatalities was 9.38%
- A personal performance modifier has been applied to the cash bonus calculated for each senior executive, except for the executive chairman, chief executive officer and executive: growth and strategic development in the executive chairman's office (who was chief executive officer for 10 months of the financial year).

If key performance indicators (KPIs) are met, a senior executive 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, chief executive officer and executive: growth and strategic development as their performance is best measured by the performance of the company.

Benchmark

An executive 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. Based on the findings of the study, for F2024, the board-approved salary adjustments for the chief executive officer and finance director.

A benchmarking study on non-executive directors' fees against a comparator group of South African mining peers has been completed, supporting the proposed 5% increase for F2024.

Long-term incentives

Outcomes are linked to the company's performance. Conditional share awards settled in F2023 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 174 of the ESG report):

ESG

- Total shareholder return against a comparator group of 17 mining companies (excluding gold and diamond companies as well as companies in the comparator group that delisted in the performance period)
- Average free cash flow return on equity
- Consistent and sustainable cost performance
- Improved safety performance (measured by lost-time injury frequency rate (LTIFR))
- Improvement in broad-based black economic empowerment (BBBEE) score
- Performance against climate-change targets.

2018 conditional share plan

F2022 amendments to the 2018 conditional share plan

In December 2022, shareholders approved an amendment to this plan to align with latest practice. This amendment changed 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.

- 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 10 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 on the shares that vest if performance conditions have been met
- New greenhouse gas (GHG) reduction targets from F2024 (see box): The performance condition is the absolute reduction in GHG emissions over the three-year period from 1 July 2023 to 30 June 2026 measured as the percentage reduction in aggregate GHG emissions from the full F2023 to the full 2026 financial year (F2026). These targets aim to ensure that ARM meets its long-term GHG emission target of net-zero GHG emissions (scope 1 and 2) from mining by 2050.
- The previous transformation performance condition measured by an improvement in the BBBEE scorecard with a weighting of 10% will be retained, but its weight will be reduced to 5% and measures of diversity, equity and inclusion (**DEI**), with an aggregate weighting of 5%, will be included going forward. The introduction of a DEI measure will align ARM with best global practice whilst retaining focus on the South African transformation imperative.

New GHG emission targets:

Absolute reduction in GHG emissions by F2026, relative to F2023 (Scope 1 and 2) measured for F2023 and F2026 as the aggregate GHG emissions over the full financial year. The target reduction of 15% to 20% over the three-year period from 1 July 2023 to 30 June 2026 will be included in the new GHG emission target for the F2024 share awards. Appropriate threshold and stretch relative to the target reduction are also included in the detailed performance conditions and vesting table on page 166 of the ESG report.

ESG

New transformation and DEI targets

- Specific measures of DEI:
  - Women in management (proportion of females in Paterson grade D-lower band and above)
  - Black managers (proportion of Africans, coloureds and Indians in Paterson grade D-lower band and above)
  - Leadership and inclusive culture (as measured by retention percentage at all levels)
- BBBEE scorecard:
  - Improvement in current BBBEE scorecard.

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
- Similar to the 2018 conditional share plan, this plan was amended for retiring participants.

Stakeholder engagement

At the 2022 annual general meeting, the non-binding advisory vote on ARM's remuneration policy was supported by 94.61% of shareholders who voted at the meeting. The implementation report was supported by 74.56%, narrowly below the 75% voting threshold.

The board is cognisant of shareholder concerns in terms of ARM's remuneration implementation report, while being encouraged by their support of the remuneration policy. We take shareholder feedback seriously and strive to continuously engage with our shareholders. We also carefully consider the opinions of institutional agencies that provide proxy advisory services. Accordingly, we invited shareholders to engage on their concerns, with the limited response summarised below.

Stakeholder engagement on voting

Feedback	Response
Interim allocations of long-term incentives: Some shareholders questioned the practice of making interim allocations during the year in addition to regular annual allocations in December each year.	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. Top-up awards are also made to employees who have been promoted since the annual allocation. The net allocation of awards during the year from the annual allocation and interim allocation is within policy award levels communicated to shareholders.
Remuneration implementation report: salary increases Some shareholders questioned the quantum of an executive director's salary increase, and lack of accompanying rationale.	Following an independent benchmarking process, the remuneration committee recommended that the board approve an above-inflation salary adjustment to the cost-to-company of the director in question to align with the remuneration of peers in similar roles with similar responsibilities.
Remuneration implementation report: non-cash benefits Some shareholders questioned the recurring non-cash benefits for the executive chairman, noting there was limited information and justification for this payment.	The non-cash benefit for the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks.

Commitment for F2024

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 2023 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.

Summarised remuneration report continued

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 by the board. As noted by my colleague, the chairman of the social and ethics committee (page 22 of the ESG report), in 2021 ARM set a target of net-zero GHG emissions from mining by 2050.

In October 2023, we set new greenhouse gas performance targets for awards to be made from F2024 in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan.

The methodology behind setting executive long-term incentive targets aligned to greenhouse gas emissions management is an evolving field globally. In determining targets based on our decarbonisation pathways, we have been mindful of global best-practice standards. We have also benchmarked our practices against a representative peer group to ensure we set appropriate and meaningful long-term incentive performance measures that support our targets to reduce greenhouse gas emissions to net-zero from mining by 2050.

Understanding that our 2050 goal will require ongoing refinement in the way we work, we continue to work on decarbonisation pathways to further develop specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in future reports.

In October 2023 following a benchmarking, against our peers both locally and globally, we also set new transformation targets for awards from F2024 in terms of the 2018 conditional share plan and the 2018 cash-settled conditional share plan.

As discussed in our 2022 report, we considered the shift in the GHG reporting boundary from equity share to operational control in line with the market. The new reporting boundary was applied to the measurement of performance conditions for long-term incentive awards granted from F2023, and not to outstanding awards made from F2019 to F2022. This approach ensured consistency and fairness of measurement for prior awards.

The remuneration policy achieved its stated objectives in F2023 and will continue to lead to performance outcomes that generate real long-term value for our shareholders.

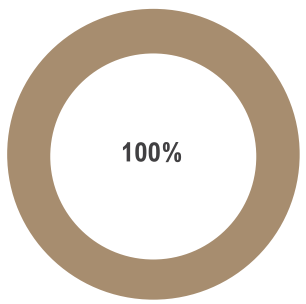
AD Botha
Chairman of the remuneration committee

Remuneration governance framework

Composition

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

Tenure: Remuneration committee



3 Ten years or more **100%**

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 F2023. 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

In F2023, 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 attended committee meetings by invitation and assisted the committee in its deliberations, except when their own remuneration was discussed. Invitees do not vote at meetings. No directors were involved in approving their own remuneration.

Advisers

Regarding F2023 remuneration, 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 implementation of the short-term and long-term incentive schemes and the policy on fees for ad hoc meetings. Change Pathways advised the committee on climate change targets. Bowmans and Change Pathways communicated directly with the committee. Deloitte provided assurance on some elements of executive remuneration. The committee is satisfied that Bowmans, PwC, Deloitte and Change Pathways were independent and objective.

In respect of F2023 remuneration, the remuneration committee relied on the following independent assurance reports in the process of settling awards in terms of the 2018 conditional share plan (CSP) and 2018 cash-settled CSP:

- Andisa provided assurance on dividend-equivalent shares and dividend-equivalent cash payments
- Honeycomb provided an independent assessment of BBBEE
- Change Pathways measured performance in terms of climate-change targets
- IBIS provided assurance on environmental metrics
- 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.

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 2023. 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 and other senior executives
- 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 F2023	FOCUS AREAS FOR F2024
The scheduled work plan was followed, with a normal cycle of activities and additional duties that included: • Monitoring the short-term incentive scheme, including: – The ongoing risk from 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 on amendments to the 2018 conditional share plan • Recommending the procedure to be adopted for the annual allocation and settlement of long-term incentives • 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 new climate-change targets • Reviewing new transformation and social expenditure and targets • Reviewing malus and clawback policy.	• Recommending corporate bonus parameters for F2024 to the board • Recommending new GHG targets • Recommending new transformation targets, new DEI measures and the continued use of BBBEE targets • Recommending to the board annual increases in the base salaries of executive directors and other senior executives • Recommending to the board short-term incentives (ie bonuses) payable to executive directors and senior executives • Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders • Reviewing malus and clawback criteria • Reviewing short-term incentive scheme policies • Considering shareholder feedback and overseeing preparation of the remuneration implementation report.

PART II – Overview of main previsions of the remuneration policy

Remuneration philosophy and policy: executive remuneration

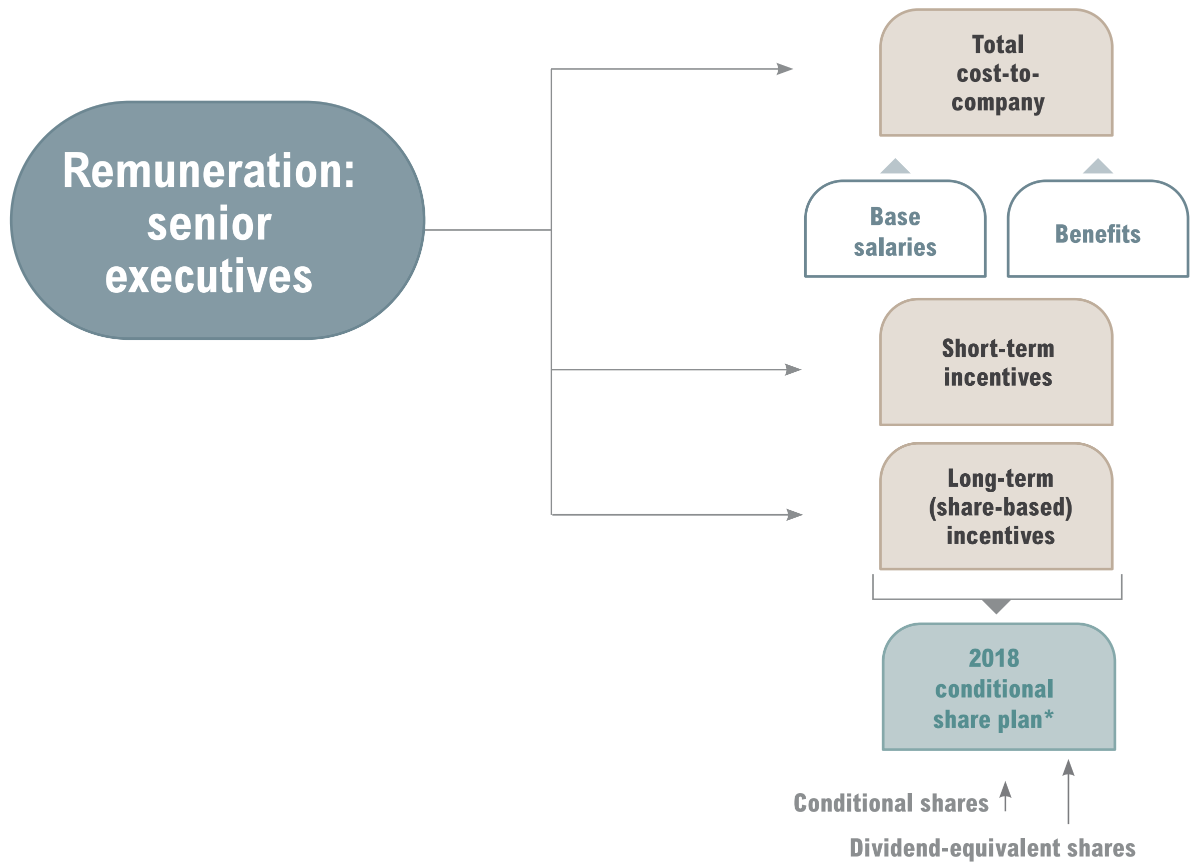
Philosophy

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 F2024 of 5% for executives approved from 1 July 2023 (F2023: 5%) • 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. It is a defined contribution fund. 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 • Employees have the option of choosing a pensionable salary level from 50% to 100% of the CTC • 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 F2024 amid ongoing global uncertainty and risk, the maximum bonus payable in F2024 will be capped as in F2023 to two times the on-target bonus multiple. The multiple applicable to each performance measure (being annual profit before interest and taxes (PBIT) and unit cash costs*) will be used to determine a bonus multiple of between zero times and three times, depending on the F2024 actual performance relative to targets set for F2023. 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 two times, it will be capped at two times. Therefore, for F2024 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are unchanged from F2023, as shown below:

Position	PATERSON GRADE	F2024 % ON-TARGET BONUS OF CTC	F2024 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 cash costs (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 cash costs against target (a weighted scorecard)
- 25% – divisional profit from operations against target
- 25% – divisional unit cash costs against target (a weighted scorecard).

The following divisional unit cash costs will be measured:
- Manganese
- Iron ore (Beeshoek and Khumani separately)
- Ferromanganese (Machadodorp)
- Ferromanganese (Cato Ridge)
- PGMs (Modikwa)
- PGMs (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.

Unit cash costs include capitalised waste-stripping costs (for open-pit operations), standing charges (related to periods of non-production) and certain non-cash adjustments but exclude run-of-mine ore work in progress and stock movements.

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 LTIFR 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 LTIFR 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.

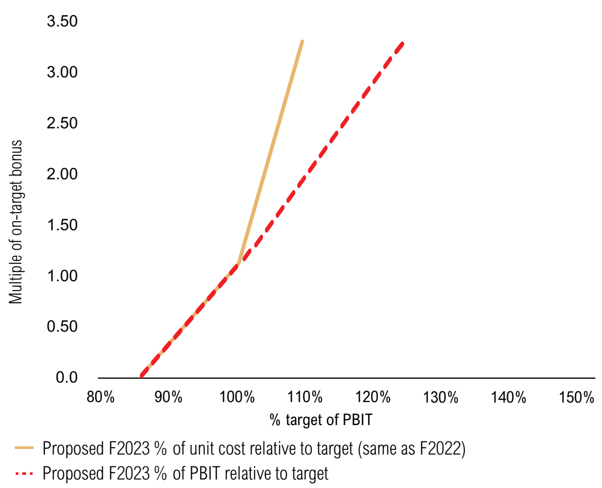
Performance targets

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. F2024 PBIT targets relative to F2023 PBIT targets are set out below. The requirement for the achievement of the maximum bonus award (as a percentage of target) is 125% as in F2023. F2024 cost target percentages are unchanged from F2023.

%	F2024 PBIT TARGETS*
ARM group	**(21%)**
ARM Ferrous	**(12%)**
ARM Platinum	**(30%)**
ARM Coal	**(35%)**

* *Based on the approved F2024 plan relative to F2023 targets. The F2024 plan will be updated for, inter alia, opening balances at 1 July 2023.*

F2023 bonus structure*



* *Total bonus capped at 2x on-target bonus multiple (see bonus percentage under part II of the remuneration report).*

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 these executives, because their performance is best measured by the performance of the company.

Long-term incentives

2018 conditional share plan (F2024)

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
- Executive: growth and strategic development – 1.5 x total CTC
- Finance director, other executive directors and prescribed officers – 1.33 x total CTC
- Senior executives – 1.0 x total CTC (a premium award up to 1.33 x CTC may be approved for a senior executive in exceptional circumstances including specific knowledge, experience and/or skills that make them of particular value to ARM, retention risks and the degree of difficulty of replacing the executive).

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 and the board.

Dividend-equivalent shares

Awards
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.

Settlements
Dividend-equivalent shares are only settled on vested conditional shares.

Summarised remuneration report continued

Long-term incentives continued

2018 conditional share plan (F2024) continued

Performance conditions and vesting

Performance conditions[1]	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)

1 *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. In the case of any application of discretion, the remuneration committee will provide an explanation of any deviation in the implementation report for the following financial year.*

Long-term incentives continued

2018 conditional share plan (F2024) continued

Performance conditions and vesting continued

Performance conditions[1]	Weight	Threshold	Target	Stretch
Sustainable business Improved safety performance as measured by LTIFR.	10%	Improvement of 3% over period (50% vesting)	Improvement of 4% over period (100% vesting)	Improvement of 5% over period (200% vesting)
Transformation, diversity, equity and inclusion. • Women in management (DL[2] and above)	1.5%	Maintain current level (50% vesting)	Equity plan target (100% vesting)	Equity plan target +3% (200% vesting)
• Black managers (DL and above)	2.0%	Maintain current level (50% vesting)	Equity plan target (100% vesting)	Equity plan target +3% (200% vesting)
• Leadership and inclusive culture (measured over the three-year performance period as the average of the annual retention percentage[3] at all levels)	1.5%	95% (50% vesting)	97% (100% vesting)	98% (200% vesting)
• Improvement in the BBBEE score	5%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)
Absolute reduction in GHG emissions[4] by F2026, relative to F2023 (scope 1 and 2) measured for each year as the aggregate GHG emissions over the full financial year[5, 6]	5%	10% reduction over the period (50% vesting)	Reduction of between 15% and 20% over the period (100% vesting)	25% reduction over the period (200% vesting)

1 *Should an event occur at any point during the performance period which causes the board to consider who 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. In the case of any application of discretion, the remuneration committee will provide an explanation of any deviation in the implementation report for the following financial year.*
2 *DL means Paterson grade D-lower band.*
3 *Annual retention percentage is the percentage of those who remain employed at the end of the financial year compared to those that were employed at the start of the year.*
4 *The absolute GHG reduction targets are detailed below and decarbonisation pathways from F2024 to F2026 are more fully described in the climate change section of the ESG report and in the climate change and water report.*
5 *Includes operations within ARM's operational control boundary and the board-approved early-ounces project at Bokoni Platinum Mine, but excludes Nkomati Mine and Machadodorp Works, which are on care and maintenance.*
6 *The baseline year and targets will be adjusted for any material acquisitions and divestments, material changes to planned operating conditions and to reflect progressive refinement of GHG reporting methodologies. Adjustments are expected following the detailed feasibility study at Bokoni Platinum Mine and following a board decision regarding future activities at Machadodorp Works.*

Long-term incentives continued

2018 conditional share plan (F2024) 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, as approved by shareholders 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.

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 below.

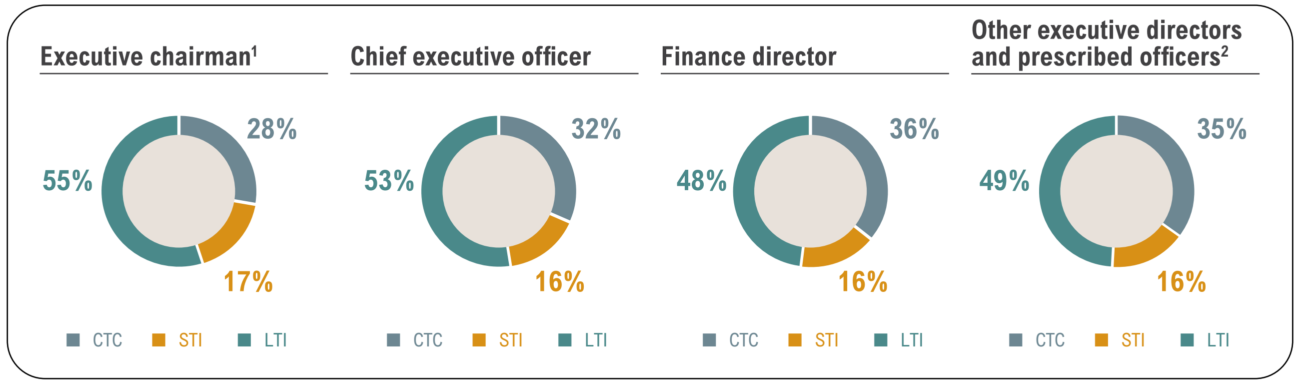
Form of remuneration	Resignation	Retirement	Dismissal	Retrenchment/ transfer	Death
Cost-to-company					
Basic salary	One month's notice pay	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment
Benefits, including medical/pension	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
2018 conditional share plan					
Conditional shares	Considered a fault termination, subject to the board's discretion: all unvested awards forfeited	Considered a no-fault termination: as a rule, from 2022, unvested awards will vest on the basis of the original vesting dates and performance conditions, without pro-rating. 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.*

Summarised remuneration report continued

Total remuneration design: F2024
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.



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 (ie fringe benefit tax for protection services).*
[2] *Average for Messrs HL Mkatshana, MP Schmidt and A Joubert.*

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 one times pensionable salary determined at the date of allocation. This is followed by another period of three years to build a further shareholding of one times pensionable salary for a total of two 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), Mr VP Tobias (who was appointed chief executive officer from 1 May 2023), Mr HL Mkatshana (executive director and chief executive: ARM Platinum, also responsible for ARM Coal), and Ms TTA Mhlanga (finance director).

In F2023, there was an employment agreement with Ms J Magagula (executive director: investor relations and new business development), who resigned from the company effective 31 July 2023.

The company also has employment agreements with the prescribed officers, Messrs A Joubert (chief executive: ARM Ferrous) and MP Schmidt (executive: growth and strategic development).

None of these are 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 and the 2018 cash-settled conditional share plan. There are no other service agreements between the company and its executive directors and prescribed officers.

Sign-on arrangements
Mr VP Tobias was appointed ARM's chief executive officer on 1 May 2023, following his appointment as chief operating officer in November 2021. As part of his sign-on agreement in 2021, ARM agreed to match the long-term incentives Mr Tobias forfeited at his previous employer after meeting all performance conditions, except the condition relating to continued employment. In terms of the ARM formal agreement, he received or 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 – paid in F2023
- 2023: R2 133 781 on 15 November 2023 – payable in F2024.

He received an annual long-term share incentive award in the F2023 allocation under the 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 F2023. The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5% in F2024 (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.

Summarised remuneration report continued

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 2023 (excl VAT) (R)*		Fees from 1 July 2022 (excl VAT) (R)	
	Annual retainer	**Per meeting**	Annual retainer	Per meeting
Lead independent non-executive director	**675 800**	**25 800**	643 600	24 550
Independent non-executive directors	**539 200**	**25 800**	513 500	24 550
Non-executive directors	**539 200**	**25 800**	513 500	24 550

VAT = valued-added tax
** Effective 1 July 2023, should fees be approved by shareholders at the 2023 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 2023 (excl VAT) (R)*	Per-meeting attendance fees from 1 July 2022 (excl VAT) (R)
Audit and risk committee		
Chairman	**134 750**	128 350
Member	**53 900**	51 350
Investment and technical committee, nomination committee, remuneration committee, social and ethics committee or any other board committee		
Chairman	**66 850**	63 650
Member	**35 300**	33 600

VAT = value-added tax
** Effective 1 July 2023, should fees be approved by shareholders at the 2023 annual general meeting.*

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

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. The company has a renewable consultancy agreement with Mr JA Chissano, which was renewed for one year from 1 May 2023.

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

Details of amounts paid in F2023 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: F2023

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 5.0% for senior executives for F2023 (F2022: 5.2%).

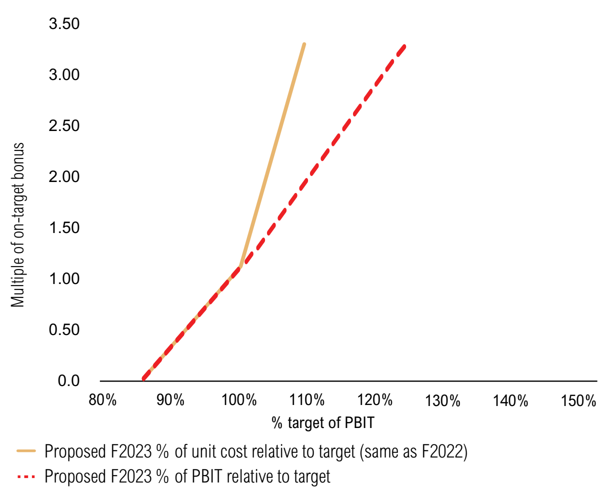
F2023 short-term incentive performance targets

The F2023 targets for PBIT and costs are shown alongside.

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

* *Based on approved F2023 plan relative to F2022 targets.*

F2023 bonus structure*



* *Total bonus capped at 2x on-target bonus multiple (see bonus percentage under part II of the remuneration report).*

Performance against bonus targets for F2023

Profitability*

Above target
ARM Ferrous
• ARM Coal
• ARM group
Below target
• ARM Platinum

Unit cash costs

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 Platinum
• ARM group

* *Based on profit before interest and tax (PBIT).*
** *Safety modifier adjusted for fatalities.*

F2023 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. Except for the executive chairman, the percentage of total annual package before incentives paid as a bonus is based on relative achievement against targets. For the executive chairman, the bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits (see single-figure remuneration table).

F2023 short-term incentive performance scorecard: executive directors and ARM corporate prescribed officers

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 cash costs** (weighted)		50%	●				0.37	Between threshold and target (OTB multiple = 0.37)
Group performance outcome before capping	100%						1.68	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.37)
Group performance outcome (capped at 2.00*)	100%						1.68	Capped at 2.00*
Group safety modifier adjusted for fatalities					●		9.38%	Between target and stretch (9.38%)

OTB = on-target bonus.
* *In terms of the board-approved remuneration policy for F2023, performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.*
** *Unit cash costs include capitalised waste stripping costs (for the open-pit operations), standing charges (related to periods of non-production) and certain non-cash adjustments but exclude run-of-mine orework in progress and stock movements.*

Summarised remuneration report continued

F2023 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 level achieved					
Performance measure	**Overall weighting**	**Measure weighting**	**Below target**	**Target**	**Between target and stretch**	**Stretch and above**	**OTB multiple**	**Commentary on key performance outcome and link to reward**
Group performance	50%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3.00)
• Unit cash costs** (weighted)		50%	●				0.37	Between threshold and target (OTB multiple = 0.37)
Group performance outcome	50%						1.68	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (0.37)
Divisional performance	50%							
ARM Ferrous • PBIT from division		50%				●	3.00	Between target and stretch (OTB multiple = 3)
ARM Ferrous • Unit cash costs (weighted)		50%	●				0.56	Between threshold and target (OTB multiple = 0.56)
Divisional performance outcome	50%						1.78	50% of OTB multiple from PBIT from operations (3) + 50% of OTB multiple from unit cost of sales (0.56)
Overall performance from group and division	100%						1.73	50% of group + 50% of division (capped at 2.00*)
Divisional safety modifier						●	10%	Maximum target achieved (10%)

OTB = on-target bonus.

* *In terms of the board-approved remuneration policy for F2023, performance multiple before safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.*

** *Unit cash costs include capitalised waste stripping costs (for the open-pit operations), standing charges (related to periods of non-production) and certain non-cash adjustments but exclude run-of-mine orework in progress and stock movements.*

The F2023 remuneration outcomes are summarised overleaf. The total F2023 bonus was payable in cash and no portion was deferred.

F2023 short-term incentive performance outcomes: executive directors and prescribed officers

	F2023 % on-target bonus	F2023 % maximum bonus (before safety and personal performance modifiers)	F2023 performance multiple[6]	F2023 % bonus (before safety and personal performance modifiers)[7]	F2023 safety modifier adjusted for fatalities[8]	F2023 % bonus (after safety and before personal performance modifiers)[9]	F2023 personal performance modifier	F2023 % bonus (after safety and personal performance modifiers)[10]	F2023 total annual package before incentives (excluding non-cash benefits) (R000)[11]	F2023 short-term incentives (cash bonus) (R000)[12]
Executive directors										
Dr PT Motsepe (executive chairman)[1]	62%	124%	1.68	104.40%	9.38%	114.20%		114.20%	9 447	10 786
VP Tobias[2,3]	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	1 451	1 335
MP Schmidt[2,4]	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	8 221	7 570
J Magagula[5]	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	4 365	3 797
TTA Mhlanga	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	5 700	4 958
HL Mkatshana	45%	90%	1.68	75.78%	9.38%	82.88%	2.50%	84.95%	5 295	4 496
Prescribed officers										
MP Schmidt[2,4]	50%	100%	1.68	84.20%	9.38%	92.09%		92.09%	1 301	1 197
VP Tobias[2,3]	45%	90%	1.68	75.78%	9.38%	82.88%	5.00%	87.03%	6 127	5 331
A Joubert	45%	90%	1.73	77.93%	10.00%	85.73%	5.00%	90.01%	6 052	5 446

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. For F2023, the board approved that no personal performance modifier would apply to the bonus calculation for the former chief executive officer.*

3 *Mr VP Tobias, the chief operating officer, was appointed chief executive officer from 1 May 2023. His cash bonus was calculated by determining his on-target bonus at 45% from 1 July 2023 to 30 April 2023 (shown under the heading Prescribed officers) and his on-target bonus at 50% from 1 May 2023 to 30 June 2023 . The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director.*

4 *Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023. The board approved an on-target bonus at 50% for 1 July 2022 to 30 June 2023 (ie all of F2023) and the multiple will decrease to 45% in F2024. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer.*

5 *Ms Magagula resigned from the company from 31 July 2023.*

6 *In terms of the board-approved remuneration policy for F2023, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00. Refer to the scorecards on pages 175 and 176 of the ESG report for the performance multiples.*

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

8 *As independently reviewed by Bowmans. Refer to the scorecards on pages 175 and 176 of the ESG report for the safety modifiers.*

9 *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).*

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

11 *Total annual package (excluding non-cash benefits) as per the single-figure remuneration table on page 182 of the ESG report. For the executive chairman, the cash bonus is based on a percentage of basic salary, excluding non-cash benefits and other benefits.*

12 *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 182 of the ESG report.*

F2023 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.

For the executive chairman, conditional shares are awarded as a multiple of basic salary. For other senior executives, conditional shares are awarded as a multiple of total annual package before incentives.

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 were made in December 2022. The applicable performance period was 1 July 2023 to 30 June 2026.

Summarised remuneration report continued

F2023 long-term incentive performance outcomes

F2018 conditional share awards and F2018 conditional awards – annual settlement

Awards granted under the 2018 CSP and the 2018 cash-settled CSP vested on the date determined by the board. The vesting date for annual settlements was 12 December 2023 and the vesting date for interim settlements was 12 June 2023. The vesting percentage was 124.7% as set out below.

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.

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 TSR	25%	●						0%	0%	ARM's TSR performance was below median of the comparator group 20 mining companies (excludes gold and diamond companies)[1] therefore 0% vesting
US$ 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 PPI[3]
Sustainable business										
Safety performance	10%						●	200%	20%	ARM's safety performance, as measured by the LTIFR improved 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[5]
Environmental compliance	5%			●				94.7%	4.7%	ARM's climate-change performance measured through an absolute reduction in GHG[6]
Total vesting percentage									**124.7%**	

[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 2019 to 30 June 2022:

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

TSR returns are as follows:	
ARM	21.66%
Median	26.46%
Upper quartile	33.69%
ARM's TSR return was 21.66%, below the median, and therefore 0%*	
Vesting % cap	200.00%

** No vesting below median.*

Source: PwC

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

[2] Average 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:

Average free cash flow return on equity	19.41%
Average US$ cost of equity (CoE)	11.11%
Average stretch return (Average US$ CoE +6%)	17.11%
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 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.*

2019-2022 mining PPI increase*	84.11%
2019-2022 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 table alongside summarises the improvement in safety performance as measured by the improvement in LTIFR from 1 July 2019 to 30 June 2022.

Year (at 30 June)	LTIFR	
2019	0.42	
2022	0.31	
Stretch decrease = 5%	**0.399**	⇦ **Above stretch**
Vesting %*	**200%**	

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

[5] The vesting percentage is 0% vesting for the applicable performance measure if performance is below threshold.

[6] Climate-change performance is measured in terms of the Greenhouse Gas Protocol policy and action standard by determining absolute savings in carbon emissions through emission-reduction initiatives:
i) emissions from direct production activities (scope 1 emissions); and
ii) emissions from electricity consumption (scope 2 emissions), determined at the end of the performance period from 1 July 2019 to 30 June 2022, relative to the baseline on 1 July 2019.

Baseline at 1 July 2019	0.00%	
Reduction at 30 June 2022	1.59%	
Target reduction from baseline	1.80%	
Vesting percentage	**94.20%**	⇦ **Between target and threshold**
Assurance provided by IBIS		

Dividend-equivalent shares and dividend-equivalent cash payments

The dividend-equivalent shares and dividend-equivalent cash payments for awards which vested in December 2022 and June 2023 were calculated on the basis of dividend amounts and ex-dividend dates sourced from 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 6 December 2019 was 0.3377, and the value of dividend-equivalent payments per cash-settled CSP award granted on 6 December 2019 and vested on 12 December 2022 was R74.

The number of dividend-equivalent shares per CSP award granted on 11 May 2020 was 0.3486, and the value of dividend-equivalent payments per cash-settled CSP award granted on 11 and 22 May 2020 and vested on 11 June 2023 was R83. The allocation on 22 May 2020 was made to management other than senior executives in the F band.

Award	Ex-dividend date	Dividend (R)	Market value of share (R)	December 2022 settlement DE shares	December 2022 settlement DE payment	June 2023 settlement DE shares	June 2023 settlement DE payment
Interim dividend 2020	Wednesday, 18 March 2020	5.00	102.14	0.0490	5.00	–	–
Final dividend 2020	Wednesday, 30 September 2020	7.00	226.64	0.0309	7.00	**0.0309**	**7.00**
Interim dividend 2021	Wednesday, 24 March 2021	10.00	275.18	0.0363	10.00	**0.0363**	**10.00**
Final dividend 2021	Wednesday, 29 September 2021	20.00	203.27	0.0984	20.00	**0.0984**	**20.00**
Interim dividend 2022	Wednesday, 30 March 2022	12.00	265.57	0.0452	12.00	**0.0452**	**12.00**
Final dividend 2022	Wednesday, 28 September 2022	20.00	256.88	0.0779	20.00	**0.0779**	**20.00**
Interim dividend 2023	Wednesday, 29 March 2023	14.00	233.84	–	–	**0.0599**	**14.00**
Total dividend-equivalent shares				0.3377	74.00	**0.3486**	**83.00**

DE = dividend equivalent.

Termination-of-office payments

In F2023, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2023, 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 target 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 2023 is set out below:

Executive directors and prescribed officers	Shareholding at 30 June 2023 (direct or indirect)	Shareholding at 30 June 2022 (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]	**90 876 095**	90 696 906	**62 965**	October 2018	**125 930**	October 2021
VP Tobias[2]	**–**	–	**13 362**	December 2024	**26 724**	December 2027
TTA Mhlanga[3]	**–**	–	**10 366**	December 2023	**20 732**	December 2026
J Magagula[4]	**21 123**	6 000	**13 705**	December 2023	**27 410**	December 2026
HL Mkatshana[5]	**222 571**	186 676	**21 207**	October 2018	**42 413**	October 2021
Prescribed officers						
MP Schmidt[6]	**700 449**	616 454	**41 094**	October 2018	**82 188**	October 2021
A Joubert	**69 443**	28 441	**24 236**	October 2018	**48 472**	October 2021

1 *Shares held by African Rainbow Minerals and Exploration Investments Proprietary Limited and Botho-Botho Commercial Enterprises Proprietary Limited.*
2 *Mr VP Tobias was appointed chief operating officer from 14 November 2021 and as an executive director and chief executive officer from 1 May 2023. He is required to meet the target for the first tranche in December 2024.*
3 *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.*
4 *Ms J Magagula was appointed to the board as executive director: investor relations and new business development from 18 December 2019 and was required to meet the target for the first tranche in December 2023. Ms Magagula resigned from the board from 31 July 2023.*
5 *As per the Stock Exchange News Services announcements during the financial year ended 30 June 2023, Mr HL Mkatshana has transferred registered title in 80 000 ordinary shares of the company to the ESP Trust of which he is a beneficiary.*
6 *Mr MP Schmidt stepped down as chief executive officer from 1 May 2023 and is now executive: growth and strategic development.*

Mr VP Tobias acquired 19 876 ordinary shares in the company between 30 June 2023 and the date of this report.

Summarised remuneration report continued

Single-figure remuneration: executive directors and prescribed officers

The schedule of single-figure remuneration for executive directors and prescribed officers for the years ended 30 June 2023 and 30 June 2022 are set out below.

Single-figure remuneration

2023

R000	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits[7]	Allowances: Non-cash benefits	Allowances: Other benefits[8]	Total annual package before incentives	Short-term incentives: Cash bonus and sign-on awards[9]	Total annual package after short-term incentives, before long-term incentives	Long-term incentives: Performance shares and conditional awards[10]	Total single-figure remuneration
Executive directors										
Dr PT Motsepe[1]	9 445	–	–	11 340	2	**20 787**	10 786	**31 573**	52 728	**84 301**
VP Tobias (from 1 May 2023)[2]	1 314	109	–	–	28	**1 451**	1 335	**2 786**	–	**2 786**
MP Schmidt (to 1 May 2023)[3]	7 594	511	–	–	116	**8 221**	7 570	**15 791**	45 975	**61 766**
J Magagula[4]	3 823	326	193	–	23	**4 365**	3 797	**8 162**	8 501	**16 663**
TTA Mhlanga[5]	5 214	425	45	–	16	**5 700**	4 958	**10 658**	–	**10 658**
HL Mkatshana	4 714	395	–	–	186	**5 295**	4 496	**9 791**	19 648	**29 439**
Total for executive directors	32 104	1 766	238	11 340	371	**45 819**	32 942	**78 761**	126 852	**205 613**
Prescribed officers[6]										
MP Schmidt (from 1 May 2023)[3]	1 196	82			23	**1 301**	1 197	**2 498**	–	**2 498**
VP Tobias (to 1 May 2023)[2]	5 554	457	–	–	116	**6 127**	6 593	**12 720**	–	**12 720**
A Joubert	5 024	587	–	–	441	**6 052**	5 446	**11 498**	22 459	**33 957**
Total for prescribed officers	11 774	1 126	–	–	580	**13 480**	13 236	**26 716**	22 459	**49 175**
Total for executive directors and prescribed officers	43 878	2 892	238	11 340	951	**59 299**	46 178	**105 477**	149 311	**254 788**

Total annual package before incentives = cost-to-company.

1 *The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks. For the executive chairman, the cash bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits.*

2 *Mr VP Tobias was appointed chief operating officer from 14 November 2021 and as chief executive officer from 1 May 2023. His cost-to-company was increased to R8.7 million from 1 May 2023. The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director, respectively. No long-term incentive is reflected for Mr Tobias because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)*

3 *Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023 and his cost-to-company was decreased to R7.8 million per annum from 1 May 2023. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer, respectively.*

4 *Ms J Magagula resigned from the company from 31 July 2023, following the financial year end. The long-term incentives settled in F2023 (i.e. conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted to her prior to her appointment as an executive director. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)*

5 *Ms TTA Mhlanga was appointed finance director from 1 October 2020. No long-term incentive is reflected for Ms Mhlanga because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)*

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

7 *The medical aid benefits for Ms J Magagula and Ms TTA Mhlanga were structured as deductions from their cost-to-company packages. No other executives had medical aid deductions.*

8 *Other benefits includes UIF and optional risk benefits such as group life benefits and additional disability and death benefits.*

9 *No bonuses were deferred in F2023. (Full details of cash bonuses are set out in part III of the remuneration report in the ESG report.) In terms of the sign-on arrangements when he was appointed as chief operating officer in November 2021, Mr VP Tobias received the first cash sign-on award of R1.26 million in November 2022. (Full details of the sign-on awards are set out in part III of the remuneration report in the ESG report.) There were no other sign-on awards in F2023.*

10 *Includes pre-tax settlement value of i) conditional share awards in terms of the 2018 conditional share plan; and ii) conditional awards in terms of the 2018 cash-settled conditional share plan. The value of the conditional share awards and conditional awards were included in F2023 as performance was determined at the vesting date which fell in F2023. Income tax, other taxes and related brokerage and administrative charges on the settlement of long-term incentives settled on Dr Motsepe were paid by Dr Motsepe. Long-term incentives for other executive directors and prescribed officers were settled net of income tax, other taxes and related brokerage and administrative charges. (See part III of the remuneration report in the ESG report for further information about the vesting percentage and dividend equivalents.)*

2022

R000	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits[7]	Allowances: Non-cash benefits	Allowances: Other benefits[8]	Total annual package before incentives	Short-term incentives: Cash bonus and sign-on awards[9]	Total annual package after short-term incentives, before long-term incentives	Long-term incentives: Performance shares and conditional awards[10]	Total single-figure remuneration
Executive directors										
Dr PT Motsepe[1]	8 996	–	–	10 976	2	19 974	10 760	30 734	107 897	138 631
VP Tobias (from 1 May 2023)	–	–	–	–	–	–	–	–	–	–
MP Schmidt (to 1 May 2023)	8 672	585	–	–	139	9 396	9 061	18 457	69 167	87 624
J Magagula[2]	3 653	307	177	–	20	4 157	3 801	7 958	3 267	11 225
TTA Mhlanga[3]	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
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]										
MP Schmidt (from 1 May 2023)	–	–	–	–	–	–	–	–	–	–
VP Tobias (to 1 May 2023)[5]	3 991	339	–	–	78	4 408	4 023	8 431	–	8 431
A Joubert[6]	4 882	560	–	11	322	5 775	4 825	10 600	28 371	38 971
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 *The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks. For the executive chairman, the cash bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits.*

2 *Ms J Magagula was appointed an executive director from 18 December 2019. In F2022, following an independent benchmarking review of executive director remuneration paid by South African mining companies in the company's peer group, Ms Magagula received a salary adjustment of 14.3% in addition to the 5.2% annual increase paid to senior executives in the Paterson Grade F-band, for a total of 19.5%. The long-term incentives settled in F2022 (i.e. conditional awards in terms of the 2018 cash-settled conditional share plan) had been granted to her prior to her appointment as an executive director. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)*

3 *Ms TTA Mhlanga was appointed finance director from 1 October 2020. In 2022, following an independent benchmarking review of finance director and chief financial officer remuneration paid by South African mining companies in the company's peer group, Ms Mhlanga received a salary adjustment of 2.3% in addition to the 5.2% annual increase paid to senior executives in the Paterson Grade F-band, for a total of 7.5%. No long-term incentive is reflected for Ms Mhlanga because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)*

4 *The prescribed officers of the company were determined under section 66(10) of the Companies Act, 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 Mr Tobias because this will only be reflected at the end of the three-year performance period when the performance conditions will be measured. (Full details of long-term incentive awards are set out in part III of the remuneration report in the ESG report.)*

6 *Mr A Joubert's non-cash benefit comprises a fringe benefit on travel.*

7 *The medical aid benefits for Ms J Magagula and Ms TTA Mhlanga were structured as deductions from their cost-to-company packages. No other executives had medical aid deductions.*

8 *Other benefits includes UIF and optional risk benefits such as group life benefits and additional disability and death benefits.*

9 *No bonuses were deferred in F2022. In F2022, there were no sign-on awards.*

10 *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. Income tax, other taxes and related brokerage and administrative charges on the settlement of long-term incentives settled on Dr Motsepe were paid by Dr Motsepe. Long-term incentives for other executive directors and prescribed officers were settled net of income tax, other taxes and related brokerage and administrative charges. (See part III of the remuneration report in the ESG report for further information about the vesting percentage and dividend equivalents.)*

Conditional share awards

Awards of conditional shares are made to eligible participants under the 2018 conditional share plan. Awards are settled after three years, subject to the company achieving prescribed performance criteria. For additional information about the performance criteria, see part II.

Unvested conditional shares awarded to directors and prescribed officers are summarised below.

Unvested conditional share awards

F2023

Directors/ prescribed officers	Number of shares	Award type	Award date	Vesting date[1]	Value on award date (R000)	Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year	Closing balance	Pre-tax cash value on settlement (R000)[2]
Directors											
Dr PT Motsepe	107 420	CSA	6-Dec-19	7-Dec-22	16 603	107 420	–	–	(107 420)	–	52 728
	70 909	CSA	7-Dec-20	8-Dec-23	17 102	70 909	–	–	–	70 909	–
	68 685	CSA	8-Mar-22	4-Dec-24	17 991	68 685	–	–	–	68 685	–
	66 505	CSA	4-Dec-22	5-Dec-25	18 891	–	66 505	–	–	66 505	–
VP Tobias[3]	35 542	CSA	8-Mar-22	4-Dec-24	9 310	35 542	–	–	–	35 542	–
	34 415	CSA	4-Dec-22	5-Dec-25	9 776	–	34 415	–	–	34 415	–
	33 758	CSA	11-Jun-23	12-Jun-26	7 195	–	33 758	–	–	33 758	–
J Magagula[4]	16 445	CSA	11-May-20	12-May-23	2 025	16 445	–	–	(16 445)	–	5 861
	28 219	CSA	7-Dec-20	8-Dec-23	5 738	28 219	–	–	–	28 219	–
	21 099	CSA	8-Mar-22	4-Dec-24	5 527	21 099	–	–	–	21 099	–
	20 430	CSA	4-Dec-22	5-Dec-25	5 803	–	20 430	–	–	20 430	–
TTA Mhlanga	27 573	CSA	7-Dec-20	8-Dec-23	6 650	27 573	–	–	–	27 573	–
	27 292	CSA	8-Mar-22	4-Dec-24	7 149	27 292	–	–	–	27 292	–
	26 677	CSA	4-Dec-22	5-Dec-25	7 578	–	26 677	–	–	26 677	–
HL Mkatshana	40 027	CSA	6-Dec-19	7-Dec-22	6 186	40 027	–	–	(40 027)	–	19 648
	26 422	CSA	7-Dec-20	8-Dec-23	6 372	26 422	–	–	–	26 422	–
	25 593	CSA	8-Mar-22	4-Dec-24	6 704	25 593	–	–	–	25 593	–
	24 781	CSA	4-Dec-22	5-Dec-25	7 039	–	24 781	–	–	24 781	–
Prescribed officers											
A Joubert	45 754	CSA	6-Dec-19	7-Dec-22	7 072	45 754	–	–	(45 754)	–	22 459
	30 203	CSA	7-Dec-20	8-Dec-23	7 284	30 203	–	–	–	30 203	–
	29 255	CSA	8-Mar-22	4-Dec-24	7 663	29 255	–	–	–	29 255	–
	28 327	CSA	4-Dec-22	5-Dec-25	8 046	–	28 327	–	–	28 327	–
MP Schmidt	93 663	CSA	6-Dec-19	7-Dec-22	14 477	93 663	–	–	(93 663)	–	45 975
	61 828	CSA	7-Dec-20	8-Dec-23	14 912	61 828	–	–	–	61 828	–
	59 889	CSA	8-Mar-22	4-Dec-24	15 687	59 889	–	–	–	59 889	–
	57 988	CSA	4-Dec-22	4-Dec-25	16 471	–	57 988	–	–	57 988	–

CSA = Conditional share awards.

1 *In F2022, the annual settlement was made in March 2022, because there was not sufficient time in December 2021 to complete the settlement between the end of the prohibited period due to the Bokoni Platinum Mine transaction and the annual report closed period. In addition, the original 2021 vesting date of the 2019 award was delayed by the company being in a prohibited period. The amended vesting date was 8 March 2022.*

2 *For the F2023 settlement of the December 2019 award, additional dividend-equivalent shares of 0.3377 per award were included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (124.7%) was assured by the independent third-party consultant, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement of R294.26 was the closing share price on 9 December 2022.*
For the F2023 settlement of the May 2020 award, additional dividend-equivalent shares of 0.3486 per award were included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (124.7%) was assured by the independent third-party consultant, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement of R211.91 was the closing share price on 9 June 2023.

3 *Mr V P Tobias, chief operating officer, was appointed chief executive officer from 1 May 2023. As such, in June 2023, the board approved a top-up award for Mr Tobias. In accordance with policy, the award was the difference between the number of CSP share awards awarded in December 2022 using a ratio of 1.33 and the number of CSP share awards awarded in June 2023 using a ratio of 1.67.*

4 *In May 2020, Ms J Magagula received a top-up award following her appointment as an executive director. She resigned from the board from 31 July 2023.*

F2022

Directors/ prescribed officers	Number of shares	Award type	Award date	Vesting date[1]	Value on award date (R000)	Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year[1]	Closing balance	Pre-tax cash value on settlement (R000)[2]
Directors											
Dr PT Motsepe	159 694	CSA	7-Dec-18	8-Mar-22	20 570	159 694	–	–	(159 694)	–	87 473
	107 420	CSA	6-Dec-19	7-Dec-22	16 603	107 420	–	–	–	107 420	–
	70 909	CSA	7-Dec-20	8-Dec-23	17 102	70 909	–	–	–	70 909	–
	68 685	CSA	8-Mar-22	4-Dec-24	17 991	–	68 685	–	–	68 685	–
MP Schmidt	126 274	CSA	7-Dec-18	8-Mar-22	16 265	126 274	–	–	(126 274)	–	69 167
	93 663	CSA	6-Dec-19	7-Dec-22	14 477	93 663	–	–	–	93 663	–
	61 828	CSA	7-Dec-20	8-Dec-23	14 912	61 828	–	–	–	61 828	–
	59 889	CSA	8-Mar-22	4-Dec-24	15 687	–	59 889	–	–	59 889	–
J Magagula	16 445	CSA	11-May-20	12-May-23	2 025	16 445	–	–		16 445	–
	28 219	CSA	7-Dec-20	8-Dec-23	5 738	28 219	–	–	–	28 219	–
	21 099	CSA	8-Mar-22	4-Dec-24	5 527	–	21 099	–	–	21 099	
TTA Mhlanga	27 573	CSA	7-Dec-20	8-Dec-23	6 650	27 573	–	–	–	27 573	–
	27 292	CSA	8-Mar-22	4-Dec-24	7 149	–	27 292	–	–	27 292	–
HL Mkatshana	45 313	CSA	7-Dec-18	8-Mar-22	5 836	45 313	–	–	(45 313)	–	24 820
	40 027	CSA	6-Dec-19	7-Dec-22	6 186	40 027	–	–	–	40 027	–
	26 422	CSA	7-Dec-20	8-Dec-23	6 372	26 422	–	–	–	26 422	–
	25 593	CSA	8-Mar-22	4-Dec-24	6 704	–	25 593	–	–	25 593	–
Prescribed officers											
A Joubert	51 796	CSA	7-Dec-18	8-Mar-22	6 671	51 796	–	–	(51 796)	–	28 371
	45 754	CSA	6-Dec-19	7-Dec-22	7 072	45 754	–	–	–	45 754	–
	30 203	CSA	7-Dec-20	8-Dec-23	7 284	30 203	–	–	–	30 203	–
	29 255	CSA	8-Mar-22	4-Dec-24	7 663	–	29 255	–	–	29 255	–
VP Tobias[3]	35 542	CSA	8-Mar-22	4-Dec-24	9 310	–	35 542	–	–	35 542	–

CSA = conditional share awards.

1 *The original 2021 vesting date was delayed by the company being in a prohibited period as a result of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022.*

2 *Additional dividend-equivalent shares of 0.2997 per award were included for settlement, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (155%) was determined by independent third-party consultant, Bowmans. The final vesting price used to determine the pre-tax cash value on settlement was the closing share price on 7 March 2022 of R271.90.*

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

Summarised remuneration report continued

Cash-settled conditional awards

Cash-settled conditional awards are made to eligible participants in the D and E Paterson grade bands under the 2018 cash-settled conditional share plan. Awards are settled after three years, subject to the company achieving prescribed performance criteria. For additional information about these criteria, see part II.

Unvested cash-settled conditional awards made to a director, prior to her appointment as a director, are summarised below.

Unvested cash-settled conditional awards

F2023

Directors	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year	Closing balance	Pre-tax cash value on settlement (R000)[1]
J Magagula[2]	5 874	CA	06-Dec-19	07-Dec-22	908	5 874	–	–	(5 874)	–	2 640

CA = cash-settled conditional awards.

1 *An additional dividend-equivalent cash payment of R74 per award was included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (124.7%) was assured by the independent third-party consultant, Bowmans. The final vesting price was the 20-day volume-weighted average share price on the vesting date (12 December 2022) of R286.37.*

2 *Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to her appointment. She resigned from the board from 31 July 2023.*

F2022

Directors	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year[1]	Closing balance	Pre-tax cash value on settlement (R000)[2]
J Magagula[3]	6 650	CA	7-Dec-18	8-Mar-22	857	6 650	–	–	(6 650)	–	3 267
	5 874	CA	6-Dec-19	7-Dec-22	908	5 874	–	–	–	5 874	–

CA = cash-settled conditional awards.

1 *The original 2021 vesting date was delayed by the company being in a prohibited period as a result of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022.*

2 *A dividend-equivalent cash payment of R55 per award was included in the settlement value, as assured by the independent third-party consultant, Andisa. The performance measurement and applicable vesting percentage (155%) was assured by the independent third-party consultant, Bowmans. The final vesting price was the 20-day volume-weighted average share price on the vesting date (8 March 2022) of R261.94.*

3 *Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to this appointment.*

Performance shares

Conditional awards of performance shares are made to eligible participants under the 2008 share plan. Performance shares are settled after three, subject to the company achieving prescribed performance criteria. For additional information about performance criteria, see part II.

Unvested performance share awards

F2023

There were no unvested performance share awards.

F2022

Directors	Number of awards	Award type	Award date[1]	Vesting date	Value on award date (R000)	Opening balance	Awarded during year	Forfeited during year	Vested/ settled during year[1]	Closing balance	Pre-tax cash value on settlement (R000)[2]
Directors											
Dr PT Motsepe	75 115	DB	6-Nov-18	8-Mar-22	9 608	75 115	–	–	(75 115)	–	20 424
MP Schmidt	–	–	–	–	–	–	–	–	–	–	–
M Arnold[3]	–	–	–	–	–	–	–	–	–	–	–
J Magagula	–	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	–	–	–	–	–	–	–	–	–	–	–
Prescribed officer	–	–	–	–	–	–	–	–	–	–	–
A Joubert	–	–	–	–	–	–	–	–	–	–	–

DB = deferred bonus/co-investment scheme matching award.

1 *The original 2021 vesting date was delayed by the company being in a prohibited period because of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022. The performance period for determining total shareholder return was unchanged.*

2 *The price used to determine the value was the closing share price on the date before the vesting date (ie 7 March 2022) of R271.90. The vesting percentage was 100%.*

3 *Mr M Arnold retired as finance director from 10 December 2017, and became a non-executive director from 11 December 2017. His final award of performance shares was settled in F2021.*

Bonus shares

Under the 2008 share plan, eligible participants received grants of bonus shares that matched, according to a specified ratio, a portion of the annual cash bonus incentive accruing to them. Bonus shares are only settled to participants after three or four years, as the case may be, conditional on continued employment. Between 2015 and November 2018, bonus shares were only granted in terms of the deferred bonus/co-investment scheme and waived bonus scheme. See part II for additional information.

Unvested bonus share awards

F2023

There were no unvested bonus share awards.

F2022

Directors	Number of awards	Award type	Grant date	Vesting date	Value on award date (R000)	Opening balance	Forfeited during year	Vested/ settled during year[1]	Closing balance	Pre-tax cash value on settlement (R000)[2]
Dr PT Motsepe	75 115	DB	6-Nov-18	8-Mar-22	9 608	75 115	–	(75 115)	–	20 424
MP Schmidt	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	–	–	–	–	–	–	–	–	–	–

DB = deferred bonus/co-investment scheme.

1 *The original 2021 vesting date was delayed due to the company being in a prohibited period because of the Bokoni Platinum Mine transaction and interim results. The amended vesting date was 8 March 2022.*

2 *The price used to determine the value was the closing share price on the day before the vesting date (ie 7 March 2022) of R271.90.*

Share options

Between 2008 and 2013, annual allocations of share options under the African Rainbow Minerals Share Incentive 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. All share options have vested.

Share options

F2023

There were no unexercised share options.

F2022

Directors/ prescribed officers	Number of options	Grant date	Vesting date[1]	Date options lapse	Strike price (cps)	Opening balance	Lapsed or cancelled during the year	Exercised during the year	Closing balance	Pre-tax cash value on settlement (R000)[2]
Directors										
Dr PT Motsepe	20 223	29-Oct-13	30-Oct-17	18-Mar-22	20 075	20 223	–	(20 223)	–	1 485
MP Schmidt	–	–	–	–	–	–	–	–	–	–
J Magagula	–	–	–	–	–	–	–	–	–	–
HL Mkatshana	–	–	–	–	–	–	–	–	–	–
Prescribed officer										
A Joubert	–	–	–	–	–	–	–	–	–	–

1 *The original 2021 vesting date was delayed due to the company being in a prohibited period because of the Bokoni Platinum Mine transaction and interim results. The share options were due to lapse 14 days after interim results were announced.*

2 *The pre-tax cash value on settlement was based on the closing share price on the trading day prior to the exercise date (ie March 2022) of R274.20.*

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 on page 189 of the ESG report sets out emoluments paid to non-executive directors for F2023 and F2022.

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Non-executive directors' fees*

	F2023					F2022				
R000	Board	Committee[5]	Consultancy fees excl VAT[6]	VAT	Total incl VAT	Board	Committee[5]	Consultancy fees excl VAT[6]	VAT	Total incl VAT
AK Maditsi (lead independent)	815	1 032	–	277	2 124	730	893	–	243	1 866
F Abbott	685	518	–	181	1 384	606	235	–	126	967
M Arnold[1]	636	409	–	157	1 202	606	141	152	135	1 034
TA Boardman	685	1 168	–	278	2 131	606	1 070	–	251	1 927
AD Botha	685	727	–	57	1 469	606	625	–	94	1 325
JA Chissano[2]	661	299	684	144	1 788	606	302	672	136	1 716
WM Gule	685	25	–	–	710	606	56	–	–	662
B Kennedy[3]	476	67	–	82	625	–	–	–	–	–
PJ Mnisi	685	360	–	157	1 202	606	383	–	148	1 137
DC Noko	685	521	–	182	1 388	606	320	–	–	926
B Nqwababa[4]	476	188	–	100	764	–	–	–	–	–
Dr RV Simelane	685	835	–	228	1 748	606	746	–	203	1 555
JC Steenkamp	685	335	–	153	1 173	606	261	–	130	997
Total for non-executive directors	8 544	6 484	684	1 996	17 708	6 790	5 032	824	1 466	14 112

VAT = value-added tax.

* *Payments to reimburse out-of-pocket expenses have been excluded.*

1 *Mr Arnold, former financial director, became a non-executive director from 11 December 2017. His consultancy agreement with the company terminated in December 2021.*

2 *Mr Chissano has a consultancy agreement with the company.*

3 *Mr Kennedy was appointed as an independent non-executive director from 6 October 2022.*

4 *Mr Nqwababa was appointed as an independent non-executive director from 6 October 2022. Shareholders appointed him as a member of the audit and risk committee in December 2022.*

5 *Attendance fees are paid for scheduled committee meetings, ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. 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.*

6 *Additional information appears under service 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 F2023, the company had a renewable consultancy agreement with Mr JA Chissano, which was renewed for one year from 1 May 2023.

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.

Summarised directors' report

The directors have pleasure in presenting their report on ARM for the year ended 30 June 2023.

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 39.95% of its issued ordinary share capital at 30 June 2023 (30 June 2022: 39.87%). The sole shareholder of ARMI is Ubuntu-Ubuntu Commercial Enterprises Proprietary Limited (UUCE), 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 2023, 0.50% of the issued share capital of ARM was held by Botho-Botho Commercial Enterprises Proprietary Limited (30 June 2022: 0.50%), in turn owned by UUCE and trusts, all of which trusts, except 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 2022: 15 897 412) or 7.08% of ARM's issued share capital at 30 June 2023 (30 June 2022: 7.08%).

Review of operations

IAR See reviews by the executive chairman, chief executive officer and finance director, and reviews of operations for F2023 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 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 21 to 115 of the annual financial statements.

The results for the year ended 30 June 2023 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.

Summarised directors' report continued

SALES

-13% since 2022

R14 662m

GROSS PROFIT

-37% since 2022

R5 826m

TOTAL ASSETS

+8% since 2022

R64 126m

Borrowings and cash

Borrowings of R251 million (F2022: R109 million) were repaid in the period, reducing gross debt to R242 million (F2022: R484 million). ARM was in a net cash position of R9 779 million (30 June 2022: R11 175 million). There are no borrowing-power provisions in ARM's memorandum of incorporation.

Details of cash and borrowings appear in notes 14, 17 and 22 of the 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 2024 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 2022. All tax submissions up to and including those for F2022 have been submitted.

Subsidiaries, joint arrangements, associates and investments

ARM acquired Bokoni in the financial year. Refer note 38 of the annual financial statements for more detail.

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 1 400 cents per ordinary share was declared on 6 March 2023 for the six months ended 31 December 2022 (1H F2022: 1 200 cents), amounting to a distribution of approximately R3 145 million (1H F2022: R2 694 million), which was paid on Monday, 3 April 2023.

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 1 400 cents per ordinary share for shareholders exempt from dividends tax
- The net local dividend amount was 1 120 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.

A final gross dividend of 1 200 cents per ordinary share was declared on 4 September 2023 for the year ended 30 June 2023 (F2022: 2 000 cents per share), amounting to a distribution of approximately R2 696 million (F2022: R4 493 million), which was payable on Monday, 9 October 2023.

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 224 667 778 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 F2023 totalled R4 761 million (F2022: R2 277 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 15 to the consolidated and separate annual financial statements. Information about the treasury shares is set out in note 16 of the annual financial statements.

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 2023, is set out on pages 123 and 126 of the annual financial statements.

Directorate

The memorandum of incorporation (MoI) provides for one-third of elected non-executive directors to retire by rotation. The non-executive directors affected by this requirement are Messrs AD Botha, JA Chissano, WM Gule and DC Noko and Dr RV Simelane, 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, 8 December 2023, or any adjournment thereof.

In addition, an executive director of the company who was appointed between annual general meetings and whose term of office terminates at the annual general meeting in accordance with the company's MoI is to stand for election at the next annual general meeting. The executive director affected by this requirement is Mr VP Tobias.

At the date of this report, the directors of the company were:

- **Executive directors:** Dr PT Motsepe (executive chairman), VP Tobias (chief executive officer), TTA Mhlanga (finance director) 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.

AGM 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 2023				30 June 2022			
	Direct		Indirect		Direct		Indirect	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Directors								
Dr PT Motsepe[1]	–	–	90 876 095	–	–	–	90 696 906	–
VP Tobias[2]	–	–	–	–	–	–	–	–
M Arnold	32 000	–	–	–	65 331	–	–	–
J Magagula[3]	21 123	–	–	–	6 000	–	–	–
TTA Mhlanga[4]	–	–	–	–	–	–	–	–
HL Mkatshana[5]	142 571	–	80 000	–	186 676	–	–	–
Dr RV Simelane	1 350	–	–	–	1 350	–	–	–
JC Steenkamp	275 651	–	–	–	275 651	–	–	–

[1] *Shares held by African Rainbow Minerals and Exploration Proprietary Limited and Botho-Botho Commercial Enterprises Proprietary Limited.*
[2] *Mr VP Tobias was appointed chief executive officer from 1 May 2023.*
[3] *Ms J Magagula resigned from the company from 31 July 2023.*
[4] *Ms TTA Mhlanga was appointed finance director from 1 October 2020.*
[5] *As per the Stock Exchange News Services announcements during the financial year ended 30 June 2023, Mr HL Mkatshana has transferred registered title in 80 000 ordinary shares of the company to the ESP Trust of which he is a beneficiary.*

Mr VP Tobias acquired 19 876 shares between 30 June 2023 and the date of this report.

Summarised directors' report continued

Directors' remuneration: Executive directors and prescribed officers

The remuneration of executive directors and prescribed officers comprises:

- **Total cost-to-company**, which is base salary plus benefits
- **Incentive-based rewards** in the form of competitive incentives compared to those offered by other employers in the mining and mineral resources sector, earned through achieving performance targets consistent with shareholder expectations over the short and long term:
  - **Short-term incentives** are cash bonuses based on performance measures and targets, and structured to reward effective operational performance
  - **Long-term (share-based) incentives** are 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.

ESG Full details are set out in the remuneration report in the ESG report.

Executive directors and prescribed officers do not receive directors' fees.

EXECUTIVE DIRECTORS' EMOLUMENTS*

R000	2023 Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits[6]	Non-cash benefits	Other benefits[7]	Total annual package before incentives	Cash and cash sign-on awards[8]	Total annual package
Executive directors								
Dr PT Motsepe[1]	9 445	–	–	11 340	2	**20 787**	10 786	**31 573**
VP Tobias (from 1 May 2023)[2]	1 314	109	–	–	28	**1 451**	1 335	**2 786**
MP Schmidt (to 1 May 2023)[3]	7 594	511	–	–	116	**8 221**	7 570	**15 791**
J Magagula[4]	3 823	326	193	–	23	**4 365**	3 797	**8 162**
TTA Mhlanga	5 214	425	45	–	16	**5 700**	4 958	**10 658**
HL Mkatshana	4 714	395	–	–	186	**5 295**	4 496	**9 791**
Total for executive directors	32 104	1 766	238	11 340	371	**45 819**	32 942	**78 761**
Prescribed officers[5]								
MP Schmidt (from 1 May 2023)[3]	1 196	82	–	–	23	**1 301**	1 197	**2 498**
VP Tobias (to 1 May 2023)[2]	5 554	457	–	–	116	**6 127**	6 593	**12 720**
A Joubert	5 024	587	–	–	441	**6 052**	5 446	**11 498**
Total for prescribed officers	11 774	1 126	–	–	580	**13 480**	13 236	**26 716**
Total for executive directors and prescribed officers	43 878	2 892	238	11 340	951	**59 299**	46 178	**105 477**

** Details of long-term incentive awards may be found in part III the remuneration report in the ESG report.*

Total annual package before incentives = cost-to-company.

1 *The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks. For the executive chairman, the cash bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits.*

2 *Mr VP Tobias was appointed chief operating officer from 14 November 2021 and as chief executive officer from 1 May 2023. His cost-to-company was increased to R8.7 million per annum from 1 May 2023. The pro-rata remuneration is shown for the periods when he was a prescribed officer and then an executive director, respectively.*

3 *Mr MP Schmidt stepped down as chief executive officer and an executive director from 1 May 2023. He was appointed executive: growth and strategic development from 1 May 2023 and his cost-to-company was decreased from R9.863 million to R7.8 million per annum from 1 May 2023. The pro-rata remuneration is shown for the periods when he was an executive director and then a prescribed officer, respectively.*

4 *Ms J Magagula resigned from the company from 31 July 2023, following the financial year end.*

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

6 *The medical aid benefits for Ms J Magagula and Ms TTA Mhlanga were structured as deductions from their cost-to-company packages. No other executives had medical aid deductions.*

7 *Other benefits includes UIF and optional risk benefits such as group life benefits and additional disability and death benefits.*

8 *No bonuses were deferred in F2023. (Full details of cash bonuses are set out in part III of the remuneration report in the ESG report.) In terms of the sign-on arrangements when he was appointed as chief operating officer in November 2021, Mr VP Tobias received the first cash sign-on award of R1.26 million in November 2022. (Full details of the sign-on awards are set out in part III of the remuneration report in the ESG report.) There were no other sign-on awards in F2023.*

EXECUTIVE DIRECTORS' EMOLUMENTS* (CONTINUED)

R000	2022 Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits[7]	Non-cash benefits	Other benefits[8]	Total annual package before incentives	Cash and cash sign-on awards[9]	Total annual package
Executive directors								
Dr PT Motsepe[1]	8 996	–	–	10 976	2	19 974	10 760	30 734
VP Tobias (from 1 May 2023)	–	–	–	–	–	–	–	–
MP Schmidt (to 1 May 2023)	8 672	585	–	–	139	9 396	9 061	18 457
J Magagula[2]	3 653	307	177	–	20	4 157	3 801	7 958
TTA Mhlanga[3]	4 923	399	42	–	13	5 377	4 874	10 251
HL Mkatshana	4 504	376	–	–	163	5 043	4 584	9 627
Total for executive directors	30 748	1 667	219	10 976	337	43 947	33 080	77 027
Prescribed officers[4]								
MP Schmidt (from 1 May 2023)	–	–	–	–	–	–	–	–
VP Tobias (to 1 May 2023)[5]	3 991	339	–	–	78	4 408	4 023	8 431
A Joubert[6]	4 882	560	–	11	322	5 775	4 825	10 600
Total for prescribed officers	8 873	899	–	11	400	10 183	8 848	19 031
Total for executive directors and prescribed officers	39 621	2 566	219	10 987	737	54 130	41 928	96 058

** Details of long-term incentive awards may be found in part III the remuneration report in the ESG report.*

Total annual package before incentives = cost-to-company.

1 *The non-cash benefit for Dr PT Motsepe, the executive chairman of ARM, comprises a deemed fringe benefit on protection services which are provided to him on the basis of a risk assessment which considers his local and global profile and the concomitant risks. For the executive chairman, the cash bonus is based on a percentage of basic salary and excludes non-cash benefits and other benefits.*

2 *Ms J Magagula was appointed an executive director from 18 December 2019. Following an independent benchmarking review of executive director remuneration paid by South African mining companies in the company's peer group, Ms Magagula received a salary adjustment of 14.3% in addition to the 5.2% annual increase paid to senior executives in the Paterson Grade F-band, for a total of 19.5%.*

3 *Ms TTA Mhlanga was appointed finance director from 1 October 2020. Following an independent benchmarking review of finance director and chief financial officer remuneration paid by South African mining companies in the company's peer group, Ms Mhlanga received a salary adjustment of 2.3% in addition to the 5.2% annual increase paid to senior executives in the Paterson Grade F-band, for a total of 7.5% for F2022.*

4 *The prescribed officers of the company were determined under section 66(10) of the Companies Act, 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 *Mr A Joubert's non-cash benefit comprises a fringe benefit on travel.*

7 *The medical aid benefits for Ms J Magagula and Ms TTA Mhlanga were structured as deductions from their cost-to-company packages. No other executives had medical aid deductions.*

8 *Other benefits includes UIF and optional risk benefits such as group life benefits and additional disability and death benefits.*

9 *No bonuses were deferred in F2022. In F2022, there were no sign-on awards.*

Summarised directors' report continued

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 will be settled after three years, subject to the company achieving prescribed performance criteria over this period.

ESG For additional information about performance criteria, see remuneration report part III in the ESG report on our website.

The total number of conditional shares awarded in F2023 was 459 334. In addition, 87 711 conditional shares were forfeited during the year, bringing the total number of conditional shares outstanding on 30 June 2023 to 1 193 745.

Conditional shares: movements in F2023

	Executive directors										Prescribed officers			
	Dr PT Motsepe		J Magagula[1]		HL Mkatshana		TTA Mhlanga[2]		VP Tobias[3]		A Joubert		MP Schmidt[4]	
	Number of shares	Value of shares (R000)	Number of shares	Value of shares (R000)	Number of shares	Value of shares (R000)	Number of shares	Value of shares (R000)	Number of shares	Value of shares (R000)	Number of shares	Value of shares (R000)	Number of shares	Value of shares (R000)
Opening conditional share balance at 1 July 2022	247 014	–	65 763	–	92 042	–	54 865	–	35 542	–	105 212	–	215 380	–
Conditional shares awarded 4 December 2022	66 505	18 891	20 430	5 803	24 781	7 039	26 677	7 578	34 415	9 776	28 327	8 046	57 988	16 471
Conditional shares awarded 11 June 2023	–	–	–	–	–	–	–	–	33 758	7 195	–	–	–	–
Conditional shares settled 7 December 2022[5]	(107 420)	52 728	–	–	(40 027)	19 648		–	–	–	(45 754)	22 459	(93 663)	45 975
Conditional shares settled 11 June 2023[6]	–	–	(16 445)	5 861	–	–	–	–	–	–	–	–	–	–
Closing conditional share balance as at 30 June 2023[7]	206 099	–	69 748	–	76 796	–	81 542	–	103 715	–	87 785	–	179 705	–

1 *Ms J Magagula received a top-up award in May 2020 following her appointment as an executive director. These conditional shares were settled on 11 June 2023. Ms Magagula subsequently resigned from the board from 31 July 2023.*
2 *Ms TTA Mhlanga was appointed to the board on 1 October 2020. Conditional shares awarded to her since her appointment have not yet vested.*
3 *Mr VP Tobias, chief operating officer, was appointed chief executive officer from 1 May 2023. In June 2023, the board approved a top-up award for Mr Tobias following his appointment as chief executive officer. In line with policy, the award was the difference between the number of CSP share awards awarded in December 2022 based on an award ratio of 1.33 of cost-to-company and the number of CSP share awards awarded in June 2023 based on an award ratio of 1.67 of cost-to-company. The top-up award is subject to performance conditions measured over the same period as the December 2022 awards.*
4 *Mr MP Schmidt stepped down as chief executive officer and was appointed as executive: growth and strategic development in the executive chairman's office from 1 May 2023.*
5 *Additional dividend equivalent shares of 0.3377 per award were included in the number of shares settled, as assured by the independent third-party consultant Andisa. The performance measurement and applicable vesting percentage (ie 124.7%) was assured by the independent third-party consultant Bowmans. The final vesting price used to determine the pre-tax cash value on settlement of R294.26 was the closing share price on 9 December 2022.*
6 *Additional dividend-equivalent shares of 0.3486 per award were included in the number of shares settled, as assured by the independent third-party consultant Andisa. The performance measurement and applicable vesting percentage (ie 124.7%) was assured by the independent third-party consultant Bowmans. The final vesting price used to determine the pre-tax cash value on settlement of R211.91 was the closing share price on 9 June 2023.*
7 *No conditional shares were awarded or settled for these directors or prescribed officers between 30 June 2023 and the date of this report.*

Conditional awards under the 2018 cash-settled conditional share plan

Conditional awards under the 2018 cash-settled conditional share plan were made to an executive director prior to her appointment to the board, as set out below.

ESG For additional information about performance criteria, see remuneration report part III in the ESG report on our website.

The total number of conditional awards in F2023 made to eligible management (in the Paterson grade D- and E-bands) was 549 420.

Cash-settled conditional awards: movements in F2023

	Executive director	
	J Magagula[1]	
	Number of shares	Value of shares (R000)
Opening conditional awards balance at 1 July 2022	5 874	–
Conditional awards settled 7 December 2022[2]	(5 874)	2 640
Closing conditional awards balance as at 30 June 2023[3]	–	–

1 *Ms J Magagula received awards of conditional awards prior to her appointment as an executive director. Ms Magagula subsequently resigned from the board from 31 July 2023.*
2 *A dividend-equivalent cash payment of R74 per award was included in the settlement value, as assured by the independent third-party consultant Andisa. The performance measurement and applicable vesting percentage (ie 124.7%) was assured by the independent third-party consultant Bowmans. The final vesting price was the 20-day volume-weighted average share price on 12 December 2022 of R286.37. The pre-tax cash value on settlement is as follows:*

Final vesting price: 20-day volume-weighted average share price on 12 December 2022	*R286.37*
Dividend-equivalent cash payment per award	*R74.00*
Total cash per award	*R360.37*

3 *No conditional shares were awarded or settled for this director between 30 June 2023 and the date of this report.*

Vesting dates

Conditional shares

Annual and interim allocations

Conditional shares awarded to senior executives on or after 7 December 2018 vest and are settled after three years, subject to achieving predetermined performance criteria.

Schedule of conditional shares vesting dates

	Number conditional shares
Conditional shares outstanding at 30 June 2023	1 193 745
Vesting on	
8 December 2023	372 877
4 December 2024	391 070
5 December 2025	378 913
12 June 2026	50 885

Conditional awards

Annual and interim allocations

Conditional awards awarded to participants other than senior executives on or after 7 December 2018 under the cash-settled conditional share plan vest and are settled after three years, subject to achieving predetermined performance criteria.

Schedule of conditional awards vesting dates

	Number conditional awards
Conditional awards outstanding at 30 June 2023[1]	549 420
Vesting on	
7 December 2022[2]	5 274
12 May 2023[2]	7 017
8 December 2023	150 990
5 June 2024	5 337
4 December 2024	174 816
26 May 2025	6 811
5 December 2025	192 257
12 June 2026	6 918

1 *Conditional awards awarded to management other than senior executives.*
2 *Conditional awards to be settled on receipt of tax directives.*

Performance shares
Performance share allocations are no longer made. For performance shares awarded after 5 December 2014, retirement does not accelerate the vesting period.

- **Deferred bonus/co-investment scheme**
  Matching performance shares conditionally awarded under the deferred bonus/co-investment scheme vested and were settled after a performance period of three years, subject to achieving predetermined performance criteria. Allocations under this scheme are no longer made.

Bonus shares
Bonus share allocations are no longer made. For bonus shares awarded after 5 December 2014, retirement does not accelerate the vesting period.

- **Deferred bonus/co-investment scheme**
  Bonus shares granted under the deferred bonus/co-investment scheme vested and were settled after three years. Allocations under this scheme are no longer made.

Share options
Share options are no longer allocated.

Below are summaries of movements in the company's long-term share-based incentive schemes.

Long-term share-based incentives

	Share options		Performance shares		Bonus shares	
	F2023	F2022	F2023	F2022	F2023	F2022
Opening balance at 1 July	–	39 829	–	102 812	–	102 812
Exercised	–	–	–	–	–	–
Settled	–	(39 829)	–	(99 437)	–	(102 812)
Granted/awarded	–	–	–	–	–	–
Forfeited/cancelled/lapsed	–	–	–	(3 375)	–	–
Closing balance at 30 June	–	–	–	–	–	–
Post-year end:						
Forfeited/cancelled/lapsed	–	–	–	–	–	–
Balance at the date of this report	–	–	–	–	–	–

Long-term share-based incentives continued

	Conditional shares		Conditional awards	
	F2023	F2022	F2023	F2022
Opening balance at 1 July	1 312 678	1 768 428	706 027	807 304
Exercised	–	–	–	–
Settled	(490 556)	(703 426)	(303 534)	(290 147)
Granted/awarded	459 334[1]	419 694[1]	210 992[2]	204 828[2]
Forfeited/cancelled/lapsed	(87 711)[3]	(172 018)[3]	(64 065)[4]	(15 958)[4]
Closing balance at 30 June	1 193 745	1 312 678	549 420	706 027
Post-year end:				
Forfeited/cancelled/lapsed	(69 748)[5]	–	–	–
Balance at the date of this report	1 123 997	1 312 678	549 420	706 027

1 *Conditional shares awarded to senior executives.*
2 *Conditional awards awarded to management other than senior executives.*
3 *Conditional shares forfeited by senior executives.*
4 *Conditional awards forfeited by management other than senior executives.*
5 *Conditional shares forfeited by a senior executive.*

Directors' remuneration: Non-executive directors

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 F2023 and F2022.

Non-executive directors' fees*

	F2023					F2022				
R000	Board fees	Committee fees[5]	Consultancy fees excluding VAT[6]	VAT	Total including VAT	Board fees	Committee fees[5]	Consultancy fees excluding VAT[6]	VAT	Total including VAT
AK Maditsi (independent lead)	815	1 032	–	277	2 124	730	893	–	243	1 866
F Abbott	685	518	–	181	1 384	606	235	–	126	967
M Arnold[1]	636	409	–	157	1 202	606	141	152	135	1 034
TA Boardman	685	1 168	–	278	2 131	606	1 070	–	251	1 927
AD Botha	685	727	–	57	1 469	606	625	–	94	1 325
JA Chissano[2]	661	299	684	144	1 788	606	302	672	136	1 716
WM Gule	685	25	–	–	710	606	56	–	–	662
B Kennedy[3]	476	67	–	82	625	–	–	–	–	–
PJ Mnisi	685	360	–	157	1 202	606	383	–	148	1 137
DC Noko	685	521	–	182	1 388	606	320	–	–	926
B Nqwababa[4]	476	188	–	100	764	–	–	–	–	–
Dr RV Simelane	685	835	–	228	1 748	606	746	–	203	1 555
JC Steenkamp	685	335	–	153	1 173	606	261	–	130	997
Total for non-executive directors	8 544	6 484	684	1 996	17 708	6 790	5 032	824	1 466	14 112

VAT = Value-added tax.
* *Payments to reimburse out-of-pocket expenses have been excluded.*
1 *Mr Arnold, former financial director, became a non-executive director from 11 December 2017. His consultancy agreement with the company terminated in December 2021.*
2 *Mr Chissano has a consultancy agreement with the company.*
3 *Mr Kennedy was appointed as an independent non-executive director from 6 October 2022.*
4 *Mr Nqwababa was appointed as an independent non-executive director from 6 October 2022. Shareholders appointed him as a member of the audit and risk committee in December 2022.*
5 *Attendance fees are paid for scheduled committee meetings, ad hoc committee meetings and for other work devoted to committee business outside regular scheduled meetings. 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.*
6 *Additional information appears under service agreements: non-executive directors in part II of the remuneration report.*

External auditor

Ernst & Young Inc. continued in office as the external auditor for the company, with Mr PD Grobbelaar as the designated individual registered auditor for F2023.

It is recommended to shareholders that KPMG Inc. be appointed as the external auditor and that Ms S Loonat be appointed as the designated auditor for F2024.

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 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.

Summarised consolidated financial statements

Introduction

These summarised consolidated financial statements of ARM for the year ended 30 June 2023 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 a historical cost basis, except for certain financial instruments that are fairly valued.

Contents

Summarised group statement of financial position

at 30 June

	Notes	30 June 2023 Rm	30 June 2022 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	4	16 173	9 621
Investment properties		24	24
Intangible assets		55	63
Deferred tax assets	5	935	215
Other financial assets	13	128	214
Investment in associate	6	1 847	2 048
Investment in joint venture	7	21 814	22 145
Other investments	10	6 148	4 104
Non-current inventories	11	427	52
		47 551	38 486
Current assets			
Inventories		488	343
Trade and other receivables	12	5 227	7 737
Taxation		178	116
Financial assets	13	661	830
Cash and cash equivalents	14	10 021	11 659
		16 575	20 685
Total assets		64 126	59 171
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital		11	11
Share premium		5 267	5 267
Treasury shares		(2 405)	(2 405)
Other reserves		4 310	2 668
Retained earnings		42 029	40 617
Equity attributable to equity holders of ARM		49 212	46 158
Non-controlling interest		4 931	4 205
Total equity		54 143	50 363
Non-current liabilities			
Long-term borrowings	15	206	305
Deferred tax liabilities	5	3 787	3 226
Long-term provisions	23	2 257	1 979
		6 250	5 510
Current liabilities			
Trade and other payables		2 419	2 148
Short-term provisions		834	716
Taxation		444	255
Overdrafts and short-term borrowings – interest bearing	15	36	40
– non-interest bearing	15	–	139
		3 733	3 298
Total equity and liabilities		64 126	59 171

Summarised group statement of profit or loss

for the year ended 30 June

	Notes	F2023 Rm	F2022 Rm
Revenue	3	16 097	18 406
Sales	3	14 662	16 917
Cost of sales		(8 836)	(7 660)
Gross profit		5 826	9 257
Other operating income	17	1 817	1 983
Other operating expenses	18	(2 692)	(3 239)
Profit from operations before capital items		4 951	8 001
Income from investments		868	685
Finance costs		(286)	(290)
Income from associate	19	1 007	927
Income from joint venture	7	4 557	6 649
Profit before taxation and capital items		11 097	15 972
Capital items before tax	8	56	1 128
Profit before taxation		11 153	17 100
Taxation	20	(1 833)	(2 736)
Profit for the year		9 320	14 364
Attributable to:			
Equity holders of ARM			
Profit for the year		8 078	12 426
Basic earnings for the year		8 078	12 426
Non-controlling interest			
Profit for the year		1 242	1 938
		1 242	1 938
Profit for the year		9 320	14 364
Earnings per share			
Basic earnings per share (cents)	9	4 120	6 343
Diluted basic earnings per share (cents)	9	4 111	6 338

Summarised group statement of comprehensive income

for the year ended 30 June

	Financial instruments at fair value through other compre-hensive income Rm	Other Rm	Retained earnings Rm	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
For the year ended 30 June 2022						
Profit for the year to 30 June 2022	–	–	12 426	12 426	1 938	14 364
Other comprehensive loss 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
For the year ended 30 June 2023						
Profit for the year to 30 June 2023	–	–	8 078	8 078	1 242	9 320
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	1 597	–	–	1 597	–	1 597
Revaluation of listed investment[1]	2 037	–	–	2 037	–	2 037
Deferred tax on above	(440)	–	–	(440)	–	(440)
Other comprehensive income that may be reclassified to the statement of profit or loss in subsequent periods						
Foreign currency translation reserve movement	–	151	–	151	–	151
Total other comprehensive income	1 597	151	–	1 748	–	1 748
Total comprehensive income for the year	1 597	151	8 078	9 826	1 242	11 068

[1] The share price of Harmony increased from R51.97 per share at 30 June 2022 to R79.25 at 30 June 2023 and decreased from R52.76 at 30 June 2021 to R51.97 per share at 30 June 2022. The valuation of the investment in Harmony is based on a level 1 fair value hierarchy level in terms of International Financial Reporting Standards (IFRS).

Summarised group statement of changes in equity

for the year ended 30 June

	Share capital and premium Rm	Treasury shares Rm	Other reserves: Financial instruments at fair value through other compre-hensive income Rm	Other reserves: Share-based payments Rm	Other reserves: Other[1] Rm	Retained earnings Rm	Total share-holders of ARM Rm	Non-controlling interest Rm	Total Rm
Balance at 30 June 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 payment 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
Total comprehensive income for the year	–	–	1 597	–	151	8 078	9 826	1 242	11 068
Profit for the year to 30 June 2023	–	–	–	–	–	8 078	8 078	1 242	9 320
Other comprehensive income	–	–	1 597	–	151	–	1 748	–	1 748
Conditional shares issued to employees	–	–	–	(220)	–	–	(220)	–	(220)
Dividend paid[2]	–	–	–	–	–	(6 666)	(6 666)	–	(6 666)
Dividend declared to non-controlling interests[3]	–	–	–	–	–	–	–	(516)	(516)
Share-based payment expense	–	–	–	147	–	–	147	–	147
Other	–	–	–	(33)	–	–	(33)	–	(33)
Balance at 30 June 2023	5 278	(2 405)	3 785	299	226	42 029	49 212	4 931	54 143

[1] Other reserves consist of the following:

	F2023 Rm	F2022 Rm	F2021 Rm
Dilution in Two Rivers	(26)	(26)	(26)
Foreign currency translation reserve – Assmang	232	120	62
Foreign currency translation reserve – other entities	91	52	13
Capital redemption and prospecting loans written off	28	28	28
Tamboti assets sale to Two Rivers	(99)	(99)	(99)
Total	226	75	(22)

[2] Interim dividend paid of 1 400 cents (F2022: 1 200 cents) per share and final dividend paid of 2 000 cents (F2022: 2 000 cents) per share.
[3] Dividends to Impala Platinum and Modikwa non-controlling interests.

Summarised group statement of cash flows

for the year ended 30 June

	Notes	F2023 Rm	F2022 Rm
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		18 697	18 128
Cash paid to suppliers and employees		(10 607)	(9 620)
Cash generated from operations	21	8 090	8 508
Interest received		840	601
Interest paid		(69)	(46)
Taxation paid		(1 517)	(2 303)
		7 344	6 760
Dividends received from joint venture	7	5 000	5 500
Dividends received from associate	6	1 208	–
Dividends received from investments – Harmony		17	50
Dividend paid to non-controlling interests		(660)	(1 247)
Dividend paid to shareholders		(6 666)	(6 270)
Net cash inflow from operating activities		6 243	4 793
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Bokoni net of cash acquired	24	(3 441)	–
Additions to property, plant and equipment to maintain operations		(1 995)	(1 739)
Additions to property, plant and equipment to expand operations		(2 461)	(463)
Proceeds on disposal of property, plant and equipment		6	6
Investments in financial assets		(724)	(819)
Proceeds from financial assets matured		1 011	523
Proceeds from loans		93	–
Net cash outflow from investing activities		(7 511)	(2 492)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options		–	7
Cash payments to owners to acquire the entity's shares		(141)	(225)
Long-term borrowings repaid		(80)	(95)
Short-term borrowings repaid		(171)	(14)
Net cash outflow from financing activities		(392)	(327)
Net (decrease)/increase in cash and cash equivalents		(1 660)	1 974
Cash and cash equivalents at beginning of year		11 643	9 655
Net foreign exchange difference		21	14
Cash and cash equivalents at end of year		10 004	11 643
Made up as follows:			
– Available	14	9 183	11 053
– Cash set aside for specific use	14	821	590
		10 004	11 643
Overdrafts	15	17	16
Cash and cash equivalents per statement of financial position		10 021	11 659
Cash generated from operations per share (cents)		4 127	4 343

Notes to the summarised group financial statements

for the year ended 30 June 2023

1 STATEMENT OF COMPLIANCE

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

Basis of preparation

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

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 adopted the following new and/or revised standards and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) of the International Accounting Standards Board (IASB) during the period under review. The date of initial application for the group being 1 July 2022.

Standard	Subject	Effective date
IFRS 3	*Business combinations – Reference to the conceptual framework* – amendment	1 January 2022
IAS 16	*Property, plant and equipment – Proceeds before intended use* – amendment	1 January 2022
IAS 37	*Provisions, contingent liabilities and contingent assets – Costs of fulfilling a contract* – amendment	1 January 2022
IFRS 9	*Financial instruments – Fees in the '10 percent' test for derecognition of financial liabilities* – amendment	1 January 2022

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

Notes to the summarised group financial statements continued

for the year ended 30 June 2023

1 STATEMENT OF COMPLIANCE continued

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 17	*Insurance contracts*	1 January 2023
IAS 8	*Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates* – amendment	1 January 2023
IAS 1 and Practice statement 2	*Presentation of financial statements – Disclosure of accounting policies* – amendment	1 January 2023
IAS 12	*Income taxes – Deferred tax related to assets and liabilities arising from a single transaction* – amendment	1 January 2023
IFRS 16	*Leases – Lease liability in a sale and leaseback* – amendment	1 January 2024
IAS 1	*Presentation of financial statements – Classification of liabilities as current or non-current* – amendments	1 January 2024
IFRS 10	*Consolidated financial statements – Sale or contribution of assets between an investor and its associate or joint venture* – amendment	To be determined
IAS 28	*Investments in associates and joint ventures – Sale or contribution of assets between an investor and its associate or joint venture* – amendment	To be determined

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

The group has performed an assessment for the impact of IFRS 17. The group, by virtue of Cell AVL 18 (Mannequin) being consolidated, has issued insurance contracts as defined by IFRS only to the extent that the underlying parties insured by Cell AVL 18 (via Guardrisk) are not consolidated by the group. Accordingly, IFRS 17 is applicable to the summarised group financial statements of the group only to this extent. IFRS 17 experts are being engaged to assist with closing out the impact on the group.

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

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 2023							
Sales	11 857	20 179	2 689	116	**34 841**	(20 179)	**14 662**
Cost of sales	(7 298)	(11 822)	(1 475)	42	**(20 553)**	11 717	**(8 836)**
Other operating income	208	454	31	1 470	**2 163**	(346)	**1 817**
Other operating expenses[3]	(965)	(1 922)	(193)	(1 534)	**(4 614)**	1 922	**(2 692)**
Segment result	3 802	6 889	1 052	94	**11 837**	(6 886)	**4 951**
Income from investments	256	415	17	595	**1 283**	(415)	**868**
Finance cost	(120)	(45)	(123)	(43)	**(331)**	45	**(286)**
Income from associate	–	–	1 007	–	**1 007**	–	**1 007**
Income from joint venture	–	206	–	–	**206**	4 351	**4 557**
Capital items before tax (refer note 8)	53	(1 269)	2	1	**(1 213)**	1 269	**56**
Taxation	(1 232)	(1 637)	(407)	(193)	**(3 469)**	1 636	**(1 833)**
Profit after tax	2 759	4 559	1 548	454	**9 320**	–	**9 320**
Non-controlling interest	(1 240)	–	–	(2)	**(1 242)**	–	**(1 242)**
Consolidation adjustment[4]	–	(2)	–	2	**–**	–	**–**
Contribution to basic earnings	1 519	4 557	1 548	454	**8 078**	–	**8 078**
Contribution to headline earnings	1 465	5 528	1 535	453	**8 981**	–	**8 981**
Other information							
Segment assets, including investment in associate	22 466	28 432	5 016	14 831	**70 745**	(6 619)	**64 126**
Investment in associate			1 847		**1 847**		**1 847**
Investment in joint venture						21 814	**21 814**
Segment liabilities	3 409	3 089	689	1 654	**8 841**	(3 089)	**5 752**
Unallocated liabilities (tax and deferred tax)					**7 761**	(3 530)	**4 231**
Consolidated total liabilities					**16 602**	(6 619)	**9 983**
Cash generated from operations	6 124	8 005	1 827	139	**16 095**	(8 005)	**8 090**
Cash inflow/(outflow) from operating activities	4 774	6 614	2 148	(679)	**12 857**	(6 614)	**6 243**
Cash (outflow)/inflow from investing activities	(7 610)	(2 012)	(222)	321	**(9 523)**	2 012	**(7 511)**
Cash outflow from financing activities	(24)	(6)	(146)	(222)	**(398)**	6	**(392)**
Capital expenditure	4 420	2 440	331	10	**7 201**	(2 440)	**4 761**
Amortisation and depreciation	682	1 277	187	9	**2 155**	(1 277)	**878**
Impairment before tax	–	1 261	–	–	**1 261**	(1 261)	**–**
EBITDA	4 484	8 166	1 239	103	**13 992**	(8 163)	**5 829**

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 re-measurement adjustment of the Harmony loan amounts to R8 million gain with no tax effect.*
[4] *Relates to fees capitalised in ARM Ferrous and reversed upon consolidation.*

2 PRIMARY SEGMENTAL INFORMATION continued

Attributable	ARM Platinum Rm	ARM Ferrous[1] Rm	ARM Coal Rm	ARM Corporate Rm	Total Rm	IFRS adjust-ment[2] Rm	Total per IFRS financial statements Rm
2.2 Year to 30 June 2022							
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 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.*

2 PRIMARY SEGMENTAL INFORMATION continued

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited which includes 50% of the Modikwa Platinum Mine and 100% of the Bokoni Platinum Mine.

Attributable	Two Rivers Rm	Modikwa Rm	Bokoni Rm	Nkomati Rm	ARM Platinum total Rm
2.3 Year to 30 June 2023					
Sales	7 896	3 961	–	–	11 857
Cost of sales	(4 612)	(2 686)	–	–	(7 298)
Other operating income	103	97	7	1	208
Other operating expenses	(263)	(136)	(396)	(170)	(965)
Segment result	3 124	1 236	(389)	(169)	3 802
Income from investments	129	109	8	10	256
Finance costs	(42)	(4)	(25)	(49)	(120)
Capital items (refer note 8)	(3)		56	–	53
Taxation	(876)	(354)	–	(2)	(1 232)
Profit/(loss) after tax	2 332	987	(350)	(210)	2 759
Non-controlling interest	(1 072)	(168)	–	–	(1 240)
Contribution to basic earnings/(losses)	1 260	819	(350)	(210)	1 519
Contribution to headline earnings/(losses)	1 262	819	(406)	(210)	1 465
Other information					
Segment and consolidated assets	13 025	4 832	4 440	169	22 466
Segment liabilities	1 368	758	412	871	3 409
Unallocated liabilities (tax and deferred tax)					2 775
Consolidated total liabilities					6 184
Cash inflow/(outflow) from operating activities	3 908	1 327	(365)	(96)	4 774
Cash (outflow)/inflow from investing activities	(3 128)	(561)	(3 922)	1	(7 610)
Cash outflow from financing activities	(4)	(20)	–	–	(24)
Capital expenditure	3 167	561	692	–	4 420
Amortisation and depreciation	534	136	12	–	682
EBITDA	3 658	1 372	(377)	(169)	4 484

[1] *ARM (through ARM Platinum) acquired Bokoni Platinum Mine on 1 September 2022 (refer note 24).*

Notes to the summarised group financial statements continued

for the year ended 30 June 2023

2 PRIMARY SEGMENTAL INFORMATION continued

The ARM Platinum segment is analysed further into Nkomati, Two Rivers Platinum Proprietary Limited and ARM Platinum Proprietary Limited which includes 50% of the Modikwa Platinum Mine.

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

2 PRIMARY SEGMENTAL INFORMATION continued

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

	Iron ore division Rm	Manganese division Rm	ARM Ferrous total Rm	ARM share Rm	IFRS adjustment[1] Rm	Total per IFRS financial statements Rm
Year to 30 June 2023						
Sales	25 069	15 290	40 359	20 179	(20 179)	–
Cost of sales	(12 468)	(11 177)	(23 645)	(11 822)	11 822	–
Other operating income	319	773	1 092	454	(454)	–
Other operating expenses	(2 266)	(1 762)	(4 028)	(1 922)	1 922	–
Segment result	10 654	3 124	13 778	6 889	(6 889)	–
Income from investments	775	54	829	415	(415)	–
Finance costs	(48)	(42)	(90)	(45)	45	–
Profit from joint venture		414	414	206	(206)	–
Capital items before tax (refer note 8)	(2 124)	(415)	(2 539)	(1 269)	1 269	–
Taxation	(2 491)	(782)	(3 273)	(1 637)	1 637	–
Profit after tax	6 766	2 353	9 119	4 559	(4 559)	–
Consolidation adjustments				(2)	2	–
Contribution to basic earnings	6 766	2 353	9 119	4 557	–	4 557
Contribution to headline earnings	8 316	2 744	11 060	5 528	–	5 528
Other information						
Consolidated total assets	36 405	22 164	58 569	28 432	(6 619)	21 814
Consolidated total liabilities	8 000	5 716	13 716	3 089	(3 089)	–
Capital expenditure	3 414	1 682	5 096	2 440	(2 440)	–
Amortisation and depreciation	1 781	982	2 763	1 277	(1 277)	–
Cash inflow from operating activities[2]	2 952	416	3 368	6 614	(6 614)	–
Cash outflow from investing activities	(2 919)	(1 244)	(4 163)	(2 012)	2 012	–
Cash outflow from financing activities	(11)	–	(11)	(6)	6	–
EBITDA	12 435	4 106	16 541	8 166	(8 166)	
Additional information for ARM Ferrous at 100% Assmang						
Non-current assets						
Property, plant and equipment			31 570		(31 570)	–
Investment in joint venture			2 559		(2 559)	–
Other non-current assets			2 455		(2 455)	–
Current assets						
Inventories			5 744		(5 744)	–
Trade and other receivables			6 072		(6 072)	–
Taxation			168		(168)	
Financial assets			125		(125)	–
Cash and cash equivalents			9 877		(9 877)	–
Non-current liabilities						
Other non-current liabilities			8 863		(8 863)	–
Current liabilities						
Trade and other payables			3 876		(3 876)	–
Short-term provisions			949		(949)	–

[1] *Includes consolidation and IFRS 11* Joint arrangements *– adjustments.*
[2] *Dividend paid amounting to R5 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 group financial statements continued

for the year ended 30 June 2023

2 PRIMARY SEGMENTAL INFORMATION continued

2.4 Analysis of the ARM Ferrous segment on a 100% Assmang 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 2022						
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	4 393[2]	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% Assmang						
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

2.5 Additional information

ARM Corporate as presented in the table on pages 89 and 90 is analysed further into Machadodorp, Corporate and other, and Gold segments.

	Machadodorp Works Rm	Corporate and other Rm	Gold Rm	Total ARM Corporate Rm
Year to 30 June 2023				
Sales	116	–		116
Cost of sales	(75)	117		42
Other operating income	4	1 466		1 470
Other operating expenses	(288)	(1 246)		(1 534)
Segment result	(243)	337		94
Income from investments	–	578	17	595
Finance costs	(24)	(19)		(43)
Capital item (refer note 8)	–	1		1
Taxation	71	(264)		(193)
(Loss)/profit after tax	(196)	633	17	454
Non-controlling interest	–	(2)		(2)
Consolidation adjustments[1]	–	2		2
Contribution to basic (losses)/earnings	(196)	633	17	454
Contribution to headline (losses)/earnings	(196)	632	17	453
Other information				
Segment and consolidated assets	123	8 790	5 918	14 831
Segment liabilities	262	1 392		1 654
Cash (outflow)/inflow from operating activities	–	(696)	17	(679)
Cash inflow from investing activities	–	321		321
Cash outflow from financing activities	–	(222)		(222)
Capital expenditure	–	10		10
Amortisation and depreciation	1	8		9
EBITDA	(242)	345		103

[1] *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 2022				
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.*

3 REVENUE AND SALES

	F2023 Rm	F2022 Rm
Sales	14 662	16 917
Local sales	12 253	14 308
Export sales	2 409	2 609
Revenue	16 097	18 406
Fair value adjustments to revenue	(1 481)	(1 257)
Revenue from contracts with customers	17 578	19 663
Sales – mining and related products	16 536	18 479
Penalty and treatment charges	(393)	(305)
Two Rivers	(393)	(305)
Fees received	1 435	1 489
Sales by geographical area[1]:		
– South Africa	12 253	14 308
– Europe	2 409	2 609
	14 662	16 917

[1] *Sales by geographical area has been included to provide additional information.*

4 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS

The increase in F2023 property, plant and equipment is largely as a result of the acquisition of Bokoni property, plant and equipment of R2 477 million, R266 million for mineral rights and total capital expenditure at Two Rivers of R3 167 million, which mainly relates to the Merensky project (refer note 2.4 and 24).

4.1 ARM Ferrous

Property, plant and equipment

Impairment

Beeshoek Mine

At 30 June 2023, an impairment loss of R2 110 million before tax of R570 million was recognised on property, plant and equipment at the Beeshoek Mine. ARM's attributable share of the impairment loss amounted to R1 055 million before tax of R282 million (refer note 8).

This impairment was largely due to a combination of:
- Export sales, which used to be sold at higher average prices compared to local sales, have now ceased
- Inadequate sale price increases to keep up with mining cost inflation
- Significant increase in input costs, including diesel and explosives
- Forecast low gross margins
- The continuous capitalisation of stripping costs has been maintained
- Higher discount rate (WACC) resulting from increased market interest rates.

The recoverable amount of Beeshoek was determined based on a value-in-use (VIU) calculation performed in terms of IFRS. A discounted cash flow valuation model was used to determine the VIU of R496 million. ARM's attributable share amounted to R248 million.

A nominal pre-tax South African discount rate of 18.29% was used in the 30 June 2023 impairment model. The level 3 valuation model was calculated over a 12-year period.

4 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS continued
4.1 ARM Ferrous continued
Property, plant and equipment continued
Impairment continued
Beeshoek Mine continued
The following assumptions were used in the valuation model:

		F2024	F2025	F2026	F2027	F2028
Weighted average revenue price	R/t	933	972	1 012	1 053	1 087
US$/ZAR	ZAR nominal	17.80	17.28	17.59	18.29	19.02
SA PPI	%	4.40	4.19	4.10	4.10	4.10

Cato Ridge Works
At 30 June 2023, an impairment of R112 million before taxation of R37 million was recognised on the property, plant and equipment at the Cato Ridge Works operation. It was concluded that a discounted cash flow model was not required for this impairment. The total value of property, plant and equipment was fully impaired at 30 June 2021, the impairment at 30 June 2023 is to fully impair the additions of property, plant and equipment subsequent to 30 June 2021. ARM's attributable share of the impairment loss amounted to R56 million before tax of R18 million (refer note 8).

This impairment was due to a combination of:
- Short remaining life of the operation
- Closure of one of the three remaining furnaces in February 2023
- A decline in recent and forecast high-carbon manganese alloys prices over the short term.

Investments
Impairment
Sakura
At 31 December 2022, an impairment loss of R299 million with no tax effect was recognised on Assmang's equity-accounted investment in Sakura. ARM's attributable share of the impairment loss amounted to R150 million with no tax effect (refer note 8).

This impairment was due to a combination of:
- A decline in recent and forecast manganese high-carbon alloys prices over the short term
- Net cash generated by operations expected to be lower than planned
- Increase in market interest rates.

A discounted cash flow valuation was performed to determine the fair value less cost of disposal of the investment. The valuation was performed in Malaysian ringgit (MYR). This resulted in an impairment of R299 million to the carrying value of Assmang's investment at 31 December 2022. The recoverable amount of the investment amounted to R1 620 million at 31 December 2022. ARM's attributable share amounted to R810 million.

A nominal pre-tax Malaysian discount rate of 14.86% was used in the 31 December 2022 impairment model. The MYR valuation was converted to ZAR using an exchange rate of ZAR3.83 at 31 December 2022 . The level 3 valuation model was calculated over a 20-year period.

4 PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS continued
4.1 ARM Ferrous continued
Investments continued
Impairment continued
Sakura continued
The following assumptions were used in the valuation model:

		F2024	F2025	F2026	F2027	F2028
Manganese ore price assumptions – 44% Mn	$/dmtu CIF	5.80	5.53	5.46	5.46	5.58
Manganese ore price assumptions – 36% – 38% Mn	$/dmtu CIF	5.17	5.05	4.89	4.89	5.00
Manganese alloy price assumptions – US import	USD/mt DDP	1 534	1 393	1 363	1 392	1 423
Manganese alloy price assumptions – Europe spot	USD/mt DDP	1 270	1 218	1 220	1 242	1 267
Exchange rates						
US$/MYR	MYR nominal	4.29	4.14	4.04	3.98	3.91
US$/EUR	EUR nominal	0.85	0.82	0.81	0.80	0.80

No further impairment was recognised at 30 June 2023.

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.

4.2 ARM Coal
Investments
Impairment reversal
Participative Coal Business (PCB)
At 30 June 2022 previous impairment losses recognised against the investment in PCB was 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 note 6 and 8).

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).

Details of the F2022 impairments and impairment reversals were included in the financial results ended 30 June 2022, which can be found on **www.arm.co.za**.

	F2023 Rm	F2022 Rm
5 DEFERRED TAX		
Deferred tax assets on the statement of financial position – Opening balance	215	274
Movements:		
Investment in Harmony recognised in other comprehensive income	(74)	10
Bokoni	856	–
Other	(62)	(69)
Deferred tax assets on the statement of financial position – Closing balance	935	215
Deferred tax liabilities on the statement of financial position – Opening balance	3 226	2 968
Movements:		
Investment in Harmony recognised in other comprehensive income	366	–
Two Rivers	282	171
Modikwa	(21)	(54)
ARM Coal	(7)	141
Other	(59)	–
Deferred tax liabilities on the statement of financial position – Closing balance	3 787	3 226
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 PCB of Glencore Operations South Africa Proprietary Limited (GOSA).		
Opening balance	2 048	534
Income for the current year	1 007	927
Income for the current year before the re-measurement of loans (refer note 19)	1 007	1 417
Re-measurement of loans (refer note 16)	–	(490)
Dividend received (refer statement of cash flows)[1]	(1 208)	
Movement in loans (non-cash flow)[2]	–	(534)
Reversal of impairment on investment (refer notes 4.2 and 8)	–	1 121
Closing balance	1 847	2 048

[1] *Subsequent to the repayment of the PCB loans, dividends were declared to ARM and ARM Coal.*
[2] *Settled together with the partner loans during F2022.*

	F2023 Rm	F2022 Rm
7 INVESTMENT IN JOINT VENTURE		
The investment relates to ARM Ferrous and consists of Assmang as a joint venture which include iron ore and manganese segments.		
Opening balance	22 145	20 938
Net income for the period	4 557	6 649
Income for the period[1]	4 559	6 689
Consolidation adjustment	(2)	(40)
Foreign currency translation reserve	112	58
Less: Cash dividend received for the period	(5 000)	(5 500)
Closing balance	21 814	22 145

[1] *Includes expected credit losses recorded of R19 million less tax of R1 million (F2022: R126 million reversal of expected credit losses less tax of R6 million).*

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

	F2023 Rm	F2022 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	(3)	(2)
Profit on sale of property, plant and equipment – ARM Coal	2	4
Profit on sale of property, plant and equipment – ARM Corporate	1	–
Gain on bargain purchase – Bokoni acquisition (refer note 24)	56	–
Reversal of impairment on investment in PCB – ARM Coal (refer note 4.2 and 6)	–	1 121
Capital items per statement of profit or loss before taxation effect	56	1 128
Profit/(loss) on sale of property, plant and equipment accounted for directly in associate – ARM Coal	16	(9)
Impairment on investment in Sakura accounted directly in joint venture – Assmang (refer note 4.1)	(150)	–
Impairment loss on property, plant and equipment accounted for directly in joint venture – Assmang (refer note 4.1)	(1 111)	(20)
Impairment loss on property, plant and equipment accounted for directly in joint venture – Cato Ridge Alloys	(4)	–
Loss on sale of property, plant and equipment accounted for directly in joint venture – Assmang	(8)	(25)
Capital items before taxation effect	(1 201)	1 074
Taxation accounted for in joint venture – impairment loss on property, plant and equipment – Assmang	300	6
Taxation accounted for in joint venture – loss on disposal of property, plant and equipment – Assmang	2	6
Taxation accounted for in associate – (profit)/loss on sale of property, plant and equipment – ARM Coal	(4)	3
Taxation on loss on sale of property, plant and equipment – Two Rivers	1	–
Taxation on profit on sale of property, plant and equipment – ARM Coal	(1)	(1)
Total	(903)	1 088

Notes to the summarised group financial statements continued

for the year ended 30 June 2023

		F2023 Rm	F2022 Rm
9	**EARNINGS PER SHARE**		
	Headline earnings (Rm)	8 981	11 338
	Headline earnings per share (cents)	4 581	5 787
	Basic earnings per share (cents)	4 120	6 343
	Diluted headline earnings per share (cents)	4 571	5 783
	Diluted basic earnings per share (cents)	4 111	6 338
	Number of shares in issue at end of year (thousands)	224 668	224 668
	Weighted average number of shares (thousands)	196 053	195 899
	Potential ordinary shares due to long-term share incentives granted (thousands)	435	134
	Weighted average number of shares used in calculating diluted earnings per share (thousands)	196 488	196 033
	Net asset value per share (cents)	21 904	20 545
	EBITDA (Rm)	5 829	8 854
	Interim dividend declared (cents per share)	1 400	1 200
	Dividend declared after year end (cents per share)	1 200	2 000
	Reconciliation to headline earnings (Rm)		
	Basic earnings attributable to equity holders of ARM	8 078	12 426
	– Profit on sale of property, plant and equipment – ARM Coal	(2)	(4)
	– Profit on sale of property, plant and equipment – Nkomati	–	(2)
	– (Profit)/loss on sale of property, plant and equipment – ARM Coal	(16)	9
	– Loss on sale of property, plant and equipment – Two Rivers	3	2
	– Profit on sale of property, plant and equipment – ARM Corporate	(1)	–
	– Gain on bargain purchase – Bokoni	(56)	–
	– Impairment reversal on property, plant and equipment – Machadodorp Works	–	(3)
	– Impairment reversal on investment in 20.2% PCB – ARM	–	(1 121)
	– Impairment loss on property, plant and equipment in joint venture – Assmang	1 111	20
	– Impairment loss on investment Sakura in joint venture – Assmang	150	–
	– Impairment loss on property, plant and equipment in joint venture – Cato Ridge Alloys	4	–
	– Loss on sale of property, plant and equipment in joint venture – Assmang	8	25
		9 279	11 352
	– Taxation accounted for in joint venture – impairment loss at Assmang	(300)	(6)
	– Taxation accounted for in joint venture – loss sale of property, plant and equipment at Assmang	(2)	(6)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – ARM Coal	4	(3)
	– Taxation accounted for in associate – loss on sale of property, plant and equipment – Two Rivers	(1)	–
	– Taxation accounted for profit on sale of property, plant and equipment – ARM Coal	1	1
	Headline earnings	8 981	11 338

		F2023 Rm	F2022 Rm
10	**OTHER INVESTMENTS**		
	Harmony[1]	5 918	3 881
	Opening balance	3 881	3 940
	Fair value gain/(loss) in other comprehensive income	2 037	(59)
	Guardrisk[2]	25	9
	Preference shares[1]	1	1
	Richards Bay Coal Terminal[3]	204	213
	Closing balance	6 148	4 104

[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 R50/tonne and R55/tonne (F2022: R44/tonne and R49/tonne). If increased by 10% this would result in a R21 million (F2022: R22 million) increase in the valuation on the RBCT investment. If decreased by 10% this would result in a R21 million (F2022: R22 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 21.4% (F2022: 20.8%).

Level 2 and level 3 fair value losses or gains are included in other operating expenses or other operating income respectively in the statement of profit or loss.

	F2023 Rm	F2022 Rm
Opening balance	213	233
Fair value loss	(9)	(20)
Closing balance	204	213

11 NON-CURRENT INVENTORIES

Non-current inventories relate to the Two Rivers Merensky project. Stockpile quantities are determined using assumptions such as densities and grades which are based on studies, historical data and industry norms. The non-current inventories will be milled when the Two Rivers Merensky plant is complete. Milling is not expected within the following 12 months from the end of 30 June 2023.

12 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 has reduced mainly due to a decrease in platinum group metals (PGM) and coal commodity prices.

Trade and other receivables include a contract asset from Assmang of R810 million (F2022: R985 million). The contract asset results from revised fee arrangements, whereby fees received from Assmang only become payable following receipt by Assmang from the relevant customer.

13 FINANCIAL ASSETS

	F2023 Rm	F2022 Rm
Investments in fixed deposits		
Current financial assets[1]		
– ARM Finance Company SA[2]	–	185
– ARM Coal	51	–
– Two Rivers	30	31
– Nkomati	117	114
– Mannequin Captive Cell (Cell AVL 18)	456	500
– Other	7	–
	661	830
Non-current financial assets[1]		
– ARM Coal	56	50
– Mannequin Captive Cell (Cell AVL 18) (refer note 23.2)	68	162
– Modikwa	4	2
	128	214
Total	789	1 044

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

[2] *ARM Finance Company SA invested Rnil (F2022: R172 million) in fixed deposits with maturities longer than three months. The amount was translated at the 30 June closing exchange rate in prior year, resulting in a foreign currency translation gain of R13 million for F2022. Since 30 June 2022, ARM Finance Company SA returned U$15 million to ARM as a part return of share capital.*

The following guarantees issued are included in financial assets:

- Two Rivers to the Department of Mineral Resources and Energy (DMRE), Eskom and BP Oil amounting to R30 million (F2022: R31 million)
- Nkomati to DMRE and Eskom amounting to R117 million (F2022: R114 million)
- Modikwa to DMRE and Eskom amounting to Rnil (F2022: Rnil)
- ARM Coal to DMRE amounting to R107 million (F2022: R50 million).

Other financial assets include trust funds of R7 million (F2022: Rnil).

14 CASH AND CASH EQUIVALENTS

	F2023 Rm	F2022 Rm
Total cash at bank and on deposit	9 200	11 069
– African Rainbow Minerals Limited	6 378	8 770
– ARM BBEE Trust	43	38
– ARM Coal	227	–
– ARM Finance Company SA	38	92
– ARM Platinum Proprietary Limited (excluding Bokoni)	930	874
– Bokoni	23	–
– ARM Treasury Investments Proprietary Limited	45	43
– Nkomati	27	52
– Two Rivers Platinum Proprietary Limited	1 460	1 174
– Other cash at bank and on deposit	29	26
Total cash set aside for specific use	821	590
– Mannequin Captive Cell (Cell AVL 18)[1]	454	245
– Rehabilitation trust funds[1]	77	65
– Other cash set aside for specific use[1]	290	280
Total as per statement of financial position	10 021	11 659
Less: Overdrafts (refer note 15)	(17)	(16)
Total as per statement of cash flows	10 004	11 643

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 R10 million (F2022: R16 million)
– African Rainbow Minerals Limited of R37 million (F2022: R37 million)
– Guarantees issued by ARM Coal to DMRE amounting to Rnil (F2022: R46 million)
– Guarantees issued by Modikwa to DMRE and Eskom amounting to R236 million (F2022: R234 million)
– Guarantees issued by Bokoni to DMRE and Eskom amounting to R68 million (F2022: Rnil)
– Guarantees issued by Two Rivers to DMRE and Eskom amounting to R4 million (F2022: Rnil)
– Guarantees issued by Nkomati to DMRE and Eskom amounting to R12 million (F2022: R12 million).

15 BORROWINGS

	F2023 Rm	F2022 Rm
Long-term borrowings are held as follows:		
ARM Coal Proprietary Limited (lease liability)	18	–
ARM BBEE Trust (loan from Harmony Gold)[1]	100	166
Anglo Platinum Limited (lease liability)	7	9
Two Rivers Platinum Proprietary Limited (lease liability)	81	130
	206	305
Short-term borrowings		
African Rainbow Minerals Limited (lease liability)	1	–
Anglo Platinum Limited (lease liability)	1	20
ARM Coal Proprietary Limited (partner loans)[2]	–	139
ARM Coal (lease liability)	13	–
Two Rivers Platinum Proprietary Limited (lease liability)	4	4
	19	163
Overdrafts (refer note 14)		
ARM Treasury Operations	17	16
	17	16
Overdrafts and short-term borrowings – interest bearing	36	40
– non-interest bearing	–	139
Overdrafts and short-term borrowings	36	179
Total borrowings	242	484

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

[1] *Includes repayments of R74 million (F2022: R65 million), re-measurements of R8 million (F2022: R5 million) and interest of R16 million (F2022: R18 million).*

[2] *ARM Coal loans from Glencore were settled at 30 June 2022 from cash generated by the Goedgevonden (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 in the prior year. The short-term liability at 30 June 2022 relates ARM Coal's attributable share of the GGV liability owing to PCB for the RBCT entitlement. The short-term liability at 30 June 2023 between GGV and PCB has been settled in cash.*

16 RE-MEASUREMENT GAINS AND LOSSES

ARM Coal

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

	F2023 Rm	F2022 Rm
The re-measurement adjustments are as follows:		
Re-measurement gain in operating income – ARM Coal segment	–	49
Re-measurement loss in operating expenses – ARM Coal segment	(4)	(815)
Net re-measurement loss – ARM Coal segment	(4)	(766)
Re-measurement gain in operating income – ARM Corporate segment	4	443
Net re-measurement loss on group profit from operations before capital items	–	(323)
Income from associate re-measurement loss on loans (refer note 6)	–	(490)
Net ARM Coal re-measurement loss	–	(813)

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%.

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

ARM BBEE Trust (loan from Harmony)

Included in other operating income for F2023 is a re-measurement gain of R8 million (F2022: R5 million). The gain is as a result of the loans advanced to the ARM BBEE Trust by Harmony in F2021.

	F2023 Rm	F2022 Rm
The re-measurement/fair value gains are as follows:		
Other operating income increase – ARM Corporate segment	8	5
Net ARM BBEE Trust gain	8	5

The re-measurement is as a result of the difference in the stipulated interest rate the lender may charge in the future in the new loan agreement and the interest rate the ARM BBEE Trust would have to pay if the loan was advanced in an open market. The rate used to determine the re-measurement is 13.85% (F2022: 11.69%).

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

Notes to the summarised group financial statements continued

for the year ended 30 June 2023

		F2023 Rm	F2022 Rm
17	**OTHER OPERATING INCOME**		
	Management fees	1 435	1 489
	Cost recoveries	60	51
	Insurance income	64	115
	Realised foreign exchange gains	30	35
	Royalties received	87	114
	Loan re-measurement gains (refer note 16)	8	54
	Other	133	125
	Total	1 817	1 983
18	**OTHER OPERATING EXPENSES**		
	Provisions	209	231
	Mineral royalty tax	363	911
	Staff cost	476	337
	Loan re-measurement loss (refer note 16)	–	372
	Consulting fees	210	130
	Share-based payments expense	254	263
	Insurance	63	129
	Research and development	212	166
	Other	905	700
	Total	2 692	3 239
19	**INCOME FROM ASSOCIATE**		
	Income from associate before the re-measurement of loans	1 007	1 417
	Loan re-measurement loss (refer note 16)	–	(490)
	Total	1 007	927
20	**TAXATION**		
	South African normal taxation		
	– current year	1 692	2 384
	– mining	1 262	2 003
	– non-mining	430	381
	– prior year	(116)	25
	Total deferred taxation	257	327
	Deferred taxation	257	413
	Deferred tax – rate change[1]	–	(86)
	Total tax	1 833	2 736

[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 the effective tax rate at 30 June 2023 and the recorded deferred tax assets and liabilities at 30 June 2023 and 30 June 2022.*

		F2023 Rm	F2022 Rm
21	**CASH GENERATED FROM OPERATIONS**		
	Cash generated from operations before working capital changes	6 878	10 148
	Working capital inflow/(outflow)	1 212	(1 640)
	Movement in inventories – (outflow)/inflow	(518)	70
	Movement in receivables – inflow/(outflow)	2 127	(737)
	Movement in payables and provisions – outflow	(397)	(973)
	Cash generated from operations	8 090	8 508
22	**COMMITMENTS**		
	Commitments in respect of future capital expenditure, which will be funded from operating cash flows and by utilising available cash and/or borrowing resources, are summarised below:		
	Commitments		
	Commitments in respect of capital expenditure:		
	Approved by directors		
	– contracted for	3 141	1 684
	– not contracted for	1 624	1 848
	Total commitments	4 765	3 532
23	**PROVISIONS**		
23.1	**Nkomati restoration and decommissioning provision[1]**		
	Long-term provisions		
	Opening balance	645	567
	Provision for the period[1]	90	55
	Transfer to short-term provisions	(3)	(2)
	Unwinding of discount rate	45	25
	Closing balance	777	645
	Short-term provision		
	Opening balance	31	29
	Transfer from long-term provisions	3	2
	Settlement payments	(9)	–
	Closing balance	25	31
	Total Nkomati restoration and decommissioning provision	802	676

[1] *The current year provision mainly relates to Nkomati providing for the short to medium-term water management costs (refer note 26).*

	F2023 Rm	F2022 Rm
23 PROVISIONS continued		
23.2 Silicosis and tuberculosis class action provision		
Long-term provision		
The provision movement is as follows:		
Opening balance	159	146
Interest unwinding	6	12
Changes in assumptions[1]	(106)	(13)
Transfer from short-term provisions	8	14
Closing balance	67	159
Short-term provision		
Opening balance	16	60
Settlement payments	(2)	(30)
Transfer to long-term provisions	(8)	(14)
Closing balance	6	16
Total silicosis and tuberculosis class action provision	73	175

[1] *The main reason for the decrease in the silicosis settlement estimate is the lower severity of silicosis found in eligible Trust claimants with ARM service over the past three years than originally expected. The silicosis benefit increases with impairment and hence lower disease severity results in a lower benefit payment. Other reasons for the decrease in the estimate are that fewer claimants have confirmed ARM service than originally estimated and a change in the financial assumptions including changes in economic conditions.*

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

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

Details of the provision were discussed in the 30 June 2022 financial results, which can be found on **www.arm.co.za**.

24 ACQUISITION OF BOKONI PLATINUM MINES 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, in turn owned by Rustenburg Platinum Mines Limited, a wholly owned subsidiary of Anglo American Platinum Limited, and Plateau Resources Proprietary Limited, a wholly owned subsidiary of Atlatsa Resources Corporation, 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.

The significant conditions precedent in the sale and purchase agreement had been fulfilled on 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.

BPM is a PGM mining operation located in the Limpopo province of South Africa and forms part of the North-Eastern Limb of the Bushveld Complex.

The following are the primary objectives of the transaction:

- Long-life orebody 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.

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 DMRE.

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.

ARM measured the identifiable assets and liabilities of BPM at acquisition-date fair values.

24 ACQUISITION OF BOKONI PLATINUM MINES PROPRIETARY LIMITED (BPM) continued

The values are presented below:

Assets acquired and liabilities assumed

	F2023 Rm
ASSETS	3 672
Non-current assets	3 599
Property plant and equipment	2 743
Deferred tax asset[1]	856
Current assets	73
Cash and cash equivalents	59
Trade and other receivables	14
LIABILITIES	116
Non-current liabilities	86
Provision for rehabilitation	86
Current liabilities	30
Trade and other payables	30
Total identifiable net assets at fair value	3 556
Gain on bargain purchase	(56)
Purchase price	3 500
Cash and cash equivalents acquired	(59)
Cash outflow on acquisition net of cash acquired	3 441

[1] *A deferred tax asset for unredeemed capital expenditure of R855 million was not recognised. There is no expiry date for unredeemed capital expenditure.*

The purchase price allocation was based on 100% ownership. A 15% shareholding in ARM BMC will be allocated to qualifying employees, local communities and black industrialists who will each hold 5%. ARM BMC is busy with the necessary processes to implement the allocation of this 15% shareholding. At the reporting date no agreements in this regard had been finalised.

Since the acquisition date, no revenue and a net loss of R350 million was included in the consolidated statement of profit or loss for the reporting period. If the acquisition had been at the beginning of the reporting period, no revenue and a net loss of R397 million would have been included in the consolidated statement of profit or loss for the reporting period.

The gain on bargain purchase is as a result of the fair value of net assets acquired differing from the initial estimates.

The gain on bargain purchase is included in capital items on the statement of profit or loss.

Trade and other receivables at acquisition is current and receivable within 30 days.

The carrying amount of trade and other receivables approximates their fair value due to the short-term nature of the receivables.

25 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.

	F2023 Rm	F2022 Rm
Amounts accounted in the statement of profit or loss relating to transactions with related parties		
Subsidiaries		
Impala Platinum – sales	7 896	9 416
Joint operations		
Rustenburg Platinum Mines – sales[1]	3 961	4 522
Modikwa non-controlling interest – dividend declared[1]	102	255
Glencore International AG – sales	2 409	2 627
Glencore Operations SA – management fees	103	78
Joint venture		
Assmang Proprietary Limited		
– Management fees	1 433	1 478
– Dividends received	5 000	5 500
Amounts outstanding at year end (owing to)/receivable by ARM on current account		
Joint venture		
Assmang – trade and other receivables	812	985
Joint operations		
Rustenburg Platinum Mines – trade and other receivables[1]	997	1 526
Modikwa-related non-controlling interest – dividend payable[1]	–	143
Norilsk Nickel – trade and other payables	–	2
Glencore Operations SA – short-term borrowings	–	(139)
Glencore Operations SA – trade and other receivables	533	887
Glencore International AG – trade and other receivables	185	376
Subsidiary		
Impala Platinum – trade and other receivables	2 266	3 646
Impala Platinum – dividend paid	414	1 060

[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.*

Notes to the summarised group financial statements continued

for the year ended 30 June 2023

26 CONTINGENT LIABILITIES AND DISPUTES

Contingent liabilities

Nkomati

Nkomati has provided for the short to medium-term water management costs, however, there remain 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 a long-term 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 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 2023 is the best independent estimate and is based on the most reliable information currently available. It will be re-assessed on an ongoing basis as engineering designs evolve and new information becomes available, as well as when approvals of a revised environmental management plan and WUL are secured.

Modikwa

In August 2020, the International Council on Mining and Metals (ICMM) published a Global Industry Standard for Tailings Management (GISTM) that sets a new global benchmark to achieve strong social, environmental and technical outcomes in tailings management, with an emphasis on accountability and disclosure.

ICMM members have committed that all tailings storage facilities (TSFs) with 'extreme' or 'very high' potential consequences will be in conformance with the GISTM by August 2023, and all other facilities by August 2025.

ARM, as a member of ICMM, published its progress towards conformance with GISTM on 5 August 2023.

Modikwa Platinum Mine is proactively investigating gaps between its TSF and the GISTM requirements. The mine commenced with sampling and laboratory testing work during F2022.

As at 30 June 2023, a reliable estimate of the impact cannot be made as the sampling and laboratory testing work is still underway. The results thereof are expected to be available in the third quarter of F2024.

Disputes

Modikwa

ARM Mining Consortium Limited (ARMMC) made an application against the DMRE and third-party respondents requesting the court to order the DMRE to reassess applications for certain prospecting rights of Rustenburg Platinum Mines Limited, ARMMC's joint venture partner, that had been earlier rejected. Judgment on the matter was granted on 10 July 2020. The court found against ARMMC. ARMMC applied for leave to appeal the judgment to the Supreme Court of Appeal (SCA), which application was granted. The SCA delivered judgment on the matter on 28 November 2022. It found against ARMMC. ARMMC filed an application for leave to appeal to the Constitutional Court. On 18 July 2023, the Constitutional Court issued an order dismissing the application for leave to appeal. The resources under dispute have no impact on the existing life-of-mine plan.

ARM

Pula Group LLC and Pula Graphite Partners Tanzania Limited claimed damages in the amount of US$195 000 000 against ARM and other defendants, allegedly arising out of a breach of a confidentiality agreement. The summons was served on ARM on 13 January 2023. The matter appeared before the High Court of the United Republic of Tanzania (Commercial Division) on 9 May 2023. The court dismissed the plaintiffs' action and ordered that each party must pay its own legal costs.

There have been no other significant changes in the contingent liabilities and disputes of the group as disclosed since 30 June 2022 annual financial statements.

For a detailed disclosure on contingent liabilities and disputes, refer to ARM's annual financial statements for the year ended 30 June 2022 available on the group's website: **www.arm.co.za**.

27 EVENTS AFTER REPORTING DATE

Subsequent to year end Assmang declared a dividend of R3 000 million attributable to ARM.

Harmony declared a final dividend of 75 cents per share. At 30 June 2023 and at the date of this report, ARM owned 74 665 545 Harmony shares.

ARM declared a final dividend of R12.00 per share on 4 September 2023.

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

Contact details

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A2X share code: ARI
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B Kennedy*
AK Maditsi*
TTA Mhlanga (finance director)
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PJ Mnisi*
DC Noko*
B Nqwababa*
Dr RV Simelane*
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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 historical information. They include but are not limited to statements that are predictions of 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/or unknown risks, unpredictables and other important factors that could cause the actual results, performance and/or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, unpredictables and other important factors include among others: 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, including environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the health-related epidemics and pandemics, including Covid-19, HIV and Aids in South Africa.

These forward-looking statements speak 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 the occurrence of unpredictable events.