



Exxaro Resources Limited

Summarised group annual financial statements
for the year ended 31 December 2017
and notice of the annual general meeting

exxaro
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This publication only includes statutory information. All other reports are available on the website at www.exxaro.com.

The following reports, which should be read with this report, as well as the audited group and company annual financial statements 2017, will be available on our website on 26 April 2018:

- > Integrated report 2017
- > Supplementary report 2017
- > Mineral resources and reserves statement 2017

Acronyms used in this publication are as defined in the audited group and company annual financial statements 2017.

CONTACT

Ongoing feedback from stakeholders helps us contextualise certain issues needed for more informed understanding by readers. We welcome your suggestions, which should be directed to:

Hanno Olinger Tel: +27 12 307 3359 Mobile: +27 83 609 1094
Manager: Sustainability Fax: +27 12 307 5327 Email: hanno.olinger@exxaro.com



www.exxaro.com





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ANNUAL GENERAL MEETING NOTICE AND PROXY



BRIEF CURRICULA VITAE OF DIRECTORS STANDING FOR ELECTION OR RE-ELECTION

Ms MW Hlahla (55)

Non-executive director

Director since August 2015

Qualifications: Master of Arts (MA) Urban Planning, UCLA School of Architecture and Planning, USA; Advanced Management Program (AMP), INSEAD, France; Certificate in Accounting and Finance, WITS Business School

Ms Hlahla spent the larger part of her career in the infrastructure sector starting in 1994 at the Development Bank of Southern Africa (DBSA). The DBSA seconded her to establish and lead the Municipal Infrastructure Investment Unit (MIU) as CEO.

While with the MIU, Ms Hlahla was appointed non-executive chairperson of the Johannesburg Water utility.

In 2001, she was appointed managing director of Airports Company South Africa (ACSA) until she resigned at the end of 2011.

Ms Hlahla was appointed chairperson of Royal Bafokeng Holdings (RBH) and the Industrial Development Corporation (IDC) at the end of 2011. She completed her three-year term with IDC in 2015, and was appointed to the board of Liberty Holdings and its subsidiary Stanlib.

Ms Hlahla is an executive coach and businesswoman. She founded RutaThari Holdings, which invests in smart and innovative skills development and training solutions across the African continent.

Ms D Mashile-Nkosi (59)

Non-executive director

Director since March 2018

Qualifications: Small Business Management Diploma (Wits Business School)

Ms Mashile-Nkosi is the executive chairperson of Kalagadi Manganese, a trustee and chairperson of the Women's Development Bank Trust, a chairperson of Women's Development Bank Investments Holdings Proprietary Limited. She has a strong development background as an activist on gender issues and encourages business to improve the quality of life of poor communities and the nurturing of women entrepreneurs and business leaders. In 1993, she was nominated by the Women's Development Bank to study development economics in Nagoya, Japan. She is the founder and a director of Temoso Telecommunication Proprietary Limited. She represents shareholder interests as a director of various companies, including:

- › Eyesizwe Mining
- › Interfile
- › Kalahari Resources
- › Temoso Holdings
- › Traxys Africa Proprietary Limited
- › Kalagadi Manganese

She is the chairperson of Bakhazi-Banalima Proprietary Limited. She is also a trustee of the First Rand Empowerment Trust.

Ms L Mbatha (64)

Non-executive director

Director since March 2018

Qualifications: LLM Gender Studies (WITS) LLB (Lesotho NUL)

Ms Mbatha understands that development is an opportunity to allow individuals to be equal and to lead a satisfactory life within one's community. While poverty inhibits people from being equal, factors such as inadequate education training, nutrition and poor health result in poverty. These inadequacies or deficiencies may result from government policies and or the exploitative nature of humans. She currently coaches the National Movement of Rural Women coordinators in development methods and systems. She also coaches them on project preparation, financing and management; supervises, monitors and evaluates small and medium development projects. She represents shareholder interests as a director of various companies, including:

- › Nozala Trust
- › Eyesizwe Mining

Mr VZ Mntambo (61)

Non-executive director

Director since November 2006

Qualifications: BJuris, LLB (Univ North West), LLM (Yale)

Mr Mntambo is executive chairman of Xalam Performance. He was previously senior lecturer at the University of Natal; executive director of IMSSA; director-general of Gauteng Province and chairman of the Commission for Conciliation, Mediation and Arbitration. He is also a director of SA Tourism Proprietary Limited and a trustee of the Paleo-Anthropological Scientific Trust.

Mr V Nkonyeni (48)

Independent non-executive director

Director since June 2014

Qualifications: BSc (Inf Proc), BSc (Hons), postgraduate diploma in accounting, CA(SA)

Mr Nkonyeni has over 20 years' experience in investment banking and private equity. He served his training contract with PricewaterhouseCoopers where he qualified as a chartered accountant in 1996. Thereafter he joined Deutsche Bank in 1997 where he gained investment banking experience primarily in corporate and project finance advisory work over four years. He serves on the boards of Emira Property Fund and MMI Holdings Limited. He has served as financial director of Worldwide African Investment Holdings Proprietary Limited and was appointed chief executive officer of Kagiso Tiso Holdings from 1 January 2012 until 31 December 2017. He is now a sole proprietor pursuing various private equity opportunities in the investment sector.

Ms A Sing (47)

Independent non-executive director

Director since March 2018

Qualifications: BSc Eng (Mech) MBA

Ms Sing started her career at South Africa's Sasol and after working in the EPCM space she went on to do an MBA at Wits Business School in 1999.

From 2000 to 2015 she worked in investment banking covering the mining, energy and industrial sectors.

Ms Sing is an executive for strategic business operations at MTN Group.

She has been a member of the board of the Development Bank of South Africa since 2014, chairperson of the board credit and investments committee and a member of the audit committee. She is also a member of the boards of MTN South Sudan and MTN Guinea Bissau.

Mr PCCH Snyders (57)

Independent non-executive director

Director since July 2016

Qualifications: BEng (Mining), Diploma in Marketing Management and an MCom in Business Management, Mine Manager's Certificate of Competence, registered with ECSA.

Mr Snyders has 35 years' experience in the mining industry, including employment at Sasol Coal, Amcoal, Iscor Mining, Kumba Coal, Anglo Platinum, Riversdale Holdings, Continental Coal, Keaton Energy, Sable Mining Africa, Mmakau Mining and most recently Submex Investment. He also has over 10 years' board experience within the industry.



BRIEF CURRICULA VITAE OF DIRECTORS STANDING FOR ELECTION OR RE-ELECTION (CONTINUED)

Mr E J Myburgh (59)

Independent non-executive director

Director since September 2016

Qualifications: BEng (Electrical) (Pretoria), BSc (Hons) (Energy Studies) (Johannesburg), MBL (Stellenbosch), Executive Programme (Virginia)

Between 1982 and 1996 Mr Myburgh held various operational and executive positions in operating, maintenance, engineering and power station management in Eskom. In 1997 he joined Iscor Mining, where he led companywide cost improvement, business re-engineering and transformation and empowerment projects. He was appointed managing director of Kumba Resources' coal business in 2000 and headed up the transformation unit from 2003 that managed the empowerment and mineral rights conversion of the company, including project managing the empowerment transaction and the unbundling of the company into Exxaro and Kumba Iron Ore.

He was appointed as the first CEO of Kumba Iron Ore at the unbundling in 2006. Following the 2008 electricity crisis, Mr Myburgh was seconded to Eskom to develop and implement a long-term coal supply strategy. In 2011 he co-founded Hindsight Financial and Commercial Solutions (Pty) Ltd, a boutique corporate professional advisory firm, providing investment banking, business development, specialist commercial solutions, and strategy and business improvement advisory services to the resources, energy and industrial sectors. He is a member of the Institute of Directors of Southern Africa, an independent non-executive director of The Heartlines Centre NPC and serves on the international advisory board of Unashamedly Ethical NPO.

Mr J van Rooyen (68)

Independent non-executive

Director since 13 August 2008

Qualifications: BCom, BCompt (Hons), CA(SA)

Mr van Rooyen is a director of various companies in the Uranus Group, non-executive director of MTN Group Limited and Pick n Pay Stores Limited. He is a former chairman of the Financial Reporting Standards Council (FRSC), a former trustee of the International Accounting Standards Foundation and former member of the University of Pretoria's faculty of economic and management sciences' oversight board. He was a partner at Deloitte & Touche, chairman of the Public Accountants and Auditors Board, CEO of the Financial Services Board and advisor to the former Minister of Public Enterprises during the Mandela administration. He is a founder member and former president of the Association for the Advancement of Black Accountants of South Africa.



ANNUAL GENERAL MEETING NOTICE

Exxaro Resources Limited

(Incorporated in the Republic of South Africa)

Registration number: 2000/011076/06

JSE share code: EXX

ISIN: ZAE000084992

ADR code: EXXAY

(Exxaro or the company)

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 17th (seventeenth) annual general meeting of shareholders of Exxaro will be held (subject to any adjournment or postponement) at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa, at 11:00 on Thursday, 24 May 2018 to consider, and if deemed fit, pass with or without modification, the resolutions as set out in this notice.

PURPOSE OF THE ANNUAL GENERAL MEETING

The purpose of this meeting is to:

- Present the audited annual financial statements (AFS) of the company and the group for the year ended 31 December 2017 (including the report of the directors, the audit committee report and the independent external auditors report) to shareholders
- Present the social and ethics committee report to shareholders
- Consider any matters raised by shareholders
- Consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions which form part of this meeting notice.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the annual general meeting electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the transfer secretaries, at the address below, to be received by the transfer secretaries at least 7 (seven) business days prior to the annual general meeting (thus 15 May 2018) for the transfer secretaries to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer secretaries for the purposes of section 63(1) of the Companies Act 71 of 2008, as amended (Companies Act) and for the transfer secretaries to provide the shareholder (or representative or proxy) with details on how to access the annual general meeting by means of electronic participation. The company reserves the right not to provide for electronic participation at the annual general meeting if it determines that it is not practical to do so, or an insufficient number of shareholders (or their representatives or proxies) request to participate in this manner.

IMPORTANT DATES

The board of directors of the company has determined, in accordance with section 59(1)(a) and (b) of the Companies Act, the following important dates:

Record date for receipt of notice purposes	Friday, 13 April 2018
Notice of meeting posted to shareholders	Monday, 30 April 2018
Last date to trade to be eligible to vote	Tuesday, 15 May 2018
Record date for voting purposes	Friday, 18 May 2018
For administration purposes, forms of proxy ¹ to be lodged	Tuesday, 22 May 2018 (by 11:00)
Meeting to be held	Thursday, 24 May 2018 (by 11:00)
Results of meeting released on SENS	Friday, 25 May 2018

¹ Proxies will also be accepted by the chairman prior to commencement of meeting

Thursday, 24 May 2018



ANNUAL GENERAL MEETING NOTICE (CONTINUED)

IDENTIFICATION, VOTING AND PROXIES

In terms of section 63(1) of the Companies Act, any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (as shareholder or as proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include valid identity documentation, driver's licences and passports.

The votes of shares held by share trusts classified as schedule 14 trusts in the JSE Limited (JSE) Listings Requirements will not be taken into account at the annual general meeting for approval of any resolution proposed in terms of the JSE Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised Exxaro shareholders with own-name registrations who cannot attend the annual general meeting, but wish to be represented.

For effective administrative purposes, completed forms of proxy must be received by the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Rosebank Tower, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) by no later than Tuesday, 22 May 2018. Any forms of proxy not lodged by this time must be handed to the chairman prior to the start of the meeting.

All beneficial owners of Exxaro shares who have dematerialised their shares through a central securities depository participant (CSDP) or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee. Should such beneficial owners wish to attend the meeting in person, they must request their CSDP, broker or nominee to issue them with the appropriate letter of representation.

Exxaro does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such Exxaro shareholder of the annual general meeting.

QUORUM

A quorum for the purposes of considering the resolutions to be proposed at the meeting shall consist of three shareholders of the company, personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the meeting.

PRESENTATION OF AUDITED GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

The AFS of the company and the group, including the reports of the directors, group audit committee and the independent external auditors, for the year ended 31 December 2017 will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act (abbreviated versions have been included in this publication).

The AFS <http://www.exxaro-reports.co.za/reports/ar-2017/financials/acronyms.php> of the company and the group are available on the company's website, www.exxaro.com or can be requested from the group company secretary at information.officer@exxaro.com or telephonically on +27 12 307 4384.

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

A report of the members of the group social and ethics committee for the year ended 31 December 2017, as included in the integrated report 2017, will be presented to shareholders as required in terms of regulation 43 of the Companies Regulations 2011 (Regulations).

The group social and ethics report is included in the integrated report 2017 <http://www.exxaro-reports.co.za/reports/ar-2017/index.php> and available on the company's website, www.exxaro.com or can be requested from the group company secretary at information.officer@exxaro.com or telephonically on +27 12 307 4384

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1 Ordinary resolution number 1: election and re-election of directors

In accordance with the company's memorandum of incorporation (Mol), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years. In terms of the board charter those non-executive directors who have reached the age of 70 years or older retire at every annual general meeting and are submitted for re-election if eligible.

At this meeting and in accordance with these requirements, Dr D Konar, Messrs J van Rooyen, S Mayet and V Nkonyeni are obliged to retire by rotation and Dr CJ Fauconnier by virtue of his age.

Drs CJ Fauconnier, D Konar and Mr S Mayet have indicated that they are not available for re-election.

The board of directors has considered the proposals of the nomination committee and is recommending the re-election of Messrs J van Rooyen and V Nkonyeni.

The relationship agreement to the Replacement BEE Transaction states that Exxaro agrees to nominate four persons, nominated by NewBEECo, to its nomination committee, and if deemed fit and proper, recommend these directors for appointment to the shareholders of Exxaro.

The board of directors has considered the proposals of the nomination committee and has appointed Mmes L Mbatha, D Mashile-Nkosi, MW Hlahla and Mr VZ Mntambo and is now seeking approval from shareholders for these appointments.

Post the completion of the Replacement BEE Transaction, the nomination committee commenced a process to source potential additional independent non-executive directors for appointment to the board of directors, with a specific focus on additional engineering experience, innovation and mergers and acquisitions experience.

The board of directors has considered the proposal of the nomination committee and has appointed Ms A Sing as an independent non-executive director and is now seeking approval from shareholders for this appointment.

Brief curricula vitae in respect of the abovementioned directors are set out on pages 38 to 40 of this booklet.

Ordinary resolution number 1.1

"RESOLVED that Ms MW Hlahla be and is hereby elected as a non-executive director of the company with effect from 24 May 2018."

Ordinary resolution number 1.2

"RESOLVED that Ms D Mashile-Nkosi be and is hereby elected as a non-executive director of the company with effect from 24 May 2018."



ANNUAL GENERAL MEETING NOTICE (CONTINUED)

Ordinary resolution number 1.3

"RESOLVED that Ms L Mbatha be and is hereby elected as a non-executive director of the company with effect from 24 May 2018."

Ordinary resolution number 1.4

"RESOLVED that Mr VZ Mntambo be and is hereby elected as a non-executive director of the company with effect from 24 May 2018."

Ordinary resolution number 1.5

"RESOLVED that Mr V Nkonyeni be and is hereby elected as an independent non-executive director of the company with effect from 24 May 2018."

Ordinary resolution number 1.6

"RESOLVED that Ms A Sing be and is hereby elected as an independent non-executive director of the company with effect from 24 May 2018."

Ordinary resolution number 1.7

"RESOLVED that Mr J van Rooyen be and is hereby elected as an independent non-executive director of the company with effect from 24 May 2018."

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting for each of these resolutions.

2 Ordinary resolution number 2: election of audit committee members

To elect by separate resolutions a group audit committee comprising independent non-executive directors, as provided for in section 94(4) of the Companies Act and appointed in terms of section 94(2) of that act to hold office until the next annual general meeting to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and the King Reports on Corporate Governance for South Africa (King Reports), and to perform such other duties and responsibilities as may be delegated by the board of directors for the company, all subsidiary companies and controlled trusts.

The board of directors has assessed the performance of the group audit committee members standing for election and found them suitable for appointment.

Brief curricula vitae in respect of the abovementioned directors are set out on pages 38 to 40 of this report.

Ordinary resolution number 2.1

"RESOLVED that Mr EJ Myburgh be and is hereby elected as a member of the audit committee with effect from 24 May 2018."

Ordinary resolution number 2.2

"RESOLVED that Mr V Nkonyeni be and is hereby elected as a member of the audit committee with effect from 24 May 2018."

The election of Mr V Nkonyeni is subject to his re-election as director.

Ordinary resolution number 2.3

"RESOLVED that Mr J van Rooyen be and is hereby elected as a member of the group audit committee with effect from 24 May 2018."

The election of Mr J van Rooyen is subject to his re-election as director.

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting for each of these resolutions.

3 Ordinary resolution number 3: election of social and ethics committee members

To elect by separate resolutions a group social and ethics committee, as provided for in section 72(4) of the Companies Act and regulation 43 of the Regulations, appointed in terms of regulation 43(2) of the Regulations to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in regulation 43(5) of the Regulations and to perform such other duties and responsibilities as may be delegated by the board of directors for the company and all subsidiary companies.

The board of directors has assessed the performance of the group social and ethics committee members standing for election and found them suitable for appointment.

Brief curricula vitae in respect of the abovementioned directors are set out on pages 38 to 40 of this report.

Ordinary resolution number 3.1

"RESOLVED that Ms L Mbatha be and is hereby elected as a member of the social and ethics committee with effect from 24 May 2018."

The election of Ms L Mbatha is subject to her election as director.

Ordinary resolution number 3.2

"RESOLVED that Ms A Sing be and is hereby elected as a member of the social and ethics committee with effect from 24 May 2018."

The election of Ms A Sing is subject to her election as director.

Ordinary resolution number 3.3

"RESOLVED that Mr PCCH Snyders be and is hereby elected as a member of the social and ethics committee with effect from 24 May 2018."

For each of these resolutions to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting for each of these resolutions.



ANNUAL GENERAL MEETING NOTICE (CONTINUED)

4 Ordinary resolution number 4: reappointment of independent external auditors

As set out in the group audit committee report of the integrated report 2017, the group audit committee has assessed PricewaterhouseCoopers Incorporated's performance, independence and suitability and has nominated them for reappointment as independent external auditors of the group, to hold office until the next annual general meeting.

"RESOLVED that PricewaterhouseCoopers Incorporated, with the designated audit partner being Mr TD Shango, be and is hereby reappointed as independent external auditors of the group for the ensuing year."

For this resolution to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting for this resolution.

5 Ordinary resolution number 5: general authority to issue shares for cash

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

"RESOLVED that the directors of the company be and are hereby authorised, by way of a general authority, to issue the authorised but unissued ordinary shares in the capital of the company (and/or any options/convertible securities that are convertible into ordinary shares) for cash, as and when they in their discretion deem fit, subject to clause 3.1(3) of the Mol of the company, the Companies Act, and the JSE Listings Requirements, when applicable and with the following limitations, namely that:

1. This authority is valid until the company's next annual general meeting, provided that it will not extend beyond 15 (fifteen) months from the date that this authority is given
2. The equity securities which 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 or represent options in respect of a class already in issue
3. Any such issue will only be made to 'public shareholders' as defined in the JSE Listings Requirements and not to related parties, unless the JSE otherwise agrees
4. The number of shares issued for cash will not in aggregate exceed 5% (five percent) of the company's listed equity securities (excluding treasury shares) as at the date of the notice of annual general meeting, such number being 250 936 510 or 5% thereof ordinary shares in the company's issued share capital
5. Any equity securities issued under the authority during the period contemplated in point 1 must be deducted from the number in the preceding bullet
6. In the event of a subdivision or consolidation of issued equity securities during the period contemplated in the first bullet above, the existing authority must be adjusted accordingly to represent the same allocation ratio
7. A paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of shares in issue prior to the issue
8. The maximum discount permitted at which equity securities may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares 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."

For this ordinary resolution to be passed, under the JSE Listings Requirements, votes in favour of the resolution must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

6 Ordinary resolution number 6: placing the unissued ordinary shares under the control of the directors

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

"RESOLVED that the authorised but unissued shares in the capital of the company be and are hereby placed under the control and authority of the board of directors and that they be and are hereby authorised to allot, issue and otherwise dispose of such shares to such person or persons on such terms and conditions and at such times as they may from time to time and at their discretion deem fit, subject to the provisions of the Companies Act, clause 3.1(3) of the MoI of the company and the JSE Listings Requirements. The number of shares issued in terms of this authority will not, in the aggregate in the current financial year, exceed 5% (five percent) of the company's issued share capital of ordinary shares as at 31 December 2017. The issuing of shares granted under this authority will be at the discretion of the directors until the next annual general meeting of the company."

For this resolution to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of this resolution.

7 Ordinary resolution number 7: authorise director and/or group company secretary to implement the resolutions set out in the notice

"RESOLVED that any one director and/or group company secretary of the company or equivalent be and are hereby authorised to do all such tasks and sign all such documents deemed necessary to implement the resolutions set out in the notice convening the annual general meeting at which these resolutions will be considered."

For this resolution to be passed, votes in favour must represent at least 50% +1 (fifty percent plus one) of all votes cast and/or exercised at the meeting for this resolution.

8 Special resolution number 1: approve non-executive directors' fees for the period 1 June 2018 to the next annual general meeting

Approval in terms of section 66 of the Companies Act is required to authorise the company to remunerate non-executive directors for services as directors. Furthermore, in terms of the King Reports and as read with the JSE Listings Requirements, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two years.

"RESOLVED, as a special resolution in terms of the Companies Act, that the remuneration of non-executive directors for the period 1 June 2018 until the end of the month in which the next annual general meeting is held, be and is hereby approved on the basis set out below:

	Current R	Proposed R
Chairman of the board	1 594 784	1 698 445
Members of the board	366 531	390 356
Audit committee chairman	312 813	333 146
Audit committee members	165 222	175 961
Remuneration and nomination committee chairman	240 086	255 692
Remuneration and nomination committee member	114 562	122 009
Sustainability, risk and compliance committee chairman	233 354	248 522
Sustainability, risk and compliance committee member	113 491	120 868
Social and ethics committee chairman	116 670	124 254
Social and ethics committee member	56 752	60 441
Ad hoc meeting fees		
Board meeting	15 494	16 501
Committee meeting	11 624	12 380



ANNUAL GENERAL MEETING NOTICE (CONTINUED)

The proposed fees equate to a 6,5% increase, and is aligned with the 2018 increases for the management and specialist category employees.

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting for this resolution.

9 Special resolution number 2: adoption of a replacement memorandum of incorporation

The company's empowerment transaction was replaced on 11 December 2017. The previous empowerment transaction imposed a number of restrictions on the company, which was contained in the Mol. As a result of the termination of the contractual arrangements in this regard, it is no longer appropriate to include these restrictions in the company's Mol, and the company therefore wishes to adopt a replacement Mol to remove such restrictions. The restrictions to be removed relate to transaction-specific provisions designed to protect the company's empowerment status.

"RESOLVED, as a special resolution in terms of the Companies Act, that a new Mol, which has been harmonised with the requirements of the Replacement BEE Transaction and the King Reports, be and is hereby approved."

The new Mol, together with a mark-up against the existing Mol will be available for inspection at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa during business hours from Monday, 2 April 2018 to Friday, 11 May 2018 and will also be available for viewing on the company's website, www.exxaro.com.

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting on this resolution.

10 Special resolution number 3: general authority to repurchase shares

"RESOLVED, as a special resolution in terms of the Companies Act, that, subject to compliance with the JSE Listings Requirements, the Companies Act, and clause 3.1(12) of the Mol of the company, the directors be and are hereby authorised, at their discretion, to instruct that the company or subsidiaries of the company acquire or repurchase ordinary shares issued by the company, provided that:

1. The number of ordinary shares acquired in any one financial year will not exceed 20% (twenty percent) of the ordinary shares in issue at the date on which this resolution is passed
2. This must 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
3. 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
4. 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 a purchase is made."

The reason for and effect of this special resolution is to authorise the directors, if they deem 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 subject to the restrictions contained in the above resolution.

At present, the directors have no specific intention to use this authority which will only be used if circumstances are appropriate.

The directors undertake that they will not implement any repurchase as contemplated in this special resolution while this general authority is valid, unless:

1. After such repurchase(s), the company passes the solvency and liquidity test as contained in section 4 of the Companies Act and that, from the time the solvency and liquidity test is done, there will be no material changes to the financial position of the group
2. The consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards and in accordance with accounting policies used in the company and group AFS for the year ended 31 December 2017, will exceed the consolidated liabilities of the company and the group immediately following such purchase or 12 (twelve) months after the date of the notice of annual general meeting, whichever is the later
3. 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 the annual general meeting or a period of 12 (twelve) months after the date on which the board of directors considers that the purchase will satisfy the immediately preceding requirement and this requirement, whichever is the later
4. The issued share capital and reserves of the company and group will be adequate for the purposes of the business of the company and group for a period of 12 (twelve) months after the date of the notice of the annual general meeting of the company
5. The company and group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of this notice
6. A resolution is passed by the board of directors that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the group
7. The company or its subsidiaries will not repurchase securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless the company has a repurchase programme in place where the dates and quantities of securities to be traded during the relevant prohibited period are fixed (not subject to any variation) and has been submitted to the JSE in writing. The company will instruct an independent third party, which makes its investment decisions on the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE
8. When the company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, an announcement will be made
9. The company at any time only appoints one agent to effect any repurchase(s) on its behalf.

For this resolution to be passed, votes in favour must represent at least 75% (seventy-five percent) of all votes cast and/or exercised at the meeting in respect of this resolution.

NON-BINDING ADVISORY VOTES

11 Non-binding advisory vote number 1: the remuneration policy

"RESOLVED, through a non-binding advisory vote, the company's remuneration policy, as set out in the remuneration and nomination committee report 2017 of the integrated report 2017, be and is hereby approved."

The remuneration and nomination committee report is included in the integrated report 2017 and supplementary report, and available on the company's website, www.exxaro.com or can be requested from the company secretary at information.officer@exxaro.com or telephonically on +27 12 307 4384.

This ordinary resolution is of an advisory nature only and although the board of directors will consider the outcome of the vote when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy as contained in the integrated report.



ANNUAL GENERAL MEETING NOTICE (CONTINUED)

12 Non-binding advisory vote number 2: non-binding advisory vote on the implementation of the remuneration policy

"RESOLVED THAT, in accordance with King IV and the JSE Listings Requirements, the shareholders endorse the implementation of the remuneration policy of the company as set out in the supplementary report of the remuneration and nomination committee report 2017."

An explanation of the implementation of the company's remuneration policy is included in the integrated report 2017 and supplementary report, and available on the company's website, www.exxaro.com or can be requested from the group company secretary at information.officer@exxaro.com or telephonically on +27 12 307 4384.

This ordinary resolution is of an advisory nature only and although the board of directors will consider the outcome of the vote when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy as contained in the integrated report.

DIRECTORS RESPONSIBILITY STATEMENT

The directors collectively and individually accept full responsibility for the accuracy of the information pertaining to these resolutions 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 these resolutions contain all information required by law and the JSE Listings Requirements.

NO MATERIAL CHANGES TO REPORT

Other than the facts and developments reported on in the AFS, which are available on the company's website www.exxaro.com, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 December 2017.

By order of the board

SE van Loggerenberg

Group company secretary

Pretoria

13 April 2018



FORM OF PROXY

Exxaro Resources Limited

(Incorporated in the Republic of South Africa)

Registration number 2000/011076/06

JSE share code: EXX

ISIN: ZAE00084992

ADR code: EXXAY

(Exxaro or the company)

To be completed by certificated shareholders and dematerialised shareholders with 'own-name' registration only

For completion by registered shareholders of Exxaro unable to attend the 17th (seventeenth) annual general meeting of shareholders of Exxaro to be held (subject to postponement or adjournment of that meeting) at 11:00 on Thursday, 24 May 2018, at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa.

A shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the company) to attend, participate in, speak and vote or abstain from voting in the place of that shareholder at the annual general meeting.

I/We (please print names in full)

of (address)

being the holder/s of

shares in the company, do hereby appoint:

1

or, failing him/her

2

or, failing him/her

3 the chairman of the annual general meeting

as my/our proxy to attend, participate in, speak and, on a poll, vote on my/our behalf at the annual general meeting of shareholders to be held at 11:00 on Thursday, 24 May 2018 at the Exxaro Corporate Centre, Roger Dyason Road, Pretoria West, South Africa, or at any adjournment or postponement of that meeting, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

	For	Against	Abstain
Ordinary resolutions			
1 Resolution to elect directors			
1.1 Election of MW Hlahla as a director			
1.2 Election of D Mashile-Nkosi as a director			
1.3 Election of L Mbatha as a director			
1.4 Election of VZ Mntambo as a director			
1.5 Election of V Nkonyeni as a director			
1.6 Election of A Sing as a director			
1.7 Election of J van Rooyen as a director			
2 Resolution to elect group audit committee members			
2.1 Election of EJ Myburgh as a member of the group audit committee			
2.2 Election of V Nkonyeni as a member of the group audit committee			
2.3 Election of J van Rooyen as a member of the group audit committee			
3 Resolution to elect group social and ethics committee members			
3.1 Election of L Mbatha as a member of the group social and ethics committee			
3.2 Election of A Sing as a member of the group social and ethics committee			
3.3 Election of PCCH Snyders as a member of the group social and ethics committee			
4 Resolution to reappoint PricewaterhouseCoopers Incorporated as independent external auditors			
5 Resolution of general authority to issue shares for cash			
6 Resolution to place unissued ordinary shares under the control of the directors			
7 Resolution to authorise directors and/or group company secretary to implement the resolutions set out in the notice convening the annual general meeting			
Special resolutions			
1 Special resolution to approve non-executive directors' fees for the period 1 June 2018 to the next annual general meeting			
2 Special resolution to approve the adoption of a replacement memorandum of incorporation			
3 Special resolution to approve the general authority to repurchase shares			
Non-binding advisory votes			
1 Non-binding advisory vote to approve the remuneration policy			
2 Non-binding advisory vote to approve the implementation of the remuneration policy			

Please indicate with an 'X' in the appropriate spaces above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at this

day of

2018

Signature

Assisted by me, where applicable (name and signature)

Please read the notes that follow.



NOTES TO THE FORM OF PROXY

(Which include a summary of the rights established by section 58 of the Companies Act 71 of 2008, as amended (Companies Act))

- 1 A form of proxy is only to be completed by those ordinary shareholders who are:
 - Holding ordinary shares in certificated form or
 - Recorded on sub-register electronic form in 'own name'.
- 2 If you have already dematerialised your ordinary shares through a central securities depository participant (CSDP) or broker and wish to attend the annual general meeting, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement between yourself and your CSDP or broker.
- 3 A shareholder may insert the name of a proxy or the names of two or more persons as alternative or concurrent proxies in the space. The person whose name appears first on the form of proxy and who is present at the annual general meeting of shareholders will be entitled to act to the exclusion of those whose names follow. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
- 4 A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
- 5 On a show of hands, a shareholder of the company present in person or by proxy will have one vote, irrespective of the number of shares he/she holds or represents, provided that a proxy will, irrespective of the number of shareholders he/she represents, have only one vote. On a poll, a shareholder who is present in person or represented by proxy will be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of shares held by him/her bears to the aggregate amount of the nominal value of all shares issued by the company.
- 6 A shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the shareholder in the box provided. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's exercisable votes. A shareholder or proxy is not obliged to use all the votes exercisable by the shareholder or proxy, but the total of votes cast and for which abstention is recorded may not exceed the total of votes exercisable by the shareholder or proxy.
- 7 The proxy appointment is:
 - Suspended at any time and to the extent that the shareholder chooses to act directly and in person in exercising any rights as a shareholder and
 - Revocable unless the proxy appointment expressly states otherwise. If the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - cancelling it in writing, or making a later inconsistent appointment of a proxy and
 - delivering a copy of the revocation instrument to the proxy, and to the transfer secretaries of the company.
- 8 The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - The date stated in the revocation instrument, if any, or
 - The date on which the revocation instrument was delivered.

- 9 If the instrument appointing a proxy or proxies has been delivered, as long as that appointment remains in effect, any notice required by the Companies Act or the company's memorandum of incorporation to be delivered by the company to the shareholder must be delivered to:
 - The shareholder or
 - The proxy or proxies, if the shareholder has directed the company to do so, in writing, and paid any reasonable fee charged by the company for doing so.
- 10 The proxy appointment remains valid only until the end of the annual general meeting or any adjournment or postponement, unless it is revoked in accordance with paragraph 7 prior to the meeting.
- 11 In the interest of administrative purposes it is advisable that forms of proxy be lodged at or posted to Computershare Investor Services Proprietary Limited, to be received not later than 48 hours before the time fixed for the meeting (excluding Saturdays, Sundays and public holidays), thus by 11:00 on Tuesday, 22 May 2017. This does not preclude proxies to be handed in at the meeting.

For shareholders on the South African register

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
PO Box 61051
Marshalltown
2107
www.computershare.com
Tel: +27 11 370 5000

Over-the-counter American Depository Receipt (ADR) holders

Exxaro has an ADR facility with The Bank of New York Mellon (BNY Mellon) under a deposit agreement. ADR holders may instruct BNY Mellon how the shares represented by their ADRs should be voted.

American Depository Receipt Facility (ADR)
The Bank of New York Mellon
101 Barclay Street
New York NY 10286
www.adrbny.com
shareowners@bankofny.com
Tel: +(00-1) 888 815 5133

- 12 Completing and lodging this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person to the exclusion of any appointed proxy.
- 13 Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity or other legal capacity must be attached, unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
- 14 Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
- 15 Despite these requirements, the chairman of the annual general meeting may, if deemed reasonable, waive any formalities that would otherwise be a prerequisite for a valid proxy.
- 16 If any shares are jointly held, all joint shareholders must sign this form of proxy. If more than one of those shareholders is present at the annual general meeting, either in person or by proxy, the person whose name first appears in the register will be entitled to vote.



ADMINISTRATION

Group company secretary and registered office

SE van Loggerenberg
Exxaro Resources Limited
Roger Dyason Road
Pretoria West, 0183
South Africa
(PO Box 9229, Pretoria, 0001)
Telephone +27 12 307 5000

Sponsor

Absa Bank Limited (acting through its Corporate and Investment Bank Division)
Barclays Sandton North
15 Alice Lane
Sandton, 2196

Company registration number: 2000/011076/06

JSE share code: EXX

ISIN code: ZAE000084992

ADR code: EXXAY

Auditors

PricewaterhouseCoopers Incorporated
4 Lisbon Lane
Waterfall City
Jukskei View, 2090

Commercial Bankers

Absa Bank Limited

Corporate law advisers

EOH Legal Services Proprietary Limited
Roger Dyason Road
Pretoria West
0183

United States ADR Depository

The Bank of New York Mellon
101 Barclay Street
New York NY 10286
United States of America

Registrars

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)



SHAREHOLDERS' DIARY

Financial year-end	31 December
Annual general meeting	May
Reports and accounts published	
Announcement of annual results	March
Integrated report and annual financial statements	April
Interim report for the half-year (30 June)	August
Distributions	
Final dividend declaration	March
Payment	April
Interim dividend declaration	August
Payment	September/October



www.exxaro.com