POWERING POSSIBILITY

CORPORATE POLICY	**CONFLICT OF INTERESTS**
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APPROVED BY	**Board of directors**

EXXARO RESOURCES LIMITED

Herein after referred to as the Company or the Employer

This policy replaces all previous policies and correspondence in this regard.

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1. INTRODUCTION

Exxaro subscribes to ethical and responsible leadership and effective governance practices that require that all employees act in the best interest of their employer and to make fair and objective decisions.

In accordance with an employee's obligation to act in the best interest of his employer, it is not permissible for employees or their related parties to engage in conduct, whether by acting or failing to act, which would amount to a *conflict* or *potential conflict of interest* with the Company, the Exxaro of companies or its business interests.

In addition, the Companies Act No 71 of 2008 (the Companies Act) places specific dutieson directors and prescribed officers in relation to the disclosure of *Personal Financial Interests*. This policy has therefore been established to also regulate processes and procedures in accordance with the Companies Act duties and obligations that a director and prescribed officer owes to the Company, and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations. The policy also expands on these Companies Act duties specifically applicable to directors and prescribed officers, by stipulating general requirements applicable to all employees.

The responsibility for avoiding *conflicts of interest* does not end with individual employees,prescribed officers or directors, but extends to their close family and related parties as defined in the Companies Act.

2. PURPOSE

The purpose of this policy is to:

- Regulate and control any prejudice that arises or could potentially arise as a consequence of conflicts of interest;
- Ensure fairness, transparency and consistency in dealing with the interests of all employees, other affected parties, and the Company;
- Define what constitutes a conflict or potential conflict of interest;
- Define the obligation of avoidance, and where this is not possible, mitigation and disclosure of any conflicts or potential conflicts of interest;
- Define the process of declaration of all material outside interests, irrespective whether they constitute a conflict or potential conflict of interest, to establish objectively whether these interests should be avoided and if they cannot be avoided, how they should be managed (the respective declaration form will provide guidance on materiality);
- Define who may sign off on the continuation of the activity that constitutes an actual, potential or perceived conflict of interest and the rules or conditions, if any that apply, including the monitoring thereof;
- Ensure compliance with the specific requirements imposed on Directors and Prescribed Officers regarding disclosure of Personal Financial Interests as required by the Companies Act;
- Provide principles to contractors and consultants when dealing with conflict of interests and code of conduct; and
- Provide guiding principles on specific matters.

By implementing the above, Exxaro will be able to:

- allow individuals, where appropriate, to acquire and maintain personal interests external to Exxaro, provided that these interests do not interfere with or have the potential to interfere with their duties to and/ or interests of Exxaro, or improperly influence the judgments and/ or decisions expected of them when acting on behalf of Exxaro;
- protect individuals from misplaced charges of conflicts of interest by providing a mechanism for the objective review and approval (including the conditional approval) of appropriate personal outside interests held by individuals; and
- avoid any unjustified perception of bias or self-interest by individuals acting in situations where Exxaro has approved the holding of personal outside interests by such individuals.

The Policy should be read in conjunction with all Exxaro's policies and procedures,with specific reference to the:

- Exxaro fraud prevention policy;
- Exxaro gifts and benefits policy;
- Exxaro whistle blowing policy;
- Exxaro nepotism policy;
- Exxaro supplier code of conduct; and
- Exxaro's code of ethics.

3. SCOPE

This Policy applies uniformly and without exception to Exxaro Employees, Directors, Prescribed Officers of the Company and their Related Parties, as well as business relationships of the Company and Exxaro.

The Policy principles set out in paragraph 7 below applies to all independent contractors, consultants, and any legal entities controlled by, benefitting from or acting on the instruction of any Director, Prescribed Officer, Employee or such contractor or consultant.

This Policy applies to financial, economic and other interests in any opportunity from which the Company or Exxaro may benefit, or which may be to the detriment of the Company or Exxaro, including the use of the Company or Exxaro's confidential and/ or proprietary information.

For full understanding of the scope of this Policy, please consider the definitions captured in clause 14 of this Policy.

4. LEGISLATION AND CORPORATE GOVERNANCE REQUIREMENTS REFERENCE

The following main pieces of legislation and guidelines are applicable to the policy:

- King Report on Governance for South Africa 2016 (King IV);
- JSE Listings Requirements; and
- Companies Act 71 of 2008, as amended.

5. POLICY STATEMENT AND INTERNAL STANDARDS

5.1 Commitment to avoid conflict of interest

Exxaro is committed to the highest ethical standards and acknowledges that conflicts of interest or even perceived conflicts of interest could damage Exxaro's reputation and may lead to legal action.

Exxaro is committed to ensuring compliance with the Companies Act, which requires specific requirements to be met in respect of the disclosure and handling of Personal Financial Interests of Directors, Prescribed Officers and their Related Parties.

The Exxaro Directors, Prescribed Officers and Employees are furthermore committed to avoiding any actual, potential or perceived conflict of interest between their personal interests (including that of their Related Parties) and the interest of Exxaro, and to make decisions in the best interest of Exxaro.

5.2 Prohibition of conflict of interest

An actual, perceived or potential conflict of interest between the interest of Exxaro and any Director, Prescribed Officer or Employee is prohibited unless it has been disclosed and approved in terms of this Policy.

5.3 A conflict occurs when

A conflict, potential or perceived conflict occurs when there arises a conflict between Exxaro's interests and the direct or indirect (in fact or appearance) private interests of an Exxaro Employee, Prescribed Officer or Director. Private interests includes, but are not limited to, a financial interest, economic interest, ownership interest, or any relationship with a third party.

An outside interest will be regarded as an actual conflict of interest or potential or perceived conflict of interest if it:

(i) Impairs, could impair, or be perceived to impair, their ability to act with integrity or objectivity in their role in Exxaro;

(ii) Affects, could affect or be perceived to affect the impartial fulfilment of an Employee, Prescribed Officer or Director's duty or role in the affairs of Exxaro;

(iii) Leads, could lead or be perceived to lead to the misuse of an Employee, Prescribed Officer or Director's position, confidential or proprietary Exxaro information, corporate time, material or facilities for private gain or advancement or the expectation of private gain or advancement of the Employee, Prescribed Officer or Director or any of their Related Parties, friends or business associates.

5.4 Actual, potential or perceived conflict of interest

(i) **Actual conflict** arises in situations where financial considerations or other personal or professional considerations compromise an individual's objectivity, judgment, integrity, and/or ability to fulfil his or her responsibilities to Exxaro, and his or her actions could or has lead to compromising Exxaro in any way.

(ii) **Potential conflict** will arise where financial considerations or other personal or professional considerations may compromise an individual's objectivity, judgment, integrity, and/or ability to fulfil his or her responsibilities to Exxaro, and his or her actions could lead to compromising Exxaro in any way. **Perceived** conflicts include situations or relationships that could reasonably appear to other parties to involve a conflict of interest and exist in situations where an individual has Financial Interests, personal relationships or associations with an external entity, individual or organisation, such that the person's activities within Exxaro could appear to be biased.

6 PROCEDURES

6.1 SUMMARY OF PROCESS

(1) To **identify** any actual, potential or perceived conflict of interest
(2) To consider the obligation to firstly avoid actual, potential or perceived conflict of interest;
(3) To consider outright prohibitions captured in paragraph 13 below;
(4) To disclose the actual, potential or perceived conflict of interest;
(5) To recuse himself/herself from any process related to that actual, potential or perceived conflict of interest;
(6) Disclosure to be considered by relevant director, management or committee;
(7) Decision to approve (with or without conditions) or reject the actual, potential or perceived conflict of interest; and
(8) Appeal the decision.

6.2 IDENTIFICATION OF ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST

The most important part of a Director, Prescribed Officer or Employee's commitment to avoid any conflicts of interest is to identify whether any situation or circumstance could be considered to be an actual, potential or perceived conflict of interest between the Director's, Prescribed Officer Employee's or any of their Related Party's interest and that of Exxaro.

IN ORDER TO ADEQUATELY AND EXPEDIENTLY IDENTIFY AN ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST, THE DIRECTOR, PRESCRIBED OFFICER OR EMPLOYEE MUST, IN ADDITION TO USING HIS/HER COMMON SENSE AND REASONABLE FORESIGHT, ASK THE FOLLOWING QUESTIONS:

- ***DO MY PERSONAL AND PRIVATE INTERESTS THROUGH A RELATED CONNECTION LINKED TO EXXARO, OR POTENTIALLY LINKED TO EXXARO, RESULT IN A PERSONAL FINANCIAL INTEREST;***
- ***WILL I BE ABLE TO ACT INDEPENDENTLY, IMPARTIALLY AND PROFESSIONALLY WITH EXXARO'S STAKEHOLDERS; AND***
- ***WILL I BE ABLE TO ACT IN THE BEST INTERESTS OF EXXARO AND NOT THAT OF ANOTHER PERSON, ENTITY OR MYSELF, WHICH COULD OR WOULD OR MAY BE PERCEIVED TO RESULT IN A CONFLICT OF INTEREST?***

SHOULD THE DIRECTOR, PRESCRIBED OFFICER OR EMPLOYEE IDENTIFY ANY ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST, THE DIRECTOR, PRESCRIBED OFFICER OR EMPLOYEE IS FIRSTLY OBLIGED TO

AVOID SUCH CONFLICT. SHOULD IT NOT BE AVOIDABLE, THEN THE DIRECTOR OR EMPLOYEE SHOULD CONSIDER WHETHER ANY OF THE OUTRIGHT PROHIBITIONS LISTED BELOW IN PAR 13 IS APPLICABLE. SHOULD, THERE BE NO OUTRIGHT PROHIBITION, THEN THE DIRECTOR, PRESCRIBED OFFICER OR EMPLOYEE SHOULD PROCEED WITH THE DISCLOSURE OF THE INTEREST AS SET OUT BELOW.

6.3 AVOID CONFLICTS OF INTEREST

Directors, Prescribed Officers and Employees must actively avoid any and all conflicts of interest, whether actual, potential or perceived, which does not mean that this duty is discharged by merely declaring or disclosing an outside interest.

6.4 DISCLOSURE

6.4.1 **Disclosure principles**

(i) Disclosures must be made in advance, therefore prior to undertaking any activity, negotiation of an agreement or deliberation in a meeting.

(ii) It is acknowledged that while disclosure alone will often not be sufficient, disclosure must be treated as an integral part of managing conflicts of interest. Every **D**irector, **Prescribed Officer** and **E**mployee must as soon as they become aware of the possibility of a conflict of interest, communicate and disclose the conflict of interest.

(iii) Notwithstanding clause 6.3.1 above, every Director, Prescribed Officer and Employee must, should there be any actual, potential or perceived conflict of interest, whether on his/her part or in general, disclose the existence of any such conflict of interest to the relevant line manager, Executive Head, Ethics Committee or Social, Ethics and Responsibility Committee , as the case may be, by way of written notice.

(iv) Any disclosure of an outside interest should set out the nature and extent of that interest to enable the reviewer to make an informed decision on whether the outside interest is an actual or could be a potential or perceived conflict of interest between that of the Director, Prescribed Officer or Employee’s interest and Exxaro’s interest.

6.4.2 **Disclosures by Directors and Prescribed Officers**

6.4.2.1 Annual general declaration: Directors and Prescribed Officers of the Company are obliged to provide the Group Company Secretary with an annual general declaration of all outside interests, including the nature and extent of that interest and whether it relates to a Related Party, in accordance with section 75(4) of the Companies Act, by completing the prescribed form in electronic format and submitting the form before end of February each year.

Agenda item: Despite this annual general declaration of outside interests, an item dealing with declarations of interests will appear on every Exco, Board and Board committee agenda, at which time all attendees will be required to formally declare (and recorded in the minutes as such) that none of them, nor their Related Parties have any Personal Financial Interest in any matter on the agenda. A Director or Prescribed Officer of the Company is similarly required to indicate any Personal Financial Interest in a matter that is to be decided by written resolution by informing the group company secretary. The Director or Prescribed Officer must disclose to the meeting (or the group company secretary in case of a written resolution) any material information relating to the matter and may disclose pertinent insights or observations if requested to do so, and thereafter leave the meeting for the duration of the meeting's deliberation or not participate in the consideration of the written resolution.

6.4.2.2 Post approval or conclusion: Where a Director, Prescribed Officer or any of their Related Parties acquire a Personal Financial Interest post approval or conclusion of an agreement by Exxaro that had been considered at a meeting, or for which the Director or Prescribed Officer's approval had been required at the time, he/she must disclose the nature and extent of the interest and the material circumstances relating to the acquisition of the interest to the group company secretary in writing within two business days.

6.4.2.3 On becoming aware: In addition to the above Companies Act specific requirements, Directors and Prescribed Officers are required to disclose any other matter by way of written notice setting out the nature and extent of the interest, not already contained in their annual general declaration, on becoming objectively aware of, or having a reasonable suspicion of, any conflict of interest or an interest that could be regarded as a potential conflict of interest by the Director, Prescribed Officer or his/her Related Party in advance (i) to the meeting in the case that the matter is due for discussion, (ii) to the group company secretary in writing in the case of an interest in a matter to be decided by written resolution; or (iii) in writing setting out the salient details within two business days in any other instance to the group company secretary.

6.4.3 **Disclosures by Employees (other than Prescribed Officers but including Senior Management)**

6.4.3.1 Annual general declaration: All Employee disclosures of outside interests must be made on an annual basis by completing the prescribed form in electronic format before the end of February each year. The declarations should include any actual, potential or perceived conflict of interest of the Employee as well as that of his/her Related Parties.

Employees who do not have access to computers will be enabled to perform electronic disclosures as part of their induction process. They may also speak to their human resources representative for ad-hoc disclosure updates, if required.

6.4.3.2 On becoming aware: Despite the formal annual general declaration process, if an actual, potential or perceived conflict arises at any point after the annual general declaration period but before the next annual general declaration period, the disclosure process must be followed by submitting a revised form in electronic format within two business days of the Employee becoming aware thereof.

6.4.3.3 New Employee appointed: New Employees must disclose any actual or apparent conflict of interest within 15 (fifteen) days of commencing employment at Exxaro by completing the prescribed form in electronic format.

6.5 Consideration, rejection and approval authority

6.5.1 Consideration of Director and Prescribed Officer declarations

6.5.1.1 Declarations of Personal Financial Interests: As required and defined by the Companies Act, such declarations by Directors and Prescribed Officers cannot be “approved”, thereby allowing the Director or Prescribed Officer to still participate in deliberations, decision-making and actions related to the disclosed interest.

In respect of other conflicts other than Personal Financial Interest (as defined in the Companies Act) in respect of actual, potential or perceived conflicts of Directors, Prescribed Officers or their Related Parties, friends and business associates that does not fall within the definition of Personal Financial Interest, approval may be considered.

Where the potential conflict of an activity or interest is viewed to be (a) minimal or immaterial and (b) there is no risk of damage, including damage to the reputation of the Company, approval may be so recorded. Any conditions attached to the approval must be noted on the declaration form and regularly reviewed to ensure that the basis on which approval was granted remains sound and is complied with.

Where an outside interest has been disclosed, and it is agreed that the activity or interest does not or will not negatively impact Exxaro and could therefore be permitted, such permission will be communicated, and a record of such communication maintained. It is the responsibility of the Group Company Secretary to put in place an effective and transparent monitoring and communication system.

6.5.1.2 <u>Committee to consider Director and Prescribed Officer declarations</u>

(i) In respect of Directors, the Social, Ethics and Responsibility Committee shall deliberate and decide on the appropriateness of acceptance or rejection.

(ii) In respect of Prescribed Officers and subsidiary directors, the Ethics Committee shall deliberate and decide on the appropriateness of acceptance or rejection.

The decision of either committee shall be recorded and communicated in writing, including any conditions, and recorded and communicated by the group company secretary.

Any conditions attached to the approval must be reviewed bi-annually by the affected individual and the group company secretary to ensure that the basis on which approval was granted remains sound.

6.5.1.3 <u>Appointments to other Boards not associated with Exxaro:</u>

(i) In respect of Directors, as per the provisions of the Board Charter:

- Any Director will be at liberty to accept appointment on other governing bodies, provided that (a) such appointment does not give rise to any conflict of interest with the Company or Exxaro, (b) contracting his/her time to such an extent that he/she is unable to participate effectively as a Director of the Company, and (c) has been **noted by the Board**.

- Executive Directors, excluding the CEO, must obtain the prior approval from the CEO before accepting an appointment to any other governing body including charities and industry associations.

- The CEO and the Chairperson of the Board must obtain the prior approval of the **Remuneration and Nomination Committee** before accepting an appointment to another governing body.

(ii) In respect of Prescribed Officers (excluding executive Directors):

- Prescribed Officers are required to obtain approval from the Ethics Committee, of any current and prior to any new board appointments (including appointments to non-profit companies or trusts).
  - Current appointments must be disclosed within 10 (ten) business days of this Policy becoming operative.
  - In relation to new appointments, the Prescribed Officer must prior to accepting an appointment disclose such appointment to the CEO and Ethics Committee, and may, following approval by the Ethics Committee, accept the appointment. He/she must update the prescribed form in electronic format within 5 (five) business days of accepting the appointment.

- The Ethics Committee must make a determination on whether or not the appointment constitutes a conflict of interest.

  - If so, inform the Prescribed Officer within 10 (ten) business days and invite them to make representations for consideration on whether they should be allowed to continue with the appointment.
  - The representations shall be considered, and a decision communicated.

6.5.1.4 External director, membership or trustee fees received:

Executive Directors and Prescribed Officers may receive the fees for a directorship, membership, trusteeship of an external company, trust or an external committee, charity, association, or organisation for their personal account up to 5% of their individual annual salary, any fees over this amount shall be payable to Exxaro.

6.5.2 Consideration of Senior Managers (other than Prescribed Officers and subsidiary directors) declarations

6.5.2.1 Executive Head and Ethics Committee to consider:

Disclosures made by Senior Management (level D2 and up) will be considered by the responsible Executive Head, and either be rejected or recommended for approval to the Ethics Committee.

If the conflict of interest is recommended for approval or the senior manager appeals a rejection by the relevant Executive Head, the Ethics Committee (or a quorate minimum or written resolution if they are unable to meet) will consider the recommendation for approval or review the initial rejection decision. Should the Ethics Committee be requested to review the rejection by the Executive Head, the Senior Manager must submit his/her request for a review within 14 (fourteen) days of the decision to the group company secretary.

6.5.2.2 Considerations and conditional approval

Where the potential conflict of an activity or interest is deemed to be minimal or immaterial and there is no risk of damage, including damage to the reputation of the Company or Exxaro, approval of this activity must be recorded by the meeting secretary of the Ethics Committee.
Any conditions attached to the approval must be noted on the electronic form by corporate secretariat and reviewed bi-annually to ensure that the basis on which approval was granted remains sound.

Where an interest has been disclosed, but it is agreed that the activity or interest does not negatively impact the Company or Exxaro, such permission must be communicated to the senior manager and Executive Head, and a record of such communication maintained by the group company secretary.

Where an activity is viewed by the responsible Executive Head and Ethics Committee to be inappropriate or has the potential to damage the Company's or Exxaro's reputation, then it should be declined and recorded and communicated as such by the group company secretary to the senior manager and Executive Head.

6.5.2.3 Appeal decision

If the activity or interest is declined or a conditional approval is granted by the Executive Head or the Ethics Committee, senior managers have the right to request a second review by the Social, Ethics and Responsibility Committee. Such a request must be in writing to the group company secretary, setting out the reasons for the request including motivating why it should be permitted, or certain conditions be removed, and include copies of all documents relating to the original disclosure of the activity or interest, and the decisions relating thereto. The decision of the Social, Ethics and Responsibility Committee shall be final and binding.

6.5.3 Consideration of all other Employees' declarations

Disclosures made by Employees, other than Prescribed Officers or senior managers, will be approved or declined by their respective line manager, if necessary, in consultation with an individual on the same level of authority from a different department.

Where the potential conflict of an activity or interest is deemed to be minimal or immaterialand there is no risk of damage to the reputation of the Company or Exxaro, approval of this activity must be recorded on the electronic form by the line manager. Any conditions attached tothe approval must also be noted on the form and reviewed bi-annually to ensure that the basis on which approval was granted remains sound.

Where the activity is viewed to be inappropriate or has the potential to damage the Company's or Exxaro's reputation, it should be declined by the line manager. All disclosures must be approved or declined within 14 (fourteen) days of the disclosures being made and recorded on the electronic form by the line manager.

Employees have the right to request a review of the decision where the activity or interest is declined or where conditional approval is granted. Such a request must be in writing to the group company secretary for submission to, and decision by the Ethics Committee, setting out the reasons for the request including a motivation why it should be permitted, or certain conditions be removed from the approval, and include copies of all documents relating to the original disclosure of the activity or interest and the decision(s) relating thereto. The decision of the Ethics Committee shall be final and binding.

6.6 Responsibility when reviewing a disclosure

This Policy places the responsibility on Exxaro line managers, Executive Heads and the CEO to consider Employee disclosures (which includes Senior Management and Prescribed Officers) of outside interests and to determine whether it constitutes an actual, potential or perceived conflict of interest with the interests of Exxaro.

Should a reviewer fail to identify an actual conflict of interest declared, such reviewer may be found to be in breach of this Policy and his/her duties to the employer. Furthermore, should the reviewer fail to identify a conflict and not include any restrictive condition/s with an approval, the reviewer may similarly be in breach of this Policy and his/her duties owed to the employer. Such breach may result in consequence management being implemented against the reviewer as well as the Employee or Prescribed Officer making the declaration.

Reviewers are therefore urged to consult with an individual on the same level of authority from a different department prior to reaching a decision in respect of a declaration or may seek guidance from the group company secretary on the interpretation and application of this Policy.

6.7 Mitigation: participation and decision-making

If any Director, Prescribed Officer or Employee declares at a meeting that he/she or a Related Party has a Personal Financial Interest or other type of conflict of interest in a matter on the agenda, he/ she must:

6.7.1 not participate in the deliberation or decision;
6.7.2 disclose any material insights in the matter and may disclose any observations or pertinent insights if so, requested by the other members;
6.7.3 excuse himself from the meeting immediately after making the disclosure and for the duration of the discussion; and
6.7.4 not execute any document relating to the matter unless the members

specifically request or direct him to do so.

The disclosure and abstention must be clearly indicated in the minutes of the meeting.

Should the individual making the disclosure in line with this clause be a member of the relevant meeting or committee, he/she would be regarded as present for quorum purposes, but will not be counted for voting purposes.

In the case where the matter is to be decided by written resolution and the interest or conflict had not been previously declared, the individual must immediately indicate such interest or conflict on the resolution to the group company secretary and abstain from voting.

6.8 New board appointments of Employees

6.8.1 <u>Internal Exxaro subsidiary /JV /associate appointments:</u>

The appointment of any Employee as a subsidiary director to any Exxaro subsidiary or trust in terms of the Exxaro Delegation of Authority must be reported to the Group Exco by the group company secretary at the next Exco Committee meeting following such appointment. No fee is payable for such appointments as it is regarded as part of the relevant employee's duties to his/her employer.

6.8.2 <u>External appointments to represent Exxaro:</u>

The nomination of any Exxaro Employee (including executive Directors, Prescribed Officers, subsidiary directors and Senior Managers) as a subsidiary director, member or trustee to any external juristic person, governing body including charities and industry associations, to represent Exxaro on that board must be reported to the Group Exco by the group company secretary for approval. Any individual so appointed may not receive the directors fee or other fee payable for that position as it is considered part of his/her duties as an employee of Exxaro, and any such fee would be payable to Exxaro.

6.8.3 <u>Appointments external to Exxaro (private capacity):</u>

Should any Employee (including subsidiary directors and Senior Managers but excluding executive Directors and Prescribed Officers) wish to be nominated or appointed as a director, member or trustee to any external juristic person, governing body including charities and industry associations, not to represent Exxaro nor as an Exxaro subsidiary director, such Employee requires prior approval from his/her line manager and in case of a Senior Manager from the Ethics Committee. Any current appointments not disclosed in the annual declaration form must be disclosed within 10 (ten) business days of this Policy becoming operative.

The relevant line manager or Executive Head must make a determination on whether or not the appointment constitutes a conflict of interest and whether Employees would be able to perform their duties to Exxaro while serving as a director. The Employee must provide the nature and reason for the appointment as well as motivation on why it should be accepted. The representations must be considered, and a decision communicated and recorded.

Should the appointment be approved, the Employee must accordingly update the electronic disclosure form within 10 (ten) days from the appointment becoming effective.

7 INDEPENDENT CONTRACTORS AND CONSULTANTS

As the Policy includes in its scope of application all independent contractors, consultants, and any legal entities controlled by, benefitting from or acting on the instruction of any of Director or Employee or the contractor, consultant or professional service provider, the following specific provisions dealing with conflicts of interest applies to consultants, contractors and professional service providers that wish to contract with Exxaro or receive instructions from Exxaro:

7.1 Principle of appointment

Exxaro requires all consultants, contractors, or professional service providers such as sponsors, financial advisors, legal practitioners and registered auditors, etc., to avoid and not allow a conflict of interest that may compromise their professional or business judgement or service to Exxaro generally.

In addition, Exxaro contracted consultants, contractors and professional service providers shall be obliged, prior to acceptance of a new appointment or contract to conduct an effective conflict identification process, and to continue with such identification throughout the Exxaro engagement, to ensure no instruction is accepted or contract concluded that could lead to an actual, possible or perceived conflict with what is in the best interest of Exxaro.

Should the contracted consultants, contractors and professional service providers, in the course of the conflict identification process, become aware of:

- an **actual conflict** with another client or instruction or contract from an existing client during the currency of their appointment they must (a) immediately notify Exxaro thereof in writing, (b) without delay engage with Exxaro to agree measures that would ensure Exxaro's interests are not compromised and (c) should the parties not be able to reach agreement on the mitigation measures, that the both instructions from both should clients be referred to other consultants, contractors and professional service providers of their choosing.
- a potential conflict with another potential client or new instruction or contract from an existing client during the currency of their appointment, they should not accept but decline the new instruction.
- a perceived conflict with another potential client or new instruction or contract from an existing client during the currency of their appointment, they must (a) immediately notify Exxaro thereof in writing with a motivation why the new instruction/contract should be permitted and propose measures that could address the perceived conflict and (b) without delay engage with Exxaro to

agree on measures to ensure Exxaro’s interests are not compromised.

7.2 Codes of Conduct

The Exxaro Supplier Code of Conduct as published on the Exxaro website finds application to all vendors, including contractors, consultants and professional service providers.

In addition to the Exxaro specific code of conduct, different professions may also have their own industry codes of conduct that find application, such as the code of conduct for legal practitioners (attorneys and advocates) published in terms of Section 36(1) of the Legal Practice Act 28 of 2014 on 29 March 2019, which specifically directs the legal practitioner on how to deal with conflicts of interest between clients. Similarly, registered auditors have the IRBA Code of Professional Conduct for Registered Auditors, that provide fundamental principles of ethics that require objectivity and not to compromise judgment because of bias, conflict of interest etc., and to maintain objectivity.

It should be noted that a framework for engagement of Exxaro’s auditors to supply non-audit services has been adopted by the Company to further ensure independence and objectivity of the external or internal auditors in providing non-audit services to Exxaro.

A breach by any vendor, consultant, contractor, or professional service provider of the Exxaro supplier code of conduct, code of conduct that applies to that profession or the measures agreed on to ensure independence of any non-audit services, may be regarded by Exxaro as material breach and may lead to termination of any existing instruction or contract.

7.3 Holding Statement

Upon breach by any Exxaro contracted or appointed vendor, including contractors, consultants and professional service providers, of the provisions dealing with conflict of interest and codes of conduct in paragraph 7.1 or 7.2, Exxaro may in addition to the breach of contract also issue a holding statement against such vendor to prevent any new instructions or service agreement to be concluded until such time that the holding statement has been lifted.

The authority to issue a holding statement and lifting thereof rests with the Ethics Committee.

7.4 Acceptance of obligations

As the relationship between Exxaro and a vendor is not an employment relationship but purely contractual in nature, it is a requirement that at the time of contracting with Exxaro or acceptance of any new instruction from Exxaro, the obligations and undertakings set out in 7.1 and 7.2 should be incorporated into the contract or instruction, as well as any update to this Policy.

It will be the responsibility of the relevant Exxaro function (supply chain management, legal, audit and assurance, etc) that concludes the contract, makes the appointment or gives the instruction to ensure that these obligations and undertakings are captured and accepted in all service contracts with, appointments of or new instructions to contractors, consultants and professional service providers.

Should any contractor, consultant and professional service provider not wish to accept the obligations and undertakings in 7.1 and 7.2, the amended proposal that is acceptable to the vendor should be submitted to the Ethics Committee for consideration. Should the changes not be acceptable then the appointment, instruction or contract with the relevant vendor may not proceed.

7.5 Policy updates

Any update of this Policy, following Board approval, must be communicated in writing without delay to all contractors, consultants and professional service providers, by the relevant Exxaro function, as described in 7.4.

8 ADMINISTRATION

8.1 Record keeping

All forms submitted electronically are automatically kept for safekeeping within the conflict of interest database, for record keeping and audit purposes for a period of seven years.

Any original forms completed or written notices by Directors and Prescribed Officers will be retained for a period of three years by the group company secretary.

8.2 Annual declaration

The group company secretary shall, unless otherwise agreed by the Ethics Committee, in January of each year formally request declarations to be made a by February of the same year and prepare a report containing a summary of all past disclosures by Directors, Prescribed Officers and Senior Management having been approved and conditionally approved or declined, as well as those requiring approval, for submission to the Ethics Committee or Social, Ethics and Responsibility Committee, as applicable.

8.3 Auditing and assurance

Auditing of and assurance of the process and internal controls will be conducted in accordance with the risk based internal audit plan.

The internal auditors will be granted viewing access to the conflict of interest database toenable spot checks at any time.

9 APPLICABLE BUSINESS GOVERNANCE FORUMS REFERENCE

- Exxaro Ethics committee
- Exxaro Social, Ethics and Responsibility committee
- Exxaro Remuneration Committee
- Company Board

10 NON-COMPLIANCE

Non-compliance with this Policy and the procedures described in it may be considered to be misconduct and individuals may be subject to disciplinary action that may lead to dismissal.

If any person knows about or suspects a contravention of this Policy provision, he or she must immediately report it to the company secretary.

11 PERIOD OF OPERATION

This policy will remain in force from date of acceptance until amended and circulated as an updated policy. This policy will be reviewed and update as changes in business or legislation are identified.

12 PROTECTION OF PERSONAL INFORMATION ACT 4 OF 2013

The Company is cognisant of the confidential and sensitive nature of its Employees' Personal Information including but not limited to information that may be required as part of the disclosure obligations under this Policy.

The Company shall endeavour to ensure that such Personal Information is kept safe at all material times and shall not use, disclose or divulge, directly or indirectly, such information in any manner to any third party for any reason or purpose whatsoever without the prior written consent of the Employee, which consent may be granted or withheld in the sole and absolute discretion of the Employee.

Despite what is stated in this, an Employee wilfully and freely consents to the Company maintaining and storing his/her information whether in written or electronic format.

The Employee waives all his/her rights to claim and/or to litigate against and/or to undertake legal action against the Company and Exxaro should he/she suffer any loss, harm or damage as a result of his/her Personal Information being disclosed to fellow Employees, and/or third parties and/or his/her Personal Information becoming public, through any breach of the Company's IT resources and systems and/or should he/she suffer any harm, therefrom.

13 GUIDING PRINCIPLES

13.1 Secondary employment or moonlighting

Executive Directors, Prescribed Officers of the Company and Employees must declare all instances where he/she is providing product/s or services to the general public or a third party in exchange for money or any other compensation or item of value as part of his or her annual general declaration form. Secondary employment includes, but is not limited to, working for another employer, self-employment, the private practice of any profession, occupation or trade, consulting services, being involved in a family business, volunteer work and teaching.

It should also be noted that in terms of all Exxaro employment contracts, written permission is required from the employer prior to an Employee accepting or engaging a secondary employment.

After such declaration the Social, Ethics and Responsibility Committee, the Ethics Committee or the line manager, as the case may be, may approve such second employment or provided that the following principles be taken into account:

- The nature of the employ may not conflict or compete with the individual's duties andresponsibilities at Exxaro;

- The nature of the employ may not negatively affect the reputation of Exxaro
- The nature of the employ may not interfere with the working hours of the employee and all activities relating to the second employ will be conducted outside of Exxaro working hours;
- The performance of the employee will not be unduly affected; and
- Exxaro infrastructure will not be utilised in the execution of the secondary employment.

13.2 Directors, Prescribed Officers and Employees, or their Related Parties, may not provide products or services to Exxaro

A Director, Prescribed Officer, Employee or their Related Parties, may not provide products and/or services to Exxaro.

Therefore, no Employee or his/her Related Party, either in his or her own name or as a significant shareholder or director of a private company, trust or entity or director of or as a significant shareholder (2% or more) of a listed entity, may be registered as a vendor or nominated vendor of Exxaro.

Where a current contract exists where such goods or services are provided, which may include rental of properties to Exxaro these contracts may continue for the period stipulated in the contract or 12 months, whichever comes first and may not be renewed.

Former Employees or Directors would be allowed to do business with the Company or Exxaro only after a two-year cooling off period.

13.3 Directors, Prescribed Officers, Employees or their Related Parties may not sell products or services, using Exxaro infrastructure

A Director, Prescribed Officer or Employee may not sell goods or services using Exxaro infrastructure, this includes but is not limited to Exxaro e-mail or telephone services or their Exxaro office.

13.4 Directors, Prescribed Officers, Employees or their Related Parties may not hold a significantinterest or position in a competing company

A Director, Prescribed Officer or Employee may not hold a significant interest (10% or more)or position in a company that competes with the products or services offered by Exxaro.

13.5 Recruitment and nepotism

The Company does not approve of nepotism and understands that all applicants have the right to apply for vacant positions. Therefore, where family members, friends or business associates of an employee, director or Prescribed Officer apply for vacant positions, the guidelines contained in HR policies and processes must be followed.

13.6 Procurement / Supply Chain Management personnel

The persons described in this Policy who are involved in procurement of goods and services on behalf of Exxaro may not directly or indirectly accept any reward from any person. This applies whether the reward is for themselves or for any other person. The persons may also not provide, offer or make available any gift, benefit, or invitation to an event that will, or can be perceived to:

- Influence the recipient's judgement on a specific matter
- Cause the recipient to favour one client, supplier or trading partner over another
- Expect the recipient to take certain actions or expect the recipient not to take any action
- Influence the recipient to conduct himself or herself in a certain manner.

When on-boarding suppliers through procurement procedures, all procurement departments must avoid any conflicts of interest between the Company, Exxaro, the interest of its stakeholders and the business of the person performing the outsourced activity. If this is not possible these conflicts of interest must be mitigated with measures approved by the group company secretary.

14 DEFINITIONS

For the purposes of the policy the following definitions apply:

Affected individuals:	Employees, management, stakeholders, shareholders.
Board:	This means the Exxaro Resources Limited board of directors, as established and constituted in terms of regulatory and corporate governance requirements.
CEO:	The chief executive officer of Exxaro Resources Limited.
Companies Act:	Companies Act 71 of 2008, as amended
Group company secretary:	The group company secretary of ExxaroResources Limited.
Conflict of interest	As set out in paragraph 5.
Director:	Executive or non-executive director appointed by the shareholders to serve on the Board; excluding directors of subsidiaries of the Company.
Employee:	All employees of the Company and Exxaro being permanent, fixed term and/or temporary employees.
Exco:	the Exxaro Resources Limited group executive committee and energy executive committee, as established and constituted, from time to time, in terms of corporate governance and operational requirements.
Executive Head:	Includes the managing director minerals, managing director energy as well as functional heads and administrative heads of departments.
Exxaro:	Exxaro Resources Limited, including all its wholly owned or controlled subsidiaries and entities.
Material:	Significant in the circumstances of a particular matter, to a degree that: • Is of consequence in determining the matter; or • Might reasonably affect a person's judgment or decision-making in the matter.

Personal Financial Interests:	A direct material interest of a financial, monetary or economic nature, or to which a monetary value may be attributed. It does not include any interest held in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Act, 2002, unless that person has direct control over the investment decisions of that fund or investment.
Prescribed Officer/s:	Means the members of the Exco from time to time.
Related Party:	Includes natural persons, as well as juristic persons as defined in the Companies Act An individual is related to a Director or Prescribed Officer if they: • Are married or live together in a relationship similar to a marriage. • Are separated by no more than two degrees of natural or adopted consanguinity (blood relation) / connection or affinity. See **Annexure A.** In respect of disclosures of Personal Financial Interests, it also includes: • A second company of which the Director or Prescribed Officer or a person related to him is also a director. • A close corporation of which the Director or Prescribed Officer or a person related to him is a member. A director or Prescribed Officer is related to a juristic person (company, close corporation and trust), broadly speaking, where the director or Prescribed Officer either directly or indirectly controls the juristic person, or the business of the juristic person.
Senior Management:	Included broadly in the definition of Employees, except where specifically provided for in this Policy it would include Exxaro Employees in the Patterson band D2 and above, excluding Prescribed Officers as defined.
SCM:	Supply chain management

15 DOCUMENT CONTROL

15.1 Document Information

Document Information	
Document ID	COMPANY POLICY: CONFLICT OF INTERESTS
Document owner	Andiswa Ndoni

Issue date	
Last updated	XX June 2022
File name	R:\Corporate Secretariat\Policies\Conflict of Interests policy –ERL-CORPSEC-P04 – Dec 2018

15.2 Document Approvals

Role	Name	Signature	Date
Group company secretary	A Ndoni		
Chief executive officer For and on behalf of EXCO	MDM Mgojo		
Chairman of the board	GM Qhena		

15.3 Record of Amendments

Page	Rev #	Nature of revision	Approved by	DATE
	1	New template Changes resulting from Companies Act and electronic system changes – indicated in red in draft version available from Corporate Secretariat		2012-07-01
5	2	The enablement of employees who do not have access to computers to disclose as part of the induction process.		2020-06-03
	3	Deletion of reference to manual forms and manual processes of disclosure and record keeping.		2020-06-03
6	4	Insertion of the Executive Head as an approval authority for disclosures made by senior management (level D2 and up)		2020-06-03
10	5	Deletion of independent contractors and employees of contracted service providers from the definition of “Employee” in the Definitions section.		2020-06-03
Full	6	Full revision to update and clarify and extend scope		

ANNEXURE A

Related Party:

The graph below reflects within the red block the two degrees of naturalor adopted consanguinity (blood relation) / connection or affinity: