



exxaro

POWERING POSSIBILITY

Exxaro Resources Limited

Summarised group annual financial statements
for the year ended 31 December 2021 and
notice of the annual general meeting

CONTENTS

SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

- 2 Audited group statement of comprehensive income
- 3 Audited group statement of financial position
- 4 Audited group statement of changes in equity
- 6 Audited group statement of cash flows
- 7 Notes to the summarised group annual financial statements

ANNUAL GENERAL MEETING NOTICE AND PROXY

- 40 Brief curricula vitae of directors standing for election or re-election
- 44 Annual general meeting notice
- 55 Form of proxy
- 57 Notes to the form of proxy
- 60 Corporate information
- 61 Shareholders' diary
- 62 Annexure - Acronyms

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 for the year ended 31 December 2021, will be available on our website on 26 April 2022

- Integrated report
- Supplementary report
- Mineral Resources and Mineral Reserves statement

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:

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HIGHLIGHTS

GROUP FINANCIAL PERFORMANCE

R32.8 billion

Revenue, up 13%

R10.7 billion

EBITDA, up 47%

R46.87 per share

Headline earnings, up 58%

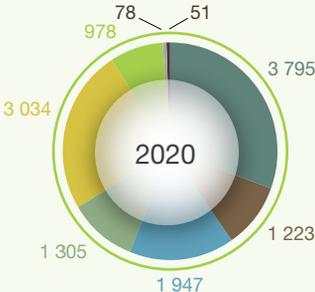
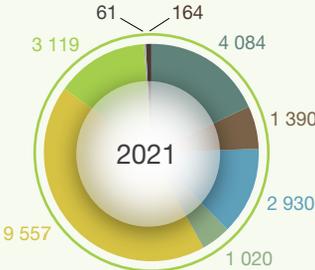
R10.6 billion

Cash generated by operations, up 36%

R11.75 per share

Final dividend

Value distribution (Rm)



- Salaries, wages and benefits
- Employees' tax
- Payments to government: taxation contribution
- Cost of financing
- Cash dividend paid
- Dividend paid to BEE Parties
- Community investments and volunteerism
- GreenShare employee scheme

AUDITED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	2021 Rm	(Re-presented) ¹ 2020 Rm
Revenue (note 9)	32 771	28 924
Operating expenses (note 10)	(24 343)	(22 749)
Operating profit	8 428	6 175
Loss on disposal of subsidiaries (note 11)	(947)	
Impairment charges of non-current operating assets	(21)	(1 378)
Net operating profit	7 460	4 797
Finance income (note 12)	239	215
Finance costs (note 12)	(860)	(1 047)
Income from financial assets	55	4
Share of income of equity-accounted investments (note 13)	9 790	6 204
Impairment charges of equity-accounted investments		(504)
Profit before tax	16 684	9 669
Income tax expense	(2 203)	(719)
Profit for the year from continuing operations	14 481	8 950
Profit for the year from discontinued operations (note 8)	1 892	276
Profit for the year	16 373	9 226
Other comprehensive loss, net of tax	(913)	(251)
<i>Items that will not be reclassified to profit or loss:</i>		
	40	10
– Remeasurement of retirement employee obligations		21
– Changes in fair value of equity investments at FVOCI	49	(13)
– Share of OCI of equity-accounted investments	(9)	2
<i>Items that may subsequently be reclassified to profit or loss:</i>	302	(281)
– Unrealised exchange differences on translation of foreign operations	39	55
– Changes in fair value on cash flow hedges	84	(385)
– Share of OCI of equity-accounted investments	179	49
<i>Items that have subsequently been reclassified to profit or loss:</i>	(1 255)	20
– Recycling of unrealised exchange differences on translation of foreign operations	(482)	(103)
– Recycling of changes in fair value on cash flow hedges	105	77
– Recycling of share of OCI of equity-accounted investments	(878)	46
Total comprehensive income for the year	15 460	8 975
Profit attributable to:		
Owners of the parent	12 667	7 283
– Continuing operations	11 202	7 069
– Discontinued operations	1 465	214
Non-controlling interests	3 706	1 943
– Continuing operations	3 279	1 881
– Discontinued operations	427	62
Profit for the year	16 373	9 226
Total comprehensive income attributable to:		
Owners of the parent	11 954	7 103
– Continuing operations	11 169	6 928
– Discontinued operations	785	175
Non-controlling interests	3 506	1 872
– Continuing operations	3 277	1 821
– Discontinued operations	229	51
Total comprehensive income for the year	15 460	8 975
Attributable earnings per share	cents	cents
Aggregate		
– Basic	5 128	2 902
– Diluted	5 128	2 902
Continuing operations		
– Basic	4 535	2 817
– Diluted	4 535	2 817
Discontinued operations		
– Basic	593	85
– Diluted	593	85

¹ Refer note 4.

AUDITED GROUP STATEMENT OF FINANCIAL POSITION

At 31 December

	2021 Rm	2020 Rm
ASSETS		
Non-current assets	63 298	65 824
Property, plant and equipment	38 351	38 395
Intangible assets	2 927	3 095
Right-of-use assets	401	453
Inventories	145	128
Equity-accounted investments (note 15)	17 322	20 006
Financial assets (note 22)	3 237	2 141
Deferred tax	369	1 076
Other assets (note 16)	546	530
Current assets	12 419	9 033
Inventories	1 606	1 821
Financial assets (note 22)	311	169
Trade and other receivables	2 701	2 827
Cash and cash equivalents	7 042	3 196
Other assets (note 16)	759	1 020
Non-current assets held-for-sale		3 749
Total assets	75 717	78 606
EQUITY AND LIABILITIES		
Capital and other components of equity		
Share capital	983	1 021
Other components of equity	1 560	2 495
Retained earnings	37 007	35 265
Equity attributable to owners of the parent	39 550	38 781
Non-controlling interests	10 548	9 340
Total equity	50 098	48 121
Non-current liabilities		
Interest-bearing borrowings (note 17)	9 255	7 448
Lease liabilities (note 18)	470	493
Other payables	53	24
Provisions (note 20)	2 201	1 946
Retirement employee obligations	159	147
Financial liabilities (note 22)	406	782
Deferred tax	8 271	8 236
Other liabilities (note 21)	26	27
Current liabilities	4 778	10 244
Interest-bearing borrowings (note 17)	1 000	6 163
Lease liabilities (note 18)	34	29
Trade and other payables	2 230	2 940
Provisions (note 20)	101	185
Financial liabilities (note 22)		49
Overdraft (note 17)	1	17
Other liabilities (note 21)	1 412	861
Non-current liabilities held-for-sale		1 138
Total liabilities	25 619	30 485
Total equity and liabilities	75 717	78 606

AUDITED GROUP STATEMENT OF CHANGES IN EQUITY

	Other components of equity			
	Share capital Rm	Foreign currency translation Rm	Financial instruments revaluation Rm	Equity-settled Rm
At 31 December 2019	1 021	1 906	(35)	883
<i>Total comprehensive (loss)/income</i>		(37)	(220)	68
– Profit for the year				
– Other comprehensive (loss)/income for the year		(37)	(220)	68
<i>Transactions with owners</i>				(48)
Contributions and distributions				10
– Dividends paid (note 6)				
– Distributions to NCI share option holders				
– Share-based payments movement				10
Changes in ownership interest				(58)
– Deemed disposal of JV				(58)
– Acquisition of subsidiaries				
– Recognition of NCI				
At 31 December 2020	1 021	1 869	(255)	903
<i>Total comprehensive (loss)/income</i>		(882)	138	
– Profit for the year				
– Other comprehensive (loss)/income for the year		(882)	138	
<i>Transactions with owners</i>		(38)		(307)
Contributions and distributions		(38)		(122)
– Dividends paid (note 6)				
– Distributions to NCI share option holders				
– Share-based payments movement				(122)
– Shares repurchased and cancelled ¹	(38)			
– Share repurchase expenses				
– Transfer of fair value adjustments on disposal of equity investment at FVOCI to retained earnings				
Changes in ownership interest				(185)
– Disposal of associates ²				(185)
– Disposal of subsidiaries ³				
At 31 December 2021	983	987	(117)	596

¹ 2021: Relates to the repurchase and cancellation of 9 401 662 ordinary shares to the value of R1.5 billion in terms of the share repurchase programme announced and implemented during the year.

² 2021: Relates to the net reclassifications within equity from the retirement employee obligations reserve and equity-settled reserve to retained earnings upon the divestment from Tronox SA and Tronox Holdings plc.

³ 2021: Relates to the net reclassifications within equity from the financial asset FVOCI revaluation reserve to retained earnings as well as the derecognition of the NCI previously recognised for Dorstfontein upon the disposal of the ECC operation.

Foreign currency translation

Arises from the translation of financial statements of foreign operations within the group.

Financial instruments revaluation

Comprises the share of equity-accounted investments' hedging reserves and the group's cash flow hedge reserve.

Equity-settled

Represents the fair value, net of tax, of services received from employees and settled by equity instruments granted.

Retirement employee obligations

Comprises remeasurements, net of tax, on the retirement employee obligations.

Financial asset FVOCI revaluation

Comprises the fair value adjustments, net of tax, on the financial assets classified at FVOCI.

Retirement employee obligations Rm	Financial asset FVOCI revaluation Rm	Other Rm	Retained earnings Rm	Attributable to owners of the parent Rm	Non- controlling interests Rm	Total equity Rm
(39)	4	4	31 032	34 776	8 111	42 887
18	(9)		7 283	7 103	1 872	8 975
			7 283	7 283	1 943	9 226
18	(9)		(3 050)	(180)	(71)	(251)
			(3 034)	(3 098)	(643)	(3 741)
			(3 034)	(3 024)	(979)	(4 003)
			(3 034)	(3 034)	(978)	(4 012)
					(1)	(1)
			(16)	10		10
			58	(74)	336	262
			(74)	(74)	147	147
					189	115
(21)	(5)	4	35 265	38 781	9 340	48 121
1	30		12 667	11 954	3 506	15 460
			12 667	12 667	3 706	16 373
1	30		(10 925)	(713)	(200)	(913)
55	30		(11 045)	(11 185)	(2 298)	(13 483)
			(9 557)	(11 185)	(3 131)	(14 316)
				(9 557)	(3 124)	(12 681)
					(7)	(7)
			(1 462)	(122)		(122)
			(6)	(1 500)		(1 500)
				(6)		(6)
	20		(20)			
55	10		120		833	833
55			130			
	10		(10)		833	833
35	55	4	37 007	39 550	10 548	50 098

AUDITED GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December

	2021 Rm	2020 Rm
Cash flows from operating activities	8 432	5 493
Cash generated by operations	10 552	7 770
Settlement of contingent consideration		(198)
Interest paid	(1 017)	(1 305)
Interest received	217	192
Tax paid	(1 320)	(966)
Cash flows from investing activities	13 419	(1 556)
Property, plant and equipment acquired (note 14)	(2 471)	(3 175)
Intangible assets acquired		(2)
Proceeds from disposal of property, plant and equipment	11	34
Decrease in other financial assets at amortised cost	72	79
Increase in ESD loans	(101)	(41)
Decrease in ESD loans	61	61
Deferred consideration paid for acquisition of associates		(349)
Decrease in loan to associate	3	13
Decrease in lease receivables	15	15
Cash transferred on transfer of operation		(14)
Proceeds from disposals of subsidiaries	99	
Acquisition of subsidiaries		(1 402)
Dividend income received from equity-accounted investments	9 991	3 263
Proceeds from disposal of associate classified as non-current assets held-for-sale	5 763	
Increase in environmental rehabilitation funds	(79)	(111)
Dividend income received from financial assets and non-current assets held-for-sale	55	73
Cash flows from financing activities	(18 032)	(2 469)
Interest-bearing borrowings raised (note 19)	4 725	1 750
Interest-bearing borrowings repaid (note 19)	(8 076)	(88)
Lease liabilities paid (note 18)	(36)	(32)
NCI options exercised		115
Distributions to NCI share option holders	(7)	(1)
Dividends paid to NCI of Tsitsikamma SPV	(5)	
Increase in loan from NCI		69
Decrease in loan from NCI	(69)	
Dividends paid (note 6)	(9 557)	(3 034)
Shares acquired in the market to settle share-based payments	(382)	(270)
Shares repurchased including transaction expenses	(1 506)	
Dividends paid to NCI BEE Parties	(3 119)	(978)
Net increase in cash and cash equivalents	3 819	1 468
Cash and cash equivalents at beginning of the year	3 187	1 719
Translation difference on movement in cash and cash equivalents	35	
Cash and cash equivalents at end of the year	7 041	3 187
Cash and cash equivalents	7 042	3 196
Cash and cash equivalents classified as non-current assets held-for-sale		8
Overdraft	(1)	(17)

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

1. CORPORATE BACKGROUND

Exxaro, a public company incorporated in South Africa, is a diversified resources group with interests in the coal (controlled and non-controlled), energy (controlled and non-controlled) and ferrous (controlled and non-controlled) markets. These summarised group annual financial statements as at and for the year ended 31 December 2021 (summarised group annual financial statements) comprise the company and its subsidiaries (together referred to as the group) and the group's interest in associates and joint ventures.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The summarised group annual financial statements have been derived from the audited group and company annual financial statements 2021 of Exxaro, which are available on Exxaro's website at www.exxaro.com and at the registered office of Exxaro. These summarised group annual financial statements do not contain sufficient information to allow for a complete understanding of the financial results and state of affairs of the group, which is provided by the detailed audited group and company annual financial statements 2021. These summarised group annual financial statements do not include all the disclosure required for a complete set of group and company annual financial statements prepared in accordance with IFRS. Selected summarised notes have been included in this report for a better understanding of the relevant transactions during the year.

These summarised group annual financial statements have been prepared under the supervision of the finance director, Mr PA Koppeschaar, in accordance with the Listings Requirements (Listings Requirements) for abridged reports and the requirements of the Companies Act applicable to summary financial statements.

The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS (as issued by the IASB) and the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee) and Financial Pronouncements (as issued by the Financial Reporting Standards Council) and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. These summarised group annual financial statements have been prepared on the historical cost basis, excluding financial instruments, share-based payments and biological assets, which are at fair value, and conform, in this regard, to IFRS.

The preparation and presentation of the summarised group annual financial statements included in this report is the responsibility of Exxaro's directors. The directors take full responsibility that the financial information has been correctly extracted from the underlying audited group and company annual financial statements 2021.

The summarised group annual financial statements do not include the directors' report, which forms part of the group and company annual financial statements 2021.

3. ACCOUNTING POLICIES AND OTHER COMPLIANCE MATTERS

The accounting policies applied in the preparation of the summarised group annual financial statements are consistent with those of the group annual financial statements as at and for the year ended 31 December 2020. A number of amended IFRS standards became effective for the current year. The group did not have to change its accounting policies nor make retrospective adjustments as a result of adopting these standards.

3.1 Impact of new, amended or revised standards issued but not yet effective

New accounting standards, amendments to accounting standards and interpretations issued, that are relevant to the group, but not yet effective on 31 December 2021, have not been early adopted. The group continuously evaluates the impact of these standards and amendments.

3.2 Impact of the COVID-19 pandemic on financial reporting

The financial reporting impacts of the COVID-19 pandemic have been assessed by management. Its impacts, though not material, have been factored in as a routine consideration in making relevant estimates, assumptions and contractual evaluations (in particular revenue recognition, inventory valuations, impairment assessments and assumptions applied when determining allowances for ECLs).

In addition, the impact of the COVID-19 pandemic has been considered as part of the solvency and liquidity evaluations of the group which included stress testing of our financial position. These evaluations did not indicate any risk of the group breaching its debt covenants, but rather that the group has sufficient liquidity to withstand an interruption to operations and remain a going concern for the foreseeable future.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

4. RE-PRESENTATION OF COMPARATIVE INFORMATION

The group statement of comprehensive income (and related notes) for the year ended 31 December 2020 has been re-presented for the following items:

Impairment charges

The impairment charges line item has been separated on the face of the group statement of comprehensive income in order to provide presentations on a disaggregated basis between non-current operating assets and equity-accounted investments.

The impairment charges on equity-accounted investments, were previously presented as part of the impairment charges line item on the face of the group statement of comprehensive income within net operating profit. Details of the composition of the impairment charges were presented in the note. The face of the group statement of comprehensive income has been re-presented to separately present the impairment charges on equity-accounted investments outside of net operating profit alongside the presentation of the corresponding share of income of equity-accounted investments to provide a more appropriate net operating profit sub-total line item that reflects the operations of the group.

The impact of the re-presentation was as follows:

	Previously presented	Re-presented	Impact
Group statement of comprehensive income			
Impairment charges of non-current operating assets (Rm) ¹	(1 882)	(1 378)	504
Net operating profit (Rm)	4 293	4 797	504
Impairment charges of equity-accounted investments (Rm)		(504)	(504)

¹ Previously referred to as "Impairment charges".

Discontinued operations

The investment in Tronox SA has been identified as a discontinued operation (refer note 8).

The impact of the re-presentation was as follows:

	Previously presented	Re-presented	Impact
Group statement of comprehensive income			
Share of income of equity-accounted investments (Rm)	6 411	6 204	(207)
Profit for the period from discontinued operations (Rm)	69	276	207
Attributable earnings per share			
Continuing operations			
– Basic (cents)	2 880	2 817	(63)
– Diluted (cents)	2 880	2 817	(63)
Discontinued operations			
– Basic (cents)	22	85	63
– Diluted (cents)	22	85	63

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

continued

5. RECONCILIATION OF GROUP HEADLINE EARNINGS

	Gross Rm	Tax Rm	Non-controlling interest Rm	Net Rm
For the year ended 31 December 2021				
Profit attributable to owners of the parent				12 667
Adjusted for:	(1 684)	266	319	(1 099)
– IFRS 10 Loss on disposal of subsidiaries	947	(93)	(196)	658
– IAS 16 Net losses on disposal of property, plant and equipment	46	(14)	(7)	25
– IAS 21 Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate	(876)		197	(679)
– IAS 21 Net gains on translation differences recycled to profit or loss on deregistration of foreign entities	(482)		111	(371)
– IAS 28 Net gains on disposal of associates	(1 339)	379	217	(743)
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	(1)			(1)
– IAS 36 Impairment charges of non-current assets ¹	21	(6)	(3)	12
Headline earnings				11 568
Continuing operations				11 512
Discontinued operations				56
¹ <i>Relates to the impairment of property, plant and equipment initially constructed for the Thabametsi project at Grootegeluk.</i>				
For the year ended 31 December 2020 (Re-presented)¹				
Profit attributable to owners of the parent				7 283
Adjusted for:	560	(258)	(168)	134
– IFRS 11 Gain on disposal of joint operation	(17)		4	(13)
– IAS 16 Gain on transfer of operation	(4)		1	(3)
– IAS 16 Net losses on disposal of property, plant and equipment	92	(29)	(14)	49
– IAS 16 Compensation from third parties for items of property, plant and equipment impaired, abandoned or lost	(18)	5	3	(10)
– IAS 21 Net gains on translation differences recycled to profit or loss on deregistration and liquidation of foreign entities	(103)		23	(80)
– IAS 21 Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate	(13)		3	(10)
– IAS 28 Losses on dilution of investments in associates	20		(5)	15
– IAS 28 Net gain on deemed disposal of JV	(1 321)		298	(1 023)
– IAS 28 Share of equity-accounted investments' separately identifiable remeasurements	42	2	(10)	34
– IAS 36 Net impairment charges of non-current assets	1 882	(236)	(471)	1 175
Headline earnings				7 417
Continuing operations ¹				7 122
Discontinued operations ¹				295

¹ Refer note 4.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

5. RECONCILIATION OF GROUP HEADLINE EARNINGS continued

	2021 cents	(Re-presented) ¹ 2020 cents
Headline earnings per share		
Aggregate		
– Basic	4 683	2 955
– Diluted	4 683	2 955
Continuing operations ¹		
– Basic	4 660	2 837
– Diluted	4 660	2 837
Discontinued operations ¹		
– Basic	23	118
– Diluted	23	118

¹ Refer note 4.

Refer note 6 for details regarding the number of shares.

6. DIVIDEND DISTRIBUTIONS

A final cash dividend, number 38, for 2021 of 1 175 cents per share, was approved by the board of directors on 1 March 2022. The dividend is payable on 9 May 2022 to shareholders who will be on the register on 6 May 2022. This final dividend, amounting to approximately R2 838 million (to external shareholders), has not been recognised as a liability in these summarised group annual financial statements. It will be recognised in shareholders' equity in the year ending 31 December 2022.

The final dividend declared will be subject to a dividend withholding tax of 20% for all shareholders who are not exempt from or do not qualify for a reduced rate of dividend withholding tax. The net local dividend payable to shareholders, subject to dividend withholding tax at a rate of 20% amounts to 940 cents per share. The number of ordinary shares in issue at the date of this declaration is 349 305 092. Exxaro company's tax reference number is 9218/098/14/4.

	For the year ended 31 December	
	2021 Rm	2020 Rm
Dividends paid	9 557	3 034
Final dividend (relating to prior year)	3 119	1 420
Special dividend	1 363	
Interim dividend (relating to current year)	5 075	1 614
	cents	cents
Dividend paid per share	3 863	1 209
Final dividend (relating to prior year)	1 243	566
Special dividend	543	
Interim dividend (relating to current year)	2 077	643
	At 31 December	
	2021	2020
Issued share capital (number of shares)	349 305 092	358 706 754
Ordinary shares (millions)		
– Weighted average number of shares	247	251
– Diluted weighted average number of shares	247	251

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

continued

7. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the reportable operating segments. The chief operating decision maker has been defined as any and all executive committees of the group. In 2021, an additional executive committee was established to oversee the energy operations. Segments reported are based on the group's different commodities and operations.

In line with reporting trends and better disclosure, emphasis is placed on controllable costs. Indirect corporate costs are reported on a group level in the other reportable segment.

The segments, as described below, offer different goods and services, and are managed separately based on commodity, location and support function grouping. The group executive committees review internal management reports on these operating segments at least quarterly.

Coal

The coal reportable segment is comprised of the commercial (Waterberg and Mpumalanga), tied and other operations. The commercial Mpumalanga operations include a 50% (2020: 50%) investment in Mafube (a joint venture with Thungela, previously Anglo). The 10.26% (2020: 10.26%) effective equity interest in RBCT is included in the other coal operations. The ECC operation (including a 49% (2020: 49%) equity interest in Tumelo) is included in the commercial Mpumalanga reportable segment until the effective date of disposal on 3 September 2021 (refer note 11). The coal operations produce thermal coal, metallurgical coal and SSCC.

The export revenue and related export cost items have been allocated between the coal reportable segments based on the origin of the initial coal production.

Energy

The energy reportable segment includes Cennergi as a controlled operation from 1 April 2020 (an equity interest of 50% up to 31 March 2020). It further includes an equity interest of 28.59% (2020: 28.59%) in LightApp.

Ferrous

The ferrous reportable segment mainly comprises the 20.62% (2020: 20.62%) equity interest in SIOC (located in the Northern Cape province) reported within the other ferrous reportable segment as well as the FerroAlloys operation (referred to as Alloys). The Alloys operation manufactures ferrosilicon.

TiO₂

Following the disposal of Tronox Holdings plc and Tronox SA, the TiO₂ reportable segment has been discontinued (refer note 8).

Other

The other reportable segment is split between the base metals and other reportable segments. The 26% (2020: 26%) equity interest in Black Mountain (located in the Northern Cape province) is included in the base metals reportable segment. The other reportable segment comprises a 25.85% (2020: 25.85%) equity interest in Insect Technology, the Ferroland agricultural operation and the corporate office which renders corporate management services. The equity interest in Curapipe was sold on 9 November 2020.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

7. SEGMENTAL INFORMATION continued

The following table presents a summary of the group's segmental information:

	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water- berg Rm	Mpuma- langa Rm			
For the year ended 31 December 2021					
External revenue (note 9)	16 852	9 439	5 089	15	1 193
Segmental net operating profit/(loss)	7 137	534	147	(235)	525
– Continuing operations	7 137	534	147	(235)	525
– Discontinued operations					
External finance income (note 12)	23	2		11	12
External finance costs (note 12)	(50)	(116)		(51)	(503)
Income tax (expense)/benefit	(2 160)	(208)	(45)	272	(26)
– Continuing operations	(2 160)	(208)	(45)	272	(26)
– Discontinued operations					
Depreciation and amortisation (note 10)	(1 447)	(636)	(14)	(4)	(388)
Impairment charges of non-current operating assets	(21)				
Net gains on disposal of associates					
– Discontinued operations					
Loss on disposal of subsidiaries		(946)			
Share of income/(loss) of equity-accounted investments		404		(19)	16
– Continuing operations (note 13)		404		(19)	16
– Discontinued operations (note 8)					
Cash generated by/(utilised in) operations	8 533	1 481	127	(297)	904
Capital spend on property, plant and equipment (note 14)	(1 990)	(392)	(1)	(17)	(1)
At 31 December 2021					
Segmental assets and liabilities					
Deferred tax ¹		51	33	118	38
Equity-accounted investments (note 15)		1 780		2 034	121
External assets	30 880	6 391	1 216	2 167	8 516
Total assets	30 880	8 222	1 249	4 319	8 675
External liabilities	2 122	1 744	1 212	547	5 239
Deferred tax ¹	7 220	180		1	920
Total liabilities	9 342	1 924	1 212	548	6 159

¹ Offset per legal entity and tax authority.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

7. SEGMENTAL INFORMATION continued

	Ferrous		Other		Total Rm	
	Alloys Rm	Other ferrous Rm	TiO ₂ Rm	Base metals Rm		Other Rm
For the year ended 31 December 2021						
External revenue (note 9)	168				15	32 771
Segmental net operating profit/(loss)	14		2 217		(662)	9 677
– <i>Continuing operations</i>	14				(662)	7 460
– <i>Discontinued operations</i>			2 217			2 217
External finance income (note 12)		2			189	239
External finance costs (note 12)	(1)				(139)	(860)
Income tax (expense)/benefit			(379)		(36)	(2 582)
– <i>Continuing operations</i>					(36)	(2 203)
– <i>Discontinued operations</i>			(379)			(379)
Depreciation and amortisation (note 10)	(10)				(178)	(2 677)
Impairment charges of non-current operating assets						(21)
Net gains on disposals of associates			1 339			1 339
– <i>Discontinued operations</i>			1 339			1 339
Loss on disposal of subsidiaries					(1)	(947)
Share of income/(loss) of equity-accounted investments		9 037	54	352		9 844
– <i>Continuing operations</i> (note 13)		9 037		352		9 790
– <i>Discontinued operations</i> (note 8)			54			54
Cash generated by/(utilised in) operations	(41)	(3)			(152)	10 552
Capital spend on property, plant and equipment (note 14)	(1)				(69)	(2 471)
At 31 December 2021						
Segmental assets and liabilities						
Deferred tax ¹	18				111	369
Equity-accounted investments (note 15)		12 037		1 350		17 322
External assets	358	26			8 472	58 026
Total assets	376	12 063		1 350	8 583	75 717
External liabilities	28	1			6 455	17 348
Deferred tax ¹					(50)	8 271
Total liabilities	28	1			6 405	25 619

¹ Offset per legal entity and tax authority.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

7. SEGMENTAL INFORMATION continued

For the year ended 31 December 2020 (Re-presented)	Coal				
	Commercial		Tied Rm	Other Rm	Energy Rm
	Water- berg Rm	Mpuma- langa Rm			
External revenue (note 9)	15 449	8 037	4 355	34	889
Segmental net operating profit/(loss)¹	6 668	(2 419)	145	(114)	1 619
– Continuing operations	6 668	(2 419)	145	(114)	1 619
External finance income (note 12)	33	3		8	12
External finance costs (note 12)	(48)	(171)		(52)	(402)
Income tax (expense)/benefit	(2 020)	530	(46)	782	1
– Continuing operations	(2 020)	530	(46)	782	1
Depreciation and amortisation (note 10)	(1 373)	(611)	(19)	(2)	(291)
Impairment charges of non-current operating assets ¹		(1 378)			
Gain on deemed disposal of JV (note 10)					1 321
Gains on disposal of joint operation and transfer of operation (note 10)		17		4	
Share of income/(loss) of equity-accounted investments		67		5	(5)
– Continuing operations (note 13)		67		5	(5)
– Discontinued operations (note 8)					
Impairment charges of equity-accounted investments ¹					
Cash generated by/(utilised in) operations	8 223	(879)	241	(1 717)	693
Capital spend on property, plant and equipment (note 14)	(2 326)	(717)	(1)	(16)	(1)
At 31 December 2020					
Segmental assets and liabilities					
Deferred tax ²		112	(158)	589	146
Equity-accounted investments (note 15)		1 412		2 053	98
External assets	30 155	6 160	1 138	2 468	8 825
Assets	30 155	7 684	980	5 110	9 069
Non-current assets held-for-sale		2 008			
Total assets	30 155	9 692	980	5 110	9 069
External liabilities	2 129	1 288	926	1 308	5 715
Deferred tax ²	6 934	229		189	937
Liabilities	9 063	1 517	926	1 497	6 652
Non-current liabilities held-for-sale		1 138			
Total liabilities	9 063	2 655	926	1 497	6 652

¹ Refer note 4.

² Offset per legal entity and tax authority.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

7. SEGMENTAL INFORMATION continued

For the year ended 31 December 2020 (Re-presented)	Ferrous		Other			Total Rm
	Alloys Rm	Other ferrous Rm	TiO ₂ Rm	Base metals Rm	Other Rm	
External revenue (note 9)	147				13	28 924
Segmental net operating profit/(loss)¹	4			93	(1 199)	4 797
– Continuing operations	4			93	(1 199)	4 797
External finance income (note 12)					159	215
External finance costs (note 12)	(1)				(373)	(1 047)
Income tax (expense)/benefit	7				27	(719)
– Continuing operations	7				27	(719)
Depreciation and amortisation (note 10)	(6)				(134)	(2 436)
Impairment charges of non-current operating assets ¹						(1 378)
Gain on deemed disposal of JV (note 10)						1 321
Gains on disposal of joint operation and transfer of operation (note 10)						21
Share of income/(loss) of equity-accounted investments		6 125	207	122	(110)	6 411
– Continuing operations (note 13)		6 125		122	(110)	6 204
– Discontinued operations (note 8)			207			207
Impairment charges of equity-accounted investments ¹					(504)	(504)
Cash generated by/(utilised in) operations	(38)	(4)			1 251	7 770
Capital spend on property, plant and equipment (note 14)	(2)				(112)	(3 175)
At 31 December 2020						
Segmental assets and liabilities						
Deferred tax ²	17	1			369	1 076
Equity-accounted investments (note 15)		12 820	2 628	995		20 006
External assets	309	26			4 694	53 775
Assets	326	12 847	2 628	995	5 063	74 857
Non-current assets held-for-sale			1 741			3 749
Total assets	326	12 847	4 369	995	5 063	78 606
External liabilities	29	3			9 713	21 111
Deferred tax ²					(53)	8 236
Liabilities	29	3			9 660	29 347
Non-current liabilities held-for-sale						1 138
Total liabilities	29	3			9 660	30 485

¹ Refer note 4.

² Offset per legal entity and tax authority.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

8. DISCONTINUED OPERATIONS

The discontinued operations are:

Tronox SA

On 23 February 2021, Tronox Holdings plc exercised its "flip-in" call option over Exxaro's 26% shareholding in Tronox SA, for which Tronox Holdings plc delivered 7 246 035 newly issued Tronox Holdings plc Ordinary Shares to Exxaro on 24 February 2021. This resulted in the derecognition of the investment in Tronox SA and recognition of an additional investment in Tronox Holdings plc.

It was concluded that the related performance and cash flow information be presented as a discontinued operation as the investment in Tronox SA represents a separate geographical area of operation of the TiO₂ reportable segment.

Tronox Holdings plc

On 1 March 2021, Exxaro concluded a public offering in the United States of its 21 975 315 Tronox Holdings plc Ordinary Shares. The shares were sold at a public offering price of US\$18.25 per share which was reduced by underwriting discounts and commissions resulting in an achieved price per share of US\$17.43.

It was concluded that the related performance and cash flow information be presented as a discontinued operation as the investment in Tronox Holdings plc represents a major geographical area of operation as well as the majority of the TiO₂ reportable segment.

Financial information relating to the discontinued operations is set out below:

	For the year ended 31 December	
	2021 Rm	(Re-presented) ¹ 2020 Rm
Financial performance		
Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate	876	
Gain on financial instruments revaluations recycled to profit or loss	2	
Operating profit	878	
Net gains on disposal of associates ²	1 339	
– Total disposal consideration	7 781	
– Carrying amount of investments sold	(6 442)	
Net operating profit	2 217	
Dividend income received from non-current assets held-for-sale		69
Share of income of equity-accounted investment ¹	54	207
Profit before tax	2 271	276
Income tax expense	(379)	
Profit for the year from discontinued operations	1 892	276
Other comprehensive loss, net of tax	(878)	(50)
<i>Items that have subsequently been reclassified to profit or loss:</i>	(878)	
– Recycling of share of OCI of equity-accounted investments	(878)	
<i>Items that may subsequently be reclassified to profit or loss:</i>		(50)
– Share of OCI of equity-accounted investments		(50)
Total comprehensive income for the year	1 014	226
Cash flow information		
Cash flow attributable to investing activities		
– Dividend income received from non-current assets held-for-sale		69
– Proceeds from disposal of associate classified as non-current assets held-for-sale	5 763	
Cash flow attributable to discontinued operations	5 763	69

¹ Refer note 4.

² Comprises a loss of R664 million on the disposal of Tronox SA and a gain of R2 003 million on the disposal of Tronox Holdings plc.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

9. REVENUE

Revenue is derived from contracts with customers. Revenue has been disaggregated based on timing of revenue recognition, major type of goods and services, major geographic area and major customer industries.

	Coal				Ferrous		Other	Total Rm
	Commercial				Energy Rm	Alloys Rm	Other Rm	
	Water-berg Rm	Mpumalanga Rm	Tied Rm	Other Rm				
For the year ended 31 December 2021								
Segmental revenue reconciliation								
Segmental revenue ¹	16 852	9 439	5 089	15	1 193	168	15	32 771
Export sales allocated to selling entity	(2 495)	(8 328)		10 823				
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771
By timing and major type of goods and services								
Revenue recognised at a point in time	14 357	1 111	3 953	10 823		162	14	30 420
Coal	14 357	1 111	3 953	10 823				30 244
Ferrosilicon						162		162
Biological goods							14	14
Revenue recognised over time			1 136	15	1 193	6	1	2 351
Renewable energy					1 193			1 193
Stock yard management services				177				177
Project engineering services				959				959
Other mine management services				15				15
Transportation services						2		2
Other services						4	1	5
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771
By major geographic area of customer²								
Domestic	14 357	1 111	5 089	15	1 193	168	14	21 947
Export				10 823			1	10 824
Europe				7 092			1	7 093
Asia				2 955				2 955
Other				776				776
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771
By major customer industries								
Public utilities	12 031		5 089		1 193			18 313
Merchants	235	752		10 449				11 436
Steel	1 147	119		15				1 281
Mining	165	153		52		134		504
Manufacturing	364					34		398
Food and beverage	197						5	202
Cement	175	3						178
Chemicals		80						80
Other	43	4		322			10	379
Total revenue	14 357	1 111	5 089	10 838	1 193	168	15	32 771

¹ Coal segmental revenue is based on the origin of coal production.

² Determined based on the customer supplied by Exxaro.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

9. REVENUE continued

For the year ended 31 December 2020	Coal				Ferrous		Other	Total Rm
	Commercial				Energy Rm	Alloys Rm	Other Rm	
	Water- berg Rm	Mpuma- langa Rm	Tied Rm	Other Rm				
Segmental revenue reconciliation								
Segmental revenue ¹	15 449	8 037	4 355	34	889	147	13	28 924
Export sales allocated to selling entity	(2 002)	(7 357)		9 359				
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924
By timing and major type of goods and services								
Revenue recognised at a point in time (Restated)²	13 447	680	3 744	9 293		139	12	27 315
Coal	13 447	680	3 744	9 293				27 164
Ferrosilicon						139		139
Biological goods							12	12
Revenue recognised over time (Restated)²			611	100	889	8	1	1 609
Renewable energy ²					889			889
Stock yard management services			154					154
Project engineering services			457					457
Other mine management services				34				34
Transportation services				66		2		68
Other services						6	1	7
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924
By major geographic area of customer³								
Domestic	13 447	680	4 355	34	889	147	8	19 560
Export				9 359			5	9 364
Europe				3 904			3	3 907
Asia				4 539			2	4 541
Other				916				916
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924
By major customer industries								
Public utilities	11 508		4 355	260	889			17 012
Merchants	174	345		8 525		2		9 046
Steel	1 014	79		77				1 170
Mining	56	103		126		119		404
Manufacturing	275					26		301
Food and beverage	250						8	258
Cement	132							132
Chemicals		145						145
Other	38	8		405			5	456
Total revenue	13 447	680	4 355	9 393	889	147	13	28 924

¹ Coal segmental revenue is based on the origin of coal production.

² The comparative information has been restated to correct the classification of the renewable energy revenue from contracts with customers. An amount of R889 million has been reclassified from revenue recognised at a point in time to revenue recognised over time as renewable energy revenue is a continuous flow as consumed. The reclassification has not impacted revenue recognition nor measurement, as the amount of energy delivered (passing control to the customer) occur at the same point (metering point). The reclassification provides disclosures which are more comparable to the industry norm.

³ Determined based on the customer supplied by Exxaro.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

10. SIGNIFICANT ITEMS INCLUDED IN OPERATING EXPENSES

	For the year ended 31 December	
	2021 Rm	2020 Rm
Raw materials and consumables	(4 339)	(3 744)
Staff costs	(5 583)	(5 103)
Royalties	(970)	(530)
Contract mining	(1 675)	(2 409)
Repairs and maintenance	(2 628)	(2 421)
Railage and transport	(2 175)	(3 101)
Legal and professional fees	(491)	(653)
Movement in provisions (note 20)	(4)	1 100
Movement in indemnification asset		(798)
Depreciation and amortisation	(2 677)	(2 436)
– Depreciation of property, plant and equipment	(2 445)	(2 237)
– Depreciation of right-of-use assets	(65)	(71)
– Amortisation of intangible assets	(167)	(128)
Gain on deemed disposal of JV ¹		1 321
Losses on financial instruments revaluations recycled to profit or loss on deemed disposal of JV ¹		(59)
Hedge ineffectiveness on cash flow hedges (note 22.2)	(10)	(57)
Net losses on disposal of property, plant and equipment	(46)	(92)
Net gains on translation differences recycled to profit or loss on liquidation and deregistration of foreign entities	482	103
Net gains on translation differences recycled to profit or loss on disposal of investment in foreign associate		13
Gain on derecognition of financial asset at FVOCI ²	175	
Gain on disposal of joint operation		17
Gain on transfer of operation		4
Loss on dilution of investment in associates		(20)
Expected credit losses	57	144
Write-off of trade and other receivables	(80)	(35)
Write-down of inventories to net realisable value		(9)
Insurance recoveries for		32
– Business interruption		14
– Property, plant and equipment		18

¹ 2020: Relates to the step-up acquisition of Cennergil.

² During the year the four Chifeng refinery companies embarked on a process to consolidate the separate companies into one consolidated entity. The investments in the separate companies for certain of the phases were derecognised and the investment in the consolidated entity, which includes all phases of the Chifeng refinery, was recognised on the consolidation date. Exxaro now holds an 8.81% shareholding in Chifeng.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

11. LOSS ON DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2021	Rm
Disposal of ECC operation	(946)
Disposal of ADX	(1)
Total loss on disposal of subsidiaries	(947)

ECC operation

The ECC operation was identified as non-core to the future objectives of Exxaro. As a result, Exxaro embarked on a divestment process of the total equity interest in ECC. On 8 April 2021, Exxaro signed an SPA with Overlooked Colliery. All conditions precedent to the SPA were fulfilled and the transaction became effective on 3 September 2021.

For the year ended 31 December 2021	Rm
Consideration:	
Cash received	100
Cash sold	(1)
Deferred consideration receivable	150
Vendor finance loan	300
Environmental rehabilitation funds	721
Total disposal consideration	1 270
Carrying amount of net assets sold	(1 383)
Non-current	(860)
Property, plant and equipment	(948)
Right-of-use assets	(1)
Intangible assets	(2)
Financial assets at FVPL	(706)
Investments in associates	(19)
Provisions	785
Retirement employee obligations	1
Lease liabilities	7
Other payables	2
Deferred tax – liabilities	21
Current	(523)
Financial assets at amortised cost	(165)
Inventories	(522)
Trade and other receivables	(160)
Other assets	(78)
Lease liabilities	8
Trade and other payables	354
Other liabilities	40
Loss on disposal of subsidiaries	(113)
Non-controlling interests ¹	(833)
Net loss on disposal of subsidiaries	(946)
Tax effect	93

¹ Relates to deficit NCI of Dorstfontein.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

12. NET FINANCING COSTS

	For the year ended 31 December	
	2021 Rm	2020 Rm
Finance income	239	215
Interest income	232	209
Reimbursement of interest income on environmental rehabilitation funds	(4)	(5)
Finance lease interest income	8	8
Commitment fee income	3	3
Finance costs	(860)	(1 047)
Interest expense	(745)	(984)
Net fair value losses on interest rate swaps designated as cash flow hedges: recycled from OCI	(146)	(107)
– Realised fair value loss	(201)	(153)
– Unrealised fair value gain	55	46
Unwinding of discount rate on rehabilitation costs	(242)	(305)
Recovery of unwinding of discount rate on rehabilitation costs	32	38
Interest expense on lease liabilities	(53)	(54)
Amortisation of transaction costs	(13)	(9)
Borrowing costs capitalised ¹	307	374
Total net financing costs	(621)	(832)
¹ Borrowing costs capitalisation rate:	6.14%	7.79%

13. SHARE OF INCOME OF EQUITY-ACCOUNTED INVESTMENTS

	For the year ended 31 December	
	2021 Rm	(Re-presented) ¹ 2020 Rm
Associates	9 415	6 124
SIOC	9 037	6 125
RBCT	(19)	5
Black Mountain	352	122
Tumelo	29	
Insect Technology		(109)
LightApp	16	(18)
Curapipe		(1)
Joint ventures	375	80
Mafube	375	67
Cennergi		13
Share of income of equity-accounted investments	9 790	6 204
¹ Refer note 4.		

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

continued

14. CAPITAL SPEND AND CAPITAL COMMITMENTS

	At 31 December	
	2021 Rm	2020 Rm
Capital spend		
To maintain operations	1 635	2 225
To expand operations	836	950
Total capital spend on property, plant and equipment	2 471	3 175
Capital commitments		
Contracted	2 071	2 339
– Contracted for the group (owner-controlled)	1 313	1 990
– Share of capital commitments of equity-accounted investments	758	349
Authorised, but not contracted (owner-controlled)	1 402	1 484

15. EQUITY-ACCOUNTED INVESTMENTS

	At 31 December	
	2021 Rm	2020 Rm
Associates	15 542	18 594
SIOC	12 037	12 820
Tronox SA ¹		2 628
RBCT	2 034	2 053
Black Mountain	1 350	995
LightApp	121	98
Joint ventures	1 780	1 412
Mafube	1 780	1 412
Total net carrying value of equity-accounted investments	17 322	20 006

¹ The investment in Tronox SA was sold on 24 February 2021 (refer note 8).

16. OTHER ASSETS

	At 31 December	
	2021 Rm	2020 Rm
Non-current	546	530
Reimbursements ¹	388	373
Biological assets	27	28
Lease receivables	45	53
Other	86	76
Current	759	1 020
VAT	351	290
Diesel rebates	113	214
Royalties	1	127
Prepayments	208	144
Current tax receivables	24	198
Lease receivables	7	6
Other	55	41
Total other assets	1 305	1 550

¹ Amounts recoverable from Eskom in respect of the rehabilitation, environmental expenditure and retirement employee obligations of the Matla operation at the end of LoM.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

continued

17. INTEREST-BEARING BORROWINGS

	At 31 December	
	2021 Rm	2020 Rm
Non-current¹	9 255	7 448
Loan facility ²	4 061	1 748
Project financing ³	4 551	4 700
Bonds	643	1 000
Current¹	1 000	6 163
Loan facility ²	491	6 050
Project financing ³	149	110
Bonds	360	3
Total interest-bearing borrowings	10 255	13 611
<i>Summary of interest-bearing borrowings by period of redemption:</i>		
Less than six months	694	107
Six to 12 months	306	6 056
Between one and two years	652	1 379
Between two and three years	1 361	1 082
Between three and four years	795	915
Between four and five years	3 172	349
Over five years	3 275	3 723
Total interest-bearing borrowings	10 255	13 611
¹ Reduced by the amortisation of transaction costs of:		
– Non-current	(14)	(2)
– Current	(6)	(6)
² The loan facility was refinanced during April 2021 which resulted in the extinguishment of the previous loan facility and recognition of the refinanced loan facility.		
³ Interest-bearing borrowings relating to Cennergi.		
Overdraft		
Bank overdraft	1	17

The bank overdraft is repayable on demand. Interest is based on current South African money market rates.

There were no defaults or breaches in terms of interest-bearing borrowings during the reporting periods.

The loan facility is subject to the following financial covenants:

- Ratio of consolidated net debt¹ to equity of the group for any measurement period shall be less than 0.8:1
- Ratio of consolidated EBITDA (excluding non-cash BEE credential costs) to net interest paid of the group for any measurement period shall not be less than 4:1
- Ratio of consolidated net debt¹ to consolidated EBITDA (excluding non-cash BEE credential costs, including dividends received from equity-accounted investments) of the group for any measurement period shall be less than 3:1.

¹ For purposes of financial covenants, net debt is adjusted for project financing, pending litigation and other claims as well as other financial guarantees (refer note 23.1).

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

17. INTEREST-BEARING BORROWINGS continued

The performance against these financial covenants was as follows:

	At 31 December	
	2021	2020
Net (cash)/debt: equity (%)		
– Target	<80	<80
– Actual	(1)	14
EBITDA: interest cover (times)		
– Target	>4	>4
– Actual	35	11
Net debt: EBITDA (times)		
– Target	<3	<3
– Actual	0.0	0.7

Below is a summary of the salient terms and conditions of the facilities at 31 December 2021:

	Refinanced loan facility		
	Bullet term loan	Amortised term loan	Revolving credit facility
Aggregate nominal amount available (Rm)	2 500	2 025	3 250
Issue date	26 April 2021	26 April 2021	26 April 2021
Maturity date	26 April 2026	26 April 2026	26 April 2026
Capital payments	The total outstanding amount is payable on final maturity date	Repay each loan in full in equal consecutive semi-annual instalments on the last business day of April and October of each year	The total outstanding amount is payable on final maturity date
Duration (months)	60	60	60
Secured or unsecured	Unsecured	Unsecured	Unsecured
Undrawn portion (Rm)	nil	nil	3 250
Interest			
Interest payment basis	Floating rate	Floating rate	Floating rate
Interest payment period	Three months	Three months	Monthly
Interest rate	3-month JIBAR plus a margin of 240 basis points (2.40%)	3-month JIBAR plus a margin of 230 basis points (2.30%)	1-month JIBAR plus a margin of 265 basis points (2.65%)
Effective interest rates for the transaction costs	0.11%	0.17%	N/A

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

17. INTEREST-BEARING BORROWINGS continued

	Project financing		
	Tsitsikamma SPV loan facility	Amakhala SPV loan facilities	Amakhala SPV loan facilities
Remaining nominal amount outstanding (Rm)	1 870	2 686	145
Debt assumed date	1 April 2020	1 April 2020	1 April 2020
Maturity date	31 December 2030	30 June 2031	30 June 2031
Capital payments	Bi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Bi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount	Bi-annual instalments ranging incrementally over the term from 0.18% to 10.65% of the nominal amount
Duration (months)	129	135	135
Secured or unsecured ¹	Secured	Secured	Secured
Undrawn portion (Rm)	121	273	nil
Interest			
Interest payment basis	Floating rate ²	Floating rate ²	Fixed rate ³
Interest payment period	Bi-annual	Bi-annual	Bi-annual
Interest rate	3-month JIBAR plus a margin of 266 basis points (2.66%)	3-month JIBAR plus an all-in margin ranging from 361 basis points to 681 basis points (3.61% to 6.81%)	An all-in margin ranging from 360 basis points to 670 basis points (3.60% to 6.70%) plus: 1) 8.00% until June 2021 2) 9.46% from July 2021 to 30 June 2026 3) 3-month, JIBAR to maturity

¹ Security held over the assets and share capital of Tsitsikamma SPV and Amakhala SPV respectively.

² Interest payments are hedged from a floating rate to a fixed rate (refer note 22.2).

³ The facility will become a floating rate facility from 30 June 2026.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

17. INTEREST-BEARING BORROWINGS continued

	DMTN Programme (bonds)	
	R357 million senior unsecured floating rate note	R643 million senior unsecured floating rate note
Aggregate nominal amount (Rm)	357	643
Issue date or draw down date	13 June 2019	13 June 2019
Maturity date	13 June 2022	13 June 2024
Capital payments	No fixed or determined payments, the total outstanding amount is payable on final maturity date	No fixed or determined payments, the total outstanding amount is payable on final maturity date
Duration (months)	36	60
Secured or unsecured	Unsecured	Unsecured
Interest		
Interest payment basis	Floating rate	Floating rate
Interest payment period	Three months	Three months
Interest rate	3-month JIBAR plus a margin of 165 basis points (1.65%)	3-month JIBAR plus a margin of 189 basis points (1.89%)

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

18. LEASE LIABILITIES

	At 31 December	
	2021 Rm	2020 Rm
Non-current	470	493
Current	34	29
Total lease liabilities	504	522
<i>Summary of lease liabilities by period of redemption:</i>		
Less than six months	16	14
Six to 12 months	18	15
Between one and two years	43	34
Between two and three years	53	43
Between three and four years	53	43
Between four and five years	66	53
Over five years	255	320
Total lease liabilities	504	522

The lease liabilities relate to the right-of-use assets. Interest is based on incremental borrowing rates ranging between 6.09% and 10.43% (2020: 7.33% and 10.44%).

19. NET DEBT

	At 31 December	
	2021 Rm	2020 Rm
Net debt is presented by the following items on the statement of financial position:		
Non-current interest-bearing debt	(9 725)	(7 954)
Interest-bearing borrowings	(9 255)	(7 448)
Lease liabilities	(470)	(493)
Lease liabilities classified as non-current liabilities held-for-sale		(13)
Current interest-bearing debt	(1 034)	(6 200)
Interest-bearing borrowings	(1 000)	(6 163)
Lease liabilities	(34)	(29)
Lease liabilities classified as non-current liabilities held-for-sale		(8)
Net cash and cash equivalents	7 041	3 187
Cash and cash equivalents	7 042	3 196
Cash and cash equivalents classified as non-current assets held-for-sale		8
Overdraft	(1)	(17)
Total net debt	(3 718)	(10 967)

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

19. NET DEBT continued

Analysis of movement in net debt:

	Liabilities arising from financing activities			Total Rm
	Cash and cash equivalents/ (overdraft) Rm	Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
Net debt at 31 December 2019	1 719	(7 452)	(77)	(5 810)
Cash flows	1 468	(1 750)	120	(162)
Operating activities	5 493			5 493
Investing activities	(1 556)			(1 556)
Financing activities	(2 469)	(1 750)	120	(4 099)
– Interest-bearing borrowings raised	1 750	(1 750)		
– Interest-bearing borrowings repaid	(88)		88	
– NCI option exercised	115			115
– Distributions to NCI share option holders	(1)			(1)
– Loan from NCI	69			69
– Lease liabilities paid	(32)		32	
– Dividends paid to owners of the parent	(3 034)			(3 034)
– Shares acquired in the market to settle share-based payments	(270)			(270)
– Dividends paid to NCI BEE Parties	(978)			(978)
Non-cash movements		1 248	(6 243)	(4 995)
Amortisation of transaction costs			(9)	(9)
Interest accrued			114	114
Lease remeasurements and modifications		(7)		(7)
New leases		(24)		(24)
Acquisition of subsidiaries		(4 847)	(222)	(5 069)
– Leases		(48)	(7)	(55)
– Project financing		(4 799)	(215)	(5 014)
Transfers between non-current and current liabilities		6 126	(6 126)	
Net debt at 31 December 2020	3 187	(7 954)	(6 200)	(10 967)

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

19. NET DEBT continued

	Liabilities arising from financing activities			Total Rm
	Cash and cash equivalents/ (overdraft) Rm	Non-current interest-bearing debt Rm	Current interest-bearing debt Rm	
Net debt at 31 December 2020	3 187	(7 954)	(6 200)	(10 967)
Cash flows	3 819	(2 750)	6 137	7 206
Operating activities	8 432			8 432
Investing activities	13 419			13 419
Financing activities	(18 032)	(2 750)	6 137	(14 645)
– Interest-bearing borrowings raised	4 725	(4 725)		
– Interest-bearing borrowings repaid	(8 076)	1 975	6 101	
– Distributions to NCI share option holders	(7)			(7)
– Dividends paid to NCI of Tsitsikamma SPV	(5)			(5)
– Loan from NCI	(69)			(69)
– Lease liabilities paid	(36)		36	
– Dividends paid to owners of the parent	(9 557)			(9 557)
– Shares acquired in the market to settle share-based payments	(382)			(382)
– Shares repurchased and transaction expenses	(1 506)			(1 506)
– Dividends paid to NCI BEE Parties	(3 119)			(3 119)
Non-cash movements		979	(971)	8
Amortisation of transaction costs		(3)	(10)	(13)
Interest accrued			19	19
Lease remeasurements and modifications		(12)		(12)
Disposal of lease liabilities		7	8	15
New leases		(1)		(1)
Transfers between non-current and current liabilities		988	(988)	
Translation difference on movement in cash and cash equivalents	35			35
Net debt at 31 December 2021	7 041	(9 725)	(1 034)	(3 718)

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

20. PROVISIONS

	Environmental rehabilitation			Other site closure costs Rm	Other Rm	Total Rm
	Restoration Rm	Decommissioning Rm	Residual impact Rm			
At 31 December 2021						
At beginning of the year	1 420	295	323	79	14	2 131
(Reversal)/charge to operating expenses (note 10)	(46)	(11)	63	(1)	(1)	4
– Additional provisions	122	10	109			241
– Unused amounts reversed	(168)	(21)	(46)	(1)	(1)	(237)
Unwinding of discount rate on rehabilitation costs (note 12)	161	36	44		1	242
Provisions capitalised to property, plant and equipment		32				32
Utilised during the year	(14)		(6)	(24)	(4)	(48)
Reclassification to non-current liabilities held-for-sale	(42)	(2)	(17)	2		(59)
Total provisions at end of the year	1 479	350	407	56	10	2 302
– Non-current	1 408	350	398	43	2	2 201
– Current	71		9	13	8	101
At 31 December 2020						
At beginning of the year	2 432	544	1 345	83		4 404
(Reversal)/charge to operating expenses (note 10)	(60)	(85)	(986)	14	17	(1 100)
– Additional provisions	316	14	44	16	17	407
– Unused amounts reversed	(376)	(99)	(1 030)	(2)		(1 507)
Unwinding of discount rate on rehabilitation costs (note 12)	169	44	92			305
Provisions capitalised to property, plant and equipment		(88)				(88)
Utilised during the year	(18)		(3)	(16)	(3)	(40)
Reclassification to non-current liabilities held-for-sale	(467)	(52)	576	(2)		55
Acquisition of subsidiaries	6	29	4			39
Transfer of operation	(642)	(97)	(705)			(1 444)
Total provisions at end of the year	1 420	295	323	79	14	2 131
– Non-current	1 284	295	300	60	7	1 946
– Current	136		23	19	7	185

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS

continued

21. OTHER LIABILITIES

	At 31 December	
	2021 Rm	2020 Rm
Non-current		
Income received in advance	26	27
Current	1 412	861
Termination benefits	82	205
Leave pay	241	225
Bonuses	481	271
VAT	26	31
Royalties	73	
Carbon tax	2	5
Current tax payables	418	34
Other	89	90
Total other liabilities	1 438	888

22. FINANCIAL INSTRUMENTS

The group holds the following financial instruments:

	At 31 December	
	2021 Rm	2020 Rm
Non-current		
Financial assets		
<i>Financial assets at FVOCI</i>	446	222
Equity: unlisted – Chifeng ¹	446	222
<i>Financial assets at FVPL</i>	2 173	1 247
Debt: unlisted – environmental rehabilitation funds	2 173	1 247
<i>Financial assets at amortised cost</i>	618	672
ESD loans ²	91	79
– Gross	99	79
– Impairment allowances	(8)	
Vendor finance loan ³	293	
– Gross	300	
– Impairment allowance	(7)	
Other financial assets at amortised cost	234	593
– Environmental rehabilitation funds	94	386
– Deferred pricing receivable ⁴	145	212
– Impairment allowances	(5)	(5)
Financial liabilities		
<i>Financial liabilities at amortised cost</i>	(9 308)	(7 541)
Interest-bearing borrowings	(9 255)	(7 448)
Other payables	(53)	(24)
Loan from NCI ⁵		(69)
<i>Derivative financial liabilities designated as hedging instruments</i>	(406)	(713)
Cash flow hedge derivatives: interest rate swaps ⁶	(406)	(713)

¹ During the year the four Chifeng refinery companies embarked on a process to consolidate the separate companies into one consolidated entity. The investments in the separate companies for certain of the phases were derecognised and the investment in the consolidated entity which includes all phases of the Chifeng refinery was recognised on the consolidation date. Exxaro now holds an 8.81% shareholding in Chifeng.

² Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.

³ Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The loan is unsecured, repayable from 2026 and bears interest at:

- Prime Rate for the period 3 September 2021 to 31 August 2028
- Prime Rate plus 1 for the period 1 September 2028 to 31 August 2029
- Prime Rate plus 2 for the period 1 September 2029 to 31 August 2030
- Prime Rate plus 3 for the period 1 September 2030 to 31 August 2031.

⁴ Relates to a deferred pricing adjustment which arose during 2017. The amount receivable will be settled over seven years (ending 2024) and bears interest at Prime Rate less 2%.

⁵ Loan payable to a BEE minority shareholder of Tsitsikanma SPV. The loan bears interest at a fixed rate of 16.3%, is unsecured and has no fixed terms of repayment, but is subject to cash being available and covenants approvals from the project financiers. The loan was settled in March 2021.

⁶ Refer note 22.2.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

22. FINANCIAL INSTRUMENTS continued

	At 31 December	
	2021 Rm	2020 Rm
Current		
Financial assets		
<i>Financial assets at amortised cost</i>	10 043	6 192
ESD loans ¹	90	105
– Gross	114	106
– Impairment allowances	(24)	(1)
Vendor finance loan ²	7	
Other financial assets at amortised cost	210	64
– Deferred pricing receivable ³	67	64
– Deferred consideration receivable ⁴	150	1
– Employee receivables	4	4
– Impairment allowances	(11)	(5)
Trade and other receivables	2 701	2 827
Trade receivables	2 626	2 698
– Gross	2 647	2 793
– Impairment allowances	(21)	(95)
Other receivables	75	129
– Gross	101	153
– Impairment allowances	(26)	(24)
Cash and cash equivalents	7 042	3 196
<i>Financial assets at FVPL</i>	4	
Derivative financial assets	4	
Financial liabilities		
<i>Financial liabilities at amortised cost</i>	(3 231)	(9 120)
Interest-bearing borrowings	(1 000)	(6 163)
Trade and other payables	(2 230)	(2 940)
– Trade payables	(999)	(1 371)
– Other payables	(1 231)	(1 569)
Overdraft	(1)	(17)
<i>Financial liabilities at FVPL</i>		(49)
Derivative financial liabilities		(49)

¹ Interest-free loans advanced to successful applicants in terms of the Exxaro ESD programme.

² Vendor finance loan granted to Overlooked Colliery as part of the disposal of the ECC operation. The loan is unsecured, repayable from 2026 and bears interest at:

– Prime Rate for the period 3 September 2021 to 31 August 2028

– Prime Rate plus 1 for the period 1 September 2028 to 31 August 2029

– Prime Rate plus 2 for the period 1 September 2029 to 31 August 2030

– Prime Rate plus 3 for the period 1 September 2030 to 31 August 2031.

³ Relates to a deferred pricing adjustment which arose during 2017. The amount receivable will be settled over seven years (ending 2024) and bears interest at Prime Rate less 2%.

⁴ Relates to deferred consideration receivable which arose on the disposal of the ECC operation.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

22. FINANCIAL INSTRUMENTS continued

The group has granted the following loan commitments:

	At 31 December	
	2021 Rm	2020 Rm
Total loan commitments¹	250	981
Mafube ²	250	250
Insect Technology ³		731

¹ The loan commitments were undrawn for the reporting periods.

² Revolving credit facility available for five years ending 2023.

³ A US\$50 million term loan facility available from 2020 to 2025, subject to certain conditions being met. On 31 January 2021 the term loan facility lapsed.

22.1 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities.

These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.

Level 2 – Inputs other than quoted prices included in Level 1 that are either directly or indirectly observable.

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

At 31 December 2021	Fair value Rm	Level 2 Rm	Level 3 Rm
Financial assets at FVOCI	446		446
Equity: unlisted – Chifeng	446		446
Financial assets at FVPL	2 173	2 173	
Non-current debt: unlisted – environmental rehabilitation funds	2 173	2 173	
Derivative financial assets	4	4	
Current derivative financial assets	4	4	
Derivative financial liabilities designated as hedging instruments	(406)	(406)	
Non-current cash flow hedge derivatives: interest rate swaps	(406)	(406)	
Net financial assets held at fair value	2 217	1 771	446
At 31 December 2020	Fair value Rm	Level 2 Rm	Level 3 Rm
Financial assets at FVOCI	222		222
Equity: unlisted – Chifeng	222		222
Financial assets at FVPL	1 247	1 247	
Non-current debt: unlisted – environmental rehabilitation funds	1 247	1 247	
Derivative financial liabilities	(49)	(49)	
Current derivative financial liabilities	(49)	(49)	
Derivative financial liabilities designated as hedging instruments	(713)	(713)	
Non-current cash flow hedge derivatives: interest rate swaps	(713)	(713)	
Net financial assets held at fair value	707	485	222

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

22. FINANCIAL INSTRUMENTS continued

22.1 Fair value hierarchy continued

Reconciliation of financial assets and financial liabilities within Level 3 of the hierarchy:

	Contingent consideration Rm	Chifeng Rm	Total Rm
At 31 December 2019	(191)	235	44
<i>Movement during the year</i>			
Losses recognised in OCI (pre-tax effect) ¹		(13)	(13)
Losses recognised in profit or loss	(3)		(3)
Acquisition of subsidiaries	(98)		(98)
Settlements	296		296
Exchange losses recognised in profit or loss	(4)		(4)
At 31 December 2020		222	222
<i>Movement during the year</i>			
Gains recognised in OCI (pre-tax effect) ¹		49	49
Disposal ²		(217)	(217)
Acquisition ²		392	392
At 31 December 2021		446	446

¹ Tax on Chifeng amounts to nil (31 December 2020: nil).

² During the year the four Chifeng refinery companies embarked on a process to consolidate the separate companies into one consolidated entity. The investments in the separate companies for certain of the phases were derecognised and the investment in the consolidated entity, which includes all phases of the Chifeng refinery, was recognised on the consolidation date. Exxaro now holds an 8.81% shareholding in Chifeng.

Transfers

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 and Level 2 nor between Level 2 and Level 3 of the fair value hierarchy.

Valuation process applied

The fair value computations of the investments are performed by the group's corporate finance department, reporting to the finance director, on a six-monthly basis. The valuation reports are discussed with the chief operating decision maker and the audit committee in accordance with the group's reporting governance.

Current derivative financial instruments

Level 2 fair values for simple over-the-counter derivative financial instruments are based on market quotes. These quotes are assessed for reasonability by discounting estimated future cash flows using the market rate for similar instruments at measurement date.

Environmental rehabilitation funds

Level 2 fair values for debt instruments held in the environmental rehabilitation funds are based on quotes provided by the financial institutions at which the funds are invested at measurement date. These financial institutions invest in instruments which are listed.

Interest rate swaps

Level 2 fair values for interest rate swaps are based on valuations provided by the financial institutions with whom the swaps have been entered into, and take into account credit risk. The valuations are assessed for reasonability by discounting the estimated future cash flows based on observable ZAR swap curves.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

22. FINANCIAL INSTRUMENTS continued

22.2 Hedge accounting: Cash flow hedges

The following tables detail the financial position and performance of the interest rate swaps outstanding at the end of the reporting period and their related hedged items.

22.2.1 Financial performance effects of hedging recognised during the year

	Line item in which recognised	For the year ended 31 December	
		2021 Rm	2020 Rm
Fair value losses resulting from hedge ineffectiveness	Operating expenses	(10)	(57)
Fair value losses on settlement of underlying swap (reclassified)	Finance costs	(146)	(107)

22.2.2 Hedging reserves

The hedging reserve relates to the fair value movements on cash flow hedges of interest rate swaps. The reserve is included within the financial instruments revaluation reserve on the group statement of changes in equity, which includes the group's share of movements in its equity-accounted investees' hedging reserves.

Financial instruments revaluation reserve composition:

	At 31 December	
	2021 Rm	2020 Rm
Cash flow hedge reserve – interest rate swaps	(119)	(308)
– Gross	(165)	(428)
– Deferred tax thereon	46	120
Balance of share of movements of equity-accounted investees		2
Balance of NCI share of financial instruments revaluation reserve	2	51
Financial instruments revaluation reserve	(117)	(255)

Movement analysis of cash flow hedge reserve – interest rate swaps:

	Gross Rm	Tax Rm	Net Rm
At 31 December 2019			
<i>Movement during the year</i>			
Change in fair value of interest rate swaps recognised in OCI	(535)	150	(385)
Reclassified from OCI to profit or loss in finance costs	107	(30)	77
At 31 December 2020	(428)	120	(308)
<i>Movement during the year</i>			
Change in fair value of interest rate swaps recognised in OCI	117	(33)	84
Reclassified from OCI to profit or loss in finance costs	146	(41)	105
At 31 December 2021	(165)	46	(119)

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

22. FINANCIAL INSTRUMENTS continued

22.2 Hedge accounting: Cash flow hedges continued

22.2.3 Hedging instruments

	At 31 December	
	2021 Rm	(Restated) ¹ 2020 Rm
Hedged items: Cash flows on floating rate project financing linked to JIBAR		
Nominal amount ¹	3 808	3 885
Gross carrying amount in cash flow hedge reserve	(165)	(428)
Cumulative loss in fair value used for calculating hedge ineffectiveness ¹	(165)	(428)
Hedging instruments: Outstanding receive floating, pay fixed contracts		
Nominal amount ¹	3 808	3 885
Carrying amount	(406)	(713)
Cumulative loss in fair value used for calculating hedge ineffectiveness ¹	(354)	(549)

¹ The following disclosed items within the note have been restated to reflect the correct applicable amount. The restatement only impacts the disclosure of these items:

	Previously presented Rm	Restated Rm
<i>Notional amount of:</i>		
– Hedged items	4 219	3 885
– Hedged instruments	4 219	3 885

The interest rate swaps settle on a bi-annual basis. The group settles the difference between the fixed and floating interest rate (3-month JIBAR) on a net basis. The 3-month JIBAR is swapped out to a fixed rate as follows:

- Tsitsikamma SPV floating rate facility: 9.55% up to 30 June 2030. The swaps cover 60% of the remaining loan notional value.
- Amakhala SPV floating rate facilities:
 - IFC facilities: 8.42% up to 30 June 2031. The swaps cover 100% of the remaining loans notional values.
 - A and C banking facilities: 8.00% up to 30 June 2021. The swaps cover 100% of the remaining loans notional values.
 - 9.46% up to 30 June 2026. The swaps cover 100% of the remaining loans notional values.

The interest rate swaps require settlement of net interest receivable or payable every six months. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

23.1 Contingent liabilities

	At 31 December	
	2021 Rm	2020 Rm
Operational guarantees ²	3 834	4 531
– Financial guarantees ceded to the DMRE	3 606	4 239
– Other financial guarantees	228	292
Total contingent liabilities	3 834	4 531

¹ Includes guarantees to banks and other institutions in the normal course of business from which it is anticipated that no material liabilities will arise.

² 2021: No longer includes R579 million which relates to the ECC operation guarantees which were cancelled upon the divestment.

The timing and occurrence of any possible outflows of the contingent liabilities are uncertain.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS continued

23.1 Contingent liabilities continued

Share of equity-accounted investments' contingent liabilities

	At 31 December	
	2021 Rm	2020 Rm
Share of contingent liabilities of equity-accounted investments	1 564	1 535

23.2 Contingent assets

	At 31 December	
	2021 Rm	2020 Rm
Back-to-back guarantees	134	134
Other ¹	75	
Total contingent assets	209	134

¹ Guarantees issued to Exxaro which arose on the divestment of the ECC operation in terms of the SPA.

The timing and occurrence of any possible inflows of the contingent assets are uncertain.

24. RELATED PARTY TRANSACTIONS

The group entered into various sale and purchase transactions with associates and joint ventures during the ordinary course of business. These transactions were subject to terms that are no less, nor more favourable than those arranged with independent third parties.

25. GOING CONCERN

Based on the latest results for the year ended 31 December 2021, the latest budget for 2022 approved by the board of directors, as well as the available banking facilities and cash generating capability, Exxaro satisfies the criteria of a going concern in the foreseeable future.

26. EVENTS AFTER THE REPORTING PERIOD

Details of the final dividend are provided in note 6.

Subsequent to 31 December 2021, the following notable event has occurred:

South African corporate income tax rate change

On 23 February 2022, the Minister of Finance reiterated their intention to reduce the South African corporate income tax rate from 28% to 27%, which was initially announced in the 2021 Budget Speech. The rate change will be effective for years of assessment beginning on or after 1 April 2022. Management views this rate change to be substantively enacted based on current guidance in the market.

The directors are not aware of any other significant matter or circumstances arising after the reporting period up to date of this report, not otherwise dealt with in this report.

27. KEY MEASURES¹

	At 31 December	
	2021	2020
Closing share price (rand per share)	152.87	138.90
Market capitalisation (Rbn)	53.40	49.82
Average rand/US\$ exchange rate (for the year ended)	14.78	16.45
Closing rand/US\$ spot exchange rate	15.94	14.62

¹ Non-IFRS numbers.

NOTES TO THE SUMMARISED GROUP ANNUAL FINANCIAL STATEMENTS continued

28. INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED GROUP FINANCIAL STATEMENTS

To the Shareholders of Exxaro Resources Limited

Opinion

The summarised group financial statements of Exxaro Resources Limited, set out on pages 2 to 37 of the Exxaro Resources Limited's *summarised group annual financial statements for the year ended 31 December 2021* and notice of the annual general meeting, which comprise the summarised group statement of financial position as at 31 December 2021, the summarised group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited group financial statements of Exxaro Resources Limited for the year ended 31 December 2021.

In our opinion, the accompanying summarised group financial statements are consistent, in all material respects, with the audited group financial statements, in accordance with the JSE Limited's (JSE) requirements for summarised financial statements, as set out in note 2 to the summarised group financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Summarised group financial statements

The summarised group financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised group financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited group financial statements and the auditor's report thereon.

The audited group financial statements and our report thereon

We expressed an unmodified audit opinion on the audited group financial statements in our report dated 8 April 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group financial statements of the current period.

Directors' responsibility for the summarised group financial statements

The directors are responsible for the preparation of the summarised group financial statements in accordance with the JSE's requirements for summarised financial statements, set out in note 2 to the summarised group financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

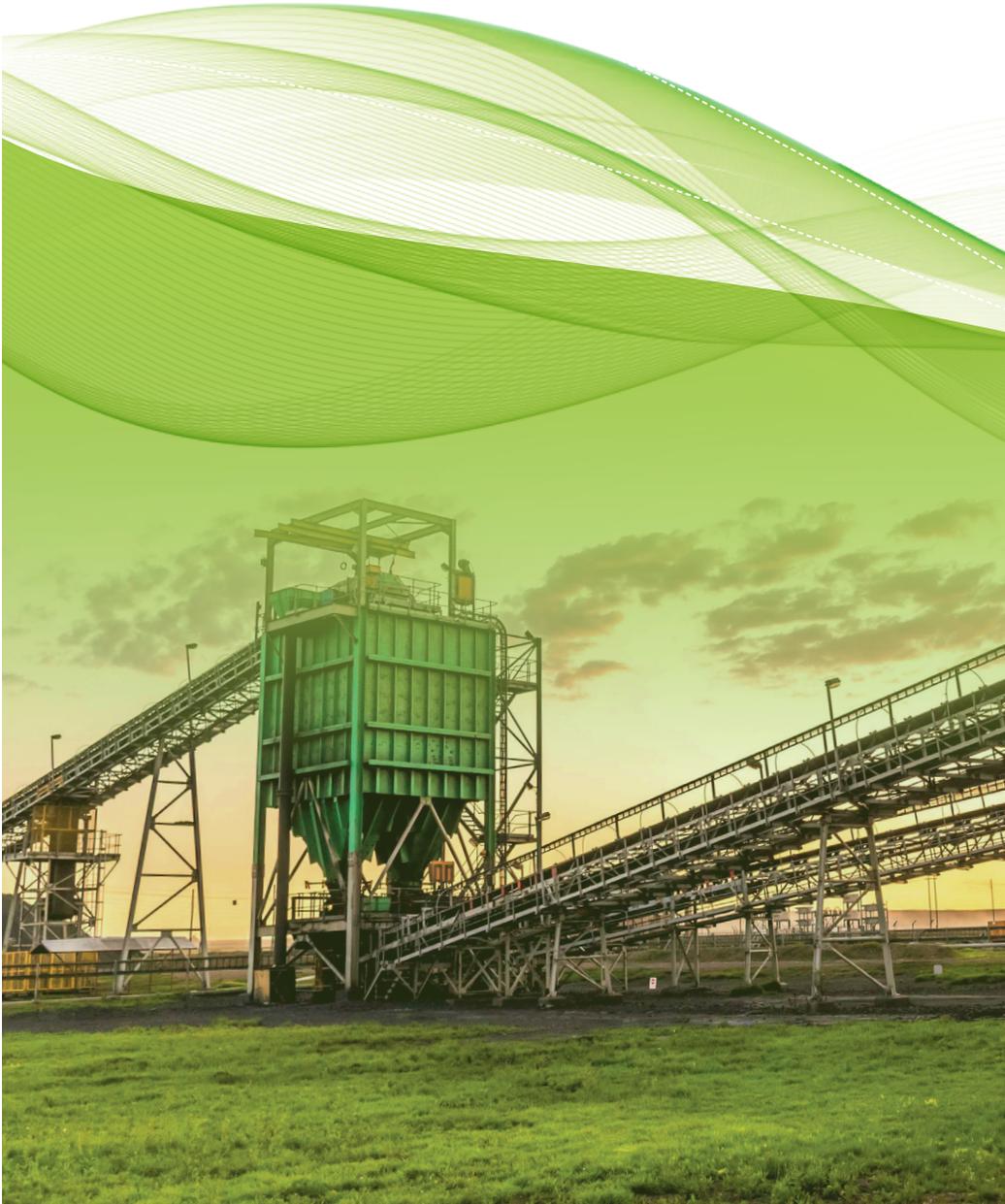
Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised group financial statements are consistent, in all material respects, with the audited group financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

Director: TD Shango
Registered auditor
Johannesburg, South Africa
8 April 2022

ANNUAL GENERAL MEETING NOTICE AND PROXY



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

Geraldine Fraser-Moleketi (61)

Lead independent non-executive director SERC chairperson and remuneration and nomination committee member

Director since 18 May 2018

DPhil honoris causa (North West University), DPhil honoris causa (Nelson Mandela University), MPA (University of Pretoria) cum laude, Leadership Programme (Wharton), Digital Savvy Board Member Certificate (MIT Sloan School of Management), Fellow of the Institute of Politics (Harvard)*

Skills and experience

Geraldine was appointed special envoy on gender at the African Development Bank from 2013 to 2016. She served as director of the UN Development Programme Democratic Governance Group from 2009 to 2013. She also served as a member of the South African Parliament for three consecutive parliaments (1994 to 2008) and served in the Executive and Cabinet during this period. Geraldine served as a member of the Constituent Assembly from 1994 to 1996. She was Minister of Public Service and Administration for two consecutive terms (1999 to 2008). Geraldine served as Minister of Welfare and Population Development (1996 to 1999) after her term as Deputy Minister of Welfare and Population Development. During her tenure as Minister of Public Service, she was chairperson of the Pan African Ministers of Public Service for three consecutive terms. Geraldine serves on various boards across academia: she is the chancellor of Nelson Mandela University, chair of the Thabo Mbeki Foundation, outgoing chairperson of the Advisory Council of the Mapungubwe Institute for Strategic Reflection, chairperson of the Committee of Experts on Public Administration (an expert body of the UN Economic and Social Council) and former member of the Advisory Board of the Institute for the Study of International Development at McGill University in Canada. She served on the Africa Advisory Committee of Women's World Banking until 2018. She is also a non-executive board member of the Standard Bank group and Standard Bank South Africa. She was appointed chairperson of the Tiger Brands group as from January 2021.

Peet Snyders (61)

Independent non-executive director RBR committee chairperson, SERC and investment committee member

Director since 1 July 2016

BEng (mining), diploma in marketing management, MCom (business management), mine manager's certificate of competency (coal and metalliferous)

Skills and experience

Peet has 40 years' increasing responsibility experience in the mining industry, including employment at major and junior mining companies.

Concentrating in business management, business development, business re-engineering and high-technology mining with vast experience in managing mining businesses for world-class mining majors and junior mining-focused companies. He has been exposed to coal, platinum, gold, diamond, chrome and asbestos mining. He also has over 15 years of board experience within the industry.

Isaac Malevu (47)

Non-executive director

Investment committee member

Director since 22 June 2021

BCom (Wits), postgraduate diploma in accounting (University of KwaZulu-Natal), member of SAICA

Skills and experience

Isaac is a registered chartered accountant with SAICA and is the current chief financial officer of the IDC. Before joining the IDC, he was an audit partner at EY and then joined Standard Bank Corporate Investment Banking as finance executive.

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

continued

Karin Ireton (66)

Independent non-executive director

Social, ethics and responsibility committee member

Director since 7 February 2022

MA (international political economy) (University of Leeds), international programme for the management of sustainability (Netherlands), environmental impact assessment and management (University of Aberdeen)

Skills and experience

Karin has over 30 years' experience in sustainability matters in coal power generation, mining and banking sectors. She is an international specialist in sustainability issues. She is currently an independent consultant focused on strategies for growth, risk identification and management, transparency and disclosure. A significant focus of her current work is the impact of climate change on business, and the need to reduce emissions and adapt business strategies. Prior to this, she was the group head of sustainability for Standard Bank Group and head of sustainable development for Anglo American, among others. Previous board experience includes Aureus Mining Incorporated, NBI and member representative for Standard Bank, Institute of Directors South Africa Chairman Sustainable Development Forum, JSE SRI advisory committee and UNEP Finance Initiative chairperson: climate change action group global steering committee member.

Bennetor Magara (54)

Independent non-executive director

Risk and business resilience committee member

Director since 7 February 2022

BSc (Hons) (mining engineering), advanced management programme (GIBS), accelerated management development programme (London Business School)

Skills and experience

Ben has a strong technical foundation in coal and platinum mining coupled with business leadership and operational management in underground and surface mining as well as soft and hard rock mining. Some of his past roles include executive head: engineering and projects for Anglo American Platinum and CEO of Anglo Coal South Africa. Ben's most recent role was CEO of Lonmin. His previous board memberships include Anglo American South Africa, Foskor, Rustenburg Platinum Mines and chairperson of RBCT. He is the founder and chairperson of Africa Mining & Metals Group and is a current non-executive director on the boards of the Weir Group and Grindrod.

Billy Mawasha (43)

Independent non-executive director

Investment committee member and audit committee member

Director since 7 February 2022

BSc (electrical engineering), government certificate of competency for engineers, factories (electrical), government certificate of competency for engineers, mines and works (electrical), global leadership and public policy for the 21st century (Harvard Kennedy School), advanced management programme (Kellogg School of Management), accelerated development programme (London Business School), programme for management development (GIBS)

Skills and experience

He is a certified director with the Institute of Directors South Africa and the South African Institute of Electrical Engineers. Billy offers strong operational and technical leadership experience in the mining sector as former Kumba Iron Ore head of operations and integration and former country head of Rio Tinto in South Africa. He is the founder of an investment company, and also provides strategic and technical leadership to his investee companies. Previous board memberships include Foskor technical committee and SIOC. He is currently a non-executive director of Murray & Roberts and Metair Investments.

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

Phumla Mnganga (53)

Independent non-executive director

Remuneration and nomination committee member

Director since 7 February 2022

PhD (entrepreneurship/entrepreneurial studies) (Wits Business School), MBL (business management) (Unisa), BEd (University of KwaZulu-Natal), BA (University of KwaZulu-Natal)

Skills and experience

Phumla is the founder and managing director of Lehumo Women's Investment Holdings, a woman-owned and managed investment holding company. Prior to this, she was employed as group head of human resources for the Tongaat Hulett Group with oversight of investor relations, and as a change management senior consultant at Deloitte. She has chaired the board of the University of KwaZulu-Natal, the board of Gold Circle and the Siyazisa Trust, a large rural community. She currently serves as an independent non-executive director on four JSE-listed companies (Altron Group, Adcorp, Spar Group and Novus Holdings).

Isaac Mophatlane (48)

Independent non-executive director

Investment committee chairperson, audit committee and SERC member

Director since 22 May 2018

Technology entrepreneur

Skills and experience

Starting his career, Isaac was the youngest board member of the previously JSE-listed Connection Group (Incredible Connection). In 1996, Isaac, with his brother Benjamin, co-founded the former Business Connection, a computer reseller focused on government and parastatals. In 2004, the company merged with Comparex Africa to form Business Connection and Isaac was appointed as group executive: client engagement - public sector. Isaac then took responsibility for the Innovation Division, which housed the group's software and packaged intellectual property and later the Canoa Division, which drove the group's managed print solutions offering.

Isaac is currently co-founder, shareholder and director of the Randvest group. Randvest's core focus is leveraged acquisitions and strategic investments in mainly technology companies. Isaac also serves as a board member of various companies and previously served on the Natal Sharks Board, was chairperson of CBCOB Cricket Club and he was involved in the transformation of Northerns Cricket Union. He has also worked extensively with various stakeholders at Cricket South Africa. Isaac is also chairperson of Bothomed, which is currently a shareholder with the PIC in the listed Dis-Chem Pharmacies Limited. Isaac is also a member of the Black Management Forum, Electronics Industries Federation of South Africa, Black Information Technology Forum and deputy non-executive chairperson of the Catholic Education Investment Company.

Vuyisa Nkonyeni (52)

Independent non-executive director

Audit committee chairperson and investment committee member

Director since 3 June 2014

BSc (Hons), postgraduate diploma in accounting, CA(SA)

Skills and experience

Vuyisa has over 20 years' experience in investment banking and private equity. He served his training contract as a chartered accountant with PwC and 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 Momentum Metropolitan Holdings. He served as FD of Worldwide African Investment Holdings and a director of Actis in its BEE funding unit. He was appointed CEO of Kagiso Tiso Holdings in 2012 and resigned in December 2017.

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

Chanda Nxumalo (38)

Independent non-executive director

Audit committee member since 27 May 2021, RBR committee member from 1 February 2021 and investment committee member from 4 October 2021

Appointed 1 February 2021

University of Oxford, MEng (economics and management)

Skills and experience

Chanda has 15 years' experience working in the renewable energy and power sectors. Having worked across North America and Europe, she has experience delivering technical, commercial and environmental advisory services in the renewables sector. As a director of Harmattan Renewables, she has been responsible for providing technical consultancy and asset management services for renewable energy projects across sub-Saharan Africa. For the past decade, Chanda has been instrumental in driving the renewable energy roll-out in South Africa, acting as spokesperson for the South African PV Association as well as consulting on some of the first renewable projects to be delivered as part of South Africa's Renewable Energy IPP Procurement Programme. With her richness of skills and experience in the energy field, nationally and internationally, including the African continent, and strong leadership capability, Chanda will support Exxaro's growth strategy in energy.

Likhapha Mbatha (67)

Non-executive director

SERC member

Director since 6 March 2018

BA, LLB, LLM

Skills and experience

Likhapha currently coaches National Movement of Rural Women coordinators in development methods and systems, project preparation, finance and management. She also supervises, monitors and evaluates small and medium development projects. She understands that poverty, inadequate education, nutrition, poor health, government policies and the exploitative nature of humans are uncontrollable variables that can lead to poverty. She focuses on development as an opportunity for affected individuals to lead equal and satisfactory lives within their communities despite their circumstances.

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

Bond code: EXX04

ISIN No: ZAG000160326

Bond code: EXX05

ISIN No: ZAG000160334

(Exxaro or the company)

- This document is important and requires your immediate attention. If you are in any doubt as to what action to take, please consult appropriate independent advisors.
- This document is available in English only. Electronic copies of this document may be obtained from the Exxaro website on www.exxaro.com
- If you have disposed of your Exxaro shares, this notice should be handed to the purchaser of such shares or to the CSDP, broker, banker or other agent through whom such disposal was effected.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 21st (twenty-first) annual general meeting (AGM) of shareholders of Exxaro will be held by electronic and in-person meeting participation (subject to any adjournment or postponement, and health and safety protocols) at the Auditorium, at the conneXXion, 263B West Avenue, Die Hoewes, Centurion, South Africa, with strictly limited in-person attendance at 10:00 on Wednesday, 25 May 2022 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 2021 (including the directors' report, the report of the Audit committee and the report of the external auditors) to shareholders;
- Present the Social, ethics and responsibility committee report to shareholders;
- Consider any matters raised by shareholders; and
- 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

Exxaro strongly encourages electronic participation as opposed to physical participation in light of the current global Covid-19 pandemic. Should any shareholder (or representative or proxy for a shareholder) wish to participate in the AGM electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to The Meeting Specialist Proprietary Limited (the meeting scrutineers), via email at proxy@tmsmeetings.co.za and at the address below, to be received by the scrutineers at least 48 hours prior to the AGM (thus at 10:00 on Monday, 23 May 2022) for the scrutineers to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the scrutineers for the purposes of section 63(1) of the Companies Act 71 of 2008, as amended (Companies Act) and for the scrutineers to provide the shareholder (or representative or proxy) with details on how to access the AGM by means of electronic participation. The written notification should contain the following:

- A certified copy of the shareholder's identification document or passport if the shareholder is an individual;
- A certified copy of a resolution of letter of representation given by the holder if you are a company or juristic person, and certified copies of identity document or passports of the persons who passed the resolution;
- A valid email address and/or mobile number;
- And an indication that you or your proxy not only wishes to attend the meeting by means of electronic communication, but also to participate and vote by means of electronic communication.

Such participants, who have complied with the notice requirement above, will be contacted between 23 May 2022 and 25 May 2022, with the relevant connection details as well as the passcodes through which you or your proxy/ies can participate via electronic communication and advised of the process for participation via a unique link to the email/mobile number provided in the notification. Should you wish to participate by way of electronic communication, you will be required to connect with the details as provided by the company by no later than 15 minutes prior to the commencement of the AGM during which time registration will take place.

If you choose to participate online you will be able to view a live webcast of the meeting, ask directors questions online or in written format and submit your votes in real time.

For administrative purposes, completed notices for electronic participation must be received by the meeting scrutineers via email at proxy@tmsmeetings.co.za before 10:00 on 23 May 2022.

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	Thursday, 14 April 2022
Notice of meeting distributed to shareholders	Tuesday, 26 April 2022
Last date to trade to be eligible to vote*	Tuesday, 17 May 2022
Record date for voting purposes	Friday, 20 May 2022
For administration purposes, forms of proxy to be lodged by 10:00 on	Monday, 23 May 2022
Meeting to be held 10:00 on	Wednesday, 25 May 2022
Results of meeting released on SENS	Thursday, 26 May 2022

* Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire shares after close of trade on Tuesday, 17 May 2022 will not be eligible to attend, participate in and vote at the AGM.

IDENTIFICATION, VOTING AND PROXIES

In terms of section 63(1) of the Companies Act, any person attending or participating in the AGM must present reasonably satisfactory identification and the person presiding at the AGM 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 AGM 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 AGM but wish to be represented.

For effective administrative purposes, completed forms of proxy must be received by the scrutineers of the company, The Meeting Specialist Proprietary Limited, via email to proxy@tmsmeetings.co.za, by no later than 10:00 on Monday, 23 May 2022. 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, 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 ANNUAL FINANCIAL STATEMENTS

The annual financial statements (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 2021 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 (<https://www.exxaro.com/investor/integrated-reports2021/financials/index.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 investorrelations@exxaro.com or telephonically on +27 12 307 7156.

PRESENTATION OF THE SOCIAL, ETHICS AND RESPONSIBILITY COMMITTEE REPORT

A report of the members of the group Social, ethics and responsibility committee for the year ended 31 December 2021, as included in the ESG report 2021, will be presented to shareholders as required in terms of regulation 43 of the Companies Regulations 2011 (Regulations).

The group Social, ethics and responsibility committee report is included in the ESG report (<https://www.exxaro.com/investor/integrated-reports2021/index.php>) and available on the company's website, www.exxaro.com or can be requested from the group company secretary at investorrelations@exxaro.com or telephonically on +27 12 307 7156.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

ORDINARY RESOLUTIONS

For each of the ordinary 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.

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

In accordance with the company's Memorandum of Incorporation (MOI), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders annually. Eligible directors may offer themselves for re-election.

At this meeting and in accordance with the MOI, Dr GJ Fraser-Moleketi, Messrs EJ Myburgh and PCCH Snyders are obliged to retire by rotation.

Mr EJ Myburgh has indicated that he is not available for re-election and will retire by rotation.

Dr GJ Fraser-Moleketi and Mr PCCH Snyders indicated that they are available for re-election.

The Remuneration and nomination committee (the Committee) has reviewed the composition, gender and racial balance of the board of directors and evaluated the independence (where applicable), performance and contribution of the directors listed above. Furthermore, the Committee has considered their individual knowledge, skills and experience and recommended to the board of directors that they be proposed for re-election by shareholders.

ANNUAL GENERAL MEETING NOTICE

The board of directors has considered the proposals of the Committee and recommends the re-election of Dr GJ Fraser-Moleketi and Mr PCCH Snyders by way of separate resolutions.

Election

The relationship agreement in relation to the Replacement BEE Transaction states that Exxaro agrees to nominate four persons nominated by Eyesizwe RF Proprietary Limited (Eyesizwe), to the Committee, and if deemed fit and proper, recommend these directors for appointment to the shareholders of Exxaro.

The board of directors has considered the proposal from the Committee and appointed Mr IN Malevu as a non-executive director on 22 June 2021 and is now seeking approval from shareholders for this appointment.

Mr IN Malevu has indicated that he is available for election by shareholders.

The Committee further commenced a process to source additional independent non-executive directors for appointment to the board of directors, with a specific focus on skills and experience based on the company's sustainable growth and impact strategy as well as succession planning. The board of directors considered the proposal by the Committee and has appointed Ms KM Ireton, Mr B Magara, Mr B Mawasha and Dr P Mnganga as independent non-executive directors in casual vacancies on 7 February 2022, to hold office until the AGM at which meeting their appointment will terminate and they will be available for election by shareholders.

Ms KM Ireton, Mr B Magara, Mr B Mawasha and Dr P Mnganga have indicated that they are available for election by shareholders.

The Committee has reviewed the composition, gender and racial balance of the board of directors and evaluated the independence (where applicable), performance and contribution of the directors listed above. Furthermore, the Committee has considered their individual knowledge, skills and experience and recommended to the board that they be proposed for election by shareholders.

The board of directors has considered the proposal of the Committee and recommends the election of Ms KM Ireton, Mr B Magara, Mr B Mawasha and Dr P Mnganga, by way of a separate resolution.

Brief curricula vitae in respect of the abovementioned directors are set out on pages 40 to 43 of this booklet.

Ordinary resolution number 1.1

"RESOLVED that Dr GJ Fraser-Moleketi be and is hereby re-elected as an independent non-executive director of the company with effect from 25 May 2022."

Ordinary resolution number 1.2

"RESOLVED that Mr PCCH Snyders be and is hereby re-elected as an independent non-executive director of the company with effect from 25 May 2022."

Ordinary resolution number 1.3

"RESOLVED that Mr IN Malevu be and is hereby elected as a non-executive director of the company with effect from 25 May 2022."

Ordinary resolution number 1.4

"RESOLVED that Ms KM Ireton be and is hereby elected as an independent non-executive director of the company with effect from 25 May 2022."

Ordinary resolution number 1.5

"RESOLVED that Mr B Magara be and is hereby elected as an independent non-executive director of the company with effect from 25 May 2022."

Ordinary resolution number 1.6

"RESOLVED that Mr B Mawasha be and is hereby elected as an independent non-executive director of the company with effect from 25 May 2022."

ANNUAL GENERAL MEETING NOTICE continued

Ordinary resolution number 1.7

"RESOLVED that Dr P Mnganga be and is hereby elected as an independent non-executive director of the company with effect from 25 May 2022."

2 Ordinary resolution number 2: Election of group 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 AGM to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and the King IV™ report on Corporate Governance for South Africa, 2016 (King IV™), 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 40 to 43 of this booklet.

Ordinary resolution number 2.1

"RESOLVED that Mr B Mawasha be and is hereby elected as a member of the group Audit committee with effect from 25 May 2022."

The election of Mr B Mawasha is subject to his election as director.

Ordinary resolution number 2.2

"RESOLVED that Mr LI Mophatlane be and is hereby elected as a member of the group Audit committee with effect from 25 May 2022."

Ordinary resolution number 2.3

"RESOLVED that Mr V Nkonyeni be and is hereby elected as a member of the group Audit committee with effect from 25 May 2022."

Ordinary resolution number 2.4

"RESOLVED that Ms CJ Nxumalo be and is hereby elected as a member of the group Audit committee with effect from 25 May 2022."

3 Ordinary resolution number 3: Election of the Social, ethics and responsibility committee members

To elect by separate resolutions a group Social, ethics and responsibility 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 AGM 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, ethics and responsibility 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 40 to 43 of this booklet.

Ordinary resolution number 3.1

"RESOLVED that Dr GJ Fraser-Moleketi be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 25 May 2022."

The election of Dr GJ Fraser-Moleketi is subject to her re-election as director.

ANNUAL GENERAL MEETING NOTICE continued

Ordinary resolution number 3.2

"RESOLVED that Ms KM Ireton be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 25 May 2022."

The election of Ms KM Ireton is subject to her election as director.

Ordinary resolution number 3.3

"RESOLVED that Ms L Mbatha be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 25 May 2022."

Ordinary resolution number 3.4

"RESOLVED that Mr LJ Mophatlane be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 25 May 2022."

Ordinary resolution number 3.5

"RESOLVED that Mr PCCH Snyders be and is hereby elected as a member of the group Social, ethics and responsibility committee with effect from 25 May 2022."

The election of Mr PCCH Snyders is subject to his re-election as director.

4 Ordinary resolution number 4: Appointment of independent external auditor

As set out in the group Audit committee report of the ESG report 2021, KPMG Consortium was approved for appointment as external auditor for the financial year ending 31 December 2022 at the AGM held on 27 May 2021. The group Audit committee has therefore assessed KPMG Consortium's independence and suitability and that they are accredited as such on the JSE list of Auditors and Accounting Specialists and the individual audit partner does not appear on the JSE list of disqualified individual auditors and has nominated them for appointment as independent external auditor of the group, which would be effective from the conclusion of PricewaterhouseCoopers Incorporated, external audit responsibilities for the financial year ended 31 December 2021, and to hold office until the conclusion of the next AGM.

"RESOLVED that KPMG Consortium, with the designated audit partner being Ms Safeera Loonat, be and is hereby appointed as independent external auditor of the group for the ensuing year ending 31 December 2022, until the conclusion of the next AGM."

5 Ordinary resolution 5: General authority to place authorised but unissued ordinary shares under the control of the directors

In terms of the company's MOI, shareholders of the company may authorise the directors to, inter alia, issue any authorised but unissued ordinary shares and/or grant options over them, as the directors in their discretion deem fit. The authority will be subject to the Companies Act and the JSE Listings Requirements. The aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, excluding the company's share or other employee incentive schemes, shall be limited to 5% (five percent) of the number of ordinary shares in issue as at the date of the notice of the AGM. 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 hereby placed under the control and authority of the 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 their discretion deem fit, subject to the provisions of the Companies Act, clause 3.1 of the MOI of the company and the JSE Listings Requirements. The number of shares issued in terms of this authority will not, in aggregate in the current financial year, exceed 5% (five percent) of the company's ordinary shares in issue as at the date of the notice of the AGM (17 457 344 ordinary shares) (excluding treasury shares). The issuing of shares granted under this authority will be at the discretion of the directors until the next AGM of the company."

ANNUAL GENERAL MEETING NOTICE continued

6 Ordinary resolution number 6: 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, as an ordinary resolution, that the directors of the Company be and are hereby authorised, in accordance with the Companies Act and the JSE Listings Requirements, to allot and issue for cash, on such terms and conditions as they may deem fit, all or any of the ordinary shares in the authorised but unissued share capital of the Company and/or any options/convertible securities that are convertible into ordinary shares, which they shall have been authorised to allot and issue in terms of ordinary resolution number 5, subject to the following conditions:

- This authority is valid until the Company's next AGM, provided that it will not extend beyond 15 (fifteen) months from the date that this authority is given.
- 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.
- Any such issue will only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties.
- 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 AGM, such number being 17 457 344 ordinary shares in the Company's issued share capital.
- Any equity securities issued under the authority during the period must be deducted from the 17 457 344 ordinary shares.
- 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.
- An announcement giving full details to the extent applicable, including number of shares issued, average discount, effect on the following: statement of financial position, net asset value per share (NAVPS), net tangible asset value per share (NTAVPS), statement of comprehensive income, earnings per share (EPS), headline earnings per share (HEPS), diluted earnings per share (DEPS), and diluted headline earnings per share (DHEPS), use of funds, will be published at the time of any issue representing, on a cumulative basis within the period contemplated in the first bullet above, 5% (five percent) or more of the number of shares in issue prior to the issue.
- The maximum discount permitted at which equity securities may be issued is 5% (five 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. The aggregate number of ordinary shares to be allotted in terms of this resolution and ordinary resolution number 5 is limited to 5% (five percent) of the ordinary shares in issue as at the date of the notice of the AGM."

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.

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

"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 AGM at which these resolutions will be considered."

SPECIAL RESOLUTIONS

For each of the special resolutions 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.

ANNUAL GENERAL MEETING NOTICE continued

8 Special resolution number 1: Non-executive directors' fees

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 IV™ 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 financial years. The proposed fees equate to a range of between 3% to 7% increase.

"RESOLVED as a special resolution in terms of the Companies Act, that the remuneration of non-executive directors for the period 1 June 2022 until the end of the month in which the next AGM is held, be and is hereby approved on the basis set out below:

	Current R	June 2022 to 2023 AGM Proposed R
Chairman of the board	1 943 838	2 079 907
Lead independent director	336 434	353 256
Members of the board	463 531	486 708
Audit committee chairman	373 815	392 506
Audit committee member	186 908	196 253
Investment committee chairman	336 434	346 527
Investment committee member	149 526	154 012
Remuneration committee chairman	336 434	346 527
Remuneration and nomination committee member	149 526	154 759
Risk and business resilience committee chairman	336 434	346 527
Risk and business resilience committee member	149 526	154 759
Social, ethics and responsibility committee chairman	336 434	346 527
Social, ethics and responsibility committee member	149 526	154 012
Ad hoc meeting fees		
Board meeting	23 124	24 280
Committee meeting	15 416	16 187

9 Special resolution number 2: Authorise financial assistance for the subscription of securities

"RESOLVED as a special resolution in terms of the Companies Act, that the provision by the company of any direct or indirect financial assistance as contemplated in section 44 of the Companies Act to any one or more persons for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, be and is hereby approved, provided that:

- (a)
 - (i) the specific recipient/s of such financial assistance;
 - (ii) the form, nature and extent of such financial assistance; and
 - (iii) the terms and conditions under which such financial assistance is provided are determined by the board of directors of the company from time to time.
- (b) The board of directors has satisfied the requirements of section 44 of the Companies Act on the provision of any such financial assistance.
- (c) Such financial assistance to a recipient is, in the opinion of the board of directors of the company, required for a purpose, which in the opinion of the board of directors, is directly or indirectly in the interest of the company.
- (d) This resolution specifically does not authorise financial assistance for the subscription of securities to any directors, prescribed officers or employees of the company.
- (e) The authority granted in terms of this special resolution will remain valid until a new or similar resolution is passed at the next AGM or after the expiry of a period of 24 (twenty-four) months, whichever is later."

ANNUAL GENERAL MEETING NOTICE continued

10 Special resolution number 3: Authorise financial assistance to related or inter-related companies

"RESOLVED as a special resolution in terms of the Companies Act, that the provision by the company of any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related persons of the company and/or to any one or more persons who are members of, or are related to, any such related or inter-related person, be and is hereby approved, provided that:

- (a) (i) the specific recipient/s of such financial assistance;
(ii) the form, nature and extent of such financial assistance; and
(iii) the terms and conditions under which such financial assistance is provided are determined by the board of directors of the company from time to time.
- (b) The board of directors has satisfied the requirements of section 45 of the Companies Act in relation to the provision of any financial assistance.
- (c) Such financial assistance to a recipient is, in the opinion of the board of directors of the company, required for a purpose which, in the opinion of the board of directors, is directly or indirectly in the interests of the company.
- (d) The authority granted in terms of this special resolution will remain valid until a new similar resolution is passed at the next AGM or after the expiry of a period of 24 (twenty-four) months, whichever is later."

11 Special resolution number 4: 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 memorandum of incorporation of the company which authorises general repurchases, the directors be and are hereby authorised, at their discretion, to instruct that the company or subsidiaries of the company to acquire or repurchase ordinary shares issued by the company, provided that:

- (a) The number of ordinary shares acquired in any one financial year will not in aggregate exceed 20% (twenty percent) of the ordinary shares in issue at the date on which this resolution is passed (being 69 861 019 shares in issue).
- (b) The repurchase of securities 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 (reported trades are prohibited).
- (c) The approval of shareholders is obtained via a special resolution of the company in the AGM. This authority will lapse on the earlier of the date of the next AGM of the company or 15 (fifteen) months from the date on which this resolution is passed.
- (d) 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 repurchase is made. The JSE should be consulted for a ruling if Exxaro's ordinary shares have not traded in such 5 (five) business days period."

The reason for and effect of this special resolution is to authorise the directors, if they deem it appropriate and in the interest 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 this special resolution. At present, the directors have no specific intention to use this authority, and the authority will thus only be used if circumstances are appropriate.

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

- (a) After such repurchases, 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 are no material changes to the financial position of the group.
- (b) 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 annual financial statements for the year ended 31 December 2021, 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 the AGM, whichever is the later.
- (c) 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 AGM 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.

ANNUAL GENERAL MEETING NOTICE continued

- (d) 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 AGM.
- (e) The company and group will have adequate working capital for ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the AGM.
- (f) A resolution is passed by the board of directors that it has authorised the repurchase.
- (g) 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 prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions on the company's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.
- (h) 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.
- (i) The company at any time only appoints one agent to effect any repurchase(s) on its behalf.

For the purpose of considering this special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, certain information has been included in the following reports for 2021:

- (a) Directors and management – refer to the integrated report on page 78
- (b) Major shareholders – refer to the integrated report on page 10
- (c) Directors' interests in securities – refer to the annual financial statements on page 122
- (d) Share capital of the company – refer to the annual financial statements on page 14
- (e) Material change – refer to page 54 of this AGM notice
- (f) Responsibility statement – refer to page 54 of this AGM notice

NON-BINDING ADVISORY VOTES

12 Non-binding advisory vote number 1: Approval of the Exxaro remuneration policy

The reason for non-binding advisory vote number 1 is that King IV™ recommends, and the JSE Listings Requirements require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each AGM. This enables shareholders to express their views on the remuneration policy. The effect of the non-binding advisory vote number 1, if passed, will be to endorse the company's remuneration policy. Failure to pass this resolution will not have any legal consequences relating to existing remuneration agreements. However, the board will take the outcome of the votes into consideration when considering amendments to the company's remuneration policy and/or its implementation. In the event that either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights exercised, the board will initiate engagement with the relevant shareholders and the outcome thereof will be disclosed in the 2022 ESG report.

"RESOLVED, through a non-binding advisory vote that the company's remuneration policy, as set out in the remuneration and nomination committee report of the ESG report 2021, be and is hereby approved."

The remuneration and nomination committee report is included in the ESG report <https://www.exxaro.com/investor/integrated-reports2021/home.php>, and available on the company's website, www.exxaro.com or can be requested from the company secretary at investorrelations@exxaro.com or telephonically on +27 12 307 7156.

This ordinary resolution is of an advisory nature 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 ESG report.

ANNUAL GENERAL MEETING NOTICE continued

13 Non-binding advisory vote number 2: Endorse the implementation of the Exxaro remuneration policy

The reason for non-binding advisory vote number 2 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each AGM of a company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of non-binding advisory vote number, if passed, will be to endorse the company's implementation report in respect of its remuneration policy. Failure to pass this resolution will not have any legal consequences relating to existing remuneration agreements. However, the board of directors will take the outcome of the vote into consideration when contemplating amendments to the implementation of the company's remuneration policy.

"RESOLVED that, in accordance with the King IV™ and JSE Listings Requirements, the shareholders endorse the implementation of the remuneration policy of the company as set out in the remuneration report."

An explanation of the implementation of the company's remuneration policy is included in the ESG report <https://www.exxaro.com/investor/integrated-reports2021/home.php>, and available on the company's website, www.exxaro.com or can be requested from the company secretary at investorrelations@exxaro.com or telephonically on +27 12 307 7156.

This ordinary resolution is of an advisory nature 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 ESG report.

14 Severability

If any of the clauses, conditions, covenants or restrictions (each a "Provision") of this notice or any document emanating from it shall be found to be void but would be valid if some part thereof were deleted or modified, then the Provision shall apply with such deletion or modification as may be necessary to make it valid and effective.

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 2021.

By order of the board



AT Ndoni

Group company secretary

Pretoria
2022

FORM OF PROXY

EXXARO RESOURCES LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2000/011076/06

JSE share code: EXX ISIN: ZAE000084992

ADR code: EXXAY

Bond code: EXX04

ISIN No: ZAG000160326

Bond code: EXX05

ISIN No: ZAG000160334

(Exxaro or the company)

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH "OWN-NAME" REGISTRATION ONLY

For completion by registered shareholders of Exxaro unable to attend the 21st (twenty-first) annual general meeting of shareholders of the company to be held at 10:00 on Wednesday, 25 May 2022, at the Auditorium, at the conneXXion, 263B West Avenue, Die Hoewes, Centurion, South Africa or at any adjournment or postponement of that meeting.

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)

_____	_____	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 by electronic meeting participation at 10:00 on Wednesday, 25 May 2022 with strictly limited in-person attendance at the conneXXion, 263B West Avenue, Die Hoewes, Centurion, Gauteng, 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 and re-elect non-executive and executive directors			
1.1	Re-election of Dr GJ Fraser-Moleketi as an independent non-executive director			
1.2	Re-election of Mr PCCH Snyders as an independent non-executive director			
1.3	Election of Mr IN Malevu as a non-executive director			
1.4	Election of Ms KM Ireton as an independent non-executive director			
1.5	Election of Mr B Magara as an independent non-executive director			
1.6	Election of Mr B Mawasha as an independent non-executive director			
1.7	Election of Dr P Mnganga as an independent non-executive director			
2	Resolution to elect group Audit committee members			
2.1	Election of Mr B Mawasha as a member of the group Audit committee			
2.2	Election of Mr LI Mophatlane as a member of the group Audit committee			
2.3	Election of Mr V Nkonyeni as a member of the group Audit committee			
2.4	Election of Ms CJ Nxumalo as a member of the group Audit committee			
3	Resolution to elect group Social, ethics and responsibility committee members			
3.1	Election of Dr GJ Fraser-Moleketi as a member of the group Social, ethics and responsibility committee			
3.2	Election of Ms KM Ireton as a member of the group Social, ethics and responsibility committee			
3.3	Election of Ms L Mbatha as a member of the group Social, ethics and responsibility committee			
3.4	Election of Mr LI Mophatlane as a member of the group Social, ethics and responsibility committee			
3.5	Election of Mr PCCH Snyders as a member of the group Social, ethics and responsibility committee			

FORM OF PROXY continued

		For	Against	Abstain
4	Resolution to appoint KPMG Consortium as independent external auditor for the financial year ending 31 December 2022, until the conclusion of the next AGM			
5	Resolution for a general authority to place authorised but unissued shares under the control of directors			
6	Resolution for a general authority to issue shares for cash			
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 2022 to the next AGM			
2	Special resolution to authorise financial assistance for the subscription of securities			
3	Special resolution to authorise financial assistance to related or inter-related companies			
4	Special resolution for a general authority to repurchase shares			
Non-binding advisory votes				
1	Resolution through non-binding advisory note to approve the remuneration policy			
2	Resolution through non-binding advisory note to endorse 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 _____ 2022

Signature _____

Assisted by me, where applicable (name and signature) _____

Please read the notes that follow.

NOTES TO THE FORM OF PROXY

(The notes below include a summary of the rights established by section 58 of the 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 The Meeting Specialist 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 10:00 on Monday, 23 May 2022. This does not preclude proxies to be handed in at the meeting.

For shareholders on the South African register:
The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square Gwen Lane
Sandown, 2196
PO Box 62043
Marshalltown 2107
proxy@tmsmeetings.co.za
Tel: +27 11 520 7951/0/2
- 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.

NOTES TO THE FORM OF PROXY continued

TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WITH OWN-NAME REGISTRATION WHO WISH TO PARTICIPATE ELECTRONICALLY IN THE EXXARO ANNUAL GENERAL MEETING

THE ANNUAL GENERAL MEETING

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication (Participants), must deliver the form below (the application) to The Meeting Specialist Proprietary Limited via email to proxy@tmsmeetings.co.za
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must provide The Meeting Specialist Proprietary Limited with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between 23 May and 25 May 2022 via email/mobile with a unique link to allow them to participate in the virtual meeting.
- The cost of the Participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
- The cut-off time, for administrative purposes, for Participants to indicate participation in the meeting, will be 10:00 on Monday, 23 May 2022.
- The Participant's unique link will be forwarded to the email/cell number provided below.

APPLICATION FORM

Name and surname of shareholder	
Name and surname of shareholder representative (if applicable)	
ID number	
Email address	
Cell number	
Telephone number	
Name of CSDP or broker	
(if shares are held in dematerialised format)	
SCA number or broker account number (if applicable)	
Number of shares	
Signature	
Date	

NOTES TO THE FORM OF PROXY continued

TERMS AND CONDITIONS FOR PARTICIPATION AT THE EXXARO ANNUAL GENERAL MEETING VIA ELECTRONIC COMMUNICATION

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Exxaro, JSE Limited and The Meeting Specialist Proprietary Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Exxaro, JSE Limited and The Meeting Specialist Proprietary Limited, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the annual general meeting.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been completed and fully signed by the Participant and emailed to The Meeting Specialist Proprietary Limited at proxy@tmsmeetings.co.za

Shareholder name:

Signature:

Date:

CORPORATE INFORMATION

REGISTERED OFFICE

Exxaro Resources Limited
The conneXXion
263B West Avenue
Die Hoewes, Centurion
0163
Tel: +27 12 307 5000

This report is available at: www.exxaro.com

DIRECTORS

Executive:

MDM Mgojo (chief executive officer), N Tsengwa (chief executive officer, designate), PA Koppeschaar (finance director)

Non-executive:

L Mbatha, VZ Mntambo, IN Malevu, MLB Msimang

Independent non-executive:

MG Qhena (chairman), GJ Fraser-Moleketi (lead independent director), LI Mophatlane, EJ Myburgh, V Nkonyeni, PCCH Snyders, CJ Nxumalo, P Mnganga, K Ireton, B Mawasha, B Magara

PREPARED UNDER THE SUPERVISION OF:

PA Koppeschaar CA(SA)
SAICA registration number: 00038621

GROUP COMPANY SECRETARY

AT Ndoni

TRANSFER SECRETARIES

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

INVESTOR RELATIONS

MI Mthenjane +27 12 307 7393

LEAD EQUITY SPONSOR AND DEBT SPONSOR

Absa Bank Limited (acting through its Corporate and Investment Banking Division)
Tel: +27 11 895 6000

INDEPENDENT EXTERNAL AUDITOR

PricewaterhouseCoopers Incorporated
3 Eglin Road
Sunninghill, 2157

COMMERCIAL BANKERS

Absa Bank Limited

CORPORATE LAW ADVISORS

Inlexso Proprietary Limited
Building 3 Summit Place
221 Garsfontein Road, Menlyn
Pretoria, 0137

TRANSFER SECRETARIES

Computershare Investors Services Proprietary
Limited
(Registration number: 2004/003647/07)
Rosebank Towers
15 Biermann Avenue, Rosebank, 2196

JOINT EQUITY SPONSOR

Tamela Holdings Proprietary Limited
Tel: +27 11 783 5027/4907

EXXARO RESOURCES LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2000/011076/06
JSE share code: EXX
ISIN: ZAE000084992
ADR code: EXXAY
Bond code: EXX04
ISIN No: ZAG000160326
Bond code: EXX05
ISIN No: ZAG000160334
("Exxaro" or "the company" or "the group")

If you have any queries regarding your shareholding in Exxaro Resources Limited, please contact the transfer secretaries at +27 11 370 5000.

SHAREHOLDERS' DIARY

FINANCIAL YEAR-END

31 December

ANNUAL GENERAL MEETING

May

REPORTS AND ACCOUNTS PUBLISHED

Announcement of annual results
Integrated report and annual financial statements
Interim report for the six months ended 30 June

March
April
August

DISTRIBUTIONS

Final dividend declaration
Payment
Interim dividend declaration
Payment

March
April/May
August
September/October

ANNEXURE: ACRONYMS

ADX	K2018621183 (South Africa) Proprietary Limited
Amakhala SPV	Amakhala Emoyeni RE Project 1 (RF) Proprietary Limited
Anglo	Anglo South Africa Capital Proprietary Limited
BEE	Black economic empowerment
BEE Parties	External shareholders of Eyesizwe
Black Mountain	Black Mountain Proprietary Limited
Cennergi	Cennergi Proprietary Limited or Cennergi group of companies
Chifeng	Chifeng NFC Zinc Co. Limited
Companies Act	Companies Act No 71 of 2008, as amended
Curapipe	Curapipe Systems Limited
DMRE	Department of Mineral Resources and Energy
DMTN	Domestic Medium-Term Note
Dorstfontein	Dorstfontein Coal Mines Proprietary Limited
EBITDA	Net operating profit before interest, tax, depreciation, amortisation, impairment charges or impairment reversals and net losses or gains on the disposal of assets and investments (including translation differences recycled to profit or loss)
ECC	Exxaro Coal Central Proprietary Limited or ECC group of companies
ECL(s)	Expected credit loss(es)
ESD	Enterprise and supplier development
Exxaro	Exxaro Resources Limited
Eyesizwe	Eyesizwe (RF) Proprietary Limited, a special purpose private company which has a 30.81% (2020: 30%) shareholding in Exxaro
Ferroland	Ferroland Grondtrust Proprietary Limited
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
GWh	Gigawatt hour
HEPS	Headline earnings per share
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard(s)
Insect Technology	Insect Technology Group Holdings UK Limited
JIBAR	Johannesburg Interbank Average Rate
JSE	JSE Limited
JV	Joint venture
LightApp	LightApp Technologies Limited
Listings Requirements	JSE Listings Requirements
LoM	Life of mine
Mafube	Mafube Coal Proprietary Limited

ANNEXURE: ACRONYMS continued

NCI(s)	Non-controlling interest(s)
OCI	Other comprehensive income
Overlooked Colliery	Overlooked Colliery Proprietary Limited
Prime Rate	South African prime bank rate
PwC	PricewaterhouseCoopers Incorporated
RBCT	Richards Bay Coal Terminal Proprietary Limited
Rbn	Rand billion
Rm	Rand million
SAICA	South African Institute of Chartered Accountants
SIOC	Sishen Iron Ore Company Proprietary Limited
SPA	Sale and purchase agreement
SSCC	Semi-soft coking coal
Thungela	Thungela Resources Limited through its subsidiary South Africa Coal Operations Proprietary Limited
TiO₂	Titanium dioxide
Tronox	Exxaro's investment in Tronox entities
Tronox SA	Tronox KZN Sands Proprietary Limited and Tronox Mineral Sands Proprietary Limited
Tsitsikamma SPV	Tsitsikamma Community Wind Farm Proprietary Limited
Tumelo	Tumelo Coal Mines Proprietary Limited
UK	United Kingdom
US\$	United States dollar
VAT	Value Added Tax
WANOS	Weighted average number of shares



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