

Remuneration report

PART I – background statement

Philosophy

Our strategic objectives can only be delivered with the foresight, dedication and hard work of our employees. The company competes in a small talent pool for a limited set of skills in the global and South African mining industries.

The remuneration committee assists the board by applying a remuneration strategy that ensures a balance in attracting, motivating, rewarding and retaining human capital through competitive remuneration practices, while creating shareholder value. The committee approved a remuneration policy that gives effect to the remuneration strategy, supports business objectives in the wider operating environment and offers a balanced remuneration mix in line with our goals.

Connecting performance and remuneration

Fair and responsible pay

ARM is committed to fair, responsible and transparent pay. Our remuneration levels are aligned with the performance of the economy, and the specific performance of the company and our people. We focus on elements such as the company's values, culture, talent management, workforce planning, and competitive benefits and remuneration to ensure our policies and practices compare well against local and international

practices. ARM takes steps to address the gap between remunerating executives and employees at the lower end of the pay scale, and the committee monitors these developments.

The company monitors the pay gap between the remuneration of our most highly paid employees to the lowest-paid employees as part of our approach to fair and responsible remuneration. As there is currently considerable research and debate on identifying a statutory measure of the pay gap, we will await finalisation of this process so that our reporting is consistent.

Fixed pay

The board approved cost-to-company salary increases in the corporate office from 1 July 2021 based on the current and forecast consumer price index (CPI), as follows:

PATERSON GRADE	ROLE	F2022 increase	F2021 increase
F-band	• Executives (including executive directors)	5.2% CPI*	3% (CPI)
E-band	• Senior management	6.2% (CPI + 1%)	4% (CPI + 1%)
D-band	• Middle management		
A to C-bands	• General staff	7.2% (CPI + 2%)	5% (CPI + 2%)

* CPI of 5.2% as at May 2021 as published by StatsSA.

At the bargaining-unit level for our managed operations wage agreements for A to C-bands provided for 2020 increases of 6% to 7% depending on the band. Modikwa, Machadodorp Works and Two Rivers C-band bargaining units have multi-year agreements which provided for 2021 increases of 6% to 7% depending on the band. Wage agreements for employees at Two Rivers in the A and B-bands and Cato Ridge Works as well as the Northern Cape mines' labour forces expired on 30 June 2021 and negotiations are underway. Percentage increases for these employees will be reported in 2022.

Employee benefits as a percentage of cost-to-company are the same for all employees, subject to certain employee elections.

Fair and responsible

Taking care of our employees

We aim to maximise our employee value proposition. We are committed to offering a market-related, competitive, fair and at least living wage to all employees. We operate various wellness programmes to support our employees' mental health and wellbeing.

Monitoring our fair and responsible pay

We periodically monitor the pay gap, enhance policies supporting gender mainstreaming in the workplace and develop more robust employment equity plans and targets. Percentage increases granted to our more junior employees generally exceed those granted to management and executives.

Pay-for-performance

We focus on pay-for-performance in designing our variable pay structures, particularly at senior levels. Our in-house performance-enhancing system creates an opportunity to contract on performance goals, review performance, track developmental areas, assess performance and reward appropriately. This process also promotes staff engagement, constructive feedback for development and performance improvement.

Training and developing our talent

We invest in the development and skills of our employees to maximise learning potential through study assistance and bursaries as well as career-development opportunities based on our talent management strategy.

Specific measures to mitigate the impact of Covid-19 on employees and other stakeholders are set out more fully in the occupational health and wellness section on page 81.

Short-term incentives

Short-term incentive outcomes are linked to the company's performance, which reflects management's initiatives to contain costs and improve efficiency:

- Group F2021 profit before interest and taxes (PBIT) was 237% above target
- Profit targets were met at all operations (ie ARM Ferrous, ARM Platinum and ARM Coal)
- Overall, ARM Platinum and ARM Ferrous performed well on cost targets
- Costs at ARM Coal were worse than planned
- Notwithstanding the improvement in the lost-time injury frequency rate, regrettably there were two fatalities (at Modikwa) in F2021. The fatality adjusted safety modifier for ARM Platinum was 1.67%
- The safety modifier target of 10% after adjustment for fatalities was achieved at ARM Ferrous and ARM Coal. The overall group safety modifier adjusted for fatalities was 8.75%.
- A personal performance modifier has been applied after a cash bonus was calculated for each senior executive, except for the executive chairman and chief

executive officer. If key performance indicators (KPIs) are met, they may achieve up to an additional 10% of their bonus. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers apply to the short-term incentives payable to the executive chairman and chief executive officer, as their performance is best measured by the performance of the company.

Benchmark

A benchmarking study by the remuneration consultants, Bowmans, showed that the remuneration of senior executives was generally in line with the market. ARM's short-term incentives tend to be below the market median while long-term incentives tend to be above.

Long-term incentives

Outcomes are linked to the company's performance. Performance shares settled in F2021 under The African Rainbow Minerals Limited 2008 share plan (2008 share plan) were based on ARM's ranking against the total shareholder return of its peers. The company has not made any awards under the 2008 share plan since 2018.

Settlements of share options and bonus shares awarded in terms of the previous policy reflect share price movements which are also linked to performance.

Remuneration report continued

2018 conditional share plan

- Shareholders approved the plan, aligned with good practice, to be used for all new long-term incentive awards to senior executives at the 2018 annual general meeting
- Salient features of the 2018 conditional share plan include:
 - Conditional rights to ARM shares, ie conditional shares will be awarded to eligible participants (with no voting or dividend rights until the conditional shares vest and become unrestricted)
 - Performance and employment conditions apply to all awards vesting
 - A limit of 5% of the issued share capital of the company, which is intended to cover awards made over five to ten years under the plan
 - Termination-of-employment (fault and no-fault terminations) provisions are aligned to global good practice
 - Malus (pre-vesting forfeiture) and clawback (post-vesting forfeiture) provisions apply to awards on certain 'trigger events'. In terms of clawback, the pre-tax cash value of the award will be recouped
 - Dividend-equivalent shares will be determined when conditional shares vest
 - Carbon emission targets apply to:
 - Emissions from direct production activities (scope 1 emissions) and
 - Emissions from electricity consumption (scope 2 emissions).

2018 cash-settled conditional share plan

- In December 2018, the board approved a new long-term incentive plan for awards to management other than senior executives
- The provisions of the 2018 cash-settled conditional share plan are similar to those of the 2018 conditional share plan, but awards are settled in cash rather than shares.



Stakeholder engagement

At the 2020 annual general meeting, the non-binding advisory votes on ARM's remuneration policy and implementation report were each supported by 97.76% of shareholders who voted at the meeting.

Although we were well above the 75% voting threshold for both the remuneration policy and implementation report, we take shareholder feedback seriously and strive to continuously engage with our shareholders. Below, we set out the main areas of feedback on remuneration.

Stakeholder engagement on voting

FEEDBACK	ACTIONS TAKEN/RESPONSE TO FEEDBACK
Short-term incentives – safety modifier: The safety modifier applied to the bonus framework is based on the lost-time injury frequency rate for the divisions/operations and bonuses are payable despite recorded fatalities at the operations.	The company is committed to zero harm. Recorded fatalities have been factored into the safety modifier for the year under review. For future bonuses, after the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier taking into account the context of such fatalities.
Short-term incentives – targets: Only high-level performance conditions were provided for the short-term incentive, without disclosing specific targets.	Performance targets are not disclosed; this is viewed as commercially sensitive information for various reasons, including that targets are based on budget and the company is required to adhere to confidentiality restrictions in some contractual agreements.
Short-term incentives – budget: Performance targets measured against budget are not considered transparent.	It is acknowledged that measuring against budget is not transparent, however, given the significant effect of commodity prices and changes in geology on profits, using a growth factor on previous profit is not a viable measure. In addition as discussed above, this information is considered commercially sensitive. The committee monitors the short-term incentive scheme to ensure its implementation is aligned with the strategic objectives of the company.
Long-term incentives – total shareholder return: Limited disclosure about the vesting scale, exact targets governing vesting in the total shareholder return analysis and the weight of total shareholder return as a performance condition.	For awards made prior to December 2018, vesting was possible for performance below the median of the peer group, in terms of the graphs on the following pages. For settlements of performance shares in F2021, no vesting occurred below median. In line with global practice, vesting below median has not been permitted since shareholders adopted the 2018 conditional share plan and relative total shareholder return now only constitutes 25% of total performance conditions.

Remuneration report continued

Commitment

We continuously monitor the effectiveness and implementation of the remuneration policy, strategy and practices. Should we receive a vote of 25% or more against either at the 2021 annual general meeting, the board commits to:

- An engagement process in line with JSE Listings Requirements to ascertain reasons for dissenting votes
- Appropriately address legitimate and reasonable objections and concerns.

Changes in remuneration policy

Stakeholder engagement on remuneration matters and proactively maintaining regular, transparent and informative dialogue with our stakeholders is important. The committee therefore considered developments in global best practice as well as feedback from shareholders during the financial year.

Accordingly, on the committee's recommendation, changes to the climate change performance targets in the remuneration policy have been approved. As noted by my colleague, the chairman of the social and ethics committee (page 4), ARM has set a target of net zero greenhouse gas emissions from mining by 2050. As a first step towards this long-term company target, we have set appropriate climate-change performance targets that apply to awards to be made in F2022 in terms of the 2018 conditional share plan and 2018 cash-settled conditional share plan for the three-year performance period from 1 July 2021 to 30 June 2024. However, we fully understand that our 2050 goal will require a more profound change in the way we work and this can only be implemented over a longer period. Accordingly, we are working on more specific targets that will incrementally and collectively enable ARM to achieve its longer-term objective. We will communicate these details in the F2022 remuneration report.

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

The remuneration policy achieved its stated objectives in F2021 and will continue to lead to performance outcomes that generate real long-term value for our shareholders.

AD Botha

Chairman of the remuneration committee

About the remuneration report

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

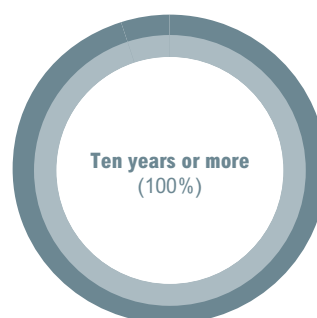
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Remuneration governance framework

Composition

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

Tenure



The committee comprises only independent non-executive directors. The board is confident that committee members have a strong blend of expertise and experience in the financial, business, mining and human capital fields.

Meetings

Three committee meetings were held in F2021. See meeting attendance summary on page 120.

The chairman of the committee attends annual general meetings to answer questions from shareholders on the remuneration policy and its implementation.

Invitees

The chief executive officer, finance director, executive director: investor relations and new business development, group executive: human resources and group executive: legal attend committee meetings by invitation and assist the committee in its deliberations, except when their own remuneration is discussed. Invitees do not vote at meetings. No directors were involved in approving their own remuneration.

Advisers

In F2021, the committee was advised by remuneration consultants, PricewaterhouseCoopers (PwC), on the implementation and verification of calculations for offers and awards under the long-term incentive schemes. Bowmans advised the committee on remuneration of non-executive directors and senior executives as well as amendments to the short-term incentive scheme, implementation of the long-term incentive scheme and the policy on fees for ad hoc meetings. Bowmans communicated directly with the committee. Korn Ferry provided advice on principles of

performance management and calibrating performance scores. Deloitte provided assurance on some elements of executive remuneration. The committee is satisfied that Bowmans, PwC, Deloitte and Korn Ferry were independent and objective.

Functions

Purpose

The committee assists the board with its responsibility for setting ARM's remuneration policies to ensure these are aligned with its business strategy and create value for ARM over the long term. It also assists the board in promoting a culture that supports enterprise and innovation with appropriate short-term and long-term performance-related rewards that are fair and achievable. The committee considers and recommends remuneration policies for senior executives.

Functions and responsibilities

The remuneration committee performs the functions and responsibilities necessary to fulfil its stated purpose.

Amendments to its terms of reference were approved by the board in 2021. The committee's mandate includes:

- Ensuring that, in developing the company's remuneration policies, the mix of fixed and variable remuneration in cash, shares and other elements of remuneration meets ARM's business needs and promotes its strategic objectives, with an appropriate balance between short-term and long-term incentives
- Ensuring that performance targets in all occupational categories in ARM are set and monitored
- Reviewing the results of independent third-party benchmarking surveys of the remuneration packages of executive directors, other senior executives and the group company secretary and governance officer as well as non-executive directors' fees
- Reviewing and recommending specific remuneration packages for executive directors, senior executives and the group company secretary and governance officer to the board for approval, including base salaries
- Recommending to the board cash performance bonuses to be awarded to executive directors, senior executives and the group company secretary and governance officer, taking cognisance of job descriptions and the performance of ARM against budgetary and strategic objectives as approved by the board
- Regularly reviewing and recommending changes to ARM's long-term (share-based) incentive schemes to ensure the continued contribution of executive directors and other senior executives to shareholder value
- Considering and making recommendations to the board on any proposed cash bonus schemes or long-term (share-based) incentive schemes or amendments to any existing schemes for executive directors, senior executives and group company secretary and governance officer

- Recommending to the board grants or awards to be made to executive directors, other senior executives and the group company secretary and governance officer under ARM's long-term share-based incentive schemes
- Satisfying itself on the accuracy of recorded performance measures that govern the vesting of long-term (share-based) incentives
- Ensuring management develops appropriate employee benefit policies for the company.

Focus and adding value in F2021

The scheduled work plan was followed, with a normal cycle of activities and additional duties that included:

- Monitoring the ongoing impact of the pandemic on executive remuneration
- Amendments to the short-term incentive scheme:
 - To mitigate the risk for F2021 from the pandemic, including a cap on the maximum bonus payable
 - To provide that the board will further consider any fatalities during the year and adjust the modifier taking into account the context of such fatalities
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and other senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Overseeing preparation of the remuneration implementation report.

Focus areas for F2022

- Recommending corporate bonus parameters for F2022 to the board
- Reviewing climate change targets
- Recommending to the board annual increases in the base salaries of executive directors and other senior executives
- Recommending to the board short-term incentives (ie bonuses) payable to executive directors and senior executives
- Recommending the board retainer as well as board and committee meeting attendance fees for non-executive directors, for submission to shareholders
- Reviewing the provisions for termination of employment in the 2018 conditional share plan and the 2018 cash-settled conditional share plan
- Overseeing preparation of the remuneration implementation report
- Monitoring the ongoing impact of the pandemic on executive remuneration.

Remuneration report continued

PART II – overview of main provisions of the remuneration policy

Remuneration philosophy and policy: executive remuneration

Principles of executive remuneration

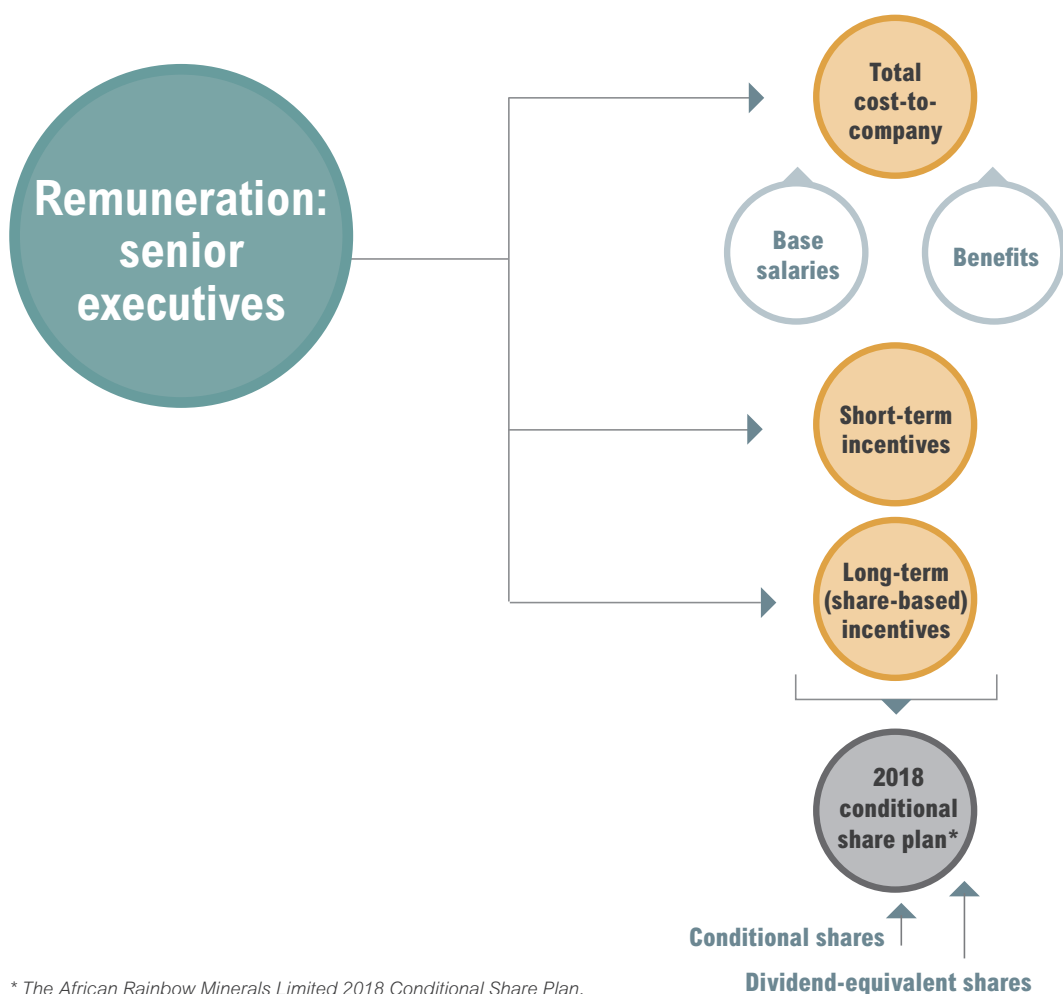
ARM's executive remuneration philosophy aims to attract and retain high-calibre executives and to motivate and reward them for developing and implementing the company's strategy of delivering consistent and sustainable shareholder value. In addition, ARM promotes positive outcomes, an ethical culture and corporate citizenship in decisions on pay.

The remuneration policy conforms to international best practice and is based on the following principles:

- Total cost-to-company of base salary plus benefits
- Competitive, incentive-based rewards compared to other employers in the mining and mineral resources sector, earned by achieving performance targets consistent with shareholder expectations over the short and long term:

- Short-term incentives, ie cash bonuses based on performance measures and targets, and structured to reward effective operational performance
- Long-term (share-based) incentives used to align the long-term interests of management with those of shareholders and responsibly implemented to avoid exposing shareholders to unreasonable or unexpected financial impact.

Elements of total executive remuneration design



Total cost-to-company (CTC)

Policy

Base salary

Benchmarked against market practices of South African mining companies comparable in size, business complexity and international scope

Generally reflects market median levels based on role, individual skills and experience.

Implementation

- Paid monthly in cash
- Reviewed annually, with changes from 1 July, where applicable
- Increases are determined by market conditions, company performance, individual performance and changes in responsibilities, among others
- Salary increases for F2022 of 5.2% for executives approved for F2021 from 1 July 2021 (F2021: 3%)
- Key component of a total CTC package, including benefits. ARM periodically participates in industry-wide surveys. Participation in short-term and long-term incentive schemes is determined on the basis of, and in addition to, the CTC package.

Pension fund

Membership of ARM Pension Fund is compulsory. Senior executives, if already members of a recognised industrial pension/retirement fund such as Sentinel, may remain members of that fund.

- Contributions are made by senior executives from base salary. Total contribution to the fund is either 22.5%, 25% or 27.5% of pensionable salary. This includes risk benefits such as life and disability cover as well as administration costs
- The ARM Pension Fund is:
 - Managed by six trustees – 50% appointed by ARM and 50% elected by members. Appointed and elected members may also appoint or elect alternatives
 - Administered by Alexander Forbes
 - A defined contribution fund.

Medical schemes

Membership of a medical scheme is compulsory.

- Executives may participate in a managed medical aid plan of their choice
- Contributions are made by senior executives from their base salary.

Other benefits and conditions of employment

All other conditions of employment are comparable to companies in the mining and mineral resources sector. No special or extraordinary conditions apply to senior executives.

Short-term incentives

Policy

Short-term incentives (cash bonuses) are determined under a bonus scheme that rewards senior executives for sustained outperformance of cost and profitability targets set annually for the company's business, and safety performance in terms of its strategy.

Instrument

Cash under the outperformance bonus scheme.

Remuneration report continued

Short-term incentives continued

Bonus percentages

After considering a recommendation from ARM's remuneration consultants to mitigate the risk in F2022 amid ongoing uncertainty due to the pandemic and its impact on global economic conditions, the maximum bonus payable in F2022 will be capped as in F2021 to 2 times on-target bonus multiple. The multiple applicable to each performance measure (being annual profit before interest and taxes (PBIT) and unit costs) will be used to determine a bonus multiple of between 0 times and 3 times depending on the F2022 actual performance relative to targets set for F2021. These multiples will each be weighted by 50% and added together to determine the overall bonus multiple. If this overall bonus multiple is more than 2 times, it will be capped at 2 times. For F2022 bonuses, the short-term incentive on-target and maximum percentages of CTC, before applying safety and personal performance modifiers, are shown below:

Position	Paterson grade	F2021 % on-target bonus of CTC	F2021 maximum bonus as % of CTC
Executive chairman	FU	62%	124%
Chief executive officer	FU	50%	100%
Finance director, other executive directors and senior executives	FL	45%	90%
Operational senior executives in ARM Ferrous, ARM Platinum and ARM Coal	FL	45%	90%

Performance measurement

For the executive chairman, chief executive officer, finance director, other executive directors and other senior executives (excluding those from ARM Ferrous, ARM Platinum and ARM Coal), financial performance indicators are calculated as:

- 50% – profit from operations
- 50% – unit cost of sales (a weighted scorecard).

For operational senior executives, financial performance indicators are calculated for each division as:

- 25% – ARM overall profit from operations against target
- 25% – ARM overall unit cost of sales against target (a weighted scorecard)
- 25% – divisional profit from operations against target
- 25% – divisional unit cost of sales against target (a weighted scorecard).

The following divisional unit cost of sales will be measured:

- Manganese
- Iron ore (Beeshoek and Khumani separately)
- Ferromanganese (Machadodorp)
- Ferromanganese (Cato Ridge)
- Nickel
- Platinum (Modikwa)
- Platinum (Two Rivers)
- Coal (Goedgevonden)
- Coal (Participative Coal Business).

The combined percentage (achieved by each senior executive) is applied to their CTC to determine the potential cash bonus.

Safety modifier

A safety modifier is applied after a cash bonus has been calculated for each senior executive. This is based on the lost-time injury frequency rate for each division or operation. If the safety target is met, participants will receive an additional 5% of their cash bonus.

There is a sliding scale for outperformance or underperformance for each division or operation:

- If participants outperform their targets by 10% or more, they will receive an additional 10% of their cash bonus
- If safety targets are not met, between 1% and 10% would be deducted for each percentage point below target, to a maximum 10% deduction.

After the safety modifier has been determined on the basis of the lost-time injury frequency rate performance for the year, the board will further consider any fatalities for the year and, at its discretion, adjust the modifier taking into account the context of such fatalities.

Short-term incentives continued

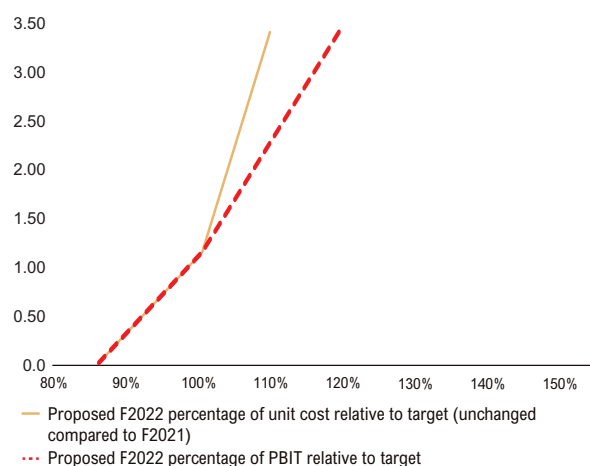
Performance targets

The targets for each metric are in line with the board-approved one-year business plan, and measures are reviewed annually to ensure they are appropriate, given the economic climate and performance expectations for the company. As targets are related to the budget and considered commercially sensitive information, they are not disclosed. F2022 PBIT targets relative to F2021 PBIT targets are set out below. F2022 cost target percentages remain unchanged compared to F2021.

%	F2022 PBIT targets*
ARM group	+98%
ARM Ferrous	+92%
ARM Platinum	+110%
ARM Coal	(7%)

* Based on approved F2022 plan relative to F2021 targets. The F2022 plan will be trued up for opening balances.

F2022 BONUS STRUCTURE



Personal performance modifier

A personal performance modifier is applied after a cash bonus has been calculated and the safety modifier applied for each senior executive, except the executive chairman and chief executive officer. If KPIs are met, up to an additional 10% of their bonus may be achieved. If KPIs are not met, up to 30% of their bonus will be forfeited. No personal performance modifiers are applicable to the short-term incentives payable to the executive chairman and the chief executive officer, because their performance is best measured by the performance of the company.



Remuneration report continued

Long-term incentives

2018 conditional share plan (F2022)

The 2018 conditional share plan is aligned with global practice and has been used for all new long-term incentive awards since the 2018 annual general meeting.

Policy

This plan closely aligns the interests of shareholders and senior executives by recognising their contributions to the group, giving them the opportunity to share in its success, and reward superior performance. This plan is used as a tool to incentivise performance and create shareholder value.

Limits

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

Eligibility

Employees in the corporate office on Paterson grade D-F bands are eligible to participate in the 2018 conditional share plan. The primary intent is to make awards to executive and senior management, although awards may be made to other employees with the consent of the remuneration committee.

Instrument

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

Award and settlement

Conditional share awards may be made on an annual or interim basis to reduce the risk of unanticipated outcomes due to share-price volatility and cyclical factors. Conditional shares will vest after three years, subject to meeting predetermined performance criteria, and settled in equity or cash should it not be practical or possible to settle in ARM shares.

Allocation levels

Executive chairman – 2.0 x total CTC
Chief executive officer – 1.67 x total CTC
Finance director, other executive directors and prescribed officers – 1.33 x total CTC
Senior executives – 1.0 x total CTC

Dividend-equivalent shares

Dividend-equivalent shares, for conditional shares, are awarded at the discretion of the board. They are the number of ARM shares equal in value to dividends a participant would have earned if they owned the vested number of ARM shares from award date to vesting date of the conditional shares with reference to the dividend record dates in that period.



2018 conditional share plan (F2022) continued

Performance conditions and vesting

Performance conditions*	Weight	Threshold	Target	Stretch	Climate-change performance targets Description of targets: absolute reduction in greenhouse gas emissions through initiatives that reduce: - Emissions from direct production activities (ie scope 1 emissions) and - Emissions from electricity consumption (ie scope 2 emissions) due to emission-reduction initiatives determined at the end of the performance period from 1 July 2021 to 30 June 2024 (F2022 performance period), relative to the saving for F2021. Threshold: maintain the level of savings in F2021, ie maintain initiatives implemented since F2018 and still actively reducing emissions at the beginning of the F2022 performance period (50% vesting). Target: 2% further absolute reductions in aggregate of scope 1 and 2 emission levels at the end of the F2022 performance period against the level of savings at the beginning of the F2022 performance period (100% vesting). Stretch: equal to or greater than 3% further absolute reduction in aggregate of scope 1 and 2 emission levels at the end of the F2022 performance period against the level of savings at the beginning of the F2022 performance period (200% vesting). Measurement: measurement of the above-mentioned performance targets is based on reductions relative to a business as usual baseline. The approach is based on an industry accepted methodology (ie the GHG Protocol Policy and Action Standard).
Relative total shareholder return (TSR) against a comparator group of 20 mining companies (excluding gold and diamond companies).*	25%	Threshold and target is set at the median of the comparator group (100% vesting)		Upper quartile of the comparator group (200% vesting)	
Average free cash flow return on equity US\$ operating free cash flow/ US\$ equity over the three-year performance period, where operating free cash flow (for the year) is defined as: Net increase/decrease in cash and cash equivalents Plus dividends paid to shareholders and non-controlling interest Plus expansion capital expenditure Plus repayments of debt.	25%	US\$ cost of equity of the company (50% vesting)	US\$ cost of equity of the company +3% (100% vesting)	US\$ cost of equity of the company +6% (200% vesting)	
Consistent and sustainable cost performance as measured against the mining producer price index (PPI). Compound annual growth rate of the company's unit costs over the three-year performance period compared to mining PPI.	25%	Increase equal to mining PPI (50% vesting)	90% of the increase equal to mining PPI (100% vesting)	80% of the increase equal to mining PPI (200% vesting)	
Sustainable business Improved safety performance as measured by the lost-time injury frequency rate (LTIFR)	10%	Improvement of 3% over the period (50% vesting)	Improvement of 4% over the period (100% vesting)	Improvement of 5% over the period (200% vesting)	
Improvement in the B-BBEE score	10%	Maintain current level (50% vesting)	Improvement of 2% (100% vesting)	Improvement of 5% (200% vesting)	
Environmental compliance (see climate-change performance targets alongside)	5%				

* Should an event occur at any point during the performance period which causes the board to consider that a performance condition is no longer appropriate, the board may substitute or vary the performance condition in such a manner that is reasonable in the circumstances and produces a fairer measure of performance that is not materially less or materially more difficult to satisfy.

Remuneration report continued

Long-term incentives continued

2018 conditional share plan (F2022)

Vesting

There will be 0% vesting for the applicable performance measure if performance is below threshold. Linear interpolation will be applied for performance between threshold/target, and target/stretch. Vesting is capped at 200% for performance at and above stretch.

Termination of employment

If a senior executive leaves due to a fault termination, eg resignation or dismissal, all unvested awards will be forfeited. If they leave due to retirement, unvested awards will vest on the basis of the original dates and performance conditions, without pro-rating. If they leave due to other no-fault terminations, eg retrenchment or death, the number of conditional shares vesting will be pro-rated against performance and time served.

Malus and clawback

At the discretion of the board, malus (pre-vesting forfeiture) and clawback (post-vesting forfeiture) provisions will be applied to awards to senior executives on certain 'trigger events', including action or conduct which, in the reasonable opinion of the board, amounts to misbehaviour, fraud or gross misconduct. In terms of clawback, the pre-tax cash value of the award would be recouped.

Long-term incentives (Legacy schemes)

ARM no longer makes allocations under the legacy schemes set out below. Outcomes are detailed in part III.

Performance shares (last allocation in F2019)

Policy

Was designed to align the interests of shareholders and senior executives by rewarding superior performance and encouraging them to build a shareholding in the company. The performance criteria incentivised creating shareholder value.

Instrument

Performance shares under The African Rainbow Minerals Limited 2008 share plan (the 2008 share plan).

Award policy and vesting period

Performance shares under the 2008 share plan were conditional rights to shares typically awarded annually to reduce the risk of unanticipated outcomes from share price volatility and cyclical factors.

Performance criteria

For awards made from May 2015, total shareholder return (TSR) in terms of the JSE Limited Resources 10 Index (RESI 10) and the 20-day volume weighted average price (VWAP) were used to determine the number of performance shares that vest. The RESI 10 was discontinued from December 2015, after which the number of companies in the peer group was increased to 20 (excluding gold and diamond companies). From May 2017, the performance measurement graph was clarified to provide for situations where there were less than 20 mining companies in a peer group. The comparator groups for benchmarking were selected through a rigorous process to ensure the overall competitiveness of ARM's remuneration.

Performance measurement

Vesting is based on a sliding scale of achieving the performance criteria as determined by an independent third party, the company's remuneration consultants.

Long-term incentives (Legacy schemes) continued

Vesting period

Performance shares conditionally awarded to senior executives after 1 November 2011 and before 1 November 2014: shares vest and are settled after a period of four years, subject to achieving predetermined performance criteria.

Performance shares conditionally awarded to senior executives after 1 November 2014: shares vest and are settled after a period of three years, subject to achieving predetermined performance criteria.

Bonus shares (last allocation in F2019)

Design policy

Policy designed to align the interests of shareholders and senior executives by rewarding superior performance and encouraging them to build a shareholding in the company. The bonus performance criteria incentivised creating shareholder value.

Instrument

Bonus shares under the 2008 share plan.

Award policy

Bonus shares are conditional rights to shares that were allocated annually, as determined by a specified ratio of the annual cash incentive accruing to senior executives.

Other than bonus shares granted under the deferred bonus share/co-investment scheme and the waived bonus method (F2015 and F2016), no bonus shares have been granted since 2015.

Vesting period

Bonus shares granted to senior executives after 1 November 2011 and before 1 November 2014: shares vested and were settled after four years. Bonus shares granted to senior executives after 1 November 2014: shares vested and were settled after four years.

Bonus shares granted to senior executives after 1 November 2014: shares vest and are settled after three years.

Deferred bonus/co-investment scheme (last allocation in F2019)

Policy

The purpose of this scheme under the 2008 share plan was to align the interests of shareholders and senior executives by rewarding superior performance, encouraging senior executives to build a shareholding in the company and enhancing the retention potential of senior executives.

A final award of bonus shares and a matching number of performance shares under the 2008 share plan was made in November 2018 prior to adopting the 2018 conditional share plan by shareholders in December 2018.

Instrument

Bonus shares (for deferred bonus) and performance shares (for matching performance shares) under the 2008 share plan.

Operation

Senior executives could invest in additional bonus shares that were matched by the company with the equivalent number of performance shares under the terms and conditions of the 2008 share plan.

Award policy

- Scheme prior to F2017: senior executives could defer 25%, 33% or 50%.
- Scheme from F2017: senior executives could defer 25%, 33%, 50%, 75% or 100%.
- There have been no awards using this method since F2019.

Vesting period

The vesting periods of deferred bonus shares and matching equivalent number of performance shares are three years.

Remuneration report continued

Long-term incentives (Legacy schemes) continued

Waived bonus method (last allocation in F2017)

Policy

This method was designed to align the interests of shareholders and senior executives by rewarding superior performance, encouraging senior executives to build a shareholding in the company, and enhancing the retention characteristics of the bonus reward of senior executives. The final award under this policy was settled in F2020.

Instrument

Bonus shares (for 100% of the value of the waived 2016 bonuses) and performance shares (for matching equivalent number of performance shares) in terms of the 2008 share plan.

Award policy

In advance of the 2016 bonus being quantified or declared, and before any such bonus accrued, the executive chairman elected to waive and receive delivery of 100% of the value of any cash bonus that might accrue to him for the 2016 performance year, pre-tax, in the form of 100% of the value of the waived 2016 bonus in bonus shares and matching equivalent number of performance shares. There have been no awards using this method since 2016.

Vesting period

The vesting periods of waived bonus shares and matching equivalent number of performance shares are three years.

Share options (last allocation in F2014)

Policy

Policy designed to align the interests of shareholders and senior executives by encouraging senior executives to build a shareholding in the company.

Instrument

Share options under The African Rainbow Minerals Share Incentive Scheme (the scheme).

Net settlement

The scheme was amended in December 2010 to allow the company to offer participants the opportunity to net settle share options when they exercise these.

Vesting period

Share options vested in total on the third or fourth anniversary of their allocation. The final allocation in the scheme vested in F2018. Senior executives may elect to defer exercising any share option until the eighth anniversary of its allocation, after which it lapses.

Termination policy

Executive directors and prescribed officers have one month's notice period in their employment contracts. Executive agreements do not include restraint provisions on termination. The termination policy is set out on page 163.



Termination policy

Form of remuneration	Resignation	Retirement	Dismissal	Retrenchment/transfer	Death
Cost-to-company					
Basic salary	One month's notice pay	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment	Paid until last day of employment
Benefits including medical/pension	Paid until employment ceases	Pension payout under rules of pension fund scheme	Paid until employment ceases	Paid until employment ceases	Paid until last day of employment
Outperformance bonus scheme					
Short-term incentive (cash bonus)	No entitlement to bonus	Entitled to pro-rata bonus, paid at financial year end	No entitlement to bonus	Entitled to pro-rata bonus, paid at financial year end	Entitled to pro-rata bonus, paid at financial year end
2008 share plan					
Performance shares (awards)	Considered a fault termination: all unvested awards cancelled*	Considered a no-fault termination: awards are settled on vesting if performance criteria are met	Considered a fault termination: all unvested awards cancelled*	Considered a no-fault termination: all awards are settled pro rata for the period until vested	Considered a no-fault termination: all awards are settled pro rata for the period until vested
Bonus shares (grants)	Considered a fault termination: all unvested grants will be deemed cancelled*	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment, and settled as soon as possible	Considered a fault termination: all unvested grants will be deemed cancelled*	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment and settled as soon as possible	Considered a no-fault termination: all grants will be deemed to have vested on date of terminating employment and settled as soon as possible
Share scheme					
Share options	Within 45 days of terminating employment to exercise vested share options	Retirement does not accelerate vesting and share options may not be exercised later than the eighth anniversary of issue date	All share options lapse*	Vested share options may be exercised within one year of terminating employment	Vested share options may be exercised within one year of date of death, and board may grant a further one-year period
2018 conditional share plan					
Conditional shares	Considered a fault termination, subject to the board's discretion: all unvested awards forfeited	As a rule, awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible. Some exceptions apply: - Where retirement is elected as the cause of terminating - Employment in instances that would be deemed a "fault termination", retirement will be treated as a fault termination and awards will be forfeited. - Early retirement by default is considered a fault termination, and all unvested awards forfeited. However, the board retains the discretion to designate an early retirement as a normal retirement, and thus a no-fault termination	Considered a fault termination: all unvested awards forfeited	Considered a no-fault termination: awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible	Considered a no-fault termination: awards will vest pro rata, according to time served and extent to which performance conditions have been met. Vested awards will be settled as soon as possible

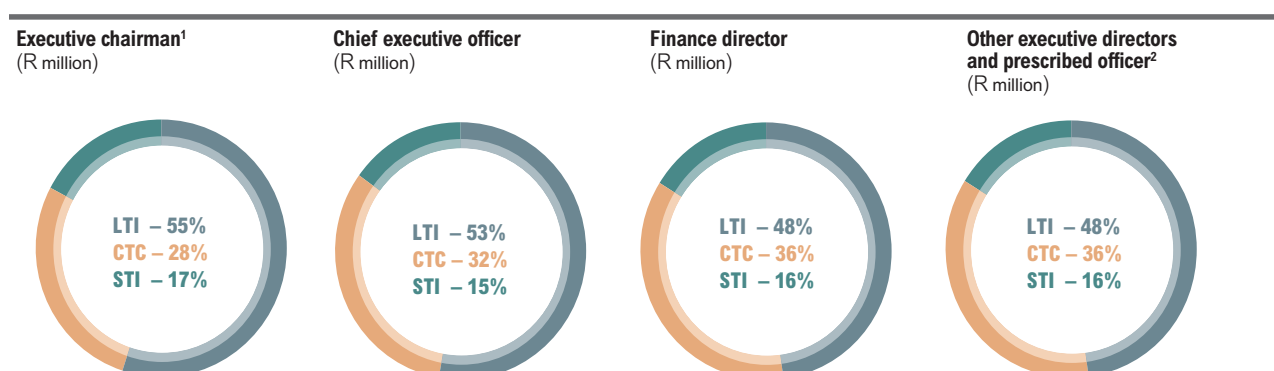
* Unless the board determines otherwise.

Remuneration report continued

Total remuneration design: F2022

The remuneration committee seeks to ensure an appropriate balance between the fixed and performance-related elements of executive remuneration, and between aspects of the package linked to short-term financial performance and those linked to long-term shareholder value creation. It considers each element of the total remuneration package relative to the market as well as the performance of the company and individual executive in determining both quantum and design.

The scenario graphs represent the on-target total remuneration packages of senior executives, where the base salary CTC, bonus (short-term incentives) and long-term incentives are expressed as a percentage of total remuneration. The pay mix for senior executives is reviewed regularly by the committee to ensure it supports the company's remuneration policy and strategic objectives.



CTC = total annual package before incentives (ie cost-to-company).

STI = short-term incentive.

LTI = long-term incentive (excluding any movement in share price).

¹ Total annual package before incentives, excludes non-cash benefits.

² Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula. For Mr Joubert, the total annual package before incentives excludes non-cash benefits.

Shareholding targets for senior executives

To further align management's interests with those of shareholders and to encourage long-term commitment to the company, senior executives are expected to accumulate a holding of shares in ARM. They have been required to build a minimum shareholding in ARM shares from October 2015, or three years after the first allocation on becoming a senior executive, equivalent to 1 times pensionable salary determined at the date of allocation. This is followed by another period of three years to build a further shareholding of 1 times pensionable salary for a total of 2 times pensionable salary. Senior executives are required to maintain the number of shares while employed by ARM.

Employment agreements

There are employment agreements between the company and executive directors, namely Dr PT Motsepe (executive chairman), Messrs MP Schmidt (chief executive officer), HL Mkatshana (executive director and chief executive: ARM Platinum, also responsible for ARM Coal), and Ms J Magagula (executive director: investor

relations and new business development). Ms AM Mukhuba resigned from the company from 30 September 2020 to assume a finance director role with another company. ARM has an employment agreement with Ms TTA Mhlanga who assumed the role of finance director from 1 October 2020.

The company also has an employment agreement with the prescribed officer, Mr A Joubert (chief executive: ARM Ferrous).

None of these is a fixed-term contract. Executive directors and prescribed officers only receive remuneration in terms of their employment relationship with the company and do not earn directors' fees.

Executive directors and the prescribed officer are subject to the performance criteria that apply to all participants in the 2018 conditional share plan, 2008 share plan and the scheme. There are no other service agreements between the company and its executive directors and prescribed officer.

Remuneration policy: non-executive directors

Non-executive directors' fees

On the advice of the remuneration committee, which engages specialist remuneration consultants to assist with benchmarking non-executive directors' fees against comparable companies, the board considers and makes recommendations to shareholders on fees payable.

A comprehensive benchmarking study was conducted in F2021 (prior benchmarking study in 2018). The remuneration committee agreed to recommend to shareholders that non-executive directors' fees be increased by 5.2% in F2022 (rounded to the nearest R50), excluding value-added tax (VAT), in line with the increase for executives in the Paterson F-band.

Board retainers and board and committee meeting attendance fees are paid quarterly in arrears.

Remuneration for independent non-executive directors does not include any benefit from the short-term or long-term (share-based) incentive schemes.

Annual board retainer fees and per-meeting attendance fees

On the advice of the remuneration committee, the board recommends that shareholders approve paying fees to non-executive directors for services rendered (including attending any committee meeting, at the direction of the board, where they are not a member), and to ensure that these fees attract and retain non-executive directors of the required calibre. The fees below reflect a 5.2% increase on the previous year (rounded to the nearest R50). Annual retainer fees would be paid quarterly or as determined by the board, and would be pro-rated for periods of less than a full year. The per-meeting attendance fee for scheduled meetings would be as set out below.

	Proposed fees from 1 July 2021 (excl VAT) (R)*		Fees from 1 July 2020 (excl VAT) (R)	
	Annual retainer	Per meeting	Annual retainer	Per meeting
Lead independent non-executive director	612 950	23 400	582 650	22 250
Independent non-executive directors	489 050	23 400	464 890	22 250
Non-executive directors	489 050	23 400	464 890	22 250

* Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.

Attendance fees are paid for ad-hoc board meetings, budget workshops, strategy meetings, site visits, other meetings on board matters and for company-specific work outside regular scheduled board meetings, as well as for attending committee meetings (as a non-member and at the direction of the board). For an ad hoc meeting of the board or other work devoted to company business outside regular scheduled board meetings, which requires substantially less time to prepare for, attend or

undertake relative to a regular scheduled board meeting, the per-meeting fee will be reduced commensurately. No offsite strategy meetings or site visits were conducted in F2021 due to the pandemic.

The company reimburses reasonable travel, subsistence and accommodation expenses to attend meetings and contributes towards the cost of tablet for digital meeting packs. Other office costs, including telecommunication costs, are deemed to be included in board retainers.

Remuneration report continued

Committee per-meeting attendance fees

On the advice of the remuneration committee, the board recommends that shareholders approve paying fees to non-executive directors for services rendered as committee members and to ensure that committee meeting-attendance fees attract and retain suitable non-executive directors. The proposed fees are set out below.

	Per-meeting attendance fees proposed from 1 July 2021 (excluding VAT) (R)*	Per-meeting attendance fees proposed from 1 July 2020 (excluding VAT) (R)
Audit and risk committee		
Chairman	122 250	116 200
Member	48 900	46 500
Investment committee, nomination committee, remuneration committee and social and ethics committee		
Chairman	60 600	57 600
Member	32 000	30 400

* Effective 1 July 2021, should fees be approved by shareholders at the 2021 annual general meeting.

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

Service agreements: non-executive directors

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

- A renewable consultancy agreement with Mr M Arnold, which was renewed for two years from 11 December 2019.
- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2021.

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

Details of amounts paid in F2021 under consultancy agreements appear in part III.

Non-binding advisory vote

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

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



PART III – implementation report: F2021

Directors' remuneration: executive directors and prescribed officer

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

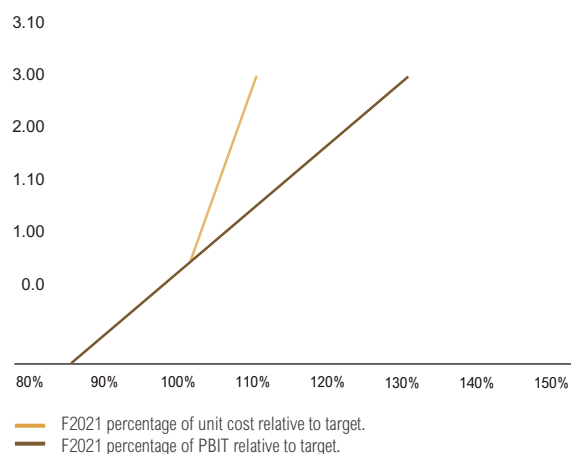
Salary adjustments

The board approved a cost-to-company increase of 3% for senior executives for F2021 (F2020: 6%).

F2021 short-term incentive performance targets

The F2021 targets for profit before interest and taxes (PBIT) and costs are shown alongside.

F2021 BONUS STRUCTURE



Performance against bonus targets for F2021 was as follows:



* Based on profit before interest and taxes.

** Safety modifier adjusted for fatalities.

Remuneration report continued

F2021 actual short-term incentive outcomes

The performance measures and targets based on budget are recommended by the remuneration committee to the board for approval annually. Targets are set by considering current market conditions faced by the company or division. The percentage of basic salary paid as a bonus is based on relative achievement against targets.

F2021 short-term incentive performance scorecard: executive directors

The tables below and overleaf illustrate how senior executives performed against targets for performance measures and the relative weighting of each measure.

Performance measure	Performance level achieved						OTB multiple	Commentary on key performance outcome and link to reward
	Overall weighting	Measure weighting	Below target	Target	Between target and stretch	Stretch and above		
Group performance	100%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
• Unit cost of sales (weighted)		50%			●		1.19	Between target and stretch (OTB multiple = 1.19)
Group performance outcome before capping	100%						2.10	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.19)
Group performance outcome (capped at 2.00*)	100%						2.00	Capped at 2.00*
Group safety modifier adjusted for fatalities					●		8.75%	Between target and stretch (8.75%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

F2021 short-term incentive performance scorecard: prescribed officer

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

Performance measure	Performance level achieved						OTB multiple	Commentary on key performance outcome and link to reward
	Overall weighting	Measure weighting	Below target	Target	Between target and stretch	Stretch and above		
Group performance	50%							
• PBIT from operations		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
• Unit cost of sales (weighted)		50%			●		1.19	Between target and stretch (OTB multiple = 1.19)
Group performance outcome before capping	50%						2.10	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.19)
Group performance outcome (capped at 2.00*)	50%						2.00	Capped at 2.00*
Divisional performance	50%							
ARM Ferrous								
• PBIT from division		50%				●	3.00	Exceeded stretch (OTB multiple = 3)
ARM Ferrous								
• Unit cost of sales (weighted)		50%			●		1.12	Between target and stretch (OTB multiple = 1.12)
Divisional performance outcome before capping	50%						2.06	50% of OTB multiple from PBIT from operations (3.00) + 50% of OTB multiple from unit cost of sales (1.12)
Divisional performance (capped at 2.00*)	50%						2.00	Capped at 2.00*
Overall performance from group and division	100%						2.00	50% of group + 50% of division
Divisional safety modifier					●		10%	Maximum target achieved (10%)

OTB = on-target bonus.

* In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

The F2021 remuneration outcomes are summarised below. The total F2021 bonus was payable in cash and no portion was deferred.

F2021 short-term incentive performance outcomes: executive directors and prescribed officer

	F2021 % on-target bonus	F2021 % maximum bonus (before safety and personal performance modifiers)	F2021 performance multiple ⁴	F2021 % bonus (before safety and personal performance modifiers)	F2021 safety modifier adjusted for fatalities ⁵	F2021 % bonus (after safety and before personal performance modifiers)	F2021 personal performance modifier	F2021 % bonus (after safety and personal performance modifiers)	F2021 total annual package before incentives (excluding non-cash benefits) (R000) ⁶	F2021 short-term incentives (cash bonus) (R000)
Executive directors										
Dr PT Motsepe ¹	62	124	2.00	124.00	8.75	134.85		134.85	8 553	11 531
MP Schmidt ²	50	100	2.00	100.00	8.75	108.75		108.75	8 931	9 711
J Magagula ³	45	90	2.00	90.00	8.75	97.88	5.50	103.38	3 479	3 594
TTA Mhlana ³	45	90	2.00	90.00	8.75	97.88	2.88	100.76	3 752	3 778
HL Mkatshana	45	90	2.00	90.00	8.75	97.88	5.48	103.36	4 794	4 952
Prescribed officer										
A Joubert	45	90	2.00	90.00	10.00	99.00	5.15	104.15	5 479	5 704

OTB = on-target bonus.

^{1,2} The executive chairman and chief executive officer have overall responsibility for the performance of the company, and their personal performance is thus not determined separately from that of the company.

³ Ms Mhlana was appointed to the board as finance director on 1 October 2020 and the cost-to-company portion of the total annual package is the amount received as an executive director and not for the full financial year.

⁴ In terms of the board-approved remuneration policy for F2021, the performance multiple before the safety and personal performance modifiers, ie overall OTB multiple, cannot exceed 2.00.

⁵ As independently assured by Bowmans.

⁶ Per the single-figure remuneration table on page 174.



Remuneration report continued

F2021 long-term incentive awards

Conditional shares under the 2018 conditional share plan

Awards of conditional shares were made to eligible participants in the Paterson grade F-band under the 2018 conditional share plan. Conditional shares are settled after three years, subject to the company achieving prescribed performance criteria. The 20-day volume weighted average price is used to determine the price.

Performance shares under the 2008 share plan

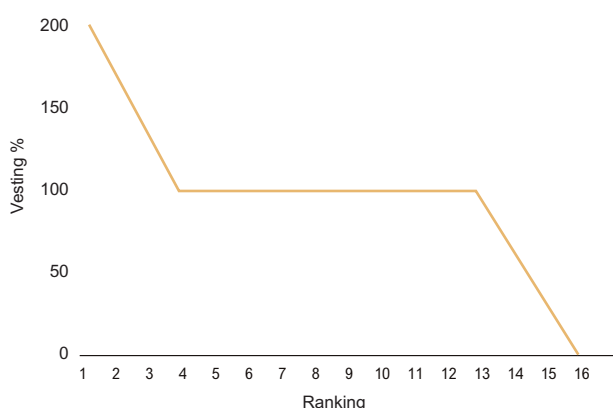
Conditional awards of performance shares were made to eligible participants under the 2008 share plan until November 2018. Performance shares are settled after three years, subject to the company achieving prescribed performance criteria. The 20-day volume weighted average price is used to determine the price.

F2021 long-term incentive performance outcomes

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

The 16 November 2017 performance shares awarded to senior executives in the Paterson F-band in terms of (i) the three-year annual allocation and (ii) the waived bonus and deferred bonus/co-investment schemes) vested on 17 November 2020. Based on ARM's TSR ranking of 4th against 16 listed comparator companies (excluding gold and diamond companies) shown below, 100% of the awarded number of performance shares vested and were settled. Refer to termination-of-office payments for additional information.

VESTING SCHEDULE: 16 November 2017 awards (%)



Source: PwC

The comparator group¹ for the 16 November 2017 performance share awards is shown below:

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

Source: Bowmans.

¹ Companies that delisted in the performance period were excluded from the comparator group.

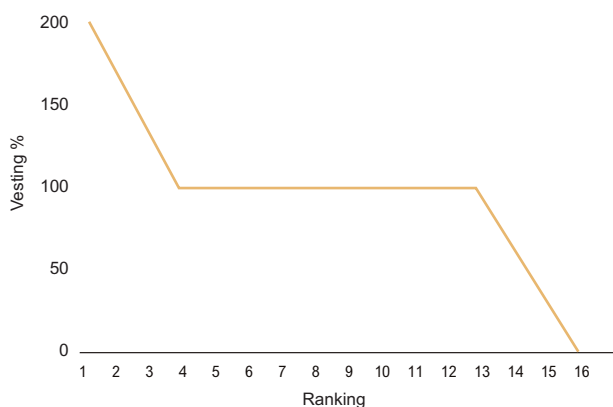
Settlement of F2018 top-up performance share award

The 11 December 2017 top-up performance shares awarded to the former finance director in the Paterson F-band vested on 12 December 2020. Based on ARM's TSR ranking of 4th against 16 listed comparator companies (excluding gold and diamond companies) shown above were eligible to be settled. The same comparator group and vesting schedule were used in the settlement of the 11 December 2017 award as were used in the settlement of the 17 November 2017 awards. Refer to termination-of-office payments for additional information.

Settlement of F2018 interim performance share awards

The 11 June 2018 interim performance share awards vested on 14 June 2021. Based on ARM's TSR ranking of 5th against 16 listed comparator companies (excluding gold and diamond companies) shown below, 100% of the awarded number of performance shares vested and were settled.

VESTING SCHEDULE: 11 June 2018 awards (%)



Source: PwC

The comparator group¹ for the June 2018 performance share awards is shown below:

Rank	Company name
1	Impala Platinum Holdings Limited
2	Northam Platinum Limited
3	Anglo American Platinum Limited
4	Royal Bafokeng Platinum Limited
5	African Rainbow Minerals Limited
6	Kumba Iron Ore Limited
7	Anglo American plc
8	ArcelorMittal SA Limited
9	Exxaro Resources Limited
10	BHP Billiton plc
11	Tharisa plc
12	Glencore plc
13	South32 Limited
14	Wescoal Holdings Limited
15	Hulamin Limited
16	Kore Potash plc

Source: Bowmans

¹ Companies that delisted in the performance period and excluded from the comparator group.

See single-figure remuneration table on pages 174 and 175 for actual value of performance shares settled in F2021 and F2020 and pages 178 and 179 for more on unvested performance shares.

Bonus shares under the 2008 share plan

In terms of the 2008 share plan, eligible participants received grants of full-value ARM shares that matched, according to a specified ratio, a portion of the annual cash incentive accruing to them. Bonus shares are only settled to participants after three years, as the case may be, conditional on continued employment.

The board agreed in 2015 that bonus shares would no longer be granted in the annual allocations. Deferred bonus shares under the 2008 share plan were granted until November 2018 and waived bonus shares under the 2008 share plan were granted until November 2016.

For bonus shares settled in F2021 and F2020 and more on unvested bonus share awards, see page 180.



Share option scheme

Between 2008 and 2013, annual allocations of share options under The African Rainbow Minerals share incentive scheme (the scheme) were made to eligible participants, but at a much-reduced scale after adopting the 2008 share plan. Share options have not been allocated to executive directors and prescribed officers since October 2013. The final share option grants will lapse in October 2021. Participants exercised their share options in F2021 due to the strong share price which was above the strike price.

For share options settled in F2020 and F2021 and more on unexercised share options, see pages 181 and 182.



Settlement of unvested share awards to the former finance director

Ms AM Mukhuba resigned as finance director from 30 September 2020. As she had served almost the full vesting period prior to termination of her employment, delayed her departure for her new employer to complete the ARM 2020 annual financial statements on the request of the company and left in good standing after serving her contractual notice period responsibly, the board resolved to settle: (i) 34/36 of Ms Mukhuba's November 2017 performance shares awards, subject to the performance measurement, as she had served 34/36 of the vesting period; (ii) 33/36 of Ms Mukhuba's December 2017 performance share awards, subject to the performance measurement, as she had served 33/36 of the vesting period; and (iii) 34/36 of Ms Mukhuba's November 2017 bonus share awards as she had served 34/36 of the vesting period.

Remuneration report continued

Settlement of unvested share awards to the finance director on termination of employment

F2021

Former director ¹	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
2018 Conditional share plan											
AM Mukhuba ²	48 849	CSA	07-Dec-18	08-Dec-21	6 292	48 849	–	(48 849)	–	–	–
	43 150	CSA	06-Dec-19	07-Dec-22	6 669	43 150	–	(43 150)	–	–	–
2008 Share plan: performance shares											
AM Mukhuba ³	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	(449)	(7 628)	–	1 861
	25 871	PS3	16-Nov-17	17-Nov-20	3 150	25 871	–	(1 437)	(24 434)	–	5 960
	18 644	PSA	11-Dec-17	12-Dec-20	2 228	18 644	–	(1 554)	(17 090)	–	4 118
2008 Share plan: bonus shares											
AM Mukhuba ⁴	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	(449)	(7 628)	–	1 861
Total											13 800

CSA: Conditional share award

DB: Deferred bonus/co-investment scheme matching performance share award

PS3: Annual performance share award (three-year)

PSA: Additional award

¹ Ms AM Mukhuba resigned as finance director from 30 September 2020.² All conditional share awards were forfeited.³ The board resolved to settle (i) 34/36 of Ms Mukhuba's November 2017 performance shares awards, subject to the performance measurement, as she had served 34/36 of the vesting period; and (ii) 33/36 of Ms Mukhuba's December 2017 performance shares awards, subject to the performance measurement, as she had served 33/36 of the vesting period (ie almost the full vesting period) prior to termination and left in good standing having served her contractual notice period responsibly.⁴ The board resolved to settle 34/36 of Ms Mukhuba's bonus shares as she had served 34/36 of the vesting period (ie almost the full vesting period) prior to termination and left in good standing having served her contractual notice period responsibly.

Termination-of-office payments

In F2021, no payments were made to executive management as a result of terminating employment.

Malus and clawback

In F2021, there were no actions or conduct by senior executives that triggered either the malus (pre-vesting forfeiture) or clawback (post-vesting forfeiture) provisions applicable to their long-term share-based incentive awards.

Minimum shareholding requirements

At 30 June 2021, the executive directors and prescribed officer below had exceeded targets for the first tranche of their minimum shareholding requirements:

Executive directors and prescribed officer	Shareholding at 30 June 2021 (direct or indirect)	Shareholding at 30 June 2020 (direct or indirect)	Minimum shareholding target (first tranche)	Date to achieve first tranche
Executive directors				
Dr PT Motsepe ¹	90 204 743	89 865 787	62 965	October 2018
MP Schmidt	480 896	435 067	41 094	October 2018
TTA Mhlanga ²	–	–	10 366	December 2023
J Magagula ³	–	–	13 705	December 2023
HL Mkatshana	138 032	107 459	21 207	October 2018
Prescribed officer				
A Joubert	82 108	55 277	24 236	October 2018

¹ Shares held by African Rainbow Minerals & Exploration Investments Pty Ltd and Botho-Botho Commercial Enterprises Pty Ltd.² Ms TTA Mhlanga was appointed to the board as finance director on 1 October 2020 and is required to meet the target for the first tranche in December 2023.³ Ms J Magagula was appointed to the board as an executive director on 18 December 2019 and is required to meet the target for the first tranche in December 2023.

Dr PT Motsepe and Messrs MP Schmidt, HL Mkatshana and A Joubert are to achieve the second tranche (2 times the first tranche) by 30 October 2021 and have already exceeded their targets.



Remuneration report continued

Single-figure remuneration: executive directors and prescribed officer

The schedules of single-figure remuneration for executive directors and prescribed officer for the years ended 30 June 2021 and 30 June 2020 are set out below.

Single-figure remuneration

						2021				
R000	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Allowances		Total annual package before incentives	Short-term incentives	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Total single figure remuneration
				Non-cash benefit ⁶	Other benefits ⁷		Cash bonus ⁸		Performance shares ⁹	
Executive directors										
Dr PT Motsepe	8 551	—	—	9 587	2	18 140	11 531	29 671	57 974	87 645
MP Schmidt	8 237	555	—	—	139	8 931	9 711	18 642	34 759	53 401
J Magagula ¹	3 036	259	168	—	16	3 479	3 594	7 073	1 619	8 692
TTA Mhlanga ²	3 438	275	30	—	9	3 752	3 778	7 530	—	7 530
HL Mkatshana	4 293	358	—	—	143	4 794	4 952	9 746	12 211	21 957
AM Mukhuba ³	1 142	123	22	—	5	1 292	—	1 292	—	1 292
AJ Wilkens ⁴	—	—	—	—	—	—	—	—	—	—
Total for executive directors	28 697	1 570	220	9 587	314	40 388	33 566	73 954	106 563	180 517
Prescribed officer ⁵										
A Joubert	4 693	531	—	—	255	5 479	5 704	11 183	12 124	23 307
Total for prescribed officer	4 693	531	—	—	255	5 479	5 704	11 183	12 124	23 307
Total for executive directors and prescribed officer										
	33 390	2 101	220	9 587	569	45 867	39 270	85 137	118 687	203 824

Total annual package before incentives = cost-to-company

¹ Ms J Magagula was appointed an executive director from 18 December 2019. The long-term incentives settled in F2021 had been granted to Ms Magagula prior to her appointment as an executive director.

² Ms TTA Mhlanga was appointed finance director from 1 October 2020. The amounts in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when she was finance director.

³ Ms AM Mukhuba resigned as finance director from 30 September 2020. See separate table entitled "settlement of unvested share awards to the finance director on termination of employment", on page 172.

⁴ Mr AJ Wilkens stepped down from the board from 18 December 2019.

⁵ The prescribed officer of the company was determined under section 66(10) of the Companies Act 71 2008, as amended, and further described in section 38 of its regulations. His remuneration is disclosed in terms of the Companies Act, section 30(4)(a).

⁶ Includes protection services.

⁷ Includes travel, UIF and risk benefits.

⁸ No bonuses were deferred in F2021.

⁹ Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus/co-investment scheme and ii) annual allocation of performance shares (3-year vesting). The value of these performance shares was included in F2021 as performance was measured at the vesting date which falls in F2021.

Single-figure remuneration continued

R000	2020									
	Basic salary	Retirement fund contributions (including pension scheme contributions)	Medical benefits	Allowances		Total annual package before incentives	Short-term incentives	Total annual package after short-term incentives, before long-term incentives	Long-term incentives	Total single figure remuneration
				Non-cash benefit ⁵	Other benefits ⁶		Cash bonus ⁷		Performance shares ⁸	
Executive directors										
Dr PT Motsepe	8 302	—	—	8 298	2	16 602	10 532	27 134	46 040	73 174
MP Schmidt	7 996	537	—	—	138	8 671	8 869	17 540	30 654	48 194
J Magagula ¹	1 596	126	90	—	7	1 819	1 727	3 546	—	3 546
TTA Mhlanga ²	—	—	—	—	—	—	—	—	—	—
HL Mkatshana	4 184	346	—	—	124	4 654	4 307	8 961	10 579	19 540
AM Mukhuba	4 433	484	83	—	17	5 017	4 855	9 872	5 917	15 789
AJ Wilkens ³	2 690	—	32	75	28	2 825	2 350	5 175	19 749	24 924
Total for executive directors	29 201	1 493	205	8 373	316	39 588	32 640	72 228	112 939	185 167
Prescribed officer⁴										
A Joubert	4 573	514	—	6	232	5 325	5 929	11 254	12 090	23 344
Total for prescribed officer	4 573	514	—	6	232	5 325	5 929	11 254	12 090	23 344
Total for executive directors and prescribed officer	33 774	2 007	205	8 379	548	44 913	38 569	83 482	125 029	208 511

Total annual package before incentives = cost-to-company

¹ Ms J Magagula was appointed an executive director from 18 December 2019. The amounts included in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when Ms Magagula was an executive director. No long-term incentives are shown as these were settled prior to her appointment as an executive director.

² Ms TTA Mhlanga was appointed finance director from 1 October 2020, therefore, no remuneration is included for F2020.

³ Mr AJ Wilkens stepped down from the board from 18 December 2019. Mr Wilkens' salary decreased by 30% on 1 August 2019 and he did not receive an annual increase on 1 July 2019. The amounts included in the schedule for total annual package before incentives and the cash bonus are for the portion of the year when Mr Wilkens was an executive director. The long-term incentives were settled when Mr Wilkens was an executive director.

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

⁵ Includes protection services.

⁶ Includes travel, UIF and risk benefits.

⁷ No bonuses were deferred in F2020.

⁸ Includes pre-tax settlement value of i) matching performance shares in terms of the deferred bonus (waived bonus)/co-investment scheme and ii) annual allocation of performance shares (3-year vesting). The value of these performance shares was included in F2020 as performance was measured at the vesting date which falls in F2020.

Remuneration report continued

Conditional share awards

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

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

Unvested conditional share awards

						F2021						
Director/ prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)	
Directors ¹												
Dr PT Motsepe	159 694	CSA	07-Dec-18	08-Dec-21	20 570	159 694	–	–	–	159 694	–	
	107 420	CSA	06-Dec-19	07-Dec-22	16 603	107 420	–	–	–	107 420	–	
	70 909	CSA	07-Dec-20	08-Dec-23	17 102	–	70 909	–	–	70 909	–	
MP Schmidt	126 274	CSA	07-Dec-18	08-Dec-21	16 265	126 274	–	–	–	126 274	–	
	93 663	CSA	06-Dec-19	07-Dec-22	14 477	93 663	–	–	–	93 663	–	
	61 828	CSA	07-Dec-20	08-Dec-23	14 912	–	61 828	–	–	61 828	–	
J Magagula ²	16 445	CSA	11-May-20	12-May-23	2 025	16 445	–	–	–	16 445	–	
	28 219	CSA	07-Dec-20	08-Dec-23	5 738	–	28 219	–	–	28 219	–	
TTA Mhlanga ³	27 573	CSA	07-Dec-20	08-Dec-23	6 650	–	27 573	–	–	27 573	–	
HL Mkatshana	45 313	CSA	07-Dec-18	08-Dec-21	5 836	45 313	–	–	–	45 313	–	
	40 027	CSA	06-Dec-19	07-Dec-22	6 186	40 027	–	–	–	40 027	–	
	26 422	CSA	07-Dec-20	08-Dec-23	6 372	–	26 422	–	–	26 422	–	
Prescribed officer												
A Joubert	51 796	CSA	07-Dec-18	08-Dec-21	6 671	51 796	–	–	–	51 796	–	
	45 754	CSA	06-Dec-19	07-Dec-22	7 072	45 754	–	–	–	45 754	–	
	30 203	CSA	07-Dec-20	08-Dec-23	7 284	–	30 203	–	–	30 203	–	

CSA: Conditional share award.

¹ See the section entitled "Settlement of unvested share awards to the finance director on termination of employment" for the settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Ms TTA Mhlanga was appointed as finance director from 1 October 2020.

Unvested conditional share awards continued

F2020

Director/ prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors											
Dr PT Motsepe	159 694	CSA	07-Dec-18	08-Dec-21	20 570	159 694	—	—	—	159 694	—
	107 420	CSA	06-Dec-19	07-Dec-22	16 603	—	107 420	—	—	107 420	—
MP Schmidt	126 274	CSA	07-Dec-18	08-Dec-21	16 265	126 274	—	—	—	126 274	—
	93 663	CSA	06-Dec-19	07-Dec-22	14 477	—	93 663	—	—	93 663	—
J Magagula ¹	16 445	CSA	11-May-20	12-May-23	2 025	—	16 445	—	—	16 445	—
HL Mkatshana	45 313	CSA	07-Dec-18	08-Dec-21	5 836	45 313	—	—	—	45 313	—
	40 027	CSA	06-Dec-19	07-Dec-22	6 186	—	40 027	—	—	40 027	—
AM Mukhuba ²	48 849	CSA	07-Dec-18	08-Dec-21	6 292	48 849	—	—	—	48 849	—
	43 150	CSA	06-Dec-19	07-Dec-22	6 669	—	43 150	—	—	43 150	—
AJ Wilkens ³	81 351	CSA	07-Dec-18	08-Dec-21	10 478	81 351	—	—	—	81 351	—
	47 455	CSA	06-Dec-19	07-Dec-22	7 335	—	47 455	—	—	47 455	—
Prescribed officer											
A Joubert	51 796	CSA	07-Dec-18	08-Dec-21	6 671	51 796	—	—	—	51 796	—
	45 754	CSA	06-Dec-19	07-Dec-22	7 072	—	45 754	—	—	45 754	—

CSA: Conditional share award

¹ Ms J Magagula was appointed an executive director from 18 December 2019.

² Ms AM Mukhuba resigned as finance director from 30 September 2020.

³ Mr AJ Wilkens resigned as an executive director from 18 December 2019 and remained a senior executive of the company until his retirement on 28 February 2021.

Cash-settled conditional awards

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

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

Unvested cash-settled conditional awards

F2021

Director	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
J Magagula	6 650	CA	07-Dec-18	08-Dec-21	857	6 650	—	—	—	6 650	—
	5 874	CA	06-Dec-19	07-Dec-22	908	5 874	—	—	—	5 874	—

CA: cash-settled conditional award

F2020

Director	Number of awards	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
J Magagula ¹	6 650	CA	07-Dec-18	08-Dec-21	857	6 650	—	—	—	6 650	—
	5 874	CA	06-Dec-19	07-Dec-22	908	—	5 874	—	—	5 874	—

CA: cash-settled conditional award

¹ Ms J Magagula was appointed an executive director from 18 December 2019 and received these awards prior to this appointment.

Remuneration report continued

Performance shares

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

Unvested performance shares awarded to directors and the prescribed officer are summarised below.

Unvested performance share awards

						F2021					
Director ^{1/} prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors											
Dr PT Motsepe	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	–	(78 307)	–	19 100
	159 378	PS3	16-Nov-17	17-Nov-20	19 406	159 378	–	–	(159 378)	–	38 874
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	–	75 115	–
MP Schmidt	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	–	(16 486)	–	4 021
	126 023	PS3	16-Nov-17	17-Nov-20	15 345	126 023	–	–	(126 023)	–	30 738
M Arnold ²	78 349	PS3	16-Nov-17	17-Nov-20	9 540	78 349	–	–	(78 349)	–	19 110
J Magagula	6 637	PS3	16-Nov-17	17-Nov-20	808	6 637	–	–	(6 637)	–	1 619
HL Mkatshana	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	–	(6 572)	–	1 603
	43 492	PS3	16-Nov-17	17-Nov-20	5 296	43 492	–	–	(43 492)	–	10 608
JC Steenkamp	–	–	–	–	–	–	–	–	–	–	–
Prescribed officer											
A Joubert	49 705	PS3	16-Nov-17	17-Nov-20	6 052	49 705	–	–	(49 705)	–	12 124

PS3: Annual award (three-year).

DB: Deferred bonus/co-investment scheme matching award.

PSA: Additional award.

¹ See the section entitled "Settlement of unvested share awards to the finance director on termination of employment" for the settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021.

² Mr M Arnold retired as finance director from 10 December 2017, and became a non-executive director from 11 December 2017.

Unvested performance share awards continued

F2020

Director/ prescribed officer	Number of shares	Award type	Award date	Vesting date	Value on award date (R000)	Opening balance	Awarded during the year	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors											
Dr PT Motsepe	47 218	WB	14-Nov-16	15-Nov-19	4 573	47 218	–	–	(47 218)	–	7 272
	244 653	PS3	09-Dec-16	10-Dec-19	25 875	244 653	–	–	(244 653)	–	38 768
	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	–	–	78 307	–
	159 378	PS3	16-Nov-17	17-Nov-20	19 406	159 378	–	–	–	159 378	–
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	–	75 115	–
MP Schmidt	193 452	PS3	09-Dec-16	10-Dec-19	20 459	193 452	–	–	(193 452)	–	30 654
	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	–	–	16 486	–
	126 023	PS3	16-Nov-17	17-Nov-20	15 345	126 023	–	–	–	126 023	–
M Arnold ¹	120 270	PS3	09-Dec-16	10-Dec-19	12 720	120 270	–	–	(120 270)	–	19 058
	78 349	PS3	16-Nov-17	17-Nov-20	9 540	78 349	–	–	–	78 349	–
J Magagula ²	10 188	PS3	09-Dec-16	10-Dec-19	1 078	10 188	–	–	(10 188)	–	1 614
	6 637	PS3	16-Nov-17	17-Nov-20	808	6 637	–	–	–	6 637	–
HL Mkatshana	66 762	PS3	09-Dec-16	10-Dec-19	7 061	66 762	–	–	(66 762)	–	10 579
	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	–	–	6 572	–
	43 492	PS3	16-Nov-17	17-Nov-20	5 296	43 492	–	–	–	43 492	–
AM Mukhuba	35 063	PSI	15-May-17	16-May-20	3 000	35 063	–	–	(35 063)	–	5 917
	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	–	–	8 077	–
	25 871	PS3	16-Nov-17	17-Nov-20	3 150	25 871	–	–	–	25 871	–
	18 644	PSA	11-Dec-17	12-Dec-20	2 228	18 644	–	–	–	18 644	–
JC Steenkamp ⁴	124 630	PS3	09-Dec-16	10-Dec-19	13 181	124 630	–	–	(124 630)	–	19 749
AJ Wilkens	124 630	PS3	09-Dec-16	10-Dec-19	13 181	124 630	–	–	(124 630)	–	19 749
	81 190	PS3	16-Nov-17	17-Nov-20	9 886	81 190	–	–	–	81 190	–
Prescribed officer											
A Joubert	76 300	PS3	09-Dec-16	10-Dec-19	8 069	76 300	–	–	(76 300)	–	12 090
	49 705	PS3	16-Nov-17	17-Nov-20	6 052	49 705	–	–	–	49 705	–

PS3: Annual award (three-year).

DB: Deferred bonus/co-investment scheme matching award.

WB: Waived bonus method.

PSA: Additional award.

PSI: Interim award.

¹ Mr M Arnold retired as financial director from 10 December 2017, and became a non-executive director from 11 December 2017.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Performance shares settled to Ms AM Mukhuba on 18 May 2020 (as 16 May 2020 was a weekend day) vested at 125%, based on the total shareholder return testing conducted by an independent consultant, PwC. Ms Mukhuba resigned as finance director from 30 September 2020.

⁴ Mr JC Steenkamp retired as chief executive: exploration and strategic services from 30 June 2017. He became a non-executive director from 10 October 2017 and an independent non-executive director from September 2020.

Remuneration report continued

Bonus shares

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

Unvested bonus shares granted to directors and the prescribed officer are summarised below.

Unvested bonus share awards

F2021										
Directors ¹	Number of shares	Award type	Grant date	Vesting date	Value on grant date (R000)	Opening balance	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Dr PT Motsepe	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	(78 307)	–	19 100
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	75 115	–
MP Schmidt	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	(16 486)	–	4 021
HL Mkatshana	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	(6 572)	–	1 603

DB: Deferred bonus/co-investment scheme.

¹ See the section entitled "Settlement of unvested share awards to the finance director on termination of employment" for the settlements of awards made to Ms AM Mukhuba following her resignation from the company on 30 September 2021.

F2020										
Directors	Number of shares	Award type	Grant date	Vesting date	Value on grant date (R000)	Opening balance	Forfeited during the year	Vested/ settled during the year	Closing balance	Pre-tax cash value on settlement (R000)
Dr PT Motsepe	47 218	WB	14-Nov-16	15-Nov-19	4 573	47 218	–	(47 218)	–	7 272
	78 307	DB	16-Nov-17	17-Nov-20	9 535	78 307	–	–	78 307	–
	75 115	DB	06-Nov-18	07-Nov-21	9 608	75 115	–	–	75 115	–
MP Schmidt	16 486	DB	16-Nov-17	17-Nov-20	2 007	16 486	–	–	16 486	–
HL Mkatshana	6 572	DB	16-Nov-17	17-Nov-20	800	6 572	–	–	6 572	–
AM Mukhuba	8 077	DB	16-Nov-17	17-Nov-20	983	8 077	–	–	8 077	–

DB: Deferred bonus/co-investment scheme

WB: Waived bonus method

Share options

Between 2008 and 2013, annual allocations of share options under the African Rainbow Minerals Share Incentive Scheme were made to eligible participants, but at a much-reduced scale after adopting the 2008 share plan. Share options have not been allocated to executive directors and prescribed officers since October 2013.

All share options have vested. Options exercised in F2021 were net settled. Unexercised share options held by directors and the prescribed officer are shown below.

Share options

						F2021				
Director/ prescribed officer	Number of options	Grant date	Vesting date	Date options lapse	Strike price (cps)	Opening balance	Lapsed or cancelled during the year	Exercised during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors										
Dr PT Motsepe	22 964	15-Oct-12	16-Oct-16	15-Oct-20	16 837	22 964	–	(22 964)	–	4 754
	20 223	29-Oct-13	30-Oct-17	29-Oct-21	20 075	20 223	–	–	20 223	–
MP Schmidt	15 963	29-Oct-13	30-Oct-17	29-Oct-21	20 075	15 963	–	(15 963)	–	3 384
M Arnold ¹	–	–	–	–	–	–	–	–	–	–
J Magagula ²	2 548	15-Oct-12	16-Oct-15	15-Oct-20	16 837	2 548	–	(2 548)	–	527
	2 244	29-Oct-13	30-Oct-16	29-Oct-21	20 075	2 244	–	(2 244)	–	640
HL Mkatshana	8 167	15-Oct-12	16-Oct-16	15-Oct-20	16 837	8 167	–	(8 167)	–	1 724
	7 846	29-Oct-13	30-Oct-17	29-Oct-21	20 075	7 846	–	(7 846)	–	1 836
JC Steenkamp ³	–	–	–	–	–	–	–	–	–	–
Prescribed officer										
A Joubert	10 691	15-Oct-12	16-Oct-16	15-Oct-20	16 837	10 691	(8 781)	(1 910)	–	2 192
	9 415	29-Oct-13	30-Oct-17	29-Oct-21	20 075	9 415	(9 220)	(195)	–	1 930

¹ Mr M Arnold retired as financial director from 10 December 2017, and became a non-executive director from 11 December 2017. His share options lapsed and were cancelled in F2020.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Mr JC Steenkamp retired as chief executive: exploration and strategic services from 30 June 2017. He became a non-executive director from 10 October 2017 and an independent non-executive director from September 2020. His share options lapsed and were cancelled in F2019.

Remuneration report continued

Share options continued

F2020

Director/ prescribed officer	Number of options	Grant date	Vesting date	Date options lapse	Strike price (cps)	Opening balance	Lapsed or cancelled during the year	Exercised during the year	Closing balance	Pre-tax cash value on settlement (R000)
Directors										
Dr PT Motsepe	19 396	09-Nov-11	10-Nov-15	09-Nov-19	18 267	19 396	(19 396)	—	—	—
	22 964	15-Oct-12	16-Oct-16	15-Oct-20	16 837	22 964	—	—	22 964	—
	20 223	29-Oct-13	30-Oct-17	29-Oct-21	20 075	20 223	—	—	20 223	—
MP Schmidt	15 328	09-Nov-11	10-Nov-15	09-Nov-19	18 267	15 328	(15 328)	—	—	—
	15 963	29-Oct-13	30-Oct-17	29-Oct-21	20 075	15 963	—	—	15 963	—
M Arnold ¹	9 959	09-Nov-11	10-Nov-15	09-Nov-19	18 267	9 959	(9 959)	—	—	—
	11 245	29-Oct-13	30-Oct-17	29-Oct-21	20 075	11 245	(11 245)	—	—	—
J Magagula ²	1 907	09-Nov-11	10-Nov-14	09-Nov-19	18 267	1 907	(1 907)	—	—	—
	2 548	15-Oct-12	16-Oct-15	15-Oct-20	16 837	2 548	—	—	2 548	—
	2 244	29-Oct-13	30-Oct-16	29-Oct-21	20 075	2 244	—	—	2 244	—
HL Mkatshana	6 861	03-Apr-12	04-Apr-16	03-Apr-20	18 219	6 861	(6 861)	—	—	—
	8 167	15-Oct-12	16-Oct-16	15-Oct-20	16 837	8 167	—	—	8 167	—
	7 846	29-Oct-13	30-Oct-17	29-Oct-21	20 075	7 846	—	—	7 846	—
JC Steenkamp ³	—	—	—	—	—	—	—	—	—	—
AJ Wilkens ⁴	19 124	09-Nov-11	10-Nov-15	09-Nov-19	18 267	19 124	(19 124)	—	—	—
	15 378	29-Oct-13	30-Oct-17	29-Oct-21	20 075	15 378	—	—	15 378	—
Prescribed officer										
A Joubert	7 997	09-Nov-11	10-Nov-15	09-Nov-19	18 267	7 997	(7 997)	—	—	—
	10 691	15-Oct-12	16-Oct-16	15-Oct-20	16 837	10 691	—	—	10 691	—
	9 415	29-Oct-13	30-Oct-17	29-Oct-21	20 075	9 415	—	—	9 415	—

¹ Mr M Arnold retired as financial director from 10 December 2017, and became a non-executive director from 11 December 2017.

² Ms J Magagula was appointed an executive director from 18 December 2019.

³ Mr JC Steenkamp retired as chief executive: exploration and strategic services from 30 June 2017. He became a non-executive director from 10 October 2017 and an independent non-executive director from September 2020. His share options lapsed and were cancelled in F2019.

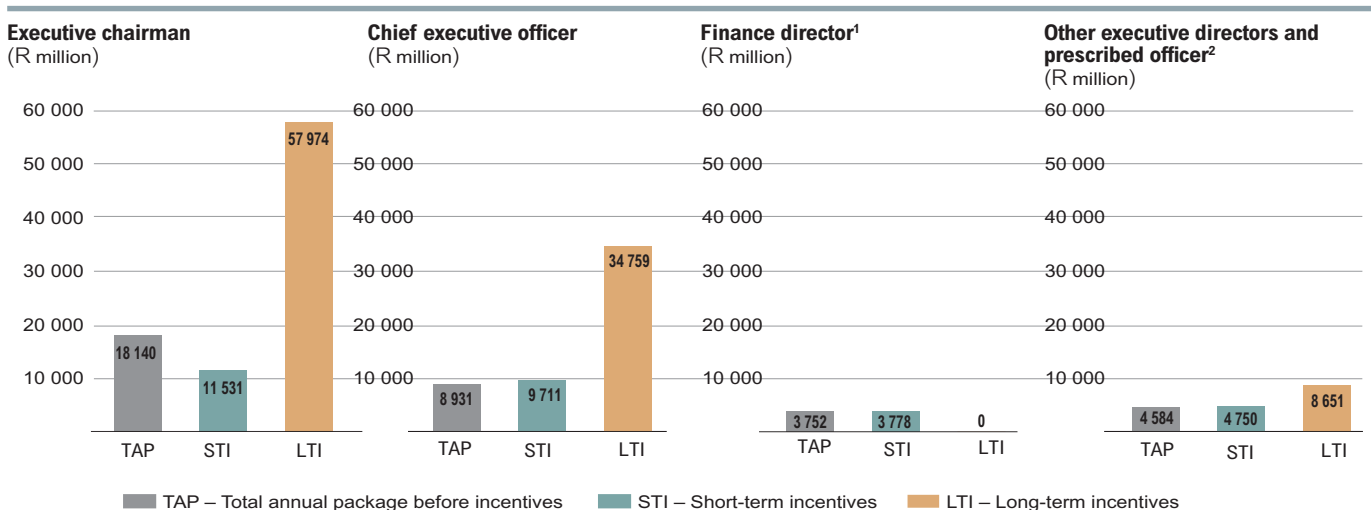
⁴ Mr AJ Wilkens resigned as an executive director from 18 December 2019.



Remuneration outcomes

Remuneration outcomes in 2021 for the executive chairman, chief executive officer, finance director and other executive directors plus the prescribed officer are shown below. Emoluments are detailed in the single-figure remuneration table on page 174.

Total remuneration outcomes: F2021



¹ Ms TTA Mhlana was appointed as finance director from 1 October 2020. No LTI is reflected in the total single-figure remuneration for the finance director because the LTI is only reflected three years after the award date when the performance conditions are measured, and not when the award is granted.

² Average remuneration for Messrs HL Mkatshana and A Joubert and Ms J Magagula.

Directors' remuneration: non-executive directors

Non-executive directors' fees

The remuneration of non-executive directors comprises non-executive directors' fees, including board retainers, board attendance fees and board committee attendance fees. Independent non-executive directors are not eligible for any benefit from the short-term or long-term (share-based) incentive schemes arising from their service as non-executive directors.

Annual board retainer fees

Annual board retainer fees were paid quarterly in arrears and pro-rated for periods of less than a full year.

Per-meeting attendance fees

Board attendance fees were paid quarterly and in arrears for scheduled board meetings, the budget workshop and other meetings on board matters and for company-specific work outside regular scheduled board meetings, as well as for attending committee meetings (as a non-member and at the direction of the board). Committee attendance fees were paid quarterly in arrears for scheduled committee meetings.

For ad hoc meetings of the board or committees or other work devoted to company business outside regular scheduled board and committee meetings, which required substantially less time to prepare for, attend or undertake relative to a regular scheduled board or committee meeting, the per-meeting fee was reduced commensurately.

No board offsite strategy meetings or site visits were conducted in F2021 due to the ongoing pandemic.

Consultancy fees: non-executive directors

In addition to non-executive directors' fees, some non-executive received consultancy fees under agreements concluded at market rates for defined and pre-approved services. In F2021, the company had:

- A renewable consultancy agreement with Mr M Arnold, which was renewed for two years from 11 December 2019
- A consultancy agreement with Mr TA Boardman to November 2020, which was a once-off arrangement to assist the company in resolving an important matter.
- A renewable consultancy agreement with Mr JA Chissano, which was renewed for two years from 1 May 2019, and renewed for a further two years from 1 May 2021.
- A renewable consultancy agreement with Mr JC Steenkamp, which was terminated in September 2020.

Remuneration report continued

The table below sets out emoluments paid to non-executive directors in the years ended 30 June 2021 and 30 June 2020.

Non-executive directors' fees

R000	F2021					F2021				
	Board fees	Committee fees ¹⁰	Consultancy fees excluding VAT ¹¹	VAT	Total including VAT	Board fees	Committee fees ¹⁰	Consultancy fees excluding VAT ¹¹	VAT	Total including VAT
Non-executive directors¹										
AK Maditsi (independent lead)	694	942	–	245	1 881	630	1 272	–	285	2 187
F Abbott	576	175	–	113	864	559	118	–	102	779
M Arnold ²	576	87	397	159	1 219	559	118	428	166	1 271
Dr MMM Bakane-Tuoane ³	139	317	–	68	524	559	692	–	188	1 439
TA Boardman ⁴	576	1 068	3 000	697	5 341	559	921	–	222	1 702
AD Botha	576	642	–	17	1 235	559	602	–	174	1 335
JA Chissano ⁵	576	275	672	128	1 651	538	118	679	98	1 433
WM Gule	576	63	–	–	639	559	22	–	–	581
PJ Mnisi ⁶	438	229	–	76	743	–	–	–	–	–
DC Noko ⁷	576	321	–	–	897	538	233	–	–	771
Dr RV Simelane	576	777	–	203	1 556	559	690	–	187	1 436
JC Steenkamp ⁸	576	263	75	126	1 040	559	236	233	–	1 028
ZB Swanepoel ⁹	–	–	–	–	–	367	286	–	98	751
Total for non-executive directors	6 455	5 159	4 144	1 832	17 590	6 545	5 308	1 340	1 520	14 713

VAT = Value-added tax

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

2 Mr Arnold, former financial director, became a non-executive director with effect from 11 December 2017. He has a consultancy agreement with the company.

3 Dr Bakane-Tuoane resigned from the board on 29 September 2020.

4 Mr Boardman received a once-off consultancy fee in F2021 for his assistance in the resolution of an important matter.

5 Mr Chissano was appointed to the social and ethics committee with effect from 30 August 2019. He has a consultancy agreement with the company.

6 Ms Mnisi was appointed to the board with effect from 30 September 2020.

7 Mr Noko was appointed to the investment committee and social and ethics committee with effect from 30 August 2019 and appointed chairman of the investment committee with effect from 2 March 2020.

8 Mr Steenkamp's consultancy agreement with the company was terminated in September 2020.

9 Mr Swanepoel resigned from the board on 2 March 2020.

10 Attendance fees are paid for attendance at ad hoc committee meetings and for other work devoted to committee business outside regular scheduled committee meetings. From F2021, where such meetings required substantially less time to prepare for, attend or undertake than a scheduled meeting, the per-meeting fee was reduced commensurately.

11 Additional information appears under service agreements: non-executive directors in part II of the remuneration report.

Non-binding advisory vote

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



See the notice of annual general meeting on www.arm.co.za.