

CORPORATE
GOVERNANCE

Our strategy is supported by our high standards of corporate governance, which we continue to review to ensure robust controls and alignment of our businesses with global good practice.

APPLICABLE GOVERNING FRAMEWORKS

The Company complies with the JSE Listings Requirements, applicable statutes, regulatory requirements and other authoritative directives regulating its conduct. The principal applicable frameworks include:

JSE LISTINGS REQUIREMENTS

ARM is a public company listed on the JSE Limited (JSE) and is subject to the JSE Listings Requirements.

www.jse.co.za | 

KING III

The King Report on Corporate Governance for South Africa 2009 and the King Code of Governance Principles (collectively, King III).

www.iodsa.co.za | 

COMPANIES ACT

The Companies Act 71 of 2008, as amended, by the Companies Amendment Act 3 of 2011 (the Companies Act), and the Regulations promulgated thereunder (the Companies Regulations) came into effect on 1 May 2011.

www.acts.co.za | 

INTERNATIONAL <IR> FRAMEWORK

The International Integrated Reporting Framework came into effect in December 2013.

www.theiirc.org | 

MINING CHARTER

ARM is committed to the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Mining Charter), revised in September 2010.

www.dmr.gov.za | 

ADDITIONAL EXTERNAL SUSTAINABILITY AND MANAGEMENT SYSTEMS, STANDARDS AND PRINCIPLES

See the Sustainability Review commencing on page 36 and the 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



ADDITIONAL EXTERNAL FINANCIAL STANDARDS, POLICIES, REPORTING GUIDELINES AND PRINCIPLES

See the accounting policies in the notes to the financial statements on pages 227 to 240.



ARM supports the implementation of integrated reporting to enhance the assessment and understanding of value creation and the sustainability of global markets through integrated thinking, greater connectivity between risks and outcomes, the promotion of accountability and increased transparency. ARM has been on a journey of integrated reporting since it published its first integrated report in 2010 and continues to embed integrated thinking into its business practice. ARM continues to strive for excellence in reporting and the further integration of the International <IR> Framework principles remains a priority.

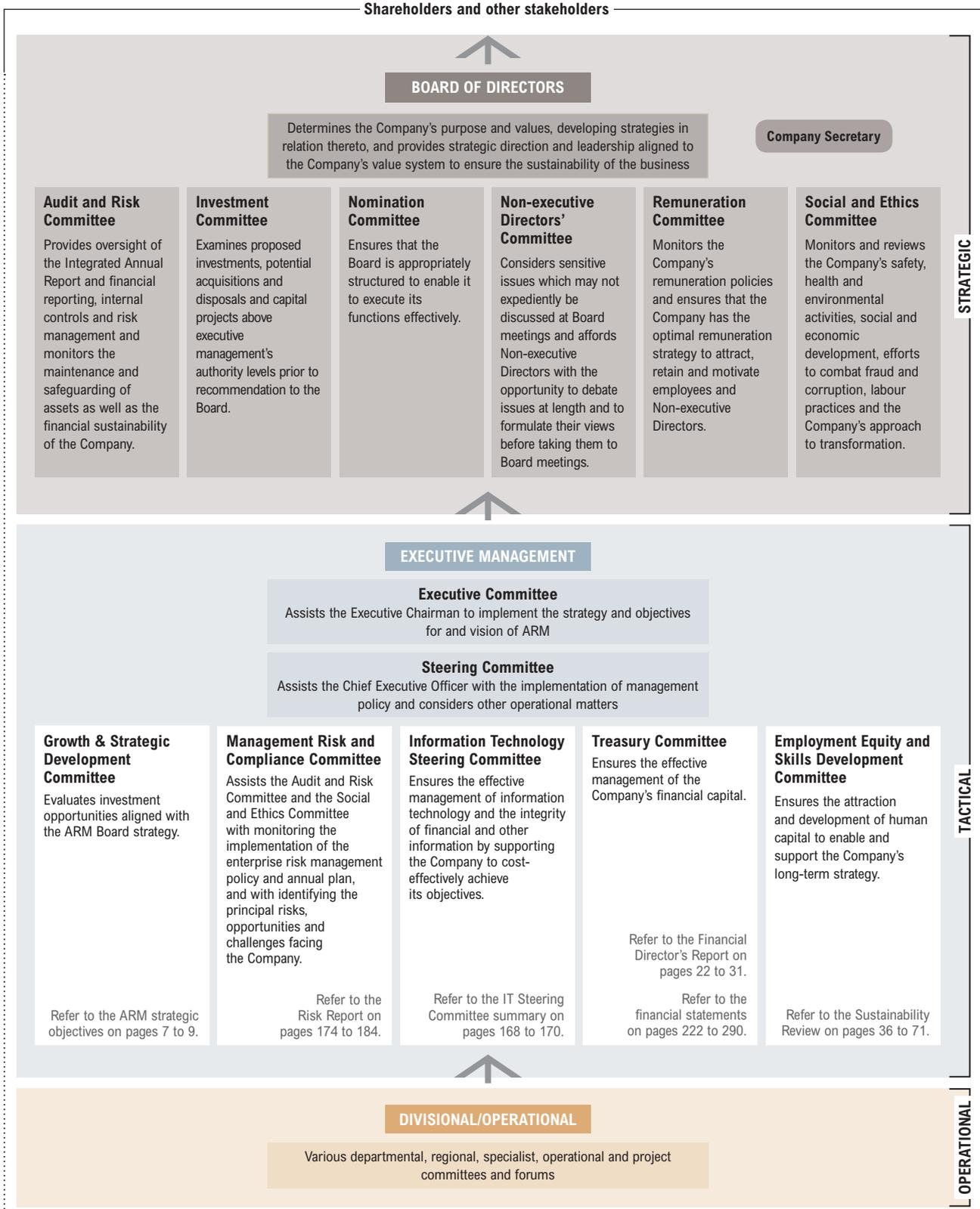
KING III COMPLIANCE

ARM supports the principles and practices set out in King III. ARM has taken steps to ensure that it applies the principles set out in King III. The Company conducts gap analyses on an ongoing basis to assess its compliance level in respect of King III and to identify areas that require improvement. ARM also uses developments and governance trends as opportunities to review its governance structures. With this objective, provisions impacting the divisions and operations have been and are being identified, assessed and addressed. Gaps, if any, are addressed through action plans and regular monitoring and reporting to the appropriate governance structures. Ongoing progress reports in this regard are presented to the Audit and Risk Committee and the divisional audit committees.

Adhering to the highest standards of corporate governance is fundamental to the sustainability of ARM's business. ARM's business practices are conducted in good faith, in the interests of the Company and all its stakeholders, with due observance of the principles of good corporate governance. The unitary Board of Directors (the Board) is the foundation of ARM's corporate governance system and is accountable and responsible for ARM's performance. The Board retains effective control of the business of ARM through a clear governance structure and has established Committees to assist it in accordance with the provisions of ARM's Board Charter. The Board recognises that delegating authority does not reduce the responsibility of Directors to discharge their statutory and common law fiduciary duties. We continue to review our governance structures to ensure that they support effective decision-making, provide robust controls and are aligned to evolving local and global best practice. It is expected that the King IV Report, which responds to global and local corporate governance and regulatory developments, will be issued on 1 November 2016.

CORPORATE GOVERNANCE continued

GOVERNANCE FRAMEWORK



Comment from IBIS Consulting "As part of our Independent Third Party Assurance processes, IBIS Environmental Social Governance Consulting South Africa (Pty) Ltd (IBIS Consulting) conducted an assessment of ARM's compliance with the 75 principles contained within the 3rd version of the King Report on Governance for South Africa 2009 and the King Code of Governance Principles (collectively, King III), and found no concerns relative to ARM's assertions that all of the 75 individual King III principles have been deemed 'Apply' with reasonable evidence to support each assertion, including progress over prior year performance."

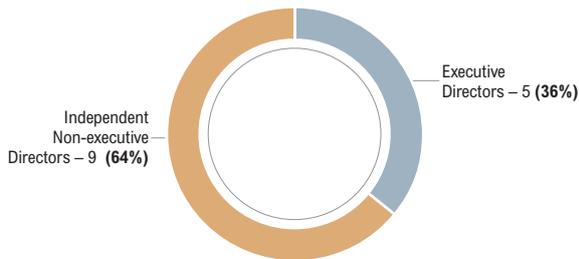
See the complete King III checklist on ARM's corporate website: www.arm.co.za
 IBIS Consulting's comprehensive assurance statement may be found in ARM's 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



BOARD COMPOSITION

ARM has a unitary Board comprising 14 Directors, the majority of whom are Independent Non-executive Directors.

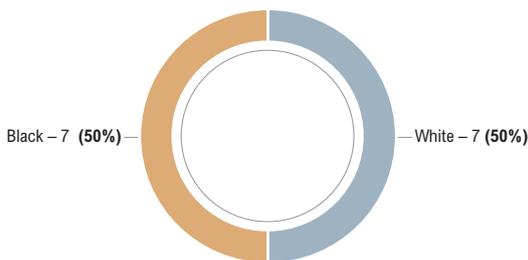
MIX OF DIRECTORS



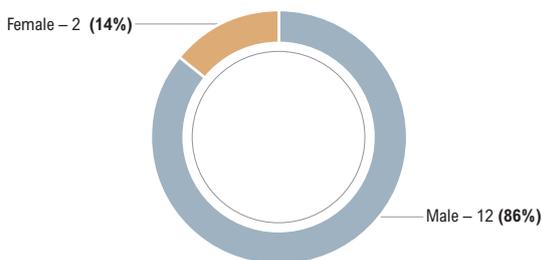
Curricula vitae of the Board members are provided on pages 200 to 203.



DIVERSITY



GENDER OF DIRECTORS



INDEPENDENCE

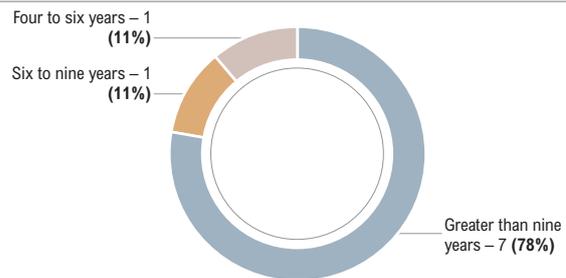
The Board believes that the Independent Non-executive Directors of the Company are of the appropriate calibre, diversity and number for their views to carry significant weight in the Board's deliberations and decisions.

The Independent Non-executive Directors are highly experienced and have the skills, background and knowledge to fulfil their responsibilities.

The classification of Independent Non-executive Directors is determined by the Board on the recommendation of the Nomination Committee in accordance with the guidelines set out in King III. In determining the independence of the Independent Non-executive Directors, character and judgement are considered together with any of their relationships or circumstances which are likely to affect, or could appear to affect, their judgement and with due regard to the criteria for determining independence as set out in King III and the JSE Listings Requirements.

Any term in office exceeding a period of nine years by an Independent Non-executive Director is subject to a rigorous review by the Board. The independence assessment considered relationships or circumstances likely to affect, or appearing to affect, the relevant Independent Non-executive Director's character and judgement. The Board concluded that in each circumstance the Independent Non-executive Director's independence of character and judgement was not impaired by the length of service.

LENGTH OF TENURE: INDEPENDENT NON-EXECUTIVE DIRECTORS



Non-executive Directors are not considered independent if they were executives of the Company or a subsidiary within the preceding three financial years.

The independence of Mr J A Chissano, who receives consultancy fees, was considered. Given his extensive relationships with various leaders of African countries, Mr Chissano assists in the facilitation of high-level business discussions and introductions, and his specific assignments are determined by the Executive Chairman and the Chief Executive Officer. The fees paid to Mr Chissano for these services are market-related and are not, in the opinion of the Board, material and as such, the Board is satisfied that this aspect does not impair his independence.

The independence of Mr W M Gule, who also receives consultancy fees, was considered. Mr Gule, a former Executive Director of the Company, became a Non-executive Director on 1 July 2013 and on 1 August 2016 became an Independent Non-executive Director. The fees paid to Mr Gule for these services are market-related and are not, in the opinion of the Board, material and as such, the Board is satisfied that this aspect does not impair his independence.

In accordance with the independence requirements of the JSE Listings Requirements, none of the Independent Non-executive Directors participate in any share incentive scheme of the Company.

CORPORATE GOVERNANCE continued

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Executive Chairman and the Chief Executive Officer are separate and distinct. Contrary to the independence requirements of King III, Mr P T Motsepe is the Executive Chairman of the Company and a director of African Rainbow Minerals & Exploration Investments (Pty) Ltd (ARMI) and Botho-Botho Commercial Enterprises (Pty) Ltd (BBCE). As at 30 June 2016, Mr Motsepe, ARMI and BBCE held 40.80% of the Company's issued share capital. The shares of ARMI and BBCE are all held indirectly by trusts, all of which, with the exception of The Motsepe Foundation, hold those shares for the benefit of Mr Motsepe and his immediate family. The Motsepe Foundation applies the benefits emanating from its indirect shareholding in ARM for philanthropic purposes. ARM is satisfied that the non-independence of the Executive Chairman is properly addressed by the composition of the Board and particularly by the appointment of the Lead Independent Non-executive Director, Mr A K Maditsi, in accordance with and as required by King III.

In addition to the general requirements for the re-election of Directors set out in the Company's Memorandum of Incorporation (the MOI) and discussed below, the Executive Chairman is required to be elected by the Board annually. Mr Motsepe was re-elected as Executive Chairman for a period of one year commencing on 1 January 2016. The Chief Executive Officer is appointed by the Board.

BOARD CHARTER

The Board Charter was most recently amended by the Board in June 2016 to ensure compliance with King III and the Companies Act. The Board Charter provides guidelines to Directors in respect of, *inter alia*, the Board's responsibilities, authority, composition, meetings and the need for performance evaluations.

The roles and responsibilities of the Board as set out in the Board Charter include the following:

- > determining the Company's purpose, values and identifying its stakeholders and developing strategies in relation thereto;
- > being the focal point for and custodian of good corporate governance by managing the Board's relationship with management, the shareholders of the Company and other stakeholders;
- > providing strategic direction and leadership which is aligned to the Company's value system by reviewing and approving budgets, plans and strategies for ARM and monitoring the implementation of such strategic plans and approving the capital funding for such plans;
- > ensuring that ARM's business is conducted ethically and monitoring the ethics performance of ARM;
- > approving business plans, budgets and strategies which are aimed at achieving ARM's long-term strategy and vision;
- > annually reviewing the Board's work plan;
- > monitoring the operational performance of ARM, including financial and non-financial aspects relating to such performance;
- > ensuring the sustainability of ARM's business;
- > reporting in ARM's Integrated Annual Report on the going concern status of ARM and whether ARM will continue to be a going concern in the next financial year;
- > determining, implementing and monitoring policies, procedures, practices and systems to ensure the integrity of risk management and internal controls in order to protect ARM's assets and reputation;
- > identifying and monitoring key performance indicators of ARM's business and evaluating the integrity of the systems used to determine and monitor such performance;
- > monitoring and ensuring compliance with the Company's policies, codes of best business practice, the recommendations of King III and all applicable laws and regulations;
- > adopting and annually reviewing the Information Technology Governance Framework and receiving independent assurance on such framework;
- > considering, through the Audit and Risk Committee, specific limits for the levels of risk tolerance;
- > defining levels of materiality, thereby reserving certain powers for itself and delegating other matters to the management of the Company;
- > ensuring that the Company's annual financial statements are prepared and are presented before a duly convened Annual General Meeting of the Company;
- > ensuring that a communications policy is established, implemented and reviewed annually and, in addition to its statutory and regulatory reporting requirements that such policy contains accepted principles of accurate and reliable reporting, including being open, transparent, honest, understandable, clear and consistent in ARM's communications with stakeholders;
- > considering recommendations made to the Board by the Nomination Committee in regard to the nomination of new Directors and the re-appointment of retiring Directors, both as Executive Directors and Non-executive Directors;
- > ensuring that the competency and other attributes of the Directors are suitable for their appointment as Directors and the roles which they are intended to perform on the Board and that they are not disqualified in any way from being appointed as Directors;
- > ensuring that appointments to the Board are formal and transparent and comply with all prescribed procedures;
- > ensuring that a succession plan for the Executive Directors and senior management is implemented;

- > selecting and appointing suitable candidates as members of Committees of the Board and the Chairmen of such Committees;
- > ensuring that annual performance evaluations are conducted in respect of the Board, the Executive Chairman, the Chief Executive Officer, other individual Directors and Board Committees and their respective Chairmen; and
- > ensuring that the Board comprises an appropriate balance of Executive and Non-executive Directors, with the majority of Non-executive Directors being independent and ensuring that the Directors are persons who have the relevant knowledge, skills and experience required for governing the Company efficiently.

The Board Charter also provides for a clear division of responsibilities to ensure a balance of power and authority so that no one Director has unfettered powers of decision-making.

ELECTION, INDUCTION, SUCCESSION AND ASSESSMENT

ELECTION AND RE-ELECTION

The Memorandum of Incorporation requires that one-third of elected Non-executive Directors, who have been in office longest since their last election, retire by rotation at each Annual General Meeting. Being eligible, these Non-executive Directors may seek re-election should they so wish.

Messrs F Abbott, T A Boardman and W M Gule are required to retire by rotation. They have made themselves available for re-election at the Annual General Meeting to be held on Friday, 2 December 2016.

Directors appointed by the Board between Annual General Meetings, either to fill a casual vacancy or as an addition to the existing Board, hold office only until the next Annual General Meeting and are eligible for election (but are not included in determining the number of Directors who are to retire by rotation). When appointing Directors upon the recommendation of the Nomination Committee, the Board considers, *inter alia*, whether the candidates have the necessary skills and experience. Mr W M Gule became an Independent Non-executive Director with effect from 1 August 2016. Therefore, Mr Gule is required to stand for re-election at the Annual General Meeting to be held on Friday, 2 December 2016.

The Nomination Committee evaluates nominees and, taking into account their past performance and their contribution made to the Company, recommends such nominees to the Board for recommendation to shareholders for election and re-election at Annual General Meetings of shareholders, as the case may be.

The Directors' *curricula vitae* are available on pages 200 to 203.



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INDUCTION AND CONTINUING EDUCATION

All newly-appointed Directors receive a comprehensive information pack, including the Memorandum of Incorporation, the Board Charter, Terms of Reference of the Committees of the Board, Board policies and other documents relating to the Company; key legislation and regulations; as well as corporate governance, financial and reporting documents, including minutes and documents of an administrative nature.

Directors are encouraged to attend courses providing information and training relating to their duties, responsibilities, powers and potential liabilities. Regulatory and legislative updates are provided regularly. The Company holds an annual budget planning workshop and a strategy Bosberaad with senior management and the Board to, *inter alia*, inform Directors about the Company's business. Given the dynamics of the current market, updates on the current market were held in F2016. Regular education sessions are held with Directors and in F2016 these included updates on the amendments to the BBBEE Codes and the Company's sponsors provided an update on amendments to the JSE Listings Requirements.

Site visits for Non-executive Directors are typically conducted. No site visits for Non-executive Directors were held in F2016 due to operational considerations.

SUCCESSION

The Company has a succession plan for Executive Directors and senior management, which provides for the key management of the Company. The Company continuously strives to improve its talent pool through a comprehensive and focused plan for the management of human capital, including career development and recruitment. The Company adopts an integrated approach to succession planning. For example, the Social and Ethics Committee regularly reviews reports on leadership and employment equity programmes, and reports on developments in these areas to the Board. The Remuneration Committee monitors the remuneration framework, which includes incentives to attract and retain management. As a result, the Board is satisfied that the ongoing efforts to strengthen leadership provide short- and long-term management depth.

The Nomination Committee, together with the Executive Chairman, deals with the succession planning for Non-executive Directors and monitors the succession planning for Executive Directors.

For additional information regarding the succession process, see page 165.



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ASSESSMENT

The Board is committed to transparency in assessing the performance of the Board, its Committees and individual Directors as well as the governance processes that support Board activities. The effectiveness of the Board and its Committees is assessed annually. Independent external advisors assisted the Nomination Committee with the evaluation of the Board, its Committees, the Executive Chairman and the Company Secretary.

CORPORATE GOVERNANCE continued

The Board is of the view that the involvement of independent external advisors assists to ensure a rigorous and impartial evaluation process.

Matters considered in the assessments focus on the effectiveness of the Board, including:

- > Board composition
- > Board meetings and content
- > Roles of the Executive Chairman and the Company Secretary
- > Board accountability
- > Appointment, induction and training and succession planning
- > Performance evaluation and remuneration
- > Board Committees
- > Interaction: communication and relationships
- > Board dynamics and leadership
- > Board focus and function: strategy and compliance
- > Risk management and internal controls
- > Information Technology governance
- > Accounting and audit
- > Non-financial (sustainability) performance
- > Balance of power and authority
- > Ethics

Performance assessments of all of the Executive Directors, including the Executive Chairman and the Chief Executive Officer are undertaken annually and form the basis of their remuneration as discussed in Part I of the Remuneration Report starting on page 185.



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In the assessment process consideration is also given to the Board's diversity, size and demographics. The findings of the F2016 assessment were considered by the Board in 2016 and copies of the findings were provided to the external auditor in terms of King III.

Disclosure of the Company's sustainability performance in terms of GRI G4 may be found in the 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



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BOARD MEETINGS

The Board meets at least four times a year to consider the business and strategy of the Company. The Board reviews reports of the Chief Executive Officer, the Financial Director, divisional chief executives and other senior executives, chairmen of the Committees and independent advisors. During the financial year ended 30 June 2016, five Board meetings were held. The quorum for Board meetings is the majority of the Directors.

Members of the Board and senior executives of the Company consider the budget and review the Company's three-year financial plan. During the strategy sessions, the Company's future strategy is considered in detail. The Company's annual budget workshop was held in July 2016 as part of the eighth annual Bosberaad (strategy meeting) for Directors and senior management.

Agendas for Board meetings are prepared by the Company Secretary in consultation with the Executive Chairman, the Chief Executive Officer, the Financial Director and the Executive Director: Growth and Strategic Development. Information provided to the Board is compiled from external sources, such as independent third-party reports, and internally from minutes and plans as well as reports, relating to, for example, safety, health, sustainable development, risk, financial, governance and legal matters likely to affect ARM. Meeting materials are delivered to every Director prior to each meeting.

ADVICE AND INFORMATION

No restriction is placed on a Director's access to Company information, records, documents and property. Non-executive Directors have access to management and regular interaction is encouraged. All Directors are entitled to seek independent professional advice concerning the affairs of the Company at its expense.

MEETING ATTENDANCE

An F2016 meeting attendance summary is shown below:

	Board	Audit and Risk Committee	Investment Committee	Nomination Committee	Non-executive Directors' Committee	Social and Ethics Committee	Remuneration Committee
Number of meetings per year	5	7	1	3	4	4	3
P T Motsepe (Executive Chairman)	5	–	–	3 [^]	–	–	–
M P Schmidt (Chief Executive Officer)	5	6 [^]	1 [^]	3 [^]	–	4 [^]	3 [^]
F Abbott	4 ⁺	3 [*]	1	–	3 ⁺	–	3
M Arnold	5	7 [^]	1 [^]	3 [^]	–	–	3 [^]
M M M Bakane-Tuoane, Dr	5	7	–	3	4	4	3
T A Boardman	5	7	–	–	4	–	3
A D Botha	5	7	1	–	4	–	3
J A Chissano	4 ⁺	–	–	1 ⁺	3 ⁺	–	–
W M Gule	5	–	–	–	4	–	–
A K Maditsi	5	7	1	3	4	4	3
H L Mkatshana	5	7 [^]	1 [^]	–	–	4 [^]	–
R V Simelane, Dr	5	7	–	3	4	4	–
Z B Swanepoel	5	7	1	–	3 ⁺	–	–
A J Wilkens	5	4 [^]	–	2 [^]	–	1 [^]	3 [^]

[^] Attended as an invitee.

⁺ Absent with leave of the Board or Committee, as the case may be.

^{*} Mr F Abbott was appointed to the Audit and Risk Committee by the shareholders of the Company on 4 December 2015.

COMPANY SECRETARY

All Directors have access to the services and advice of the Company Secretary, Ms A N D'Oyley.

The Company Secretary is responsible for developing and maintaining the procedures and processes required for the proper administration of Board proceedings, and supports the Board as a whole and Directors individually by providing guidance as to how to fulfil their responsibilities as Directors in the best interests of the Company. The Company Secretary also guides and advises the Board and is a resource within the Company on, *inter alia*, governance and ethics matters and changes in legislation. To achieve these objectives, independent advisory services are retained by the Company Secretary at the request of the Board or its Committees. The Company Secretary oversees the induction of new Directors, as well as the ongoing training of Directors.

The Board appointed the Company Secretary in accordance with the requirements of the Companies Act. The JSE Listings Requirements provide that boards must consider and satisfy themselves annually regarding the competence, qualifications and experience of the company secretary. Therefore, in September 2016, upon the recommendation of the Nomination Committee, the Board considered details regarding the Company Secretary's competence, qualifications and experience, the salient details of which are set out below as required by the JSE Listings Requirements:

Competence	Qualifications	Experience
Competence evaluation by the Nomination Committee and by the Board	BCom, LLB and LLM	<ul style="list-style-type: none"> ➤ Ten years' experience as a Barrister and Solicitor ➤ Three years' experience as a General Counsel at a listed company ➤ Eleven years' experience as a Company Secretary

The Board also confirmed that the Company Secretary is not a Director of the Company and maintains an arm's-length relationship with the Board.

BOARD COMMITTEES

The Board has established Committees to assist it with fulfilling its responsibilities in accordance with the provisions of the Company's Board Charter. Nonetheless, the Board acknowledges that the delegation of authority to its Committees does not detract from the Board's responsibility to discharge its fiduciary duties to the Company.

The Committees have Terms of Reference, which are reviewed annually. They set out the Committees' roles and responsibilities, functions, scope of authority and composition. The annual review takes into account amendments to applicable legislation and

CORPORATE GOVERNANCE continued

developments in international best practices. Committees report to the Board at each Board meeting and make recommendations in accordance with their Terms of Reference.

In F2016, the Terms of Reference were reviewed by the Committees and, in some instances, minor housekeeping amendments to the Terms of Reference were approved by the Board.

The membership of the Board Committees currently consists solely of Independent Non-executive Directors. Each Committee is chaired by an Independent Non-executive Director.

Attendance schedules for Committee meetings held in F2016 are included in the meeting attendance summary on page 163 of this report.



The Committee Chairmen attend Annual General Meetings of shareholders to answer any questions.

The Board has established the following permanent Committees: Audit and Risk Committee, Investment Committee, Nomination Committee, Non-executive Directors' Committee, Remuneration Committee and Social and Ethics Committee.

AUDIT AND RISK COMMITTEE

Members:

T A Boardman (Chairman)

F Abbott (appointed by shareholders of the Company on 4 December 2015)

Dr M M M Bakane-Tuoane

A D Botha

A K Maditsi

Dr R V Simelane

The Audit and Risk Committee is constituted as a statutory committee of the Board in terms of Section 94 of the Companies Act and its composition complies with the provisions of that section.

The Report of the Audit and Risk Committee is available on pages 208 to 210.



The Audit and Risk Committee comprises six Independent Non-executive Directors, each of whom has extensive relevant experience. In accordance with the guidelines in King III, the Audit and Risk Committee Chairman is an Independent Non-executive Director and the Chief Executive Officer attends Audit and Risk Committee meetings at the Committee's request. The Financial Director is also an invitee at each meeting.

Minor amendments to the Audit and Risk Committee Terms of Reference were made by the Board in F2016.

Based on the Terms of Reference, a comprehensive agenda framework work plan is prepared to ensure that all tasks assigned to the Audit and Risk Committee are considered at least once a year.

The Audit and Risk Committee performs its review function over all of ARM's operations. To assist the Audit and Risk Committee with its reviews, all operational joint ventures have audit committees. The chairmen of the audit committees of the subsidiaries and joint ventures report to the Audit and Risk Committee, highlighting areas of concern and remedial actions taken by management. In addition, the minutes of audit committee meetings as well as internal and external audit reports of all operations are submitted to the Audit and Risk Committee.

The primary objective of the Audit and Risk Committee is to assist the Board in discharging its duties relating to the safeguarding of ARM's assets; the operation of adequate systems, internal controls and control processes; and the preparation of accurate financial reports and statements in compliance with all applicable legal requirements, corporate governance and accounting standards, as well as enhancing the reliability, integrity, objectivity and fair presentation of the affairs of the Company. It also oversees financial and other risks in conjunction with the Social and Ethics Committee. In fulfilling its oversight responsibilities, the Audit and Risk Committee reviews and discusses the audited financial statements with management and the external and internal auditors of the Company.

The Audit and Risk Committee has oversight of the Company's financial reporting process on behalf of the Board. Management has primary responsibility for the financial statements and for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control of such reporting.

The Audit and Risk Committee, after due consideration, is of the view that the independent registered audit firm, which is responsible for expressing an opinion on the conformity of the audited financial statements with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, is independent of the Company and its management.

Upon the recommendation of the Audit and Risk Committee at the Annual General Meeting, shareholders will be requested to re-appoint Ernst & Young Inc. (EY) as external auditor of the Company. Mr L I N Tomlinson was identified through the partner rotation and succession process in 2015 and in December 2015 was appointed as the designated individual auditor by shareholders of the Company. The Audit and Risk Committee will recommend that Mr Tomlinson be re-appointed as the designated individual auditor for the 2017 financial year. EY and Mr Tomlinson are registered with the JSE in accordance with the JSE Listings Requirements.

The Audit and Risk Committee meets with the internal and external auditors on a regular basis to discuss the results of their examinations, their evaluation of the Company's internal controls and the overall quality of the Company's financial reporting. The Committee also discusses the overall scope and plans for the respective audits of the Company's internal and external auditors. The internal and external auditors are invited to attend Audit and Risk Committee meetings.

The principles for the use of external auditors for non-audit services are set out in the formal policy on non-audit services.

The Financial Director is authorised to engage the external auditor for non-audit services for which the fee would not exceed R150 000. Matters for which the fee will exceed R150 000 must be pre-approved by the Audit and Risk Committee. The policy also prescribes permitted non-audit services.

In accordance with the JSE Listings Requirements, the Company has a Financial Director, Mr Michael (Mike) Arnold, who was appointed to the Board with effect from 1 August 2009. The Audit and Risk Committee reviews the Financial Director's qualifications and experience annually and, following the 2016 review, is satisfied that the Financial Director has experienced finance executives reporting to him, that the finance function is adequately resourced and that Mr Arnold has the necessary experience and expertise to discharge his responsibilities.

The Management Risk and Compliance Committee reports to the Audit and Risk Committee and its report is included on page 167 and pages 174 to 184 of this Corporate Governance Report.



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During the year under review, the Audit and Risk Committee's performance and effectiveness were evaluated. As a result of that evaluation, the Board is satisfied that the Audit and Risk Committee has complied with its Terms of Reference.

The Audit and Risk Committee acts as a forum for communication between the Board, management and the external and internal auditors. It is required to meet at least six times a year. Seven meetings were held during F2016.

See the meeting attendance summary on page 163 of this Corporate Governance Report.



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INVESTMENT COMMITTEE

Members:

Z B Swanepoel (Chairman)
F Abbott
A D Botha
A K Maditsi

The Investment Committee comprises four Independent Non-executive Directors.

The Investment Committee's purpose is to consider substantial investments proposed by management, including mining projects, acquisitions and disposals of assets, and to make such recommendations to the Board as it considers appropriate. The Investment Committee also reviews the results attained on completion of each project.

The Terms of Reference of the Investment Committee were reviewed without amendment in F2016.

The Investment Committee is required to meet at least once a year. One meeting was held during F2016.

See the meeting attendance summary on page 163 of this Corporate Governance Report.



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NOMINATION COMMITTEE

Members:

A K Maditsi (Chairman)
Dr M M M Bakane-Tuokane
J A Chissano
Dr R V Simelane

The Nomination Committee comprises four Independent Non-executive Directors.

For additional information in this regard, refer to the section entitled "Board Committees" on pages 163 and 164 of this Corporate Governance Report.



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The Nomination Committee is responsible, *inter alia*, for establishing formal and transparent procedures for the appointment of Directors; recommending to the Board suitable candidates for appointment as members of its Committees and the Chairmen of such Committees; ensuring compliance with those provisions of the MOI governing the rotation of Directors and making recommendations to the Board with regard to the eligibility of retiring Directors of the Company for re-election.

The Nomination Committee is also responsible for developing a formal induction programme for new Directors of the Company, overseeing access by Directors to external continuing professional development programmes for Directors so as to ensure that new Directors are developed through mentorship and training programmes; and ensuring that Directors receive regular briefings on changes in risks, laws and the environment in which ARM operates.

The Nomination Committee assists the Executive Chairman to lead the overall performance evaluation, at least once a year, of the Chief Executive Officer and the other Directors in respect of their roles as Directors as well as evaluations of the Board as a whole and its Committees. The Nomination Committee assists the Lead Independent Non-executive Director to lead the annual performance evaluation of the Executive Chairman, with the assistance of the Company Secretary.

The Nomination Committee reviews, from time to time, the structure, composition and size of the Board and makes recommendations to the Board regarding any changes that are considered necessary to enhance the effectiveness of the Board, including recommendations on the general composition of the Board and the balance between Executive and Non-executive Directors appointed to the Board. The Nomination Committee deals with succession planning for the Executive Chairman, the Chief Executive Officer and other Directors.

For additional information regarding the succession process, please refer to page 161.



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CORPORATE GOVERNANCE continued

The Terms of Reference of the Nomination Committee were reviewed in 2016 and minor amendments were made by the Board.

In line with JSE Listings Requirements, the Nomination Committee is chaired by the Lead Independent Non-executive Director, Mr A K Maditsi. Mr Motsepe, the Executive Chairman, attends Nomination Committee meetings as an invitee.

In terms of the Terms of Reference of the Nomination Committee at least one meeting must be held per year. During F2016, three meetings were held.

See the meeting attendance summary on page 163 of this Corporate Governance Report.



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NON-EXECUTIVE DIRECTORS' COMMITTEE

Members:

A K Maditsi (Chairman)
 Dr M M M Bakane-Tuoane
 F Abbott
 T A Boardman
 A D Botha
 J A Chissano
 W M Gule
 Dr R V Simelane
 Z B Swanepoel

The Non-executive Directors' Committee comprises all of the Non-executive Directors and meets formally on a quarterly basis without management. The meetings are chaired by the Lead Independent Non-executive Director, Mr A K Maditsi.

Terms of Reference of the Non-executive Directors' Committee were approved by the Board in F2011 and reviewed without amendment in F2016. The Committee provides a forum for the Non-executive Directors of the Company to consider and discuss issues of importance to ARM, including the promotion of increased investor confidence, stimulating business growth, reducing fraudulent practices through effective business leadership, fostering sustainable long-term growth in both the social and economic arenas and cultivating and promoting an ethical corporate culture within ARM.

Four meetings were held during F2016.

See the meeting attendance summary on page 163 of this Corporate Governance Report.



IAR

REMUNERATION COMMITTEE

The Remuneration Report, Part I is available on pages 185 to 196. The Remuneration Report, Part II is available in the Directors' Report on pages 215 to 221.



IAR

SOCIAL AND ETHICS COMMITTEE

Members:

Dr R V Simelane (Chairman)
 Dr M M M Bakane-Tuoane
 A K Maditsi

The Company's sustainable development philosophy is underpinned by the realisation that there is a need to turn mineral wealth into sustainable economic growth and development. Through its business endeavours, ARM seeks to act as a catalyst for local, national, regional and international development, to make a lasting and important social, economic and environmental contribution to the developing regions in which ARM operates and to achieve and maintain world-class performance standards in the management of safety, health (occupational), the environment, tuberculosis, HIV & Aids and Corporate Social Responsibility.

Additional information is available in the Report of the Social and Ethics Committee on pages 197 to 198 of this report, in the Sustainability Review on pages 36 to 71 of this report and in the 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



IAR SR

The purpose of the Social and Ethics Committee is to monitor and report on the manner and extent to which ARM protects, enhances and invests in the economy, society and the natural environment in which ARM operates in order to ensure that its business practices are sustainable. The Social and Ethics Committee also reviews and considers the efficacy of ARM's systems to promote Local Economic Development opportunities to enable Historically Disadvantaged South Africans to develop economically while meeting the requirements of Mineral Rights conversions and other requirements detailed in the Mineral and Petroleum Resources Development Act 28 of 2002, as amended, and other applicable legislation.

The Social and Ethics Committee's Terms of Reference were amended by the Board in May 2011 in compliance with King III. The Sustainable Development Committee was renamed the Social and Ethics Committee in August 2011. The Terms of Reference of the Social and Ethics Committee were most recently reviewed by the Board in 2016 and minor amendments were made.

The Social and Ethics Committee is responsible for:

- > Monitoring activities having regard to relevant legislation and other legal requirements and codes of best practice;
- > Drawing relevant matters to the attention of the Board; and
- > Reporting to the shareholders of the Company at Annual General Meetings.

In particular, the Social and Ethics Committee is responsible for monitoring:

- > Social and economic development;
- > Good corporate citizenship;
- > Environmental management, occupational health and wellness and employee safety;
- > Consumer relationships, as applicable; and
- > Labour and employment.

The Social and Ethics Committee's Terms of Reference provide that the Committee must have a minimum of three members, the

majority of whom must be Independent Non-executive Directors. Currently, the Social and Ethics Committee comprises three Non-executive Directors, all of whom are independent. Invitees include the Chief Executive Officer of the Company, the divisional chief executives, the Executive: Business Development, the Executive: Sustainable Development, the Group Executive: Human Resources, the Group Executive: Compliance and Stakeholder Relations and the Group Risk Manager.

Four meetings were held during F2016.

See the meeting attendance summary on page 163 of this Corporate Governance Report.



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AD HOC BOARD COMMITTEES

The Board has the right to appoint and authorise special *ad hoc* Board Committees, comprising the appropriate Board members, to perform specific tasks as required.

MANAGEMENT COMMITTEES

The Company has various Management Committees comprising Executive Directors and senior executives who are considered essential to the functioning of the Company and ensuring the appropriate control and provision of information to the Board.

See page 158 for a summary of how these Committees support the business.



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EXECUTIVE COMMITTEE

The Executive Committee was formed in January 2012 and its members met six times in F2016. The Executive Committee is chaired by the Executive Chairman. Standard items on the agenda include strategic matters, reports from the Chief Executive Officer, the Financial Director, the divisional chief executives and other senior executives.

MANAGEMENT RISK AND COMPLIANCE COMMITTEE

Members:

M P Schmidt (Chairman) (Executive Director)

M Arnold (Executive Director)

N Botes-Schoeman

J M Bräsler

P W Coetzee

W H Graham

A Joubert

B R Mashiane

H L Mkatshana (Executive Director)

J M Pistorius

J C Steenkamp

P S Thwala

F A Uys

A J Wilkens (Executive Director)

In F2016, the name and scope of the Management Risk Committee was changed to the Management Risk and Compliance Committee.

The Management Risk and Compliance Committee, a management sub-committee of the Audit and Risk Committee, assists the Audit and Risk Committee in discharging its duties relating to risk matters by implementing, coordinating and monitoring a risk management plan, policy and processes to ensure that broader strategic and significant business risks are identified and quantified with attendant controls and management assurance. The Management Risk and Compliance Committee's Terms of Reference are reviewed annually and were most recently amended in F2016.

The Management Risk and Compliance Committee is chaired by the Chief Executive Officer and its membership includes the Financial Director, the chief executives of the divisions, the Group Risk Manager, the Executive: Sustainable Development, the Chief Information Officer and the Chief Compliance Officer. The internal auditor is invited to attend one meeting per year. The Chairman of the Management Risk and Compliance Committee and the Group Risk Manager attend Audit and Risk Committee meetings and report on the activities of the sub-committee. The Chief Executive Officer and the Chairman of the Audit and Risk Committee report on risk matters to the Board. The Group Risk Manager and the Executive: Sustainable Development are also invited to attend Board meetings to respond to any risk-related matters raised by the Directors.

The Management Risk and Compliance Committee had four meetings during F2016 as well as the annual Corporate Risk Workshop.

Additional information regarding the risk management programme is available in the Risk Report on pages 174 to 184.



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STEERING COMMITTEE

The Steering Committee implements management policy and considers other operational matters. The Steering Committee is chaired by the Chief Executive Officer and its membership includes Executive Directors and senior management. It meets quarterly, or more often as required. All Steering Committee members are invited to attend the annual Bosberaad.

The Steering Committee members are listed on pages 204 to 205.



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GROWTH AND STRATEGIC DEVELOPMENT COMMITTEE

The Growth and Strategic Development Committee evaluates growth opportunities. The Committee, which is chaired by the Executive Director: Growth and Strategic Development, meets fortnightly, or as often as required. Its members include the Chief Executive Officer, the Financial Director, the Executive Director and Chief Executive: ARM Copper and ARM Coal, the Chief Executive: ARM Strategic Services and Exploration, the Executive: Business Development, the Executive: Legal Compliance and Stakeholder Relations and the Executive: Corporate Development. The other divisional chief executives attend meetings by invitation.

CORPORATE GOVERNANCE continued

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT COMMITTEE

The Employment Equity and Skills Development Committee considers employment equity, transformation and skills development strategies throughout the Company. The Company took a decision to combine the Employment Equity Committee and the Skills Development Management Committee eight years ago as the Committees had common goals and addressed issues which are interrelated. The Committee is chaired by Mr H L Mkatshana, an Executive Director and the Chief Executive of ARM Copper and ARM Coal. Its members include the Chief Executive Officer, the Financial Director, the Group Executive: Human Resources, the divisional chief executives, the Executive: ARM Platinum Corporate Affairs, the Group Executive: Compliance and Stakeholder Relations, the Leader: Transformation and other senior executives. The Committee meets quarterly, or more often as required. The Committee Chairman and the Group Executive: Human Resources attend and report at Social and Ethics Committee and Board meetings.

TREASURY COMMITTEE

The Treasury Committee meets monthly and, if required, more frequently, under the chairmanship of the Financial Director. The Committee membership includes the ARM Finance Executive: Operations, the ARM Finance Executive: Corporate and the Company Financial Manager. Representatives of Andisa Treasury Solutions (Andisa), to whom the treasury function is outsourced, attend meetings by invitation. The Treasury Committee reviews operational cash flows, currency and interest rate exposures as well as funding issues within the Company. While not performing an executive or decisive role in the deliberations, Andisa implements decisions taken when required. Advice is also sought from other advisors on an ongoing basis.

INFORMATION TECHNOLOGY STEERING COMMITTEE

The Information Technology (IT) Steering Committee which was formed in November 2007 implements the IT Governance Framework and the IT strategy adopted by the Board in August 2012, and develops IT policies and procedures. The committee is chaired by Mr J C Steenkamp, the Chief Executive: Strategic Services and Exploration. Its members include the Chief Information Officer, the Chief Executive: ARM Ferrous, various senior ARM Ferrous and ARM Strategic Services and Exploration executives, the Executive: Operations Support, senior general managers of the Assmang operations and all senior IT project managers from the divisions. The committee meets quarterly or more often as required. The Committee Chairman and the Chief Information Officer attend and report at Audit and Risk Committee meetings.

INFORMATION MANAGEMENT/ TECHNOLOGY GOVERNANCE WITHIN THE ARM GROUP

INTRODUCTION

Within ARM, the terminology Information Management (IM) is used to describe the management of information as well as the supporting technology and the related applications and data.

IM is one of the cornerstones of ARM's intellectual capital. IM has as its mission the implementation and continuous improvement of appropriate, standardised, proven and integrated Information Technology and software applications, which provide user-specific information to support all ARM's objectives and enhance its business and safe mining strategy. ARM does not develop any software but makes use of the principle "to buy, not develop". All software is thus configurable according to business processes and associated rules. Information must be accessible from anywhere at any time with any device. This initiative is known as RIFA (Reliable Information For ARM), throughout the Group.

To this end, the Group has continued with its roll-out of an integrated Enterprise Resource Planning (ERP) system, incorporating finance, procurement, inventory, safety and people management, to one system in line with ARM's drive to enhance efficiency. In addition, the Group has commenced with the roll-out of a system that allows for advanced analytics to show trends, enhance planning, forecasting and emerging patterns.

The Board affirms its responsibility for the governance of IM within the Group and has adopted an internationally acknowledged IT Governance Framework. The IM governance model reflects both business and IM requirements, focusing on strategic alignment of IM and business, the value delivered by IM, IM risk management (including information security, IM resilience and legislative and health and safety compliance), resource management and performance management. The business of IM is conducted in accordance with international standards, such as those embodied in the Information Systems Control Association's IT Governance Institute and CoBIT (Control Objectives for Information Technology) frameworks. These are reviewed from time to time to take into account organisational changes, international developments in the field of IM governance, and changing IM-related risk profiles.

GOVERNANCE OF INFORMATION MANAGEMENT

Summarised in the diagram below are the key elements of the ARM IM Governance Framework, and the aspects explained below are measured and monitored by the Chief Information Officer on an ongoing basis and are reported on quarterly to the Audit and Risk Committee. The framework used is based on international standards and has been mapped to the IM governance principles contained in the fifth chapter of King III. The Board is comfortable that through the use of this framework the applicable King III principles are being applied.

The business of IM is conducted in accordance with international standards, such as those embodied in the Information Systems Control Association’s IT Governance Institute and CoBiT (Control Objectives for Information Technology) frameworks. The Chief Information Officer oversees the day-to-day IM operations and the Board has delegated responsibility to the Audit and Risk Committee for overseeing it.

INFORMATION MANAGEMENT



CORPORATE GOVERNANCE continued

REVIEW OF F2016

During F2016, the Information Management department focused on a number of key strategic initiatives within ARM as per the objectives that were set for the period. Due to the economic climate and the pressure on commodity pricing a decision was taken to limit the capital expenditure on projects and to focus on stabilising, enhancing and maturing the current systems and applications, including the users of these systems. The initiatives for the period being:

- > Cybersecurity – awareness sessions and surveys held within the Group regarding various aspects of cybercrime as a priority, due to the worldwide escalation in this regard.
- > Continuation of the Human Resources Systems in the Northern Cape operations, focusing on stabilising and enhancing the current systems, which were recently installed.

- > Supporting and maturing the operations in terms of the JD Edwards environment with internal support resources. The support effectiveness is monitored and reported on a monthly basis.
- > Due to the economic climate redesign of the structure to run, maintain and support all systems within the Group.

A number of the objectives in the table below commenced prior to the 2016 reporting period and can be influenced in terms of planned delivery dates, due to external factors such as the current financial affordability of the business given the commodities market, availability of resources from the business, which might cause objectives to be delayed or to re-appear in future reports.

INFORMATION MANAGEMENT GOVERNANCE DIMENSION	OBJECTIVES AND PERFORMANCE F2016	OBJECTIVES F2017
Risk management	<p>Objective: Development of a Governance framework measurement model.</p> <p>Performance: Enhance and sustain the model and inputs on a continuous basis and align all mines and operations.</p>	The process needs to be implemented and monitored within all ARM operations.
Risk management	<p>Objective: Ensure cybersecurity is a priority to limit the exposure of ARM and all system users.</p> <p>Performance: Awareness, surveys and training of end users.</p>	Ongoing awareness, and training of end users.
Value delivery	<p>Objective: Continuation of the HR initiatives for the Northern Cape operations.</p> <p>Performance: Stabilise, and mature both systems and resources.</p>	Complete all systems configurations, enhance where appropriate, stabilise and mature all systems for the human resources functions in the Northern Cape operations.
Value delivery	<p>Objective: ARM Infrastructure and Applications.</p> <p>Performance: ARM IM has reduced the budgets for 2016/2017 and all expenditure is scrutinised.</p>	<p>Further opportunities to contain costs to be investigated. All systems will remain in a mode of care and maintenance.</p> <p>All licensing and support agreements of applications are being optimised, consolidated and reduced as far as possible.</p>

Abbreviations

CTID Culture, Team and Individual Development
IM Information Management
RIFA Reliable Information For ARM

CoBit Control Objectives for Information Technology
IT Information Technology
WAN Wide Area Network

ERP Enterprise Resource Planning
MAPP Managing ARM's People Potential

The Board affirms its responsibility for the governance of IM within the Group. The IM governance model reflects both business and IM requirements, focusing on strategic alignment of IM and business, the value delivered by IM, IM risk management (including information security, IM resilience and legislative and health and safety compliance), resource management and performance management.

IM within ARM's mission remains, "The implementation and continuous improvement of appropriate, standardised, proven and integrated Information Technology and software applications, which provide user-specific information to support all ARM's objectives and enhance its business and safe mining strategy".

ETHICS

The Company is committed to high moral, ethical and legal standards in dealing with all of its stakeholders. All Directors and employees are required to maintain high ethical standards so that the Company's business is conducted honestly, fairly and legally and in a reasonable manner, in good faith and in the best interests of the Company. These principles are set out in ARM's Code of Conduct (the Code), which was previously known as the Code of Ethics. The Code was amended in F2011 to reflect the Company's obligations under King III and the Companies Act, and most recently updated in F2016. A Code of Conduct online training programme has been rolled out at the corporate office, the ARM Platinum operations and the ARM Ferrrous operations.

The Code of Conduct is available on ARM's corporate website: www.arm.co.za.



WHISTLEBLOWERS' FACILITY

An independent service provider operates ARM's whistleblowers' facility to enable employees and other stakeholders to report confidentially and anonymously any unethical or risky behaviour. Information about the facility is included in the Code and contact information is posted in each of the Company's offices. Initiatives to heighten awareness of the whistleblowers' facility are implemented on an ongoing basis. Formal procedures in place result in each whistleblowing report being investigated and policy and procedures revised, where applicable, with feedback reports being provided to the operators of the ARM whistleblowers' facility. No material non-compliance incidents were reported during the year under review.

Comment from Sustainability Assurance Provider:

"As part of the scope of work to provide Independent Third Party Assurance over ARM's sustainability reporting, IBIS Consulting conducted an assessment of ARM's ethics policies and procedures, in line with King III recommendations. Based on our review, including observations and interviews during visits to selected sites, it appears that ARM employs a comprehensive set of policies (e.g. the Code of Conduct), procedures, systems and controls to meet reasonable expectations for the monitoring and management of ethical compliance throughout its operations."

For more information, go to IBIS Consulting's comprehensive assurance statement within ARM's 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



CONFLICTS OF INTEREST

The Code includes a policy prohibiting the acceptance of any gift which may be construed as an attempt to influence an employee, regardless of value. The acceptance of any gift is subject to the approval of a member of the executive.

DISCLOSURE

The Code includes a policy regarding communications which encourages complete, accurate and timely communications with the public. The Chief Executive Officer, the Financial Director, the Head of Investor Relations and the Company Secretary oversee

compliance with the disclosure requirements contained, *inter alia*, in the JSE Listings Requirements.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board, with the assistance of the Audit and Risk Committee, the Management Risk and Compliance Committee and the internal auditors (outsourced to KPMG Services (Pty) Ltd), review the Company's risk profile annually. In terms of the risk-based internal audit programme approved annually by the Audit and Risk Committee, the internal auditors perform a number of reviews to assess the adequacy and effectiveness of systems of internal control and risk management. The results of these reviews, together with updates on the corrective action taken by management to improve control systems are reported to the Audit and Risk Committee and the Board.

GOING CONCERN

On the recommendation of the Audit and Risk Committee, the Board annually considers the appropriateness of the going concern basis in the preparation of the year-end financial statements.

The Report of the Audit and Risk Committee is available on pages 208 to 210.



RISK MANAGEMENT PROGRAMME

The Risk Report is available on pages 174 to 184.



LEGAL COMPLIANCE

The Company has a legal and regulatory compliance policy. Internal and external legal compliance and operational audits are regularly conducted at all operations and any instances of non-compliance with regulatory requirements are reported to management for corrective action.

In addition, ARM Corporate initiates external biennial audits of Safety, Health and Environmental (SHE) performance at those operations over which ARM has joint management control. The most recent external SHE audits commenced in June 2016 and are expected to be completed by the end of November 2016.

At the end of 2014, Two Rivers Platinum received a notification of intent to issue a pre-directive in terms of Section 53 of the National Water Act from the DWS for unlawful water use pertaining to the construction of a lapa with associated ablution facilities on the wall of the Inyoni Dam. A comprehensive geohydrological investigation and risk assessment report was presented to the DWS in April 2015 and the matter is still under consideration.

In the case of the Khumani Housing Development Company Proprietary Limited, a subsidiary of Assmang Proprietary Limited, its appeal against the administrative fine in terms of section 24G of the National Environmental Management Act, which was lodged in the 2014 financial year, remains unresolved.

Refer to the Sustainability Review on pages 46 to 49 for additional information about safety.



CORPORATE GOVERNANCE continued

MINING CHARTER

ARM is committed to the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry (the Mining Charter). The Mining Charter was developed to effect sustainable transformation, growth and development of the mining industry, through a consultative process between government, labour and the mining industry. The Mining Charter was ratified in October 2007 and revised in September 2010. Measures for assessing the contribution of mining companies to the socio-economic goals of the Mining Charter were developed.

These include the mining scorecard and focus on nine key elements: ownership, procurement and enterprise development, beneficiation, employment equity, human resources development, mine community development, housing and living conditions, sustainable development and growth of the mining industry and reporting (monitoring and evaluation).

Amendments were proposed to the Mining Charter in March 2016; however, such amendments have not been finalised.

A section describing the progress ARM has made to comply with the requirements of the revised Mining Charter is provided in the 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



DEALINGS IN SECURITIES AND INSIDER TRADING POLICY

ARM enforces closed periods in compliance with legislation and regulations. During these times, Directors, officers and designated persons are precluded from dealing in ARM securities. All Directors and employees were provided with relevant extracts from applicable legislation and the Company's procedures in this regard. Directors and employees are reminded of their obligations in terms of insider trading and the penalties for contravening the regulations. No amendments to the policy were made in F2016.

The complete policy governing dealings in Company securities and insider trading is available on ARM's corporate website: www.arm.co.za



DONATIONS TO POLITICAL PARTIES

ARM supports South Africa's democratic processes and makes contributions to political parties. A policy relating to making donations to political parties has been adopted by the Company. In the year under review, donations were made to political parties in accordance with the policy and the donations budget approved by the Board.

INVESTOR RELATIONS AND COMMUNICATION WITH STAKEHOLDERS

ARM is committed to transparent, comprehensive and objective communication with its stakeholders. The Company maintains a website, which provides information regarding the Company's operations, financial performance and other information. Further to the commitment to transparent stakeholder communication, the Company has an Executive: Business Development, an Executive: ARM Platinum Corporate Affairs, a Group Executive: Compliance and Stakeholder Relations and an Executive Legal: Compliance and Stakeholder Relations.

Shareholders are encouraged to attend the Annual General Meeting and to use it as an opportunity to engage with the Board and senior management. Summaries of the results of decisions taken at shareholders' meetings are disclosed on the Stock Exchange News Service (SENS) and the Company's website following the meetings.

The Company's stakeholder communication policy is included in the Code.

ARM's investor relations department is responsible for communication with institutional investors, the investment community and the media. The Company has developed a comprehensive investor relations programme to communicate with domestic and international institutional investors, fund managers and investment analysts. Engagements include participation by ARM senior executives in one-on-one meetings with institutional investors locally and internationally, through investor roadshows and conferences.

Additional information regarding our engagement with key stakeholders is available on pages 32 to 33 and in the 2016 Sustainability Report available on ARM's corporate website: www.arm.co.za



ANNUAL GENERAL MEETING

The Notice of Annual General Meeting is available on pages 305 to 310.



SPONSOR

Deutsche Securities (SA) Proprietary Limited is the Company's sponsor.