



SUMMARISED CORPORATE GOVERNANCE REPORT

Our strategy is supported by high standards of corporate governance, which we review to ensure robust reporting, the forging of strong relationships with our stakeholders and the alignment of our businesses with global good practice.

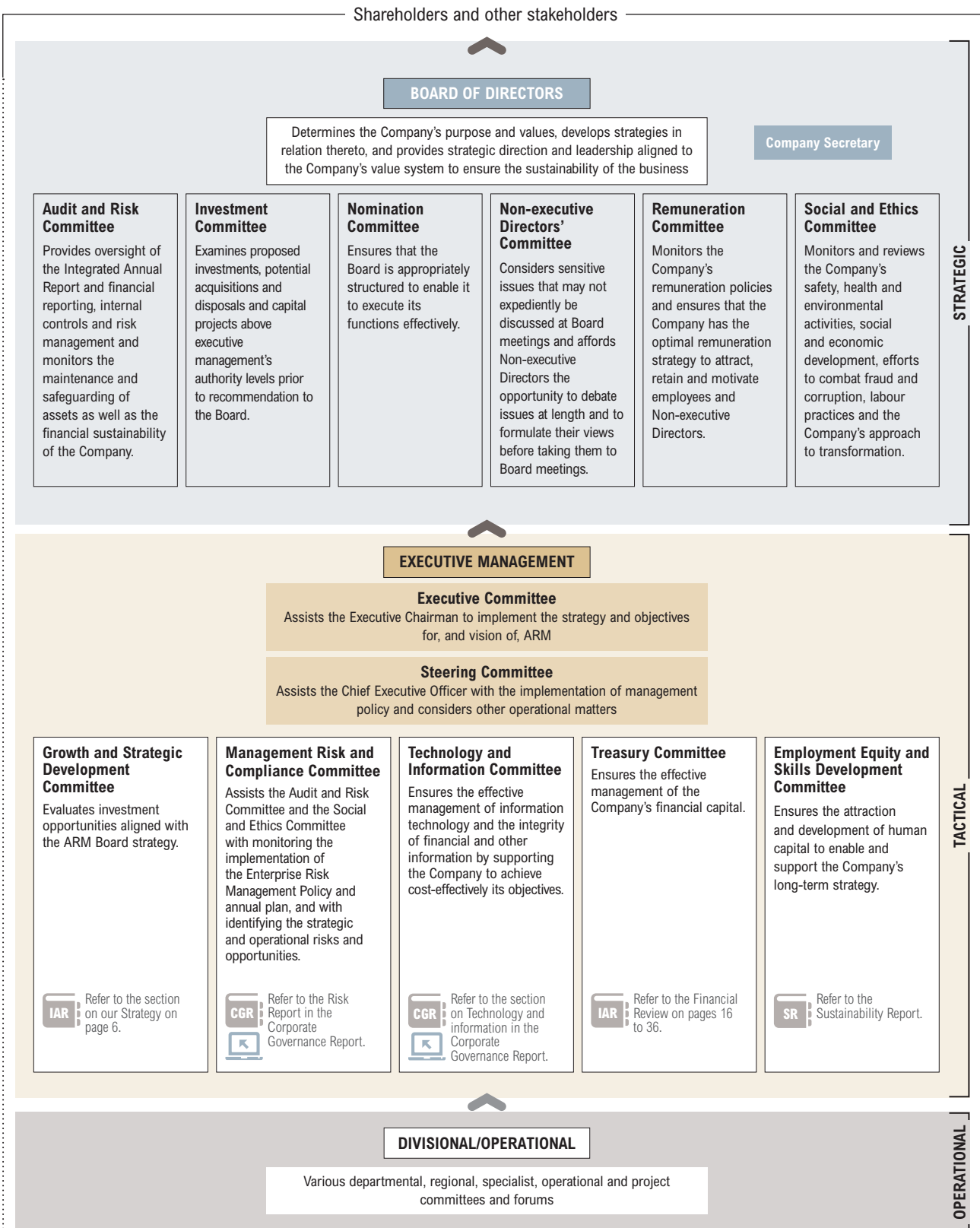
OUR APPROACH TO CORPORATE GOVERNANCE

We understand that adhering to the highest standards of corporate governance is fundamental to the sustainability of our business. Our 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 our corporate governance system and is accountable and responsible for our performance. The Board retains effective control of the business through a clear governance structure and has established committees to assist it in accordance with the provisions of our 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, establish a corporate culture aligned with ARM's purpose, foster sustainable growth and align to evolving best practice.

GOVERNANCE FRAMEWORK



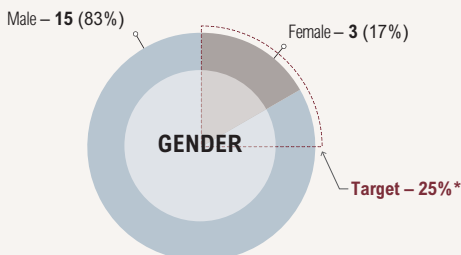
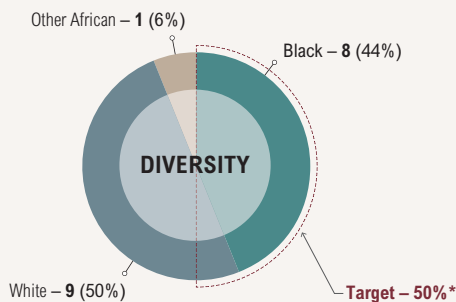
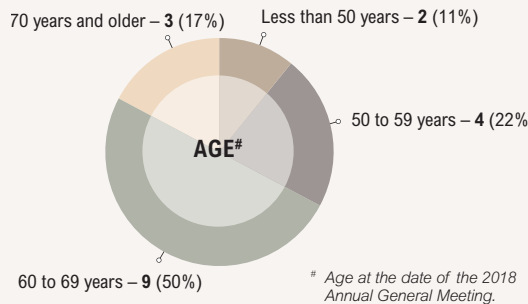
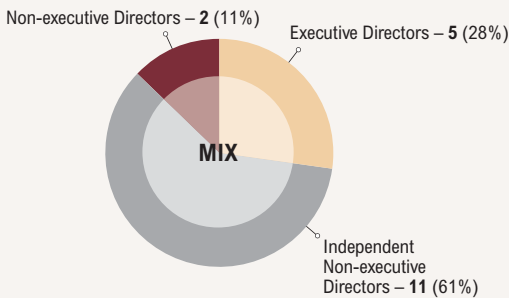
Comment from Ibis ESG Assurance "As part of our Independent Third Party Assurance processes, Ibis ESG Assurance (Pty) Ltd (Ibis ESG Assurance) conducted an assessment of ARM's application of the 16 relevant principles contained in the King IV Report on Corporate Governance for South Africa, 2016 (King IV™), and found no concerns relative to ARM's assertions that all of the 16 individual King IV™ principles have been applied, with reasonable evidence to support each assertion."

SR The complete King IV™ application register and Ibis ESG Assurance's comprehensive assurance statement in the 2018 Sustainability Report are both available on the website: www.arm.co.za.

SUMMARISED CORPORATE GOVERNANCE REPORT continued

OUR BOARD OF DIRECTORS

The Board of Directors provides strategic direction and leadership, monitors the implementation of business and strategic plans and approves the capital funding for these plans to support a sustainable business.



* 31 December 2018 target in terms of the Board-approved policy.



Dr Patrice Motsepe (56)
 BA (Law) (Eswatini, formerly Swaziland), LLB, Doctorate of Commerce Honoris Causa (Wits), Doctorate of Commerce Honoris Causa (Stellenbosch), Doctor of Management and Commerce Honoris Causa (Fort Hare) and Doctor of Laws Honoris Causa (Eswatini)
 Executive Chairman
 Appointed to the Avmin board in 2003, Dr Motsepe led ARMgold in 2003 into a merger with Avmin and Harmony. Following the merger, Avmin changed its name to African Rainbow Minerals (ARM) and he became the founder and Executive Chairman of ARM.

* African Rainbow Capital Proprietary Limited, African Rainbow Energy & Power (Pty) Ltd, Harmony Gold Mining Company Limited, Sanlam Limited.



Mike Schmidt (60)
 Mine Manager's Certificate, MDP, Pr Cert Eng
 Chief Executive Officer
 Appointed to the Board in 2011.



Abigail Mukhuba (39)
 BCompt, BCom (Accounting) (Hons), CA(SA), MCom (South African and International Taxation), MBA
 Finance Director
 Appointed to the Board in 2017.
 * African Rainbow Capital Proprietary Limited.



André Wilkens (69)
 Mine Manager's Certificate of Competency, MDP (Unisa), RMIIA, Mini-MBA (Oil and Gas Executives)
 Executive Director: Growth and Strategic Development
 Appointed to the Board in 2003.
 * African Rainbow Energy & Power (Pty) Ltd, Harmony Gold Mining Company Limited



Thando Mkatshana (49)
 NHD (Coal Mining), BSc Eng (Mining), MDP and MBA
 Executive Director and Chief Executive: ARM Platinum and ARM Coal
 Appointed to the Board in 2015.



Alex Maditsi (56)
 BProc, LLB, HDip Co Law, LLM
 Lead Independent Non-executive Director
 Chairman of the Nomination Committee and of the Non-executive Directors' Committee, and a member of the Audit and Risk Committee, the Investment Committee, the Remuneration Committee and the Social and Ethics Committee
 Appointed to the Board in 2004.
 * African Rainbow Capital Proprietary Limited, African Rainbow Energy & Power (Pty) Ltd, Bidvest Group Limited, Murray & Roberts Holdings Limited.



- Frank Abbott (63)**
 BCom, CA(SA), MBL
 Independent Non-executive Director
 Member of the Audit and Risk Committee, Investment Committee and the Non-executive Directors' Committee
Appointed to the Board in 2004.
 * *Harmony Gold Mining Company Limited.*



- Dr Manana Bakane-Tuoane (70)**
 BA (Economics and Statistics), MA (Econ), PhD (Econ)
 Independent Non-executive Director
 Member of the Audit and Risk Committee, the Nomination Committee, the Non-executive Directors' Committee, the Remuneration Committee and the Social and Ethics Committee
Appointed to the Board in 2004.



- Tom Boardman (68)**
 BCom, CA(SA)
 Independent Non-executive Director
 Chairman of the Audit and Risk Committee and a member of the Non-executive Directors' Committee and the Remuneration Committee
Appointed to the Board in 2011.
 * *African Rainbow Capital Proprietary Limited, African Rainbow Energy & Power (Pty) Ltd, Ansor Limited, Millicom International Cellular, Royal Bafokeng Holdings Limited, Woolworths Holdings Limited.*



- Anton Botha (65)**
 BCom (Marketing), BProc, BCom (Hons), SEP (Stanford)
 Independent Non-executive Director
 Chairman of the Remuneration Committee and a member of the Audit and Risk Committee, the Investment Committee and the Non-executive Directors' Committee
Appointed to the Board in 2009.
 * *Imalvest, Sanlam Limited.*



- Joaquim Chissano (78)**
 PhD
 Independent Non-executive Director
 Member of the Nomination Committee and the Non-executive Directors' Committee
Appointed to the Board in 2005.
 * *Harmony Gold Mining Company Limited.*



- Mangisi Gule (66)**
 BA (Hons) (Wits), P & DM (Wits Business School)
 Independent Non-executive Director
 Member of the Non-executive Directors' Committee
Appointed to the Board in 2004.



- Kobus Möller (59)**
 BCom, BCompt (Hons), CA(SA), AMP (Harvard)
 Independent Non-executive Director
 Member of the Investment Committee, the Audit and Risk Committee, Remuneration Committee and the Non-executive Directors' Committee
Appointed to the Board in 2017.



- David Noko (61)**
 Dipl (Mech Eng), MDP, MBA, SEP (LBS)
 Independent Non-executive Director
 Member of the Non-executive Directors' Committee
Appointed to the Board in 2017.



- Dr Rejoice Simelane (66)**
 BA (Economics and Accounting), MA, PhD (Econ), LLB (Unisa)
 Independent Non-executive Director
 Chairman of the Social and Ethics Committee and a member of the Audit and Risk Committee, the Nomination Committee and the Non-executive Directors' Committee
Appointed to the Board in 2004.
 * *African Rainbow Capital Proprietary Limited, African Rainbow Energy & Power (Pty) Ltd, Sanlam Limited.*



- Bernard Swanepoel (57)**
 BSc (Min Eng), BCom (Hons)
 Independent Non-executive Director
 Chairman of the Investment Committee and a member of the Social and Ethics Committee and the Non-executive Directors' Committee
Appointed to the Board in 2003.
 * *African Rainbow Energy & Power (Pty) Ltd, Impala Platinum Holdings Limited.*



- Mike Arnold (61)**
 BSc Eng (Mining Geology), BCompt (Hons), CA(SA)
 Non-executive Director
 Member of the Investment Committee
Appointed to the Board in 2009.
 * *African Rainbow Capital Proprietary Limited, African Rainbow Energy & Power (Pty) Ltd.*



- Jan Steenkamp (64)**
 National Mining Diploma, EDP
 Non-executive Director
 Member of the Non-executive Directors' Committee and the Social and Ethics Committee
Appointed to the Board in 2017.
 * *African Rainbow Energy & Power (Pty) Ltd.*

LEGEND

Nationalities

- South African ○ Mozambican * Other key boards

SUMMARISED CORPORATE GOVERNANCE continued

DIVERSITY AND INCLUSION

The Board has adopted a policy for the promotion of gender and race diversity and inclusion on the Board to ensure that by the end of the 2018 calendar year it is made up of at least 50% percent black Board members of which 25% will be black women.

During F2017, following an extensive search, the Board announced that Ms Abigail Mukhuba, the Chief Financial Officer, was appointed Finance Director with effect from 11 December 2017.

The Board also appointed Mr D C Noko as an independent non-executive director, with effect from 10 October 2017, after consideration, *inter alia*, of his experience, qualifications and availability.

INDEPENDENCE

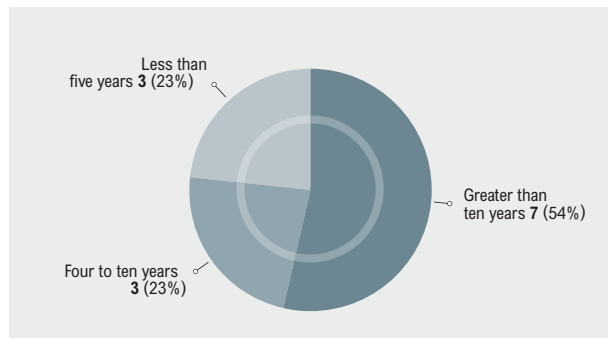
The independent non-executive directors are highly experienced and have the skills, background and knowledge to fulfil their responsibilities.

All directors have a duty to act with independence of mind in the best interests of the Company. The Board believes that the Independent Non-executive Directors are of the appropriate calibre, diversity and number for their views to carry significant weight in the Board's deliberations and decisions.

The classification of Independent Non-executive Directors is determined by the Board on the recommendation of the Nomination Committee. In determining the independence of the Independent Non-executive Directors, and with due regard to the criteria for determining independence as set out in King IV™ and the JSE Listings Requirements, 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.

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

TENURE: NON-EXECUTIVE DIRECTORS



INDEPENDENCE AND CONSULTANCY

The independence of Messrs J A Chissano and W M Gule, who receive 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. Mr Gule also assists with matters in respect of ARM. Their specific assignments are determined by the Executive Chairman and the Chief Executive Officer. The fees paid to Messrs Chissano and Gule for these services are market-related. As such, the Board is satisfied that this aspect does not impair their independence.

In addition, two Non-executive Directors, Messrs M Arnold and J C Steenkamp, had consultancy agreements with the Company in F2018. They are not considered independent as they were executives of ARM in the previous three years and they benefit from ARM's share incentive scheme.

CGR For additional information about the consultancy agreements with ARM's Non-executive Directors, see the Remuneration Report on page 125 of the Corporate Governance Report.

EXECUTIVE CHAIRMAN, LEAD NON-EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

The roles of the Executive Chairman and the Chief Executive Officer are separate and distinct.

Dr P T Motsepe is the Executive Chairman of the Company and not independent. He is also a significant shareholder of ARM. 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 IV™.

AFS For further information see the Shareholder Analysis on pages 117 to 118 of the 2018 Annual Financial Statements.

The Board Charter also documents the role and responsibilities of the Executive Chairman and the Lead Independent Non-executive Director, who leads, *inter alia*, in the absence of the Executive Chairman or when the Executive Chairman has a conflict of interest.

In addition to the general requirements for the re-election of Directors set out in ARM's Memorandum of Incorporation and discussed below, the Executive Chairman and the Lead Independent Non-executive Director are required to be elected by the Board annually. Messrs Motsepe and Maditsi were re-elected as Executive Chairman and Lead Independent Non-executive Director respectively, for a period of one year commencing on 1 January 2018.

The Chief Executive Officer is appointed by the Board. He does not hold any external board appointments.

BOARD CHARTER

The Board Charter was most recently amended by the Board in August 2018. The Board Charter provides guidelines to directors

in respect of, among others, the Board's responsibilities, authority, composition, meetings and the need for performance evaluations.

The Board Charter also provides 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, RE-ELECTION, INDUCTION, SUCCESSION AND ASSESSMENT

Election and re-election

The Memorandum of Incorporation requires that one-third of those elected Non-executive Directors who have served 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 T A Boardman, A D Botha, W M Gule and A K Maditsi and Dr M M M Bakane-Tuoane are required to retire by rotation. They have made themselves available for re-election at the Annual General Meeting to be held on Friday, 7 December 2018.

Directors appointed by the Board between Annual General Meetings hold office only until the next Annual General Meeting and are eligible for election. They are, however, not included in determining the number of Directors who are to retire by rotation. Ms A M Mukhuba was appointed by the Board as Finance Director with effect from 11 December 2017 and, given her appointment was between Annual General Meetings, she will stand for election at the Annual General Meeting to be held on Friday, 7 December 2018.

Induction and continuing education

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. In addition, key legislation and regulations, as well as corporate governance, financial and reporting documents, including minutes and documents of an administrative nature are provided to them.

Regulatory and legislative updates are provided regularly.

Succession

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

IAR For more on the Nomination Committee, see under Board Committees on page 110.

Following eight years in the role, Mr Mike Arnold retired as Financial Director of ARM on 10 December 2017 after having reached the Company's normal retirement age of 60 in July 2017. Mr Arnold remains on the Board as a Non-executive

Director with effect from the date of his retirement. Ms Abigail Mukhuba, who was the Chief Financial Officer of ARM, was appointed Finance Director with effect from 11 December 2017.

The Company has a succession plan for Executive Directors and senior management, which provides for its key management.

Performance assessment

The effectiveness of the Board and the Committees is assessed annually. Independent external advisors assisted the Nomination Committee with the evaluation of the Board, Committees, the Executive Chairman and the Company Secretary.

During the F2018 assessment process, the Board considered its responsibilities in terms of the Board Charter and was satisfied that it had fulfilled them.

IAR Performance assessments of all 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 II of the Remuneration Report starting on page 117.

ASSESSMENT OF FINANCE FUNCTION

The Audit and Risk Committee has oversight of the Company's financial reporting process on behalf of the Board and reviews the finance function. Following the 2018 review, the Committee is satisfied with the Finance Director's performance and that she has experienced finance executives reporting to her, that the finance function is adequately resourced and that she has the necessary qualifications, experience and expertise to discharge her responsibilities.

BOARD MEETINGS

The Board meets at least four times a year to consider the business and strategy of ARM. The Board reviews reports of the Chief Executive Officer, the Finance Director, divisional chief executives and other senior executives, chairpersons of the Committees and independent advisors. During the financial year ended 30 June 2018, four Board meetings, a budget workshop and a two-day strategy session were held.

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, at the Company's expense, independent professional advice concerning the affairs of the Company.

SUMMARISED CORPORATE GOVERNANCE continued**F2018 BOARD AND COMMITTEE MEETING ATTENDANCE SUMMARY**

	Board	Budget workshop	Bos-beraad	Audit and Risk Committee	Investment Committee	Nomina-tion Committee	Non-executive Directors' Committee	Social and Ethics Committee	Remunera-tion Committee
Number of meetings*	4	1	4¹	7	1	8²	4	4	3
P T Motsepe, Dr (Executive Chairman)	4	1	4	–	–	–	–	–	–
M P Schmidt (Chief Executive Officer)	4	1	4	–	–	–	–	–	–
F Abbott	4	– ⁴	4	5 ³	1	–	4	–	3
M Arnold ⁸	4	1	4	–	–	–	–	–	–
M M M Bakane-Tuoane, Dr	4	1	4	7	–	8	4	4	3
T A Boardman	4	1	4	7	–	–	4	–	3
A D Botha	4	– ⁴	4	7	1	–	4	–	3
J A Chissano	4	– ⁴	4	–	–	5 ²	4	–	–
W M Gule	4	1	4	–	–	–	4	–	–
A K Maditsi	4	1	4	7	1	8	4	4	3
H L Mkatshana	4	1	4	–	–	–	–	–	–
J P Möller	4	1	4	4 ⁵	– ⁴	–	4	–	1 ⁵
A M Mukhuba	2 ⁶	1	2 ⁶	–	–	–	–	–	–
D C Noko	3 ⁷	1	2 ⁷	–	–	–	3 ⁷	–	–
R V Simelane, Dr	4	1	4	6 ³	–	8	4	3 ³	–
J C Steenkamp	3 ⁷	1	2 ⁷	–	1	–	3 ⁷	1 ⁵	–
Z B Swanepoel	4	– ⁴	4	–	1	–	4	3 ⁵	–
A J Wilkens	4	1	4	–	–	–	–	–	–

1 Includes a two-day Bosberaad in respect of F2017 held in August 2017 and a two-day Bosberaad in respect of F2018 held in June 2018.

2 There were four scheduled meetings and four ad hoc working sessions. Members were absent with the leave of the Committee.

3 Absent with leave of the Board or Committee, as the case may be. Each Director received the meeting materials prior to the meeting and contributed a necessary.

4 Absent with leave of the Board or Committee, as the meeting was rescheduled.

5 Attended all Committee meetings after his appointment to the Committee.

6 Ms A M Mukhuba was appointed to the Board with effect from 11 December 2017.

7 Messrs D C Noko and J C Steenkamp were appointed to the Board on 10 October 2017, after the Board and Non-executive Directors' Committee had held their first meetings of the financial year and subsequent to the two-day Bosberaad in respect of F2017.

8 Mr M Arnold was appointed to the Committee after the reporting period.

* Includes attendance for meetings attended as a Director of the Company or as a Committee member, as the case may be.

COMPANY SECRETARY

All directors have access to the services and advice of the Company Secretary, Ms A N D'Oyley (BCom, LLB, LLM). The Company Secretary is not a Director of ARM and she maintains an arm's length relationship with the Board.

The Company Secretary 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 ARM. The Company Secretary maintains her knowledge of developments in corporate governance best practice and regulation.

The Board appointed the Company Secretary in accordance with the requirements of the Companies Act. The Board considered details regarding the Company Secretary's competence, qualifications and experience as well as the results of the F2018 Board assessment remains satisfied with the competence and experience of the Company Secretary.

BOARD COMMITTEES

The Board standing committees, as set out in the diagram on the next page, promote independent judgement and assist with the balance of power.

The F2018 assessment process concluded that each Committee was satisfied that it had fulfilled its responsibilities in respect of its Terms of Reference.

The *curricula vitae* on pages 104 to 105 set out the qualifications and experience of each of the Committee members.



SUMMARISED CORPORATE GOVERNANCE continued

OUR BOARD AND COMMITTEES

The Board has established Committees to assist with fulfilling its responsibilities in accordance with the provisions of ARM'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 by the Board. These set out the Committees' roles and responsibilities, functions, scope of authority and composition. In 2018, the Board approved amendments to all of the Committees' Terms of Reference.

CGR For a full description of the focus of the Committees during the year under review, see the Corporate Governance Report on our website: www.arm.co.za.



INVESTMENT

- Z B Swanepoel (Chairman)
- M Arnold*
- F Abbott
- A D Botha
- A K Maditsi
- J P Möller*
- J C Steenkamp****



The Investment Committee's purpose is to monitor the implementation of the capital allocation model and 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 Committee also reviews the results attained on completion of each project.

BOARD

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 Finance Director, divisional chief executives and other senior executives, chairmen of the Committees and independent advisors. During the financial year ended 30 June 2018, four 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 at the Board's annual budget workshop. ARM's strategy is considered in detail at the annual Bosberaad (strategy meeting) for Directors and senior management.



BOARD

- Dr P T Motsepe (Executive Chairman)
- M P Schmidt
- F Abbott
- M Arnold
- Dr M M M Bakane-Tuoane
- T A Boardman
- A D Botha
- J A Chissano
- W M Gule
- A K Maditsi
- H L Mkatshana
- J P Möller
- A M Mukhuba****
- D C Noko**
- Dr R V Simelane
- J C Steenkamp**
- Z B Swanepoel
- A J Wilkens



NOMINATION

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



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 Memorandum of Incorporation 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 the evaluation of the Board and its Committees and for developing a formal induction programme for new Directors of the Company, overseeing access by Directors to external continuing professional development programmes.

COMMITTEES

Investment Committee

Nomination Committee



 Members
  Meetings per year
  See the meeting attendance summary on page 108 of the Summarised Corporate Governance Report.



The primary objective of the Audit and Risk Committee, which is constituted in terms of section 94 of the Companies Act, 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 ARM. It also oversees financial and other risks in conjunction with the Social and Ethics Committee.

 The detailed Report of the Audit and Risk Committee is available on pages 2 to 4 of the 2018 Annual Financial Statements.

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AUDIT AND RISK

- T A Boardman (Chairman)
- F Abbott[^]
- Dr M M M Bakane-Tuoane
- A D Botha
- A K Maditsi
- J P Möller
- Dr R V Simelane



The Non-executive Directors' Committee meets formally without management and provides a forum for the Non-executive Directors of ARM 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.

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NON-EXECUTIVE DIRECTORS

- A K Maditsi (Chairman)
- M Arnold^{***}
- Dr M M M Bakane-Tuoane
- F Abbott
- T A Boardman
- A D Botha
- J A Chissano
- W M Gule
- J P Möller
- D C Noko^{**}
- Dr R V Simelane
- J C Steenkamp^{**}
- Z B Swanepoel



The Remuneration Committee ensures the alignment of ARM's remuneration practices with its strategic direction and provides oversight on rewarding the leadership team in a manner linked to performance outcomes.

 The Summarised Remuneration Report is available on page 114.

 The Remuneration Report is available in the Corporate Governance Report on ARM's website: www.arm.co.za.

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REMUNERATION

- A D Botha (Chairman)^{*****}
- Dr M M M Bakane-Tuoane^{*****}
- T A Boardman
- A K Maditsi
- J P Möller^{*}



The purpose of the Social and Ethics Committee, which is constituted in terms of Regulation 43(5)(c) of the Companies Regulations promulgated in terms of the Companies Act, 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.

   Additional information is available in the Report of the Social and Ethics Committee on pages 132 to 133 and in the 2018 Sustainability Report available on ARM's website: www.arm.co.za.

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SOCIAL AND ETHICS

- Dr R V Simelane (Chairman)
- Dr M M M Bakane-Tuoane
- A K Maditsi
- J C Steenkamp^{*****}
- Z B Swanepoel^{*}



+ With effect from 10 October 2018.
 ^ Includes four ad hoc working sessions.
 ^^ Mr F Abbott will not stand for re-election at the forthcoming Annual General Meeting.
 * With effect from 29 August 2017.
 ** With effect from 10 October 2017.
 *** With effect from 10 December 2017.
 **** With effect from 11 December 2017.
 ***** With effect from 5 April 2018.
 ***** With effect from 9 May 2018.

SUMMARISED CORPORATE GOVERNANCE continued**MANAGEMENT COMMITTEES AND FORUMS**

ARM has various management committees comprising Executive Directors and senior executives who are considered essential to the functioning of the Company and which ensure the appropriate control and provision of information to the Board.

IAR See page 103 for a summary of how these Committees add value to the business.

Executive committee

The Executive Committee is chaired by the Executive Chairman. Standard items on the agenda include strategic matters, reports from the Chief Executive Officer, the Finance Director, the divisional chief executives and other senior executives.

Management Risk and Compliance Committee

The Management Risk and Compliance 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 strategic and operational risks are identified, quantified and with attendant controls in place.

The Management Risk and Compliance Committee is chaired by the Chief Executive Officer. Its membership includes the Finance Director, the chief executives of the divisions, the Group Risk Manager, the Executive: Sustainable Development Officer, the Chief Information Officer and the Chief Compliance Officer.

CGR For more information regarding the risk management programme see the Risk Report in the Corporate Governance Report available on ARM's website: www.arm.co.za.

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.

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 biweekly.

Employment equity and skills development committee

The Employment Equity and Skills Development Committee considers employment equity, transformation and skills development strategies across ARM.

Treasury committee

The Treasury Committee reviews operational cash flows, currency and interest rate exposures as well as funding issues within the group.

Tax forum

The Tax Forum meets quarterly under the chairmanship of the Senior Executive Finance: Corporate and tax, who provides feedback to the Audit and Risk Committee

Technology and information committee

The Technology and Information Committee implements ARM's governance framework and strategy and develops information technology (IT) policies and procedures.

ETHICS

Through the Code of Conduct (the Code), previously known as the Code of Ethics, we confirm our commitment to high moral, ethical and legal standards in dealing with all of our stakeholders. All Directors and employees are required to maintain high ethical standards so that the Company's business is conducted honestly, fairly, legally, in a reasonable manner and in good faith.

 The Code of Conduct is available on our 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 gifts within policy is subject to the approval of a member of the executive. Directors disclose their interests at Board and Board Committee meetings.

Disclosure

The Code includes a policy regarding communications which encourages complete, accurate and timely communication with the public. The Chief Executive Officer, the Finance Director, the Head of Investor Relations and the Company Secretary oversee compliance with the disclosure requirements contained, *inter alia*, in the JSE Listings Requirements.

Whistleblower facility

Our whistleblower policy provides for an independent service provider to operate a 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 whistleblower facility are implemented on an ongoing basis. No material non-compliance incidents were reported in 2018.

LEGAL COMPLIANCE

The Company has a Legal 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.

DEALINGS IN SECURITIES AND INSIDER TRADING POLICY




The Company has a policy on dealings in securities and insider trading, and enforces closed periods in compliance with legislation and regulations. During these times, Directors, officers and designated persons are precluded from dealing in ARM securities. Directors and employees are reminded of their obligations in terms of insider trading and the penalties for contravening the laws and regulations.

 The complete information policy on dealings in Company securities and insider trading is available on our website: www.arm.co.za.

INVESTOR RELATIONS AND COMMUNICATION WITH STAKEHOLDERS


We are committed to transparent, comprehensive and objective communication with our stakeholders. Our stakeholder communication policy is included in the Code.

Our investor relations department is responsible for communication with institutional shareholders, the investment community and the media.

   Additional information regarding our engagement with key stakeholders is available on pages 44 to 47 of the Integrated Annual Report and in the 2018 Sustainability Report available on our website: www.arm.co.za.

ANNUAL GENERAL MEETINGS

Board members and the external audit partner attend Annual General Meetings of the Company to respond to shareholders' questions.

 The Notice of Annual General Meeting is available on page 136 of this report.

