ACTIVE SHAREHOLDER

VOTE YOUR SHARES. SECURE YOUR FUTURE

Kumba Iron Ore Limited

Annual General Meeting

26 May 2026

Financial Year End: 31 December 2025

SUMMARY

Kumba Iron Ore Limited (Kumba) delivered a resilient financial and operational performance in FY2025, navigating a volatile global trade environment and persistent domestic logistics constraints. The company generated a total revenue of R70.077bn, a 2.0% increase driven by a 12.0% premium on its average realised free-on-board (FOB) export price of US$95 per wet metric tonne. Despite this, operating profit dipped slightly to R25.75bn(2024: R26.36bn), resulting in an "Active commendation" score of 75.0% in the 2026 ESG Index.

Operational Outcomes and Adverse Conditions

Production volumes remained stable at 36.1 Mt, while sales grew by 2.0% to 37.0 Mt, supported by improved stability in the Sishen-Saldanha Ore Export Corridor (OEC). However, the logistics network operated by Transnet remains a primary adverse condition, functioning at only 84.0% of contractual capacity. This underperformance necessitated a R942 000 000 penalty payment from Transnet to Kumba.

Operational efficiency was further pressured by increased waste stripping (up 6.0% to 165.6 Mt) and longer haulage distances, which contributed to the Environment score lagging at 64.0%. Critically, carbon and energy intensity regressed, and renewable energy usage remained at 0.0% for the period. Physical climate impacts, specifically heavy seasonal rainfall at Sishen, further impacted shovel reliability and production stability.

Financial Discipline and Shareholder Returns

Kumba maintained a strong balance sheet with a closing net cash position of R14.9bn. The board declared a total 2025 cash dividend of R32.03 per share, reflecting a payout ratio of 70.0% of headline earnings. While the Governance score (69.0%) highlights gaps in shareholder accountability—notably the lack of formal shareholder votes on Audited Financial Statements and the Social and Ethics Report—the company remains aligned with King IV and is preparing for King V mandatory reporting in 2026.

Opportunities and Future Outlook

Kumba's strategy focuses on unlocking value through technology and life extension. Key opportunities include:

- **Ultra-High Dense Media Separation (UHDMS):** This R11 200 000 000 investment is 37.0% complete and will increase premium-grade product volume to above 50.0%, potentially extending Sishen's life-of-mine to 2044.
- **Decarbonisation:** Planned projects include a 63 MW solar PV plant at Sishen and an 11 MW wheeled renewable energy agreement for Kolomela, both anticipated to reduce Scope 2 emissions by 2027.
- **Green Steel:** Kumba is positioned to benefit from the global pivot toward carbon-light steelmaking, as its high-grade lump ore (64.0% Fe) attracts a premium from steelmakers seeking to reduce emission intensity.

Social Value and Labour

The company excelled in CSI (108.0%) and Employment (95.0%), spending R484 900 000 on direct social investment, which is 11.02 times the CEO's total remuneration of R43 999 000. Transformation remains a core strength, with the workforce comprising 92.0% Black and 32.0% Women representation.

In summary, Kumba remains a high-margin price-taker whose long-term sustainability is contingent on successful UHDMS integration, restoring the rail-to-port value chain, and reversing recent environmental efficiency regressions.

THE ACTIVE SHAREHOLDER
ESG INDEX

Active Shareholder is developing a mechanism by which to score a company's ESG. The summary alongside is from a beta version currently being tested. The metrics used to evaluate the five different aspects of ESG are available upon request. While not all of these are regulated and some are aspirational, they all reflect Active Shareholder's goals for ethical, sustainable, and fair governance.

These insights have been used in part to arrive at the proxy recommendations that follow.

Active Shareholder

Kumba Iron Ore Limited

31/12/2025

Number	Theme	Score	Total	%	Weighting
1	Governance	9.63	14	69%	27.45%
2	Remuneration	8.00	11	73%	21.57%
3	Employment & Labour	8.54	9	95%	17.65%
4	CSI	3.23	3	108%	5.88%
5	Environment	9.00	14	64%	27.45%
	Total	38.40	51	**75%**	100.00%

Active ESG Score = 75%

Active Shareholder ESG Index

Beta2.04 (2025) Created by LRS in conjunction with Active Shareholder

Score		**Consequence**
below 50	=	*Vote against Chair of Board*
between 50 and 60	=	*Vote against Committee Chairs*
between 60 and 80	=	*Active commendation*
above 80	=	*Active endorsement*

Overall

Kumba's 75% score earns "Active commendation," yet highlights critical gaps. While Employment (95%) and CSI (108%) are leading, Environment (64%) lags due to zero renewable energy and regressing efficiency. Governance (69%) and Remuneration (73%) are undermined by restricted shareholder reporting approvals, executive presence at Remco, and short vesting. To achieve "Active endorsement" will require tangible environmental progress.

1. Governance (69%)

Kumba achieved a score of 69%. While meeting King IV/V outcomes, such as ethical leadership, gaps remain in shareholder accountability. Kumba fails to submit the Audited Financial Statements or the Social and Ethics report for a formal shareholder vote of approval. Standing executive invitations to Remco meetings also impact independence. Director profiles need more detail on other directorships.

2. Remuneration (73%)

The score of 73% reflects a Performance Share Plan vesting period of 3 years, which falls short of Active's 4-year preference. However, the balanced scorecard is robust, incorporating relative TSR and specific ESG targets. Total CEO remuneration increased while operating profit slightly dipped. Transparency regarding dividend rights remains high. ESG targets now account for 20% of the LTIP scorecard.

3. Employment & Labour (95%)

A leading score of 95% is driven by high transformation levels, including 92% Black and 32% female representation. A 1.2% voluntary turnover rate indicates high employee stability. Recognition of five unions and 72% collective bargaining coverage align with Active's labour priorities. The hybrid Semela ESOP further strengthens the link between workforce interests and long-term value creation.

4. CSI (108%)

Kumba's score of 108% results from a R484 900 000 spend, representing 2.5% of NPAT and significantly exceeding the 1% B-BBEE compliance target. This spend is 11.02 times the CEO's remuneration, far exceeding Active's 5.0x aspirational benchmark. Direct balance sheet funding for local libraries, police stations, and water upgrades demonstrates a significant commitment to creating tangible social value.

Environment (64%)

The lowest score of 64% highlights that despite ten years without serious incidents, operational outcomes lag. Carbon and energy intensity worsened due to waste mining and longer haulage distances. Waste to landfill increased, and renewable energy usage remained at 0.0%. While site-specific solar and wind projects are planned, current efficiency ratios failed to improve during the 2025 financial year.

	Resolution	Rationale	Vote	Outcome of AGM	
1	**Reappointment of independent external auditor**	Active supports reappointing PricewaterhouseCoopers Inc. (PwC) and lead partner Bilal Laher. PwC's six-year tenure complies with Active's ten-year firm rotation policy. Active follows the Companies Act requirements for partner rotation every five years and typically supports reappointment if the Audit Committee confirms independence and effectiveness. Kumba's committee has certified their suitability, meeting requirements for approval.	FOR	FOR	99.98%
2	**Re-election/election of directors**				
2.1	To elect Mr Ruben Marcus Fernandes as a director of the Company	**Tenure**: Joined July 2025 (~0.9 years). Qualifications: BA (Metallurgical Engineering), MBA. **Experience**: Current Chief Operating Officer of Anglo American; 25+ years in mining leadership, including COO of Vale Fertilisers. **Other Directorships**: Regional Director – Americas (Anglo American). **Assessment**: A Non-executive director representing the majority shareholder. His extensive technical and global mining expertise aligns with Active's preference for relevant industry skills.	FOR	FOR	99.73%
2.2	To elect Mr Mark Ashley Goliath as a director of the Company	**Tenure:** Joined July 2025 (~0.9 years). **Qualifications:** MBA, BCom (Hons) Finance, NDip Chemical Engineering. **Experience:** 30 years in manufacturing, corporate finance, and investment banking; currently Acting Divisional Executive at the IDC. **Other Directorships:** IDC representative. **Assessment:** Nominated to represent the IDC's significant shareholding. He provides essential manufacturing and developmental finance experience, supporting Board oversight of large-scale capital projects like UHDMS.	FOR	FOR	99.77%
2.3	To re-elect Mr Terence Philip Goodlace as a director of the Company	**Tenure:** Joined March 2017 (~9.2 years). **Qualifications:** BCom, MBA, NHDip (Metalliferous Mining). **Experience:** 46-year mining career; former CEO of Impala Platinum and Metorex. **Other Directorships:** Independent NED at Gold Fields Limited. **Assessment:** Independent Chairperson. While exceeding Active's nine-year tenure guideline for independence, the Board conducted a robust assessment confirming his continued objective judgment and lack of entrenched management relationships. Active Shareholder will support his election but will monitor future proposals.	FOR	FOR	97.64%
2.4	To re-elect Mr Aman Jeawon as a director of the Company	**Tenure:** Joined January 2023 (~3.4 years). **Qualifications:** BAcc, Postgrad Dip Acc (Hons), CA(SA), CD(SA).	FOR	FOR	99.78%

	Resolution	Rationale	Vote	Outcome of AGM
		Experience: 25+ years in energy and mining finance, focusing on M&A and capital structures. **Other Directorships:** Executive Chairman of Global Acquity Holdings; Audit Committee member of Medshield Medical Scheme. **Assessment:** Independent Non-executive. He provides critical financial acumen and specialised ESG/renewable energy insight, essential for Kumba's decarbonisation strategy.		
2.5	To re-elect Mrs Nomalizo (Ntombi) Beryl Langa-Royds as a director of the Company	**Tenure:** Joined December 2017 (~8.5 years). **Qualifications:** BA (Law), LLB. **Experience:** Extensive background in HR, legal, and regulatory compliance. **Other Directorships:** NED at Redefine Properties and Intellidex Holdings; Trustee of Women's Development Bank. **Assessment:** Independent Non-executive and Remco Chairperson. Her human capital and legal expertise are vital for navigating South African labour regulations and upcoming remuneration governance changes in the Companies Amendment Act.	FOR	FOR 99.46%
3	**Election of Social, Ethics and Transformation Committee members**			
3.1	To elect Mrs Mary Sina Bomela as a member of the Committee	**Tenure:** ~8.5 years. **Qualifications:** MBA, CA(SA). **Experience:** Former CEO of Mineworkers Investment Company. **Fitness:** Her extensive background in transformation-focused investment and financial acumen provides critical oversight for Kumba's social and economic development mandate, ensuring alignment with B-BBEE goals and societal value creation.	FOR	FOR 99.81%
3.2	To elect Mr Mark Ashley Goliath as a member of the Committee	**Tenure:** ~0.9 years. **Qualifications:** MBA, BCom (Hons) Finance, NDip Chemical Engineering. **Experience:** 30 years in manufacturing and corporate finance (IDC). **Fitness:** Representing the IDC, his industrial expertise supports oversight of large-scale socio-economic projects and the integration of local suppliers into Kumba's value chain.	FOR	FOR 99.77%
3.3	To elect Mr Terence Philip Goodlace as a member of the Committee	**Tenure:** ~9.2 years. Active Shareholder has reservations about his tenure and will monitor this in future years. **Qualifications:** MBA, NHDip (Metalliferous Mining). **Experience:** 46-year mining career; former CEO of Impala Platinum. **Fitness:** His deep operational insight ensures that Kumba's sustainability and ethics goals are realistically embedded within core mining activities, health, safety, and physical climate risk protocols. Active Shareholder has reservations about his	FOR	FOR 99.58%
3.4	To elect Mrs Nomalizo (Ntombi) Beryl Langa-	**Tenure:** ~8.5 years. **Qualifications:** BA (Law), LLB.	FOR	FOR 99.47%

	Resolution	Rationale	Vote	Outcome of AGM	
	Royds as a member of the Committee	**Experience:** HR and legal specialist; Trustee of Women's Development Bank. **Fitness:** Her expertise in human capital and regulatory compliance is vital for overseeing the "labour and employment" and "good corporate citizenship" components of the committee's mandate.			
3.5	To elect Mr Xolani Frederick Mbambo as a member of the Committee	**Tenure:** ~0.4 years. **Qualifications:** CA(SA), AMP. **Experience:** CFO of Kumba; 20+ years in mining/logistics. **Fitness:** As an executive director, he provides management-level insight into the financial integrity of social investments and helps monitor the ethical value chain, ensuring transparency in transformation spend.	FOR	FOR	99.77%
3.6	To elect Ms Neo Violet Mokhesi as a member of the Committee	**Tenure:** ~1.9 years. **Qualifications:** BCom, AMP. **Experience:** 25+ years in corporate affairs and strategy (IDC). **Fitness:** High. **Chair:** Active recommends a vote AGAINST the committee chair when the Social and Ethics report is not subjected to a formal shareholder vote for approval.	AGAINST	FOR	99.81%
3.7	To elect Ms Nompumelelo (Mpumi) Dessederia Zikalala as a member of the Committee	**Tenure:** ~4.4 years. **Qualifications:** BSc (Chemical Engineering). **Experience:** CEO of Kumba; 20+ years in mining leadership. **Fitness:** As CEO, she drives the "Everyone's Dignity Matters" programme, ensuring direct executive accountability for ethics, gender inclusion, and maintaining Kumba's social licence to operate.	FOR	FOR	99.80%
4	**Election of Audit Committee members**				
4.1	To elect Mrs Mary Sina Bomela as a member of the Committee	**Tenure:** Joined 2017.12.01 (~8.5 years). **Qualifications:** MBA, CA(SA). **Experience:** Former CEO of Mineworkers Investment Company; current Nedbank director. **Fitness:** High; deep financial and strategic acumen.	FOR	FOR	99.81%
4.2	To elect Mr Aman Jeawon as a member of the Committee	**Tenure:** Joined 2023.01.01 (~3.4 years). **Qualifications:** CA(SA), CD(SA). **Experience:** 25+ years energy/mining finance; ESG/renewable specialist. **Fitness:** Strong; supports ARC oversight of climate-related financial disclosures.	FOR	FOR	99.78%
4.3	To elect Mrs Michelle Anne Jenkins as a member of the Committee	**Tenure:** Joined 2019.11.01 (~6.6 years). **Qualifications:** BSc (Geology), CA(SA). **Experience:** 20+ years of mining leadership; former CFO. **Fitness:** Exceptional; dual expertise enables critical interrogation of technical mining risks and asset valuations.	FOR	FOR	99.81%

	Resolution	Rationale	Vote	Outcome of AGM
4.4	To elect Ms Neo Violet Mokhesi as a member of the Committee	**Tenure:** Joined 2024.07.01 (~1.9 years). **Qualifications:** BCom, AMP. **Experience:** 25+ years in corporate affairs and strategy (IDC). **Fitness:** Strong; marketing and strategy background provides vital oversight of governance frameworks and internal controls.	FOR	FOR 99.81%
5	**Approval of the Remuneration Policy**			
5.1	Non-binding advisory vote: Approval of the remuneration policy	Kumba's remuneration policy demonstrates robust alignment with King IV/V outcomes but falls short of Active Shareholder's more stringent best-practice guidelines, leading us to vote AGAINST approval. **Incentive Structure and Metrics** The policy utilises a balanced scorecard where 50% of long-term incentives (LTIPs) are tied to Relative TSR against global iron ore peers and 20% to specific ESG targets, including decarbonisation and gender transformation. This reflects strong alignment with long-term value creation. However, the three-year LTIP vesting period remains below Active's preferred four-year minimum. While a two-year post-vesting holding period applies to Executive Directors, this only restricts trading rather than extending performance-based vesting. **Fair and Responsible Pay** Kumba is a leader in the early adoption of 5/5 pay gap disclosure, which facilitates the evaluation of internal wage equity. Despite this transparency, the CEO-to-national-minimum-wage ratio of 654:1 is classified as excessive, scoring 0/2 on the 2026 ESG Index. Furthermore, total CEO remuneration increased to R43 999 000 in FY2025 while operating profit dipped slightly, suggesting a potential disconnect between executive reward and annual accounting performance trends. **Governance and Independence** A significant policy weakness is the standing invitation for the CEO and HR executives to attend Remco meetings, which may impair the committee's perceived independence. Active recommends executive attendance only when required for specific items. Additionally, the payment of dividend equivalents on unvested LTIP awards contradicts Active's policy that unvested shares should not enjoy shareholder benefits. **Strategic Pivot** The planned removal of the 100% STI equity deferral in 2026 – reverting to cash payments – moves the policy away from Active's preference for management's long-term "skin-in-the-game," even though the CE currently meets a high 200% minimum shareholding requirement, which acts as a "safety net," preventing the move to cash bonuses from completely decoupling executive reward from long-term share price performance.	AGAINST	FOR 99.98%

	Resolution	Rationale	Vote	Outcome of AGM
5.2	Approval for the implementation of the remuneration policy	Kumba's FY2025 remuneration implementation demonstrates high transparency but reveals significant misalignments with Active Shareholder's performance and equity standards, prompting an AGAINST vote. **Pay for Performance Disconnect** Total CEO remuneration surged by ~42% to R43 999 000, while operating profit regressed by ~2% to R25.75 billion. Active typically opposes pay increases that do not track the trend of accounting profit. This increase was partially driven by a R12.0 million (on-target value) one-off recognition award granted to the CEO, which Active views as undesirable "special awards". **Excessive Pay Ratios** The CEO-to-national-minimum-wage ratio of 654:1 is classified as excessive, scoring 0/2 on the 2026 ESG Index. While Active commends the voluntary early adoption of 5/5 pay gap disclosure (showing a ratio of 7.27), the underlying quantum remains fundamentally skewed compared to social benchmarks. **CFO Transition Costs** The CFO transition involved substantial costs. Outgoing CFO Bothwell Mazarura received a R2.96 million separation payment and accelerated vesting of his deferred bonus shares. Incoming CFO Xolani Mbambo was awarded Kumba shares with an estimated fair value of R184.28 million to offset his forfeited Grindrod portfolio. While common practice, these buy-out awards represent significant capital dilution. **Incentive Outcomes** The 2023 LTIP vested at 36%. While zero vesting for the Relative TSR component reflects poor market performance (-1.66%), internal financial metrics (ROCE/Free Cash Flow) vested at 100%. Active critiques the continued payment of dividend equivalents on unvested awards, which provides shareholder benefits before performance is fully delivered. **Remco Independence** The standing invitation for executives to attend Remco meetings remains a governance gap, scoring 0/1 in the ESG Index. **Conclusion** Despite commendable ESG metric integration (accounting for 20% of LTI), the combination of regressive pay-for-performance, excessive ratios, and high transition costs suggests the implementation did not fully align with the interests of long-term ethical investors.	AGAINST	FOR 98.78%
6	**General authority for directors to allot and issue ordinary shares**	Active will always oppose general share issuance authorities that are vague and general. While Kumba's 5% limit is restrictive, the resolution fails to	AGAINST	FOR 99.35%

	Resolution	Rationale	Vote	Outcome of AGM
		specify the exact reasons or circumstances for the allotment, stating only that "suitable opportunities" may arise. Active considers such broad mandates insufficient to protect shareholders from dilution without clearly defined, transparent strategic purposes.		
7	**General authority to issue shares for cash**	Active opposes OR 7. While the 5% limit is appropriately restrictive, the resolution lacks a detailed strategic rationale. Active considers "as and when suitable opportunities arise" a vague statement of intention, which is insufficient to justify potential shareholder dilution. Without transparent disclosure of the specific circumstances for the issuance, the authority fails to meet Active's accountability standards.	AGAINST	FOR 99.22%
8	**Authorisation to sign documents to give effect to resolutions**	Active typically supports this routine administrative resolution. While Active recommends voting against specific items like OR 6 and OR 7, and certain committee chairs, it does not oppose all resolutions on the agenda. Standard practice is to grant directors or the secretary authority to execute documents for validly passed resolutions, ensuring the Company can effectively implement shareholder-approved outcomes.	FOR	FOR 100.00%
Special resolutions				
SR 1	**Remuneration payable to non-executive directors**	Active typically opposes Special Resolution 1. While Kumba incorporates attendance fees—a practice Active supports and scores 1/1 in the ESG Index—the quantum of the proposed increases is problematic. The hikes of 15% for the Chairperson, 20% for Board members, and 24% for the Lead Independent Director (LID) significantly exceed inflation. Active's guidelines state that fee increases should align with company results and inflation. In FY2025, Kumba's operating profit regressed by ~2%. Active views "market normalisation" as an insufficient rationale for double-digit hikes when performance trends downward. Additionally, with a 654:1 CEO-to-minimum-wage ratio, Active considers such substantial Board pay increases ethically inconsistent with the need for an equitable distribution of resources. Consequently, the lack of correlation between pay and company performance leads Active to vote AGAINST the resolution.	AGAINST	FOR 99.40%
SR 2	**Approval for the granting of financial assistance in terms of sections 44 and 45 of the Companies Act**	Active would usually support SR 2. Active Shareholder's policy permits financial assistance to subsidiaries and related companies if motivated. While the resolution includes participants in employee incentive schemes, the Board explicitly excludes directors, prescribed officers, and "any person" from this authority. This alignment with best practice ensures necessary operational flexibility for the group while shielding shareholders from executive self-enrichment risks.	FOR	FOR 100.00%

	Resolution	Rationale	Vote	Outcome of AGM
SR 3	**General authority to repurchase shares**	Active opposes SR 3. Market repurchases treat shareholders unequally, as only sellers receive cash while executives benefit from increased share option values. Active prefers dividends or pro-rata buybacks offered to all shareholders. Since SR 3 seeks authority for market purchases rather than a general offer to everyone, it fails to meet Active's standards for equitable treatment.	AGAINST	FOR 97.89%

AGM OUTCOME

Kumba held its twentieth annual general meeting ("AGM" or "the meeting") of shareholders in person and virtually on 26 May 2026. All the ordinary and special resolutions proposed at the meeting were approved by the requisite majority of votes.

The audited annual financial statements of the Company, and of the Kumba group, including the reports of the directors, external auditors, audit committee, business performance and the social, ethics and transformation committee for the financial year ended 31 December 2025, were presented.

As indicated in the Notice of AGM distributed to shareholders on 10 April 2026, Mr Sango Ntsaluba stepped down as independent non-executive director at the conclusion of today's AGM, having served on the Kumba Board for nine years. Accordingly, he also ceased to be a member and Chairperson of the Audit Committee, a member of the Nominations and Governance Committee and a member of the Strategy and Investment Committee.

As previously announced on the Stock Exchange News Service on 12 May 2026, Mr Vuyisa Nkonyeni will, with effect from 27 May 2026, serve as Chairperson and member of the Audit Committee, as well as a member of the Strategy and Investment Committee and the Nominations and Governance Committee.