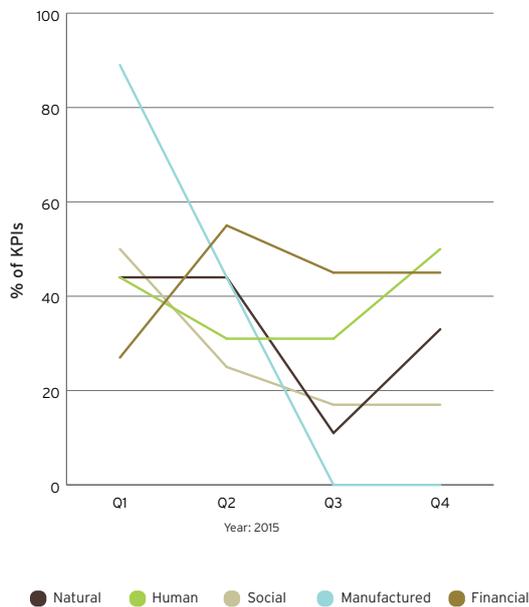


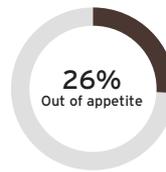
BOARD REVIEW (CONTINUED)

The following graphs provide a visual summary of the performance on these 58 KPIs in 2015 and summarise KPI performance in each of the capitals.

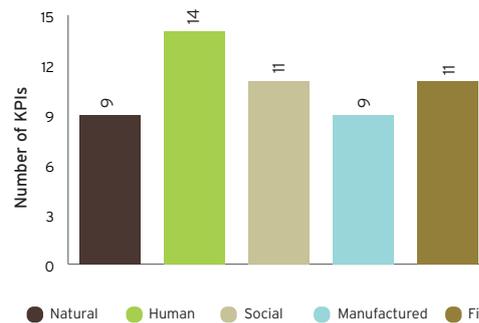
CONSOLIDATED STRATEGIC PERFORMANCE DASHBOARD



Out-of-appetite trend per capital



Out-of-appetite and possible waste/opportunity KPIs



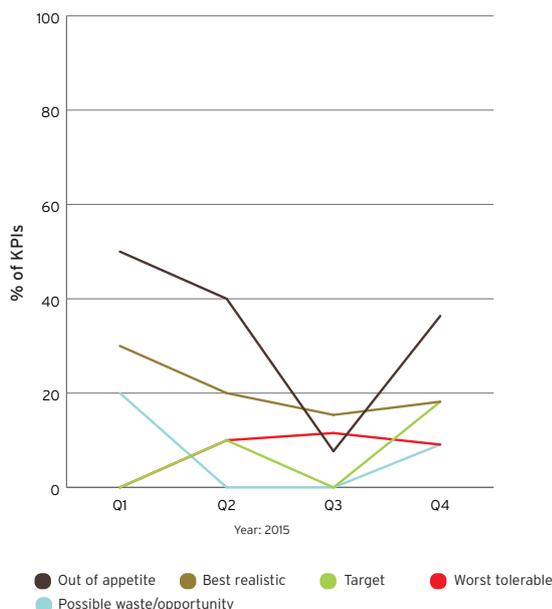
Total KPIs (%)

PERFORMANCE PER SUSTAINABILITY CAPITAL

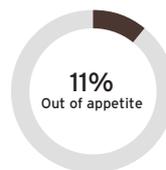
NATURAL CAPITAL



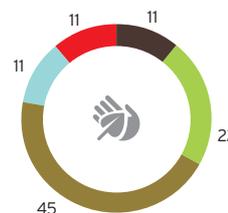
We measure nine KPIs in natural capital. Good progress has been made over the last year to ensure we focus on licence-to-operate requirements at every operation and ensure project teams apply for and obtain the requisite mining rights, environmental authorisations and licences timeously.



Threshold trend per quarter



Out-of-appetite and possible waste/opportunity KPIs



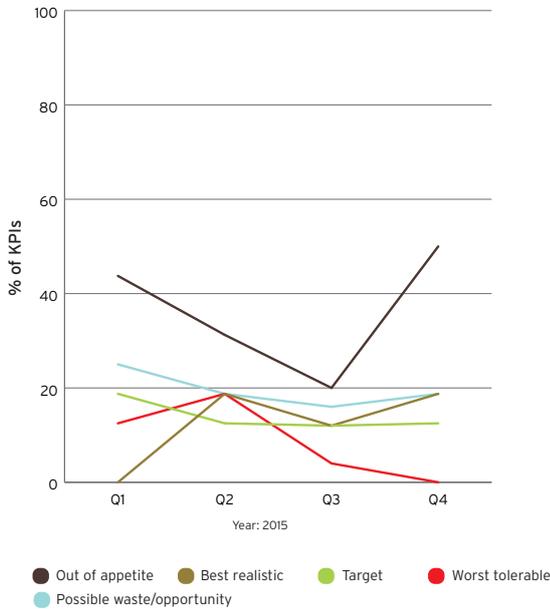
Total KPIs (%)

HUMAN CAPITAL



Although the percentage out-of-appetite KPIs for human capital is quite high at 50%, this is mainly due to a budget reduction (in response to the economic circumstances) on, inter alia, HIV initiatives (some of which have been deferred).

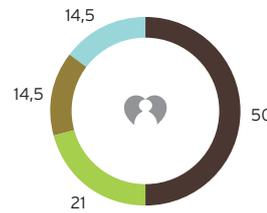
Offering voluntary severance packages (VSPs) to employees also resulted in sub-optimal performance on succession-related metrics, which will be refined once our group-wide improvement initiative has been finalised.



Threshold trend per quarter



Out-of-appetite and possible waste/opportunity KPIs

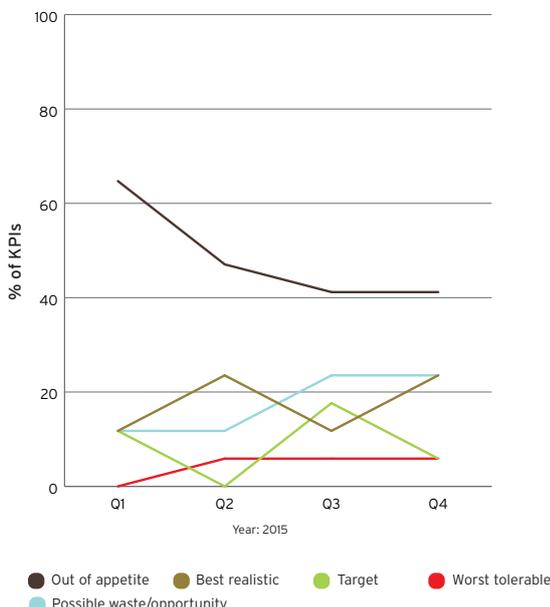


Total KPIs (%)

SOCIAL CAPITAL



The high number of KPIs indicating possible waste/opportunity in this capital needs to be contextualised. The mining charter targets (against which we primarily measure our performance in this capital) are less stringent than elements in the amended Department of Trade and Industry (DTI) codes. Expectations are that a new mining sector code will follow requirements set by the DTI codes. Exxaro is proactively preparing to align with anticipated code targets, while improving our performance against dti codes (necessary due to our Eskom exposure) and hence we seem to be over-performing compared to the lower Mining Charter metrics.



Threshold trend per quarter



Out-of-appetite and possible waste/opportunity KPIs

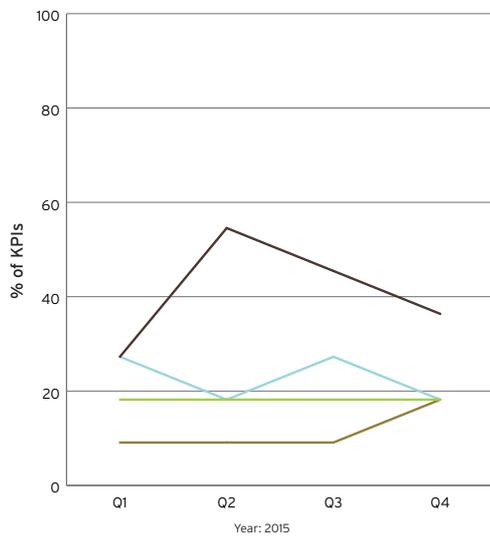


Total KPIs (%)

FINANCIAL CAPITAL

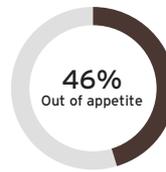


Arguably, 2015 has been one of the most challenging since Exxaro's formation. There has been a general decline in commodity prices (specifically those Exxaro is exposed to: coal, iron ore, mineral sands and pigments). This decline has affected the owner-controlled business (coal) and the performance of our investments (SIOC and Tronox). As a result, our financial capital KPIs were under strain in 2015, hence the notable increase in the percentage of out-of-appetite KPIs.

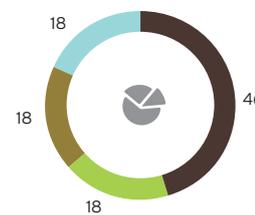


● Out of appetite ● Best realistic ● Target
● Possible waste/opportunity

Threshold trend per quarter



Out-of-appetite and possible waste/opportunity KPIs



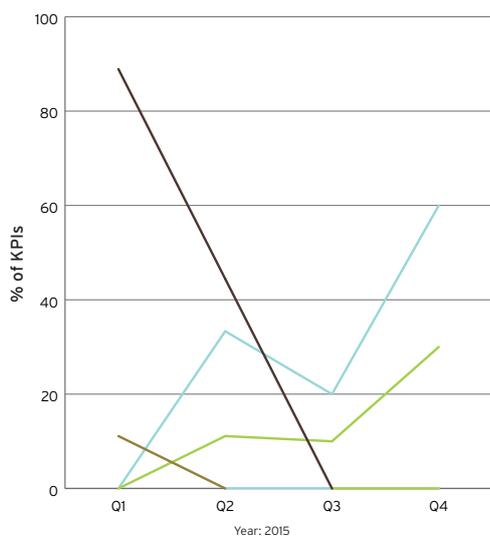
● Out of appetite ● Target
● Best realistic ● Possible waste/opportunity

Total KPIs (%)

MANUFACTURED CAPITAL



Exxaro has embarked on several initiatives to improve the reliability of priority 1 operating systems that support our business. Moreover, a dedicated focus on board-approved capital projects, to ensure they remain on time and within budget, has resulted in no KPIs being out of appetite at year end.

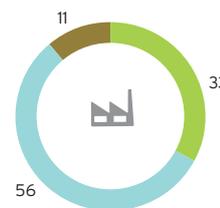


● Out of appetite ● Best realistic ● Target
● Possible waste/opportunity

Threshold trend per quarter



Out-of-appetite and possible waste/opportunity KPIs



● Target ● Best realistic
● Possible waste/opportunity

Total KPIs (%)

The strategic dashboard journey

We constantly hear buzzwords like strategy, risk management, compliance KPIs, licence to operate, audits, assurance, performance measurement ... and how they should be linked to reflect an integrated approach to sustainability and value creation for stakeholders.

This is theoretical until one develops practical tools to help pursue stated goals.

Four years ago, Exxaro embarked on a journey to ensure we manage our strategy in an integrated and holistic way with the key steps including:

- Implementing an integrated risk management framework, ensuring everyone clearly understands what is material to the company and why
- Establishing a sustainability framework
- Identifying KPIs aligned with material issues, risks and sustainability framework and the board setting a tolerance level or appetite for each metric
- Linking the combined assurance plan with risks, material issues and KPIs.

The result of this process is a fully integrated strategic performance dashboard that gives the board and executive the most critical information required to measure and manage the company's strategy and performance. This also provides a transparent and consolidated view to stakeholders on our drivers of value and sustainability.

