

ABOUT THIS REPORT

Exxaro produces an integrated report each year, covering our financial and operational, governance, social and environmental performance as well as the challenges and opportunities ahead.

We have taken a different approach this year by segmenting the report into three perspectives:

- The board - as the ultimate custodian of the company's strategy - comments on the strategic context for material issues and key governance aspects, including the focus of board committees during the year
- The executive review details salient features of the year and how the group performed against its targets, our stakeholder engagements and associated strategic risks (operational performance context).
- Outlook.

In line with our corporate value of honest responsibility, this report reflects our commitment to sustainable development, given the South African socio-economic and environmental context, and determination to entrench global best practices in all operations. It also reflects maturing reporting processes and confidence in our ability to set and measure progress towards targets, as disclosed on the performance dashboard. We now disclose key performance indicators across the six sustainability capitals, with targets and actual performance, for an informed evaluation of our progress.

This report (only available online) covers the financial year to 31 December 2015, as well as key subsequent developments, and follows the 2014 report. It should be read with the comprehensive supplementary report, mineral resources and reserves statement and the annual report of the Exxaro Chairman's Fund and Exxaro Foundation on our website.

Notice of the annual general meeting, form of proxy and summarised financial statements were mailed to shareholders as per statutory requirements.

Content is guided by our strategic objectives, legislative and regulatory requirements, including the Companies Act of South Africa, 71 of 2008, as amended (Companies Act), the Mining Charter and the JSE Limited Listings Requirements, as well as global best-practice standards, including the International Integrated Reporting Council's framework for integrated reporting, United Nations Global

Compact, Global Reporting Initiative (GRI), and the King Report on Governance for South Africa 2009 (King III) and AccountAbility 1000SES.

The audited group annual financial statements are prepared according to International Financial Reporting Standards (IFRS).

Materiality is determined by careful analysis of our risks, strategic goals and ongoing consultation with stakeholders. The top risks facing our group are detailed throughout the report where the applicable material issue is discussed.

Under the reporting requirements of the Department of Mineral Resources (DMR) for the mining charter scorecard, Exxaro discloses its performance per mining right for the review period post the end-March 2016 deadline on its website. Group performance against the scorecard is disclosed in this report (annexure).

This report, produced in English, has been prepared in accordance with the GRI's 'core' application level, and the GRI G4 index is on the website. The supplementary report provides detailed disclosure on key aspects of our operations. Methods for determining specific indicators are summarised in the text or detailed in our glossary.

Each year, key indicators are selected for external assurance. Where possible, we present comparable information for trend analysis. Corporate activity since Exxaro's inception makes data comparability challenging in some areas; this is explained where it will aid understanding.

This report includes data for our Mayoko (Republic of the Congo) iron ore project. It also includes limited information on operations where we do not have management control but have a significant equity interest or joint control, namely Cennergi Proprietary Limited (Cennergi), Sishen Iron Ore Company Proprietary Limited (SIOC) and Tronox Limited (Tronox). As our acquisition of Total Coal South Africa Proprietary Limited (TCSA), renamed Exxaro Coal Central Proprietary Limited (ECC) was only effective August 2015, we include limited data on these operations while the process of standardising systems and indicators is under way.

DISCLAIMER

Opinions expressed in this report are, by nature, subject to known and unknown risks and uncertainties. Changing information or circumstances may cause Exxaro's actual results, plans and objectives to differ materially from those expressed or implied in any forward-looking statements. Financial forecasts and data in this report are estimates which at times are based on reports prepared by experts who, in turn, may have relied on management estimates. Undue reliance should not be placed on such opinions, forecasts or data. No representation is made on the completeness or correctness of opinions, forecasts or data in this report. The company and its affiliates, advisors or representatives accept no responsibility for loss arising from the use of any opinion, forecast or data in this report. Forward-looking statements apply only from the date on which they are made and the company does not undertake any obligation to publicly update or revise its opinions or forward-looking statements to reflect new data or future events or circumstances. The financial information on which the forward-looking statements are based has not been audited nor reported on by Exxaro's independent external auditors.

CONTACT

Ongoing feedback from stakeholders helps us to contextualise certain issues better for more informed understanding by readers. We welcome your suggestions, which should be directed to:

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