

## DIRECTORS' REMUNERATION

This report on remuneration and related matters covers issues which are the concern of the board as a whole in addition to those which were dealt with by the remuneration committee.

### REMUNERATION POLICY

The human resources and remuneration committee has a clearly defined mandate from the board aimed at:

- ensuring that the company's chairman, directors and senior executives are fairly rewarded for their individual contributions to the company's overall performance; and
- ensuring that the company's remuneration strategies and packages, including the incentive schemes, are related to performance, suitably competitive and give due regard to the interests of the shareholders and the financial and commercial health of the company.

### DIRECTORS' SERVICE CONTRACTS

All executive directors' normal contracts are subject to six calendar months' notice. Non-executive directors are not bound by service contracts.

There are no restraints of trade associated with the contracts.

### SUMMARY OF REMUNERATION for the year ended 31 December 2005

Name	Basic salary	Fees for services	Performance bonuses <sup>1</sup>	Benefits and allowances <sup>2</sup>	Retirement fund contributions	Medical fund contributions	Gains share on scheme	Compensation on retirement from executive office	Other	Total
	R	R	R	R	R	R	R	R	R	R
<b>Executive directors</b>										
Dr CJ Fauconnier	2 927 187		454 144	188 064		21 369			3 278	3 594 042
MJ Kilbride	1 594 384		276 242	344 367	191 547	14 993			2 467	2 424 000
CF Meintjes	1 539 004		249 314	152 477	166 654	15 913			2 365	2 125 727
DJ van Staden	1 557 136		262 778	264 111	182 211	27 745			2 400	2 296 381
RG Wadley <sup>3</sup>	806 554		113 334	190 773	88 405	7 451		1 358 785	1 288	2 566 590
										13 006 740
Less gains on share scheme										
Add share-based payment expense										2 973 434
Total remuneration paid by Kumba										15 980 174
<b>Non-executive directors</b>										
PM Baum <sup>4</sup>		165 850		7 215						173 065
BE Davison <sup>4</sup>		133 750		4 950						138 700
TL de Beer		240 750		10 421						251 171
JJ Geldenhuys		230 050		9 599						239 649
Dr D Konar		219 350		6 648						225 998
MLD Marole <sup>5</sup>		87 212		1 480						88 692
AJ Morgan <sup>6</sup> (chairman)		255 017		5 371						260 388
WA Nairn <sup>4</sup>		165 850		5 877						171 727
SA Nkosi		165 850		6 421						172 271
CML Savage		133 750								133 750
Dr NS Segal		176 550		5 206						181 756
F Titi		165 850		5 258						171 108
PL Zim <sup>4</sup>		137 258		4 978						142 236
										2 350 511

1. All incentive schemes are performance related and were approved by the board. The three-tier incentive scheme includes the incentive linked to the Kumba business improvement programme initiatives and applies to all employees throughout the group.

2. Include travel and entertainment allowances.

3. Resigned as executive director on 30 June 2005.

4. Fees paid to their respective employers and not to them as individuals.

5. Resigned as a non-executive director and chairman from the Kumba board on 15 April 2005.

6. Non-executive director who was appointed as non-executive chairman of the board on 15 April 2005.

Retirement amounts paid or receivable by executive directors are paid or received under defined contribution retirement funds.

## DIRECTORS' REMUNERATION continued

### SUMMARY OF REMUNERATION for the 18-months ended 31 December 2004 (restated)

Name	Basic salary R	Fees for services R	Performance bonuses <sup>1</sup> R	Benefits and allowances <sup>2</sup> R	Retirement fund contributions R	Medical fund contributions R	Gains on share scheme <sup>3</sup> R	Other R	Total R
<b>Executive directors</b>									
Dr CJ Fauconnier	3 251 761		352 292	872 890		18 456		4 055	4 499 454
MJ Kilbride	1 799 401		213 825	1 040 905	248 793	22 712	1 450 612	3 206	4 779 454
CF Meintjes	1 777 820		192 761	486 172	216 692	24 764	1 180 505	3 101	3 881 815
DJ van Staden	1 760 764		199 653	641 224	232 020	22 764	3 268 325	3 107	6 127 857
RG Wadley	1 623 352		203 669	779 890	229 731		1 775 103	3 127	4 614 872
									23 903 452
Less gains on share scheme									(7 674 545)
Add share-based payment expense									2 129 633
Total remuneration paid by Kumba									18 358 540
<b>Non-executive directors</b>									
PM Baum <sup>4</sup>		124 167		5 672					129 839
BE Davison <sup>4</sup>		156 250		3 974					160 224
TL de Beer		337 500		14 982					352 482
JJ Geldenhuys		322 500		16 511					339 011
GS Gouws <sup>6</sup>		14 203		1 361					15 564
Dr D Konar		307 500		10 549					318 049
MLD Marole (chairman)		470 000		15 052					485 052
AJ Morgan		232 500		5 811					238 311
WA Nairn <sup>4</sup>		119 167		4 099					123 266
SA Nkosi		232 500		9 156					241 656
CML Savage		187 500							187 500
NS Segal		247 500		873					248 373
F Titi <sup>5</sup>		224 167		12 040					236 207
PL Zim <sup>4</sup>		124 167		4 099					128 266
									3 203 800

1. All incentive schemes are performance related and were approved by the board. These incentives apply to all employees throughout the group.
2. Include travel and entertainment allowances.
3. As set out on p129.
4. Fees paid to their respective employers and not to them as individuals.
5. Fees paid to respective employer during period 1 July 2003 to October 2003 (R33 333), thereafter paid directly to individual (R190 834).
6. Resigned during October 2003, fees and allowances paid to respective employer and not to the individual.

Retirement amounts paid or receivable by executive directors are paid or received under defined contribution retirement funds.

**Directors' interest in Kumba shares**

At 31 December 2005

Director	Beneficial		Non-beneficial	
	Direct	Indirect	Direct	Indirect
Dr CJ Fauconnier	<b>21 880</b>			
MJ Kilbride				
CF Meintjes				
DJ van Staden				
PM Baum				
BE Davison				
TL de Beer				
JJ Geldenhuys				
Dr D Konar	<b>168</b>			
AJ Morgan (chairman)				
WA Nairn				
SA Nkosi				
CML Savage				
NS Segal				
F Titi				
PL Zim				

**Directors' interest in Kumba shares**

At 31 December 2004

Director	Beneficial		Non-beneficial	
	Direct	Indirect	Direct	Indirect
Dr CJ Fauconnier	21 880			
MJ Kilbride				
CF Meintjes				
DJ van Staden				
RG Wadley	47 870			
PM Baum				
BE Davison				
TL de Beer				
JJ Geldenhuys				
GS Gouws				
Dr D Konar	168			
MLD Marole (chairman)				
AJ Morgan				
WA Nairn				
SA Nkosi				
CML Savage				
NS Segal				
F Titi				
PL Zim				

There has been no change to the interest of directors in share capital since the year end.

On 31 December 2005 no director had direct or indirect interests of more than 1% in the share capital of the company.

## DIRECTORS' REMUNERATION *continued*

### Directors' share options and restricted share awards

The following options and rights in shares in the company were outstanding in favour of directors of the company under the company's share option schemes:

#### Management share option scheme For the year ended 31 December 2005

Name	Options held at 31 December 2005	Exercise price R	Exercisable period	Proceeds if exercisable at 31 December 2005 R	Pre-tax gain if exercisable at 31 December 2005 R	Options exercised during the year	Exercise price R	Sale price/market price R	Pre-tax gain R	Date exercised
<i>Executive directors</i>										
Dr CJ Fauconnier	307 520	28,05	2008/12/03	31 367 040	22 741 104					
	65 440	35,00	2009/11/01	6 674 880	4 384 480					
	92 880	41,50	2011/03/16	9 473 760	5 619 240					
<b>Total</b>	<b>465 840</b>			<b>47 515 680</b>	<b>32 744 824</b>					
MJ Kilbride	35 840	18,74	2010/07/25	3 655 680	2 984 038					
	151 320	28,05	2008/12/03	15 434 640	11 190 114					
	40 710	35,00	2009/11/01	4 152 420	2 727 570					
	50 750	41,50	2011/03/16	5 176 500	3 070 375					
<b>Total</b>	<b>278 620</b>			<b>28 419 240</b>	<b>19 972 097</b>					
CF Meintjes	20 490	18,50	2009/01/04	2 089 980	1 710 915					
	24 890	18,74	2010/07/25	2 538 780	2 072 341					
	135 640	28,05	2008/12/03	13 835 280	10 030 578					
	35 220	35,00	2009/11/01	3 592 440	2 359 740					
	48 040	41,50	2011/03/16	4 900 080	2 906 420					
<b>Total</b>	<b>264 280</b>			<b>26 956 560</b>	<b>19 079 994</b>					
DJ van Staden	37 080	18,74	2010/07/25	3 782 160	3 087 281					
	141 350	28,05	2008/12/03	14 417 700	10 452 833					
	35 630	35,00	2009/11/01	3 634 260	2 387 210					
	49 730	41,50	2011/03/16	5 072 460	3 008 665					
<b>Total</b>	<b>263 790</b>			<b>26 906 580</b>	<b>18 935 989</b>					
RG Wadley**	209 280	28,05	2008/12/03							
	39 020	35,00	2009/11/01							
	44 380	41,50	2011/03/16							
<b>Total</b>	<b>292 680</b>									

\* Based on a share price of R102,00 which prevailed on 31 December 2005.

\*\* Options as held on 30 June 2005 when Mr Wadley retired. In terms of the rules of the schemes, all options vest on retirement and must be exercised within three years from retirement. On 18 November 2005 all the options were exercised and the shares sold.

Management share option scheme  
For the 18-months ended 31 December 2004

Name	Options held at 31 December 2004	Exercise price R	Exercisable period	Proceeds if exercisable at 31 December 2004 R	Pre-tax gain if exercisable at 31 December 2004 R	Options exercised during the year	Exercise price R	Sale price/market price R	Pre-tax gain R	Date exercised
<b>Executive directors</b>										
Dr CJ Fauconnier	307 520	28,05	2008/12/03	13 530 880	4 904 944					
	65 440	35,00	2009/11/01	2 879 360	588 960					
	92 880	41,50	2011/03/16	4 086 720	232 200					
<b>Total</b>	<b>465 840</b>			<b>20 496 960</b>	<b>5 726 104</b>					
MJ Kilbride	35 840	18,74	2010/07/25	1 576 960	905 318	23 880	18,74	37,10	438 437	2003/12/03
	151 320	28,05	2008/12/03	6 658 080	2 413 554	64 840	28,05	37,10	586 802	2003/12/03
	40 710	35,00	2009/11/01	1 791 240	366 390					
	50 750	41,50	2011/03/16	2 233 000	126 875					
<b>Total</b>	<b>278 620</b>			<b>12 259 280</b>	<b>3 812 137</b>	<b>88 720</b>			<b>1 025 239</b>	
CF Meintjes	20 490	18,50	2009/01/04	901 560	522 495	5 120	18,50	41,80	119 296	2004/02/19
	24 890	18,74	2010/07/25	1 095 160	628 721	8 290	18,74	44,45	213 136	2004/04/28
						8 290	18,74	41,80	191 167	2004/04/28
	135 640	28,05	2008/12/03	5 968 160	2 163 458	58 120	28,05	37,30	537 610	2003/12/09
	35 220	35,00	2009/11/01	1 549 680	316 980					
	48 040	41,50	2011/03/16	2 113 760	120 100					
<b>Total</b>	<b>264 280</b>			<b>11 628 320</b>	<b>3 751 754</b>	<b>79 820</b>			<b>1 061 209</b>	
DJ van Staden	37 080	18,74	2010/07/25	1 631 520	936 641	7 915	18,74	42,00	184 103	2004/03/01
						1 345	18,74	41,80	31 015	2004/03/01
	141 350	28,05	2008/12/03	6 219 400	2 254 533	20 570	28,05	41,80	282 838	2004/03/01
						40 000	28,05	42,00	558 000	2004/03/01
	35 630	35,00	2009/11/01	1 567 720	320 670					
	49 730	41,50	2011/03/16	2 188 120	124 325					
<b>Total</b>	<b>263 790</b>			<b>11 606 760</b>	<b>3 636 169</b>	<b>69 830</b>			<b>1 055 956</b>	
RG Wadley	209 280	28,05	2008/12/03	9 208 320	3 338 016					
	39 020	35,00	2009/11/01	1 716 880	351 180					
	44 380	41,50	2011/03/16	1 952 720	110 950					
<b>Total</b>	<b>292 680</b>			<b>12 877 920</b>	<b>3 800 146</b>					

Management deferred purchase share scheme – Kumba shares  
For the 18-months ended 31 December 2004

Name	Options held at 31 December 2004	Exercise price R	Exercisable period	Proceeds if exercisable at 31 December 2004 R	Pre-tax gain if exercisable at 31 December 2004 R	Options exercised during the year	Exercise price R	Sale price/market price R	Pre-tax gain R	Date exercised
<b>Executive directors</b>										
Dr CJ Fauconnier										
MJ Kilbride						16 780	11,75	37,10	425 373	2003/12/09
CF Meintjes						5 120	18,50	41,80	119 296	2004/02/19
DJ van Staden						20 000	10,00	35,50	510 000	2003/12/18
						15 000	10,00	35,51	382 650	2003/12/18
						16 510	10,00	35,52	421 335	2003/12/18
						10 000	11,75	35,50	237 500	2003/12/19
						27 030	11,75	36,20	660 884	2003/12/19
<b>Total</b>						<b>88 540</b>			<b>2 212 369</b>	
RG Wadley						982	8,42	37,20	28 262	2003/12/09
						60 908	8,42	37,10	1 746 841	2003/12/09
<b>Total</b>						<b>61 890</b>			<b>1 775 103</b>	