

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifth annual general meeting of members of Kumba Resources Limited will be held at the corporate office, Roger Dyason Road, Pretoria West, South Africa, at 14:00 on Wednesday, 12 April 2006, to consider, and if deemed fit, to pass the following resolutions with or without modifications:

## 1. ORDINARY RESOLUTION NUMBER 1

### Approval of financial statements

To receive and adopt the annual financial statements of the group for the period ended 31 December 2005, including the directors' report and the report of the auditors thereon.

## 2. ORDINARY RESOLUTION NUMBER 2

### Reappointment of independent auditors

To ratify the reappointment of Deloitte & Touche as auditors of the company for the ensuing year.

## 3. ORDINARY RESOLUTION NUMBER 3

### Auditors' fees

To authorise the directors to determine the auditors' remuneration for the period ended 31 December 2005.

## 4. ORDINARY RESOLUTION NUMBER 4

### Re-election of directors

To re-elect the following directors who retire by rotation in terms of clause 16.1 of the articles of association of the company, and who are eligible for re-election:

- 4.1 BE Davison
- 4.2 SA Nkosi
- 4.3 CML Savage
- 4.4 F Titi

Such re-elections are to be voted on individually unless a resolution is agreed to by the meeting (without any vote against it) that a single resolution be used.

An abbreviated curriculum vitae in respect of each director offering themselves for re-election is set out on p196 of the annual report.

As the retirement age for a non-executive director is 70 years of age, becoming effective at the annual general meeting after the date on which he/she turns 70, it is recorded that Mr TL de Beer will retire at the forthcoming annual general meeting.

## 5. ORDINARY RESOLUTION NUMBER 5

### Remuneration of non-executive directors

To approve the proposed remuneration for the period 1 January 2006 to 31 December 2006:

Chairman:	R286 225
Director:	R143 113
Audit committee chairman:	R91 592
Audit committee member:	R45 796
Board committee chairman:	R68 694
Board committee member:	R34 347

## 6. ORDINARY RESOLUTION NUMBER 6

### Renewal of the authority that the unissued shares be placed under the control of the directors

"Resolved that subject to the provisions of the Companies Act, 61 of 1973, as amended, (the Act), and the Listings Requirements of JSE Limited (JSE), the directors are hereby authorised to allot and issue at their discretion until the next annual general meeting of the company, authorised but unissued shares for such purposes as they may determine, after setting aside so many shares as may be required to be allotted and issued by the company pursuant to the company's approved employee share incentive schemes (the schemes)."

## 7. ORDINARY RESOLUTION NUMBER 7

### General authority to issue shares for cash

"Resolved that pursuant to the articles of association of the company and subject to the Act, and the Listings Requirements of the JSE, the directors are hereby authorised, by way of a general authority, to allot and issue ordinary shares for cash on the following basis, after setting aside so many shares as may be required to be allotted and issued by the company pursuant to the company's approved schemes, without restrictions to any public shareholder, as defined by the Listings Requirements of the JSE, as and when suitable opportunities arise, subject to the following conditions:

- 7.1 this authority shall not extend beyond fifteen months from the date of this resolution or the date of the next annual general meeting, whichever date is earlier;
- 7.2 a press announcement giving full details, including the impact on net asset value and earnings per share, be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares in issue prior to the issue/s;
- 7.3 the shares be issued to public shareholders as defined by the JSE and not to related parties;
- 7.4 any issue in the aggregate in any one year shall not exceed 15% of the number of shares of the company's issued ordinary share capital; and
- 7.5 in determining the price at which an issue of shares be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of the shares over the 30 days prior to the date that the price of the issue is determined or agreed to by the directors. In the event that shares have not traded in the said 30-day period a ruling will be obtained from the committee of the JSE."

The approval of a 75% majority of the votes cast by shareholders present or represented by proxy at the meeting is required for ordinary resolution number 7 to become effective.

## 8. ORDINARY RESOLUTION NUMBER 8

Amendment of the Kumba Resources Management Share Trust Deed (“the Deed”)

8.1 Resolved that the Deed be and is hereby amended with effect from 3 August 2005 by the addition to clause 17.1 thereof of a new sub-clause, as follows: “17.1.6 makes a distribution to its shareholders, including a special dividend, a distribution in specie or a payment in terms of section 90 of the Act, (to the extent that any distribution is not paid out of reserves of the company, it shall not be regarded as a dividend, but will be treated as a section 90 distribution)”

8.2 Resolved that the Deed be and is hereby amended as indicated: (proposed amendments have been underlined):

### 1. Definitions

- addition of a new clause 1.1.5:  
“1.1.5 ‘cash settlement’: the cash settlement contemplated in 1.1.22”;
- as a result of the above, existing clauses 1.1.5 up to and including 1.1.37 be re-numbered as clauses 1.1.6 to 1.1.38;
- clause 1.1.22 (previously clause 1.1.21) be amended as indicated:

“1.1.22 ‘option’: an option as contemplated in clause 14 and where applicable, in terms of clause 12, granted under the scheme of an offeree, which when exercised in respect of any shares to which the option relates, will result in-

1.1.22.1 an allotment and issue of those shares to which such exercise relates from the company to the participant; and/or

1.1.22.2 a sale of those shares to which such exercise relates from the trust to the participant; and or

1.1.22.3 a cash settlement by the company to the participant of an amount equal to the difference between the purchase price and the closing price of an ordinary share (as shown by the official price list published by the JSE) on the trading day on the JSE on which the option is exercised.”

## 14. Options

“14.3

Notwithstanding anything to the contrary herein contained and in particular therefore also the date on which an option is exercised, the obligation of the trustees to make a cash settlement in respect of any shares and/or deliver any shares to a participant arising from the exercise by such participant of an option, and likewise the obligation of a participant to pay the purchase consideration of such shares to the trustees in respect of the exercise of an option shall, unless otherwise determined by the directors and upon such terms and conditions as they may impose, only arise in respect of such shares on the dates referred to below (it being agreed that the obligation to discharge the purchase price of the relevant shares shall only arise against delivery by the trustees of such shares) . . .”

“14.3.5.3.1 the obligation of the trustees to make a cash settlement in respect of such shares and/or deliver such shares shall only arise in respect of the periods referred to in 14.3.”

“14.7

A participant may at any time, with the prior written consent of the trustees, exercise all of his options on the basis that the acquisition of such shares shall be deemed to have been made pursuant to the acceptance of an offer in terms of 12, and all the other terms in respect of the acquisition of shares in terms of the acceptance of an offer to acquire shares shall mutatis mutandis be applicable. For purposes of determining the dates on which a participant shall be entitled to a cash settlement and/or have shares released to him, the option date shall be deemed to be the offer date.”

## 15. Rights issues

“15.2.2

for purposes of determining the date on which such participant is entitled to request a cash settlement and/or delivery to him of the option shares, such option shall have been deemed to have been granted on the same day on which the original options were granted.”

## NOTICE OF ANNUAL GENERAL MEETING continued

### 9. SPECIAL RESOLUTION NUMBER 1

#### Authority to repurchase shares

“Resolved that by way of a general authority, the company or any subsidiary of the company may, subject to the Act, the articles of association of the company or subsidiary respectively and the Listings Requirements of the JSE, from time to time purchase shares issued by itself or shares in its holding company, as and when deemed appropriate.”

Pursuant to the above, the following additional information, required in terms of the Listings Requirements of the JSE, is submitted.

It is recorded that a company may only make a general repurchase on the provisos:

- 9.1 that the repurchase is effected through the order book operated by the JSE trading system and is done without any prior understanding or arrangement between the company and the counterparty;
- 9.2 that this authority shall not extend beyond fifteen months from the date of this resolution or the date of the next annual general meeting, whichever date is earlier;
- 9.3 that an announcement containing full details of such repurchases is published as soon as the company has repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the repurchases and for each 3%, on a cumulative basis, thereafter;
- 9.4 that the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20% of the company's issued share capital at the time this authority is given;
- 9.5 that at any one time, the company may only appoint one agent to effect any repurchase;
- 9.6 that the repurchase of shares will not take place during a prohibited period and will not affect compliance with the shareholders' spread requirements as laid down by the JSE;
- 9.7 shares issued by the company may not be acquired at a price greater than 10% above the weighted average traded price of the company's shares for the five business days immediately preceding the date of repurchase.”

The reason for this special resolution number 1 is, and the effect thereof will be to grant, in terms of the provisions of the Act and the Listings Requirements of the JSE, and subject to the terms and conditions embodied in the said special resolution, a general authority to the directors to approve the repurchase by the company of its own shares.

At the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate.

### 10. SPECIAL RESOLUTION NUMBER 2

#### Amendment of articles of association

“Resolved that the current articles of association of the company be and are hereby replaced with a new set of articles of association, a copy of which has been tabled at this general meeting and initialled by the chairman for the purpose of identification.”

The reason for and effect of this special resolution number 2 is to replace Kumba's current articles of association with a new set of articles of association, which are updated in accordance with amendments to the Act and the Listings Requirements of the JSE.

11. To transact such other business as may be transacted at an annual general meeting.

#### DISCLOSURES REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

In terms of the Listings Requirements of the JSE, the following disclosures are required when requiring shareholders' approval to:

- authorise the company, or any of its subsidiaries, to repurchase any of its shares as set out in the special resolution above; and
- the general authority to issue shares for cash as set out in ordinary resolution number 7.

#### Working capital statement

The directors of the company agree that they will not undertake any repurchase unless:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group will be in excess of the liabilities of the company and the group, recognised and measured in accordance with the accounting policies used in the latest annual financial statements;
- the share capital and reserves of the company and the group will be adequate for ordinary business purposes; and
- the working capital resources of the company and the group will be adequate for ordinary business purposes.

#### Litigation statement

Other than disclosed or accounted for in these annual financial statements, the directors of the company, whose names are given on p58 of these annual financial statements, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had a material effect on the group's financial position in the 12 months preceding the date of this notice of annual general meeting.

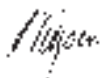
#### Material changes

Other than the facts and developments reported on in these annual financial statements, there have been no material changes in the affairs, financial or trading position of the group since the signature date of this annual report and the posting date thereof.

The following further disclosures required in terms of the Listings Requirements of the JSE are set out in accordance with the reference pages in these annual financial statements of which this notice forms part:

- Directors and management – refer p57-58;
- Major shareholders of the company – refer p70;
- Directors' interest in the company's shares – refer p129;
- Share capital of the company – refer p138.

By order of the board



**MS Viljoen**  
Company secretary

Pretoria  
17 March 2006

## EXPLANATORY NOTES TO RESOLUTIONS FOR CONSIDERATION AT THE ANNUAL GENERAL MEETING

#### Ordinary business

##### Resolution 1: Approval of financial statements

The directors must present to shareholders at the annual general meeting the annual financial statements incorporating the directors' report and the report of the auditors, for the period ended 31 December 2005. These are contained within the annual report.

##### Resolution 2: Reappointment of independent auditors

The reason for proposing ordinary resolution number 2 is to confirm the reappointment of Deloitte & Touche as external auditors of the company.

##### Resolution 3: Auditors' fees

It is usual for this matter to be left to the directors, as they will be conversant with the amount of work that was involved in the audit. The chairman will therefore move a resolution to this effect authorising the directors to attend to this matter.

##### Resolution 4: Re-election of directors

Under the articles of association, one third of the directors are required to retire at each annual general meeting and may offer themselves for re-election. Biographical details of the directors, who are offering themselves for re-election, appear on p196.

#### Resolution 5: Remuneration of non-executive directors

The company in general meeting as per the articles of association shall from time to time determine the remuneration of directors, subject to shareholders' approval.

#### Resolutions 6 and 7: Directors' control of unissued ordinary shares

The existing authorities relating to resolutions 6 and 7 are due to expire at the forthcoming annual general meeting. The directors consider it advantageous to renew these authorities to enable the company to take advantage of business opportunities, which might arise in the future.

#### Resolution 8: Amendment of the Deed

The Deed is amended in order to allow for an adjustment in the price of shares purchased and options granted in terms thereof as a result of a special dividend, a distribution in specie or a payment in terms of Section 90 of the Act, and also especially to allow for a retrospective adjustment as a result of the special dividend of R2,20 per share, which was declared on 3 August 2005. This special dividend was declared as a result of the amount received in respect of the settlement of the Hope Downs BV matter.

The Deed is further amended to, in addition to the existing allotment and issue or sale of shares to participants, also make provision for a cash settlement on exercise of an option to participants under the schemes.

#### Special business

##### Special Resolution 1: General authority to permit the repurchase of shares

The reason for the special resolution is to grant the directors of the company a general authority for the acquisition of the company's shares by the company, or a subsidiary of the company.

The effect of the special resolution, once registered, will be to permit the company or any of its subsidiaries to repurchase such securities subject to the limitations applicable. This authority will only be used if circumstances are appropriate.

##### Special Resolution 2: Amendment of articles of association

New articles of association are adopted in order to bring same in line with the latest requirements of the Act, and the Listings Requirements of the JSE.