

DIRECTORS' REMUNERATION REPORT

for the year ended 31 December 2006

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 group's overall performance;
- ensuring that the group's remuneration strategies and packages, including the incentive schemes, are related to performance, are suitably competitive and give due regard to the interests of the shareholders and the financial and commercial health of the group.

DIRECTORS' SERVICE CONTRACTS

All executive directors' service 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 2006

Name	Basic salary R'000	Directors' fees R'000	Committee fees R'000	Performance bonuses R'000	Benefits and allowances R'000	Retirement fund contributions R'000	Total R'000
Executive directors							
EJ Myburgh ¹	248	–	–	1 090	162	25	1 525
VP Uren ²	197	–	–	–	22	18	237
MW von Wielligh ³	–	–	–	–	–	–	–
MJ Kilbride ⁴	–	–	–	–	–	–	–
	445	–	–	1 090	184	43	1 762
Non-executive directors							
PL Zim ⁵	–	240	–	–	–	–	240
PM Baum ⁶	–	120	–	–	–	–	120
GS Gouws ⁶	–	120	23	–	–	–	143
DD Mokgatle	–	120	11	–	–	–	131
N Moyo	–	120	11	–	–	–	131
AJ Morgan	–	120	–	–	–	–	120
PB Matlare	–	120	–	–	–	–	120
Subtotal	–	960	45	–	–	–	1 005

¹ Remuneration relates to the period from 1 November 2006 to 31 December 2006.

² Remuneration relates to the period from date of listing on the JSE (20 November 2006 to 31 December 2006).

³ Resigned as executive director on 31 January 2006.

⁴ Resigned as executive director on 9 February 2006.

⁵ Non-executive director who was appointed as non-executive chairman of the board on 9 February 2006.

⁶ Fees paid to their respective employers and not to the individuals.

DIRECTORS' INTEREST IN KUMBA IRON ORE SHARES

At 31 December 2006

Executive director	Beneficial		
	Direct		Indirect
EJ Myburgh	635		–

Non-executive directors did not have any beneficial interest in the group.

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

On 31 December 2006 no director had direct or indirect interests of more than 1% in the share capital of the company.

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 2006

Name	Options held at 31 Dec 2006	Exercise price R	Exercisable period	Proceeds if exercisable at 31 Dec 2006	Pre-tax gain if exercisable at 31 Dec 2006
				R	R
Executive director					
EJ Myburgh	51 000	17,37	12/3/08	6 273 000	5 387 130
	26 730	22,04	11/1/09	3 287 790	2 698 661
	32 920	26,40	3/16/11	4 049 160	3 180 072
Total	110 650			13 609 950	11 265 863