

EXXARO RESOURCES LIMITED

Incorporated in the Republic of South Africa

(Registration Number: 2000/011076/06)

JSE share code: EXX

ISIN code: ZAE000084992

ADR code: EXXAY

Bond Code: EXX04

ISIN No: ZAG000160326

Bond Code: EXX05

ISIN No: ZAG000160334

("Exxaro" or the "Company")

EXXARO ENTERS MEMORANDUM OF UNDERSTANDING WITH ESKOM AND SERITI IN ORDER TO REALISE A JUST ENERGY TRANSITION TO A LOW CARBON FUTURE IN SOUTH AFRICA

Exxaro, Eskom Holdings SOC Ltd ("**Eskom**") and Seriti Resources Holdings ("**Seriti**") (the "**Parties**") have entered into a memorandum of understanding ("**MOU**") in order to record their intent to pursue the development of renewable energy solutions for the cost-plus mines supplying coal to Eskom (the "**Mines**").

The Parties have agreed to work towards achieving a just energy transition in South Africa by, *inter alia*, participating in these renewable energy projects at the Mines and/or related Eskom sites, with the aim of creating employment and re-skilling opportunities for communities in South Africa.

Exxaro, acting under the auspices of its subsidiary Cennergi Holdings Proprietary Limited ("**Cennergi**"), and Seriti, under its newly formed subsidiary Seriti Green, shall investigate and propose suitable renewable energy solutions and projects at their respective Mines and related Eskom sites in consultation with Eskom.

Eskom agrees to support and assist Exxaro and Seriti in their implementation of sustainable renewable energy solutions, as contemplated in the MOU, it being acknowledged that Eskom is, and will at all times remain, subject to applicable procurement legislation.

The Parties acknowledge that the project/s undertaken by each of them should be implemented as soon as possible and Eskom will use all reasonable endeavours to assist them to do so.

Under the MOU, Exxaro envisages achieving a reduction in Scope 2 CO₂ emissions of up to 130,000 tonnes per annum at its Matla coal mine, which represents a saving of 70% of the greenhouse gases with Matla at full production. Seriti envisages achieving a reduction in Scope 2 CO₂ emissions of up to 350,000 tonnes per annum, around half of its current emissions of 700,000 tonnes of CO₂ equivalent through the consumption of coal-fired electricity generation.

AK MARÉ, Inlexso (Pty) Ltd

ACTING GROUP COMPANY SECRETARY

25 October 2021

Lead Equity Sponsor and Debt Sponsor to Exxaro Resources Limited

Absa Corporate and Investment Bank, a division of Absa Bank Limited



Joint Equity Sponsor to Exxaro Resources Limited

Tamela Holdings Proprietary Limited

