Report to shareholders 2021

MINING WITH PURPOSE

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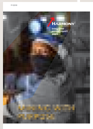

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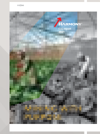
2021



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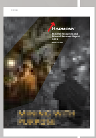

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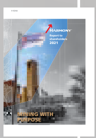

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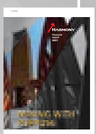

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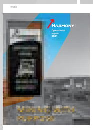

Operational report
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** Referred to in our reporting suite as TCFD report.*

Other reports:

Form 20-F
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Mining with purpose

We are a global, sustainable gold producer, creating shared value for all stakeholders while leaving a lasting positive legacy by:

- Creating a profitable, sustainable company
- Committing to safe, ethical, social and ecologically responsible mining
- Positioning our business to contribute to a low-carbon future.

Creating shared value is the golden thread that links our purpose to our business model to our strategy. It drives our pursuit of operational excellence and ensures an inclusive approach to stakeholders. This guides the way we manage our capitals – ensuring that at all times we create and preserve value, generating infinite opportunities from a finite resource.

Scan QR code to download our full suite of 2021 annual reports

These reports and supporting documents are available online at **www.har.co.za**.

Other additional information can be found at **www.harmony.co.za**.

Note: All photographs in this report were taken under strict Covid-19 safety protocols, including social distancing and the use of facial masks to ensure the safety and wellbeing of our employees.

REFERENCE

Indicates a page or note reference of information which can be found elsewhere in the report.

Indicates a reference for information available online at **www.harmony.co.za**.

Data in this report reflects nine months of Mponeng and related assets for 2021

CHAIRMAN'S REVIEW

"The company focuses on what it can influence, which is being a sustainable and competitive business which creates shared value through organic growth and value-creating acquisitions in the long term."

Dr Patrice Motsepe
Chairman

Dear shareholders and stakeholders

Harmony's excellent results for the 2021 financial year (FY21) were based on implementing its strategic objectives as stated in the CEO's report. These results were achieved despite ongoing macro-economic uncertainties as the world deals with successive waves of the Covid-19 pandemic.

Gold, once more reflected its safe-haven investment status, as its price climbed from around US$1 500/oz in early 2020 when Covid-19 was declared a global pandemic and peaked at US$2 063/oz in August 2020, when vaccines became a reality and investors began rotating out of gold into other investment classes.

At year end, the gold price was US$1 769.80/oz, reaffirming our positive outlook on the commodity in a volatile macro-environment.

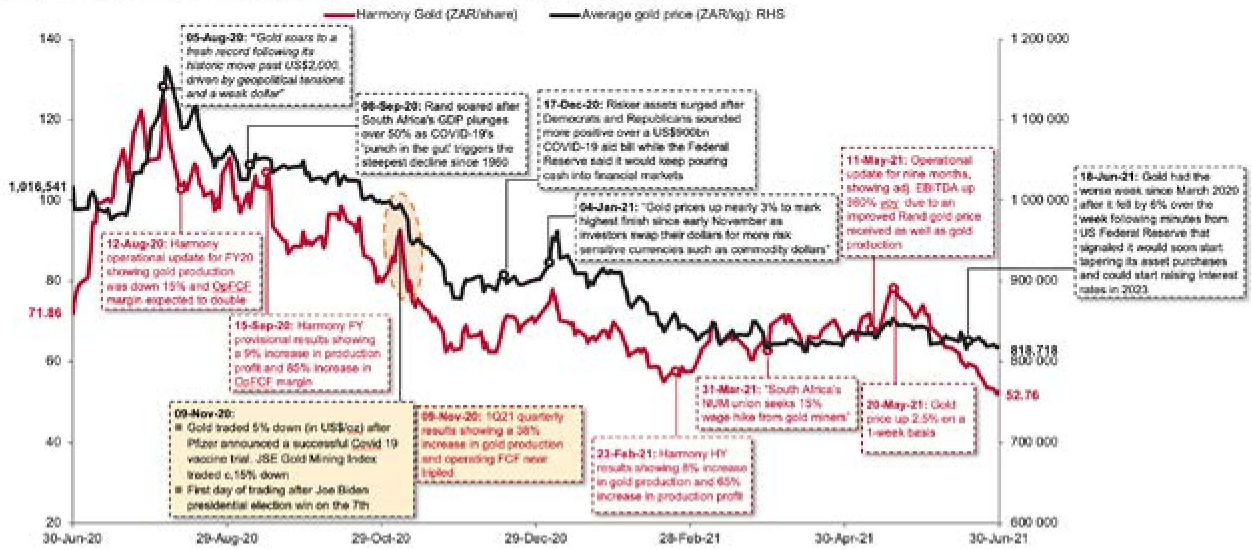
For Harmony, this translated into an 18% increase in the US$/oz gold price received compared to the prior year. Gold production also increased by 26% from the 2020 financial year (FY20) when production was significantly affected by national lockdowns in South Africa in the final quarter of FY20 and the integration of Mponeng and related assets into our portfolio from October 2020. The company recorded a commendable 66% increase in production profit in the year under review.

As planned, the newly acquired assets of Mponeng and related assets, which accounted for 19% of group production in just nine months, boosted production to over 1.54Moz.

The Harmony share price moved in tandem with the gold price and a stronger Rand, coming off its peak last year to close at R52.76 per share, resulting in a market capitalisation of R32.5 billion (US$2.3 billion) at 30 June 2021.

The South African gold-mining industry
In calendar 2020, the South African industry employed 93 682 people, paid R25.6 billion (US$1.6 billion) in wages, salaries and employee benefits and recorded gold sales of R78.2 billion (US$4.8 billion).

Year-on-year Harmony share price vs Rand gold price



Source: Factset as on 30 June 2021, Company announcements, Public news

Against this background, we believe Harmony has demonstrated its investment case (see the **Integrated annual report 2021**) and shown that it can offer significant value in a high-price commodity cycle.

Whereas the price of gold is outside Harmony's control, the company focuses on what it can influence, which is being a sustainable and competitive business which creates shared value through organic growth and value-creating acquisitions in the long term. Our re-engineered portfolio has significantly reduced our debt which has resulted in a strong and flexible balance sheet.

Vital to being a responsible and integrated business is embedding environment, social and governance (ESG) matters into our decision-making. Responsible stewardship is an important pillar of Harmony's strategy.

Maintaining a safe and healthy work environment

The safety and health of our approximately 48 000 employees is both our primary responsibility and a business imperative. Safety is a foundational value at Harmony. Safe production at all our operations and at all times is non-negotiable.

Our ESG report details results stemming from the proactive behavioural safety journey we initiated years ago to improve the culture of safety in Harmony. Regrettably, we lost 11 employees during the year in work-related incidents, and we extend our sincere condolences to their families, friends and colleagues. We are deeply disappointed by our safety performance in FY21 and are committed to reviewing our safety systems, policies and cultures.

Covid-19 remains a major focus area and a risk to our business. Our robust and collaborative response contained the Covid-19 active case level to 0.27% of our workforce. In line with government programmes in South Africa and Papua New Guinea, we have been rolling out our vaccine programme since June 2021, aiming to cover 80% of our South African workforce by October 2021.

Investing in our employees

As noted, we provide employment for approximately 48 000 people, most of whom live in communities around our operations. Our collaborative and inclusive approach supports constructive relationships with our employees and their representative trade unions. This is further demonstrated by the conclusion of our wage negotiations in September 2021, where we reached a three-year wage agreement with all five labour unions.

During the year, we invested R1 billion (US$65 million) in the health and wellbeing of our employees, of which R292 million (US$19 million) was specifically to manage and mitigate the impact of Covid-19. In addition, we invested R238 million (US$15 million) in employee training, development and career advancement.

Ongoing commitment to host communities

The sustainability of our business is interlinked with the socio-economic sustainability of our host communities. We contribute to improving the living conditions of our host communities by initiating infrastructure development projects, creating employment opportunities and providing skills training and preferential procurement. Equally important is contributing to their sustainability by creating economic opportunities in the agricultural sector to promote women and youth employment and by creating enterprises that can sustain themselves post-mining.

The pandemic affected all our host communities, particularly those most in need. In addition to Covid-19 public awareness campaigns, we continued to support our doorstep communities by providing food and hygiene products and funded income-generating projects such as the manufacturing of masks.

In FY21, we invested R71 million (US$5 million) in community development and upliftment projects, and corporate social investment. In addition to allocating resources focused on Covid-19, we concentrated on providing infrastructure and supporting enterprise development for small, medium and micro-businesses.

In South Africa and Papua New Guinea, we supported agricultural projects led by women and the youth. In the past three years, we have invested R36 million (US$2 million) in agricultural projects in host communities in South Africa. Similarly, we have invested R408 385 (US$27 115) in coffee and cocoa agricultural projects in Papua New Guinea and employed agricultural officers at Hidden Valley mine to support and coordinate these activities.

We also contribute significantly to taxes and royalties in the countries where we operate. In FY21, we paid R1.2 billion (US$79 million) in South Africa and about R127 million (US$8 million) in Papua New Guinea. We also paid R15.3 billion (US$995 million) in wages and salaries, and spent R13.0 billion (US$844 million) on local procurement.

More information on our socio-economic development initiatives can be found in our **ESG report 2021**.

Our commitment to the environment and its resources

In FY21, Harmony continued to apply global good practice in managing our scarce natural resources. These initiatives have been recognised by global research agencies (see our **ESG report 2021**).

The lasting impact of climate change is arguably the most critical global challenge of our time. In line with our business strategy, we remain committed to participating in the global response to reduce carbon emissions and mitigate the physical impacts of climate change.

We are reducing our carbon footprint and are committed to making more progress in this regard. We have reduced our energy intensity by 28% over the past six years, reducing CO_2 emissions by 1.2 million tons and saving R1 billion in energy costs.

We welcome the South African President's announcement in June 2021 of a 100 megawatt (MW) cap for embedded generation, effectively doubling the amount of energy our industry can generate for self-use. We are exploring a number of self-generation renewable energy options, including solar projects. Harmony plans to bring the first 30MW of solar power into production in early 2022 while developing a pipeline of projects for an additional 137MW.

In South Africa, a water-scarce region, we have almost doubled the quantity of recycled water and reduced our water consumption intensity (which measures the quantity of water required to treat a tonne of treated ore) by 37% over five years.

For more on our environmental management activities, see our **ESG report 2021**.

Commitment to good governance

Our board formulates robust governance standards and ensures that we conduct our business ethically and in line with global good governance practice.

Amid the prevailing social, political, economic and environmental challenges, the depth of expertise on Harmony's board has been invaluable.

In December 2020, Ms Grathel Motau resigned as an independent non-executive director and investment committee member to pursue other career opportunities. We thank Ms Motau for her contribution.

Mr Peter Turner was appointed to the board as an independent non-executive director in February 2021 and was subsequently appointed as a member of the technical and investment committees. His extensive experience in open-pit and deep-level underground gold mining in Africa makes a significant contribution to the technical expertise required for the company's safety, development and growth initiatives.

Two of our longest serving board members, Ms Fikile De Buck and Dr Simo Lushaba, who retire by rotation this year, although eligible, will not be seeking re-election to the board. This will be effective as of the conclusion of the 2021 annual general meeting. Ms De Buck and Dr Lushaba have contributed immensely to the growth and success of Harmony. On behalf of the board I would like to thank them for their invaluable contribution over many years.

The board has embarked on a transitional plan to ensure that its composition and functioning is in line with global best practices.

For further details, refer to **Corporate governance** in the **ESG report 2021**.

My gratitude

Our management teams and employees have proven their mettle in the face of ongoing Covid-19 challenges and its impact on their work environment. On behalf of the board, I thank them for their resilience and commitment..

We are also deeply grateful for the continued support and cooperation of our host communities, shareholders and all other stakeholders.

I would also like to thank our chief executive officer, Peter Steenkamp, and his management team for their exemplary leadership and hard work. Their collective contribution has been pivotal to the success and growth of Harmony and our ability to create shared value.

My deep gratitude also goes to every member of our board for their guidance and advice during these challenging and demanding times.

Dr Patrice Motsepe
Chairman

28 October 2021

AUDIT AND RISK COMMITTEE: CHAIRPERSON'S REPORT

"The world we live in will keep on changing and it is the highest standards of governance that will continue to steer Harmony as an organisation, as it adapts to these changes."

Fikile De Buck
Chairperson: audit and risk committee

DEAR SHAREHOLDER

I am pleased to represent the audit and risk committee report for the financial year ended 30 June 2021 (FY21).

This report considers those material matters on which the audit and risk committee (the committee) deliberated during the year. These matters extend beyond just statutory compliance and relate to the committee's role in supporting value creation and delivery on Harmony's strategic objectives.

Introduction

The audit and risk committee is an independent, statutory committee whose members are appointed annually by Harmony's shareholders in compliance with section 94 of the South African Companies Act of 2008, as amended (the Act), and the principles of good governance. In addition to this Act, the committee's duties are guided by the JSE Listings Requirements, the King IV Code on Corporate Governance™* 2016 (King IV) and its terms of reference. In addition, the board of directors delegates oversight of specific functions to the committee.

* *Copyrights and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.*

Terms of reference

The formal board approved committee terms of reference (available on our corporate website, www.harmony.co.za), are reviewed and updated annually (or more frequently if required) by both the committee and the board. The committee is satisfied that it has conducted its affairs and discharged its responsibilities in accordance with its terms of reference.

Composition and function

Members: F De Buck (Chairperson); K Nondumo; Dr S Lushaba; J Wetton; G Sibiya.

The committee's diverse perspectives, independence, knowledge and experience enhance our governance structures. As at the date of this report, the committee has five members, all of whom are independent non-executive directors.

For further detail on their qualifications, expertise and experience, refer to our website at https://www.harmony.co.za/who-we-are/board.

The group chief executive officer and financial director – together with members of the executive team and senior managers representing areas relevant to the discussions at the audit committee, as well as the external auditors, the chief internal audit executive and assurance providers attend meetings either by standing invitation or as and when required.

Refer to 2021 notice of the annual general meeting for member appointments.

Responsibilities

The committee discharged all of those functions delegated to it in terms of the Act, terms of reference and the JSE Listings Requirements:

- To ensure the integrity of financial statements and related reporting, that they comply with IFRS, the SAICA Financial Reporting Guides and other relevant regulatory bodies stated above and fairly represent the financial position of the group, the company and our operations

- To monitor internal controls, the internal audit function, combined assurance and matters pertaining to the external auditors
- To oversee corporate governance, particularly in relation to legislative and regulatory compliance
- To oversee the management of risk, as well as information technology (IT) governance and cyber security.

The committee believes that it complied with its legal, regulatory and other responsibilities during the past financial year. No major concerns were raised in FY21.

For more on the committee and its activities during the year, see **Board committees** in our **ESG report 2021**.

Reporting

The committee reviewed the following 2021 reports and their related processes:

- Integrated annual report and its related FY21 suite of reports
- Mineral Resource and Mineral Reserve statement
- Annual financial statements and accounting practices
- Annual report filed on Form 20-F with the United States Securities and Exchange Commission.

The committee submits that these reports represent a balanced view of the group's performance for FY21 and recommended them to the board for approval.

Duties discharged in FY21

- Reviewed the company's quarterly and annual financial results
- Ensured it has access to all the financial information of Harmony to allow the company to effectively prepare and report on its financial statements
- Monitored the internal control environment in Harmony and found it to be effective
- Discussed the appropriateness of accounting principles, critical accounting policies, management's judgements, estimates and impairments, all of which were found to be appropriate
- Ensured the appropriate financial reporting procedures, which include consideration of all entities included in the consolidated group IFRS financial statements, have been established and that these procedures are operating
- Considered the JSE's latest report on the proactive monitoring of financial statements
- Considered the appointment of the external auditor, PricewaterhouseCoopers Inc., as the registered independent auditor for the ensuing year
- Considered the suitability, and satisfied itself, of the external audit partner firm following assessment of the information provided by that firm, in terms of paragraph 3.84(g)(iii) and paragraph 22.15(h) of the JSE Listings Requirements, to determine the suitability of its appointment as the external audit firm and of the designated individual partner
- Ensured that the appointment of the external audit firm is presented and included as a resolution at the annual general meeting
- Satisfied itself that the external audit firm, PricewaterhouseCoopers Inc., was suitable and independent from the company
- Reviewed and approved external audit plans, terms of engagement and fees, as well as the nature and extent of non-audit services rendered by the external auditors
- Evaluated the independence and effectiveness of the internal audit function
- Reviewed and approved internal audit budget and risk-based plans
- Considered and approved the company's internal audit charter
- Evaluated and coordinated the internal audit, external audit and sustainability assurance processes
- Received and considered reports from the external and internal auditors
- Considered the appropriateness, expertise and experience of the financial director, Boipelo Lekubo, and the finance function – both were found to be adequate and appropriate
- Evaluated and considered Harmony's risks, and measures taken to mitigate those risks. In addition, the committee had a workshop for a detailed discussion on the company's enterprise risk management. The entire board was invited to this session.
- Considered whether IT risks are adequately addressed and whether appropriate controls are in place to address these risks. The committee oversees and monitors the governance of IT on behalf of the board, a task it views as a critical aspect of risk management. Additionally, the committee considered the company's IT strategy as well as the company's cyber security policy for further review later in the year
- Considered and confirmed the company as a going concern
- Reviewed and recommended the company's dividend policy for board approval
- Considered and approved the company's non-audit services policy
- Reviewed and recommended changes to the committee's terms of reference to the board for approval
- Reviewed the corporate governance and compliance policy and framework for board approval
- Reviewed the adequacy of the Group's insurance coverage
- Reviewed legal matters that could have a significant impact on the company's business.

Key focus areas in FY21

Interim and annual financial statements

The annual financial statements have been prepared in accordance with IFRS, SAICA Financial Reporting Guides, the requirements of the South African Companies Act 71 of 2008, the Listings Requirements of the JSE Limited and the recommendations of King IV.

In terms of paragraph 3.84(k) of the JSE Listings Requirements, the committee reviewed and assessed the process implemented by management to enable the chief executive officer (CEO) and the financial director (FD) to pronounce on the annual financial statements and the system of internal control over financial reporting. The results from the process were communicated to the committee. The committee considered deficiencies as well as the appropriateness of management's response including remediation, reliance on compensating controls and additional review procedures. The committee, on behalf of the board, has noted the final confirmation of the CEO and FD.

The chief executive officer and the financial director confirmation appears in the **Financial report**.

Proactive monitoring

The committee oversaw the JSE proactive monitoring review, as Harmony was chosen for review in FY21. No material issues were raised and the JSE issued a closing letter wherein all responses provided by management on concerns raised were found to be satisfactory with recommendations made for future disclosures.

External auditor – appointment, independence and tenure

Having considered the external auditor's previous appointments and the extent of other work undertaken for the group, the committee is satisfied that PwC is independent of the group, as per section 94(8) of the Act. The committee also satisfied itself as to the suitability of PwC and the designated audit partner.

A formal procedure has been adopted to govern the process whereby the external auditor may be considered for non-audit services and the extent of these services is closely monitored by the committee. Total fees paid to the external auditor for the year were R56.2 million, of which R55.3 million was for audit-related services, R0.9 million for non-audit services and Rnil for tax services.

PwC has been Harmony's external auditor for 71 years. At the annual general meeting held on 20 November 2020, PwC was reappointed as the independent external auditor and undertook to hold office until the end of the 2021 annual general meeting on 7 December 2021.

As audit firm rotation will be mandatory from the financial year beginning on or after 1 April 2023, this will apply to the company from FY24. To ensure continuity during the company's growth phase and because audit firm rotation is not yet compulsory, the audit and risk committee is of the opinion that PwC should remain as the company's external auditor for the ensuing year.

The committee recommended to the board that PwC be re-appointed as the group's independent external auditor, to hold office until the conclusion of the 2022 annual general meeting. The directors will propose the re-appointment of PwC at the annual general meeting to be held on 7 December 2021. Details can be found in the notice of the annual general meeting.

Following the mandatory audit partner rotation required every five years for the partner responsible for the group audit, Ms L Mngadi was appointed as the lead audit partner. She was responsible for the review performed on the results of the six months ended 31 December 2020 but has since resigned from PwC. Mr S Masondo took over as the individual registered lead audit partner responsible for the audit for the financial year ended 30 June 2021. The core audit team remained unchanged. The committee assessed PwC's succession plan and found the process and plan satisfactory.

As part of Harmony's commitment to transformation, PwC continued to partner on its audit with Ngubane & Co, a level 1 broad-based black economic empowerment company. To facilitate the transfer of skills in the audit of mining companies and registrants on the Securities and Exchange Commission in the United States, Ngubane & Co assisted PwC on the audit of our South African operations. PwC had overall responsibility for the audit and signed off the financial statements.

Internal controls and internal audit

Having reviewed the design, implementation and effectiveness of the group's system of internal financial controls, the committee is satisfied that these are effective and form a reliable basis for the preparation of the financial statements. No findings came to the attention of the committee to indicate any material breakdown in internal controls during the past financial year.

In terms of internal audit, the committee is responsible for:
- Ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority within the group to enable it to perform its duties
- Overseeing cooperation between internal audit and the external auditors, and serving as a link between the board of directors and these functions.

In line with King IV and its recommendations, the committee has confirmed the effectiveness of the group chief audit executive, Ms Besky Maluleka-Ngunjiri, and is satisfied that she has the appropriate expertise and experience to meet the responsibilities of this position. The group chief audit executive reports quarterly, or as necessary, to the committee on internal audit and has direct access to the committee, primarily through its chairperson.

The committee is satisfied that internal audit follows an approved risk-based internal audit plan and regularly reviews the group's risk profile. Internal audit submits an overall statement on the effectiveness of the group's governance, risk management and control processes.

Combined assurance

The combined assurance framework was refined during the course of the year.

The committee is satisfied that the group has optimised the assurance coverage obtained from management, and internal and external assurance providers. The committee is also satisfied that the various external assurances that are obtained and related systems and procedures are effective in achieving the following objectives:
- Enabling an effective internal control environment
- Supporting the integrity of information used for internal decision-making by management, the board and its committees
- Supporting the integrity of external reports
- Minimising assurance fatigue.

Governance of risk

The audit and risk committee fulfils a dual function – as an audit committee and as a risk committee. Internal audit conducts regular and full assessments of the risk management function and framework, on which it reports to the committee. The committee is satisfied with the effectiveness of its oversight of risk governance in the group.

A detailed report on risk and its management, as recommended in King IV, is contained in our **Integrated annual report** in the **Our risks and opportunities** section.

A report on risk is also shared with the board on a quarterly basis.

While the committee oversees the management of risks and opportunities on behalf of the board, it also has responsibility for particular risks, namely: increasing costs and declining margins, the increasing cost of regulatory compliance and its potential to compromise our licence to operate, and the technology upgrades.

In the past year, the committee oversaw the development of a new enterprise risk management and resilience policy, risk management guidelines and a new risk management framework to ensure continued focus on the company's material risks. A risk workshop was also held with a majority of the board which included training on risks, assessing risk appetite and tolerance and the ten strategic risks of the company. The board further approved the group's risk appetite and tolerance framework.

Appropriateness and experience of Financial Director and effectiveness of the finance function

The committee confirms that it is satisfied that Ms Boipelo Lekubo, the current Financial Director, possesses the appropriate expertise and experience to meet the responsibilities of this position.

Oversight of derivative programme

The committee also monitors and reviews the group's derivative and hedging strategy. The derivative programmes currently in place were introduced in FY16. In terms of these programmes, 20% of gold production may be hedged while transactions for up to 25% of foreign exchange earnings may be entered into.

For more on how these derivative programmes have performed, see the **Financial director's report** in our **Integrated annual report 2021**.

Technology and information governance

We recognise the increasing importance that technology has as both a source of future opportunities and as a means by which we conduct our business and improve organisational efficiencies. This committee monitors the governance of information and communication technology on a quarterly basis.

The committee has delegated responsibility to management for digitising the company, implementing the policy on enterprise-wide technology and information management, and for embedding this policy into the day-to-day, medium- and long-term decision-making activities and culture of the organisation. All of this is integral to ensuring operational excellence and delivery on our first strategic pillar.

Given the multiple critical information system changes currently being implemented simultaneously across the organisation, this was a major focus area for the committee during the year. Progress was closely monitored with management providing detailed quarterly updates on this, as well as on challenges encountered and the steps taken to address such challenges.

In particular during the past year, as part of the process to digitise the company, the committee oversaw management's implementation of two significant upgrade projects aimed at improving our operating and business efficiencies. The company completed the first phase of the centralised human resource management system (HRMS) to improve human capital management (HCM) efficiencies and continued with the upgrade of the enterprise resource planning (ERP) system. Ernst & Young (EY) provides assurance on the upgrade of the ERP system and implementation of the HRMS. No material issues or risks have been identified.

Dividend policy and dividends declaration

The board declared an interim ordinary dividend of 110 SA cents for the year ended 30 June 2021. In total, R677 million was paid on 19 April 2021. The board declared a final ordinary dividend of 27 SA cents for the year ended 30 June 2021, payable on 18 October 2021. In addition, dividend payments were made in 2021 to the non-controlling interest holders in Tswelopele Beneficiation Operation Proprietary Limited of R7 million.

Harmony declared an annual preference share dividend to the Harmony Gold Community Trust (the Trust). The board declared a preference dividend of R9 million and it was paid to the Trust on 10 August 2021.

In considering the payment of dividends, the board, with the assistance of the audit and risk committee, took into account the current financial status of the company and the payment of a proposed dividend subject to the successful application of the solvency and liquidity test as set out in section 4 of the Companies Act of 2008.

The company's dividend policy is to pay a return of 20% on net free cash generated to shareholders, at the discretion of the board of directors.

Going concern

The audit and risk committee has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of the group.

The board's statement on the going concern status of the group, as supported by the committee, appears in the **Directors' report**.

Integrated annual report

The committee has overseen the integrated reporting process, reviewed and recommended the 2021 reporting suite for approval by the board.

Events post year end

On 24 August 2021, a final dividend of 27 SA cents was declared, paid on 18 October 2021.

On 16 September 2021, the group concluded a three-year wage agreement with the unions for its South African operations.

In closing

In my final report as chairperson of the audit and risk committee and a member of the Harmony board, I wish to thank Dr Patrice Motsepe for his strong leadership and guidance since I joined the Harmony board in 2006.

Being a member of the Harmony board and the chairperson of the audit and risk committee has been most enriching, both professionally and personally. I am grateful for the opportunity I was given to so serve.

The world we live in will keep on changing and it is the highest standards of governance that will continue to steer Harmony as an organisation, as it adapts to these changes. To my fellow audit and risk committee members, board members and management, thank you for your continuous support, particularly during these unprecedented times; may you continue to create value for Harmony's stakeholders.

Fikile De Buck
Chairperson: audit and risk committee

28 October 2021

SOCIAL AND ETHICS COMMITTEE: CHAIRPERSON'S REPORT

"By integrating the six capitals into our business strategy, we are building trust with stakeholders as we create shared value."

Dr Simo Lushaba
Chairperson: social and ethics committee

DEAR SHAREHOLDER

Integrating the six capitals into our organisational strategy gives Harmony a compelling path to build trust with our employees and stakeholders as we grow and produce sustained outcomes.

At Harmony, good corporate citizenship and tangible acts of moral responsibility have become the way we do business. We have demonstrated our intent to a harmonious coexistence with host communities and to working collaboratively with our suppliers, communities and partners to ensure the development of healthy, inclusive communities.

Our commitment to our social contract was truly tested in the past year as Covid-19 continued to challenge the lives and livelihoods of our people. Harmony rose to the occasion and demonstrated resilience and commitment to our people, social partners and host communities. We have worked together to deliver shared value to Harmony and its shareholders, to the economies of countries where we operate, and to the people whose lives depend on our organisation. In partnership with government, we have also delivered a robust vaccination programme to our employees. I am very proud of Harmony and what it achieved this year.

Our response to Covid-19 is detailed in the **ESG report**.

We understand that implementing sound corporate governance practices to mine ethically cannot be compromised or negotiated – our licence to operate rests on legitimate and ethical leadership. Equally, the principles of sustainable development are fundamental in ensuring sustainability and profitability for our stakeholders. Accordingly, we have applied the principles of King IV with greater emphasis on ethical governance and conduct, and responsible corporate citizenship to support the sustainable growth of the company.

This committee has a specific mandate set out by the Companies Act. It is also responsible for overseeing governance and our performance in terms of our sustainable development activities. These include ESG considerations; ethics management; stakeholder engagement; employee relations, including empowerment, transformation, employee health and wellness; environmental management and stewardship; socio-economic development and upliftment; and public health and safety. The committee also considered the inevitable trade-offs between capitals to ensure Harmony continues to create shared value.

The committee complied with its regulatory, legal and other responsibilities mandated by the board.

For further details on the committee, its members and activities in the review period, refer to **Corporate governance** in the **ESG report**.

Ethics management

The Ethics Institute of South Africa is currently assisting management and the committee to embed and further improve the governance of organisational ethics. While the governance of ethics is mandated to this committee, the board sets the group's approach to ethics and is equally responsible and committed to the highest standards of ethical conduct throughout Harmony – see Organisational ethics in **Corporate governance** in the **ESG report**.

The impact of illegal mining on our economy and stakeholders remains a challenge in South Africa. Further partnerships and collaborations are required to develop innovative solutions to this issue. The committee continued to monitor and assess key improvement areas to address this challenge in Harmony and the industry at large.

See **Land rehabilitation and management** in the **ESG report**.

Value creation

As part of ongoing initiatives to create and share value, this committee continues to assess, review and approve the ethics policy, stakeholder engagement policy, environmental policy, employment equity and the preferential procurement policy and strategy. Although some gaps are still being addressed, we are particularly pleased with the company's progress against short-, medium- and long-term targets.

SOCIAL AND ETHICS COMMITTEE: CHAIRPERSON'S REPORT continued

In the review period, the committee focused on ESG issues and its oversight role. Understanding that our business may have an impact on ecosystems, we ensure that our environmental management programmes are robust and effective.

Pivotal to our environmental strategy is our climate-change and decarbonisation strategy. Since 2016, we have concentrated on using less energy, and being more efficient in how we use that energy. Through numerous initiatives, we effected a saving of 1.3 terawatt hours, translating to a 1.2-million tonne CO_2 reduction and R1 billion in electricity cost savings. We are focused on finalising our decarbonisation strategy and will release our science-based targets and net-zero emissions target in coming months.

The committee also carefully considered the company's preferential procurement strategy and enterprise supplier development in South Africa and Papua New Guinea to assess our contribution and impact in local communities. Harmony has made steady progress with its preferential procurement strategy to integrate black-owned businesses into its supply chain. We must ensure that these transformation initiatives include our communities, and Harmony has been resolute about advancing opportunities to entrepreneurs in host communities. We are grateful to our supply-chain partners who work with us to promote inclusive participation by black-owned, black women-owned and youth-owned companies. Harmony has already achieved its targets for FY25 by spending over 80% of its discretionary expenditure with companies that have more than 25% black ownership, which includes over 50% with companies that have more than 50% black ownership.

Harmony has complied with the mining charter year on year and on its SLP (social and labour plans) delivery. With the recent acquisition and integration of Mponeng mine and Mine Waste Solutions, Harmony was unable to fully deliver against SLP targets. These delays were communicated to and revised completion dates agreed with the regulator.

In addition, the committee deliberated on the improvement in the company's stakeholder engagement approach to proactively reach all levels of government and host communities in South Africa and Papua New Guinea. This stakeholder-inclusive approach focuses on reactive and proactive engagements, which positions Harmony well with its stakeholders and increases our social and reputational capital.

The successful three-year wage agreement signed in September 2021 with all five organised-labour representatives is testament to our inclusive approach. For our stakeholders, an agreement of this nature secures a stable labour force with limited business interruptions.

With this agreement in place, we can continue to focus on the wellness and safety of our employees during the pandemic and beyond. The safety and health of our workforce remains a key focal point because they are the cornerstone of Harmony's sustainability. Safety is an important consideration in terms of ESG and during board discussions. The technical committee has specific oversight of employee safety, while this committee focuses on employee health and public safety.

For more on our approach and initiatives on employee safety, see the **Chief executive's report** in our **Integrated annual report 2021** and **Safety and health** in the **ESG report**.

The board, through the remuneration committee, ensures the implementation of Harmony's remuneration policies as approved by shareholders. We remunerate fairly and responsibly by ensuring that our remuneration is market-related and in line with the performance of the company. Our safety and ESG outcomes are therefore carefully considered and reinforced in our remuneration policy.

For more detail on our remuneration policy, refer to the **Remuneration report** in this report.

In FY20, we published our first report in line with recommendations of the TCFD in our suite of annual reports. The purpose of this report was to improve our risk management processes and articulate the likely financial impact of climate change on the company's balance sheet and income statement. This report was well received and we have published a similar report this year. For ten years, prior to FY20, we had submitted reports to the CDP Climate Change and CDP Water (formerly the Carbon Disclosure Project). We believe that this enhanced disclosure provides better understanding and context of the implications, financial and otherwise, for Harmony of climate change. It also facilitates the company's evolution to a low-carbon economy.

See **Environmental management and stewardship** in the **ESG report**.

World Gold Council – responsible gold mining principles

The World Gold Council's responsible gold mining principles acknowledge the unique roles of gold and gold mining in many countries and communities. In South Africa especially, the gold mining industry has a unique role. These principles address key ESG issues – ten in all – and provide a single, consolidated framework of what constitutes responsible gold mining. This provides trust for consumers, investors and the downstream supply chain that the gold we produce has been responsibly mined and processed.

Harmony champions responsible mining and we believe this framework will reinforce good practices at our operations. We are therefore formally implementing the framework.

United Nations Sustainable Development Goals

As in the previous year, Harmony interrogated the individual SDGs and our contribution to achieving these goals by 2030. In the **ESG report** – see **Our sustainability strategy** – we explain the goals that are central to our core business and strategy (tier 1), and those where we can contribute through our socio-economic development activities (tier 2).

For more information, see **Caring for our workforce, Empowering communities, Environmental management and stewardship** and **Safety and health** in the **ESG report**.

In closing

As this is my last report as chairperson of the social and ethics committee, I wish to thank my fellow committee members and management for their support and contribution to ensuring Harmony's progress towards a sustainable future. Over the years, a concerted effort has been placed on creating value for our stakeholders, particularly our employees and the communities within which we operate.

The essence of creating value cannot be viewed in isolation as there are opportunities for Harmony to further improve to ensure that we never lose our commitment to comply with the best safety, health, environmental, social, ethical and governance standards. The board fully supports this committee in this commitment.

Dr Simo Lushaba
Chairperson: social and ethics committee

28 October 2021

REMUNERATION REPORT

"We believe the constructive manner in which engagements were undertaken, and the leadership displayed by all parties, underscores that this agreement is in the best interests of our people and the long-term sustainability of Harmony."

Vishnu Pillay
Chairperson: remuneration committee

DEAR SHAREHOLDER

I am pleased to submit the remuneration report as part of Harmony's Integrated annual reporting suite for 2021. To ensure superior performance and that our business objectives are responsibly met, it is imperative that employees and directors of the company are fairly and responsibly rewarded and that our remuneration practices and incentives are aligned to the interests of all stakeholders.

The remuneration committee plays an important role in ensuring fair, equitable and responsible remuneration practices. We continue to make significant progress in reflecting company performance and the critical issues of a living wage, diversity and pay equality in our remuneration policies.

In addition to these principled foundations, our remuneration policy supports our business strategy by rewarding:

- The creation of shareholder value in absolute terms and relative to appropriate comparators through organic growth and efficiency as well as the effective integration of acquired operations. The diversification of risk provided by our acquisitions also contributes to the sustainable delivery of shareholder value (total incentive performance measures, minimum shareholding requirement and delivery of deferred shares vesting over five years)
- Financial and operational excellence (total incentive performance measures)
- Sustainability – by focusing on safety outcomes as well as overall ESG excellence as measured by continued inclusion in the FTSE4Good index. The proposed changes to the share plan rule for no-fault terminations will also ensure that executives are encouraged to focus on sustainability and succession as they will retain their exposure to the share price for several years following their service to the company (total incentive performance conditions and proposed amendment to deferred share plan (DSP) rules)
- Mitigating the risk of adverse events that could materially harm the company and its stakeholders (malus and clawback policy).

This has been a challenging year in the context of the Covid-19 pandemic and concomitant constraints and safeguards that have been implemented. Despite these headwinds, the company has delivered sound results and continued its growth strategy.

Safe production – our number one priority in everything we do

The remuneration committee mourns and acknowledges the tragic loss of 11 employees at our South African operations in FY21.

Safe production remains our first priority. We continue to follow an integrated risk management approach, which includes safety training, awareness campaigns, safety days at each operation and equipping our employees with the necessary skills to identify hazards and act safely. Safe production is a responsibility that we take very seriously. Every person has the right to withdraw from an unsafe area and employees are encouraged to report unsafe working conditions. With each accident, a thorough investigation is conducted and lessons learnt are shared throughout the company. Employees are held accountable for not complying with safety regulations. Initiatives to improve safety cannot, however, focus solely on discipline and training. They also include mining practice and the use of monitoring technology. The desired safety outcomes are therefore pivotal and reinforced in our remuneration policy.

For more on our safety performance, see **Safety and health** in our **ESG report 2021**.

Safety carries a weighting of 15% of the total score on the balanced scorecard. There were eight fatal incidents over a three-year average compared to an actual of 11 for the year. This results in only 40% of the lost-time injury frequency rate (LTIFR) final outcome being awarded for FY21, and this is applied at the discretion of the remuneration committee after due consideration.

The industry and national context

Despite the multiple challenges presented by increasing mining depth, rising costs and a volatile Rand gold price, the commodity price boom has enabled mining companies to return to profitability, resume dividend payments and focus on organic growth.

We remain committed to paying a living wage to our employees and believe that we do. For a detailed account of the remuneration packages of Harmony's entry-level employees (category 4-8 employees), please refer to page 21.

The impact of Covid-19

The challenges presented by Covid-19 have remained with us throughout FY21. The board pays tribute to all employees, particularly the teams at our operations, for their continued focus on minimising the risk of infection and for the way they have stepped up to support each other and their communities in this testing time. We are truly grateful to them all. Despite the disruption of Covid-19, the South African operations achieved 100% of their planned production targets during the financial year.

Refer to **Harmony's response to Covid-19** in our **ESG report 2021**.

Harmony's social responsibility

Social equality remains a top priority with the focus on paying living wages to entry-level workers. Managing the wage gap that will address workers' most pressing basic financial concerns calls for innovative thinking at all levels and by all role players.

We are pleased to confirm that Harmony pays all category 4 employees at least three times more than the 2021 living wage of R7 483 per month, based on the 2018 living wage determined by Trading Economics[1], escalated by CPI inflation for low-income earners (4.2% in 2019, 3.9% in 2020 and 5.2% in 2021).

We continually strive to enhance the lives of our employees by improving living conditions, access to social services, healthcare, education and training.

See **Caring for our workforce** in the **ESG report 2021**.

[1] *https://tradingeconomics.com/south-africa/living-wage-individual.*

Fair and responsible pay

Remunerating executives fairly and holding them accountable for the success of the business is in the interests of all stakeholders, including employees, the broader community, and our business partners and suppliers.

We remunerate fairly and responsibly by ensuring that our remuneration is market-related and in line with the performance of the company. We also ensure our minimum remuneration compares favourably with the South African living wage, and that the measurement of the pay gap between the lowest and highest employment levels is monitored, as discussed below.

In FY21, an average increase of 4.5% in guaranteed remuneration packages for non-bargaining-unit employees and 7.8% for bargaining-unit employees was approved. The Palma Income ratio has been selected to enable the committee to track the income dispersion between high and low-income earners more efficiently. The Palma Income ratio is calculated by comparing the average income of the top 10% of earners compared to the average of the lowest 40% earners at Harmony South Africa. Harmony's Palma Income ratio was 5.8 in 2021 compared to 5.3[2] in 2020, 5.5 in 2019 and 5.7 in 2018. According to the Inequality Trends in South Africa report released by Stats SA in 2019, the South African national Palma Income Ratio in 2006 was 34.4, which reduced to 31.6 in 2015.

[2] *Adjusted to remove the short-term impact of the Covid-19 pandemic.*

Growth strategy

Over the past three years, Harmony has added gold ounces per annum by acquiring Moab Khotsong, reinvesting in Hidden Valley, Papua New Guinea, and the FY21 acquisition of Mponeng and related assets. We have demonstrated our ability to increase the life-of-mine we operate in South Africa and Papua New Guinea – sustaining communities around our mining operations, preserving jobs and further unlocking value for shareholders via increased grades and stronger margins through our growth strategy. The successful integration of Mponeng and related assets in the review period is a further significant achievement in this regard. The Unisel closure and transfer of employees to other group operations also enhanced efficiencies without contributing to current unemployment rates in South Africa.

2021 wage negotiations

In July 2021, we began wage negotiations for the next three-year cycle (to June 2024). For the first time, Harmony negotiated directly with unions (outside the traditional collective bargaining forum for our industry). On 16 September 2021, the three-year wage agreement was signed by all representative unions, backdated to 1 July 2021 and effective to 30 June 2024. In addition to basic wage increases, the agreement included a housing allowance for eligible employees and improved employee benefits. We believe the constructive manner in which engagements were undertaken, and the leadership displayed by all parties, underscores that this agreement is in the best interests of our people and the long-term sustainability of Harmony.

For more information, see **Caring for our workforce** in our **ESG report 2021**.

Gender and racial equality

Harmony's policy is to remunerate based on an individual's ability, skills and knowledge. Men and women, irrespective of race or any other arbitrary reason, are paid equally for equivalent roles. The number of women in our workforce remains low and Harmony is systematically addressing this discrepancy, with better progress specifically at senior management level. The potential to increase female representation lies in technical fields, both operational and underground.

For details on gender distribution and transformation, refer to **Caring for our workforce** in our **ESG report 2021**.

King IV principles

The remuneration committee continues to compare local and global remuneration trends with our remuneration strategy. At the 2020 annual general meeting, the non-binding advisory vote on the remuneration policy was supported by 97.4% of the votes exercised on the resolution. Considering that 83.5% of the total issued shares of the company were voted for the resolution, the remuneration committee is satisfied with shareholders' support of this very important aspect of the business.

The committee is also satisfied that the remuneration policy has achieved its stated objectives for the year.

For more on the committee and its activities in FY21, see the section on **board committees** in our **ESG report 2021**.

No member of the committee has a personal interest in the outcome of decisions made in the review period, and four of its five members are independent non-executive directors. The chairman of the board is not a member of the committee.

Change to the remuneration policy for FY22

The provision for no-fault terminations for deferred shares awarded in terms of the total incentive plan has been updated, as detailed in the remuneration policy section.

Use of consultants and their independence

During the year, we employed the services of 21st Century Pay Solutions, RemChannel (Old Mutual) and Bowmans for advice on remuneration matters. The committee is satisfied that their advice was independent and objective.

Statement on effectiveness of policy

We are satisfied that our policy has generally achieved its objectives, although we are not satisfied with our safety performance. We remain confident that the total incentive plan will further enhance our company performance, deliver returns to shareholders and support our growth objectives.

In closing

We value our shareholders' comments and, as always, invite you to engage with the company through the office of the company secretary (companysecretariat@harmony.co.za). I remain grateful to the board, remuneration committee members and executive directors for their support and commitment in FY21.

Vishnu Pillay
Chairperson: remuneration committee

28 October 2021

PART 1: REMUNERATION POLICY

Harmony's reward strategy underpins our business strategy of safely producing profitable ounces, increasing our margins and expanding our reserves and resources through organic growth and acquisitions. Over the past four years, Harmony has added gold ounces per annum by acquiring Moab Khotsong, reinvesting in Hidden Valley, Papua New Guinea, and acquiring Mponeng and related assets (effective October 2020).

To sustain this growth, we rely on experienced, skilled teams who live our values and maintain stakeholder relationships to grow profits safely and support a sustainable company.

Our remuneration policy has been designed with our business strategy in mind – to attract and retain these experienced, skilled teams, and to motivate them to achieve our key business goals. To ensure this happens, we need to be certain that all elements of our remuneration and wider reward offerings are aligned, fair and competitive. In determining remuneration, the remuneration committee considers shareholders' interests as well as the financial health and future of the company.

Gender and race equality

Harmony's remuneration policy is to remunerate based on an individual's ability, skills and knowledge. Men and women, irrespective of their race or any other arbitrary factor, are paid equally for equivalent roles.

Fair and responsible pay

Harmony is committed to the concept of a living wage, which is based on the philosophy of fair and responsible pay. It embodies our initiatives to enhance the lives of our employees by enabling them to improve their living conditions, and to have better access to social services, healthcare, education and training.

For more information, refer to **Caring for our workforce** in our **ESG report 2021**.

Total incentive plan

The total incentive is determined every year on the following basis:

TOTAL INCENTIVE (R)	=	Guaranteed pay (R)	X	Participation factor (%)	X	Balanced scorecard result (%)

The balanced scorecard result includes a number of key short and long-term company performance measures (to be measured over trailing three and one-year periods). The measures are reviewed and defined annually with appropriate weightings. The scorecard for FY22 is detailed on page 15.

A portion of the total incentive is paid immediately in cash and the balance is settled by means of deferred shares, which will vest at a rate of 20% per annum over the next five years for executive directors and prescribed officers, and 33% per annum over the next three years for management.

In the event of fault termination of employment, including resignation and termination for disciplinary reasons, all unvested deferred shares are forfeited.

Shareholders will be requested to approve a change in the provision for no-fault terminations at the annual general meeting to provide that the awards do not vest early, on a time-prorated basis, on termination of employment but will continue in force to vest on the original vesting dates. This update will ensure that executives who leave the company in good standing, for example due to retirement, will continue to be exposed to the company share price for the remainder of the vesting periods of unvested awards. It will encourage and reward their focus on sustainability and succession during their tenure. The remuneration committee believes this provides continued exposure to the company's performance, which is now preferred by shareholders in terms of the emerging practice of post-termination shareholding, as well as providing a fair outcome for our employees who have provided loyal service to the company for as long as they are able. This approach is also aligned to market practice for deferred bonus awards, in contrast to that applied to performance share awards with forward-looking performance conditions.

Each element of the total incentive plan is described below.

<table>
<tr><th colspan="2">Element</th><th colspan="2">Description</th></tr>
<tr><td colspan="2">Guaranteed pay</td><td colspan="2">Guaranteed pay excludes short- and long-term incentives. To compete effectively for skills in a challenging employment market, we identify the target market to use in benchmarking guaranteed pay. This target market includes organisations or companies that employ similar skills sets to those we require. Comparisons are made predominantly within the South African mining sector to ensure that Harmony remains competitive. The median of the target market is used as the basis of our pay ranges. This same philosophy is applied to our south-east Asia operations.</td></tr>
<tr><td colspan="2" rowspan="3">Participation factor</td><td>Employee</td><td>% guaranteed pay</td></tr>
<tr><td>Chief executive officer</td><td>250%</td></tr>
<tr><td>Financial director, other executive directors and prescribed officers</td><td>230%</td></tr>
<tr><td rowspan="5">Balanced scorecard result</td><td rowspan="4">Cash portion of total incentive (40%)</td><td>A portion of the total incentive is settled in cash immediately when the balanced scorecard results for the financial year have been determined and approved by the board</td><td></td></tr>
<tr><td>Cash portion (balance settled in deferred shares)</td><td>% of incentive</td></tr>
<tr><td>Chief executive officer</td><td>40%</td></tr>
<tr><td>Financial director, other executive directors and prescribed officers</td><td>40%</td></tr>
<tr><td>Deferred share portion of total incentive (60%)</td><td colspan="2">The balance of the total incentive is settled in deferred shares, vesting at a rate of 20% per annum over the next five years for executive directors and prescribed officers, and 33% per annum over the next three years for management.</td></tr>
</table>

FY22 balanced scorecard

	Scorecard component	Group (%)	South Africa operations (%)	South-east Asia operations (%)
Shareholder value	Total shareholder return (absolute)	8.34	6.67	6.67
	Total shareholder return (relative to South African gold-mining comparators)	8.33	6.67	6.67
	Total shareholder return (relative to FTSE Gold Mines Index)	8.33	6.66	6.66
Financial and operational	Production	20.00	35.00	35.00
	Total production cost (South Africa operations)	12.00	20.00	–
	All-in sustaining cost per kilogram (south-east Asia operations)	3.00	–	20.00
	Free cash flow	10.00	–	–
Growth	Development	–	10.00	10.00
	Additions to mineral reserves	10.00	–	–
	Project execution (for future measurement)	–	–	–
Sustainability	Safety performance: Lost-time injury frequency rate (LTIFR)	15.00	15.00	15.00
	Environmental, social and governance (ESG)	5.00	–	–
Total		**100**	**100**	**100**

The balanced scorecard will be applied to eligible employees as follows:
- **Group:** Prescribed officers, executives in the office of the CEO and all off-shaft services operational managers (South Africa)
- **South Africa operations:** Operational executive managers and all on-shaft operational managers
- **South-east Asia operations:** Operational executive managers and all operational managers.

For each of these performance measures, 60% of the maximum weighting is scored for target performance and 100% of the maximum weighting is only reflected for meeting the stretch performance objective for that measure.

Details of the FY21 balanced scorecard for the total incentive and actual performance outcomes are disclosed in the remuneration implementation section (part 2).

Scorecard components

Total shareholder return

Shareholder value is measured as total shareholder return (TSR) over a trailing three-year period (measurements are generally taken at the end of August). It comprises two components:

- Absolute performance over the measurement period, compared to the company's cost of equity (COE), taking into account the growth in the company's share price and the value of dividend paid
- Relative performance of the company versus South African gold-mining comparators and FTSE Gold Mines Index over the measurement period:
  - The threshold, target and stretch performance criteria for TSR are set out below:

	Scorecard component	Principle	Threshold 40%	Target 60%	Stretch 100%
Shareholder value	TSR (absolute)	To be measured over a three-year period	COE + 0% per year	COE + 3% per year	COE + 6% per year
	TSR (relative)	To be measured over a three-year period relative to South African gold-mining comparators	On index	Index plus 10%	Index plus 20%
	TSR (relative)	To be measured over a three-year period relative to the FTSE Gold Mines Index	On index	Index plus 10%	Index plus 20%

Financial and operational performance

Financial and operational performance comprises gold production and cost management for the financial year measured against the board-approved business plan.

- Production
  - Total gold production against board-approved business plan for the year
- Total production cost (South Africa)
  - Total cash operating cost and total capital expenditure for the year
- All-in sustaining cost per kilogram (south-east Asia (SEA))
  - To calculate all-in sustaining costs, operating cost is used as a base and all costs related to sustaining production are incorporated. This includes all sustaining capital expenditure, deferred stripping, overhead costs associated with corporate office structures and services that support operations, local economic development cost and net rehabilitation costs. It excludes the non-cash share-based payment charge. To arrive at the all-in sustaining cost per unit, the sum of these cost metrics is divided by the kilograms of gold sold
- Free cash flow
  - Cash flow generated by operations adjusted for exploration capital, dividends and the effect of commodity price and exchange rate changes in excess of 10% (higher or lower).

The threshold, target and stretch performance criteria are set out below:

	Scorecard component	Principle	Threshold 40%	Target 60%	Stretch 100%
Financial and operational	Production	To be measured against board-approved plan	(5)%	Plan	5%
	Total production cost (SA) and all-in sustaining costs (SEA) per kilogram	To be measured against board-approved plan	(5)%	Plan	5%
	Free cash flow	To be measured against board-approved plan	(30)%	Plan	30%

Growth

Growth comprises three areas:

- Development
  - Development is measured against the board-approved business plan of ongoing capital development — the development of reef and waste metres (South Africa) and waste tonnes (south-east Asia) for the financial year.
- Addition to mineral reserves
  - Addition to mineral reserves through acquisitions and major capital projects is calculated for the financial year.
- Project execution.

The threshold, target and stretch performance criteria are set out below:

	Scorecard component	Principle	Threshold 40%	Target 60%	Stretch 100%
Growth	Development	To be measured against board-approved plan as a leading indicator of medium to long-term sustainability	(5)%	Plan	5%
	Addition to mineral reserves	Will measure ore reserve addition on a year-on-year pre-depletion basis excluding asset sales	+1Moz	+1.5Moz	+2Moz
	Project execution	For future measurement			

Sustainability

Sustainability comprises two components:

- Safety performance: LTIFR
  - LTIFR will be measured against the board-approved plan
- ESG
  - ESG will be measured on the basis of continued inclusion in the FTSE4Good Index as verified by FTSE Russell.

The threshold, target and stretch performance criteria are set out below:

	Scorecard component	Principle	Threshold 40%	Target 60%	Stretch 100%
Growth	LTIFR	To be measured against board-approved plan	(5)%	Plan	5%
	ESG	To be measured on the basis of continued inclusion in the FTSE4Good Index as verified by FTSE Russell	Yes		No
			5%		N/a

Minimum shareholding requirement

We have encouraged executive directors and prescribed officers to retain performance shares when they vest and a minimum shareholding requirement (MSR) was again confirmed in the new total incentive plan to achieve this. The requirement provides that:

- 50% of the shares that will vest to an executive director or prescribed officer will, immediately prior to the applicable vesting date, be automatically locked up on the terms and in accordance with the MSR
- The lock-up will apply for as long as the relevant target MSR applicable to the executive director or prescribed officer has not been met
- An executive director or prescribed officer may elect to voluntarily lock-up shares that vest in terms of the 2006 share plan to meet their target MSR
- Once the relevant target MSR has been met, any deferred shares that subsequently vest in and are settled to an executive director or prescribed officer will vest and be settled in accordance with the terms of the deferred share plan
- An executive director or prescribed officer may elect to voluntarily lock-up shares that vest in terms of the 2006 share plan or deferred share plan even if it results in locked-up shares exceeding the target MSR – if the locked-up shares exceed the target MSR, the excess shares will remain in lock-up until the next vesting date (in terms of any relevant Harmony share incentive plans applicable at the time) at which point the excess shares will be released from lock-up and settled in accordance with the terms of the deferred share plan
- An executive director or prescribed officer must communicate their election to voluntarily lock-up their shares that vest in terms of the 2006 share plan or deferred share plan before the relevant vesting date.

The minimum shareholding requirement will continue to apply to an executive director or prescribed officer as long as they remain an executive director or prescribed officer.

If an executive director or prescribed officer ceases to be employed by the group for any reason, their locked-up shares will be released from the lock-up on the date of terminating employment.

Target MSR

The target MSR is the relevant target minimum shareholding value (expressed in South African Rand) that is required to be held by an executive director or prescribed officer from time to time pursuant to this MSR being a minimum of 100% of their respective cost to company.

Measurement of target MSR

Each tranche of locked-up shares will be deemed to have a value for the purposes of determining whether the target MSR has been met, equal to the one-day volume-weighted average price (VWAP) of a share in South African Rand (ZAR) at the date of such lock-up, multiplied by the number of shares to be locked up in such tranche. This value will be increased yearly by the applicable consumer price index (CPI) rate for the year.

Any locked-up shares in terms of the 2006 Harmony share plan MSR will remain locked-up and will be taken into account for purposes of determining whether the target MSR has been met.

Trading restriction
Appropriate entries in the relevant registers will be made to record that all the executive director or prescribed officer's shares, which are subject to the lock-up, will be noted by the relevant central securities depository participant in terms of section 39 of the Financial Markets Act and the appropriate flag placed on the relevant securities account.

Voting and dividends
An executive director or prescribed officer will, in respect of vested shares that are subject to the lock-up:
- Exercise all voting rights in respect of such shares
- Receive all distributions payable in respect of such shares.

Application to foreign prescribed officer
The target MSR of the foreign prescribed officer will be determined on the date on which this MSR is adopted or first applies to the foreign prescribed officer (whichever occurs first). In calculating the target MSR of the foreign prescribed officer, the company will use the cost to company (in ZAR) of the chief operating officer: South Africa operations.

The ZAR value of any shares that are to be locked up (in terms of this MSR) will be determined on the applicable vesting date with reference to the share price on that date.

To determine whether the target MSR has been satisfied, the pre-tax value of the locked-up shares will be taken into account.

Deferred share plan limit
The overall limit for deferred shares, issued under the 2018 deferred share plan, is 5% of the shares in issue at the time the plan was approved, amounting to 25 000 000 shares. The individual limit is 0.6%, amounting to 3 000 000 shares. To date, 1 364 307 shares have been issued.

Harmony ESOP Trust (IT001237/2018(G))
At the special general meeting on 1 February 2018, shareholders approved the issue of 6.7 million authorised but unissued ordinary shares to the new Harmony ESOP Trust, commonly referred to as the Sisonke Trust. The scheme covers all employees in non-managerial categories.

In terms of the allocation criteria in the trust deed, each eligible employee who qualified as an employee beneficiary on the formation of the trust, or within six months afterwards, received 225 ESOP units which are directly attributable to 225 ESOP Trust shares. After that, ESOP units are allocated on a pro rata basis depending on the period such persons join/qualify as eligible employees.

The scheme will end after the three-year lock-in period on 15 January 2022. Dividends distributed in respect of the ESOP Trust shares prior to the expiry of the three-year lock-in period, which are attributable to allocated ESOP units, will immediately vest in the employee beneficiaries' hands. However, the dividends will be held by the ESOP Trust trustees on behalf of the employee beneficiaries and then be distributed (less any relevant taxes, including dividend withholding tax) to such employee beneficiaries either on their termination of employment (if the employee beneficiary ceases to remain in the employ of Harmony prior to the expiry of the ESOP Trust lock-in period) or on the expiry of the ESOP Trust lock-in period.

The ESOP will end during FY22 and the benefits due to participants will be settled based on the dividends received and share price up to the end of the above lock-in period. A new ESOP is planned for implementation and details will be communicated to employees and shareholders in due course.

A cash-settled version of the ESOP will be implemented for employees transferred to Harmony after its acquisition of Mponeng and related assets effective 1 October 2020, and any future permanent employees employed by Harmony, specifically including for purposes of rendering services at, and/or servicing, Mponeng and related assets. The allocation of units will provide the same economic benefits to these employees as those under the current Harmony ESOP Trust, including the equivalent settlement value of the related shares at the end of the lock-in period and associated dividends from the effective award date until the end of the lock-in period. The cash-settled unit will not represent rights to the underlying shares nor permit voting rights.

In total, there are around 6 500 employees and, at a share price of R46.43 (Thursday, 23 September 2021 close), the scheme equates to a total value of R28.4 million (excluding any dividend payments).

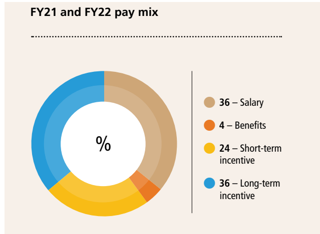
Pay mix for prescribed officers
The tables below illustrate the pay mix for prescribed officers, based on achieving minimum, on-target and stretch performance. The composition of total remuneration outcomes for FY21 and FY22 is illustrated below.

Each component includes:
- **Fixed earning:** Basic pay, service increment, 13th cheque, living-out allowance
- **Variable income:** Average overtime, shift allowance, average bonus, meal allowance, unemployment insurance fund/skills development levy, insurance benefit
- **Company benefits:** Employer provident/pension fund and medical aid.

Chief executive officer

FY21 and FY22 pay mix

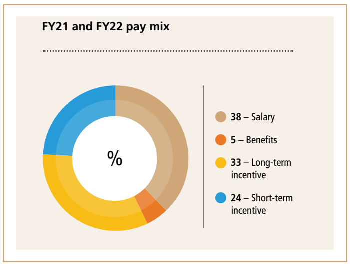
	Minimum (%)	On-target (%)	Stretch (%)
Salary benefits	86	89	89
Retirement savings and contributions	14	11	11
Guaranteed pay	**100**	**100**	**100**
Short-term incentive	10	60	100
Long-term incentive	90	90	150
Total remuneration	**200**	**250**	**350**



Other executives (Financial director, other executive directors and prescribed officers)

FY21 and FY22 pay mix

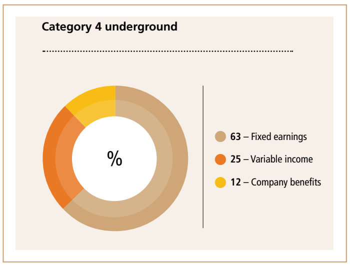
	Minimum (%)	On-target (%)	Stretch (%)
Salary benefits	91	89	89
Retirement savings and contributions	9	11	11
Guaranteed pay	**100**	**100**	**100**
Short-term incentive	14	55	92
Long-term incentive	86	78	130
Total remuneration	**200**	**233**	**322**

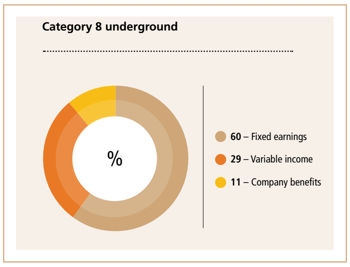


Average monthly wages and benefits

FY20 policy

Total remuneration	Category 4 (%)	Category 8 (%)
Fixed earnings	63	60
Company benefits	12	11
Guaranteed pay	**75**	**71**
Variable pay	25	29
Total remuneration	**100**	**100**





Non-executive director fees

Market comparisons, the fiduciary risks carried by non-executive directors, their workload, time commitments, expertise and preparation expected of each non-executive director role are considered when reviewing our non-executive director fees. Harmony's philosophy on remunerating non-executive directors is to ensure that they are fairly rewarded for their contribution to the company's governance. Non-executive directors' fees are reviewed annually and compared to the market median of companies of comparable size and complexity to ensure they remain fair and competitive.

The benchmarking exercise in September 2019 indicated that fees for certain roles were significantly below the applicable market median and a three-year process of adjustment to market was initiated. This process was paused in 2020 due to the Covid-19 pandemic and an inflationary increase implemented for all roles, but is proposed to resume in 2021 and 2022, subject to shareholder approval. An increase of 5% is proposed in FY22 for non-executive director fees that are already in line with the market. This is consistent with executive increases. Additional increases are proposed for roles that are below market to align them with the market median over a two-year period.

In line with the recommendations of King IV, our non-executive directors are paid a retainer for board meetings and attendance fee for every board meeting attended. Non-executive directors also receive a retainer for serving on a committee. In addition, a per-day ad hoc fee is paid for site visits, special meetings or attending to company business. This fee is reduced commensurately to reflect time actually spent in this regard which is shorter than a full day.

Non-executive directors do not receive share options or other incentive awards correlated with the share price or group performance, as these may impair their ability to provide impartial oversight and advice. The proposed fees for FY22 are set out in the **notice of annual general meeting**.

Performance of management

The personal performance of employees will not be taken into account in determining the total incentive plan outcome. Harmony follows a team-based balanced scorecard approach in determining incentive awards. All management employees are assessed every year against set key performance indicators which are used to guide the development and promotion of such employees.

For more information on assessing the performance of the CEO, please refer to **Corporate governance** in the **ESG report 2021**.

Contracts, severance and termination

Executive directors and executive managers have employment contracts with Harmony that include notice periods of up to 90 days. There are no balloon payments on termination, automatic entitlement to bonuses or automatic entitlement to share-based payments other than in terms of the company's approved share incentive plans.

Malus and clawback

Malus is the forfeiture of a variable pay award before it vests or is settled, and clawback refers to a requirement to repay some or all of an award after it has vested or is settled.

The remuneration committee has the discretion to determine that a prescribed officer or executive manager's total share plan award is subject to reduction, forfeiture or clawback (in whole or in part) if:

- There is reasonable evidence of misbehaviour or material error by a prescribed officer or executive manager
- The financial performance of the group, company, employer company or relevant business unit for any financial year, used to determine an award, have subsequently appeared to be materially inaccurate
- The group, company, employer company or relevant business unit suffers a material downturn in its financial performance for which the prescribed officer or executive manager can be seen to have some liability
- The group, company, employer company or relevant business unit suffers a material failure of risk management for which the prescribed officer or executive manager can be seen to have some liability or in any other circumstances if the remuneration committee determines that it is reasonable to subject the awards of one or more prescribed officers or executive managers to reduction or forfeiture.

Procedures to impose any malus or clawback provisions must be initiated within three years of the award. To eliminate doubt, the provisions of this malus and clawback policy do not detract from any other legal rights or measures the company has as recourse for acts of fraud, wrongdoing and/or negligence by its prescribed officers or executive management.

Non-binding advisory votes

Shareholders are requested to cast non-binding advisory votes required by King IV on part 1 and part 2 of this remuneration report. For more information, refer to the **Notice of annual general meeting**. In the event that either the remuneration policy or the implementation report or both are voted against by 25% or more of the voting rights exercised at the 2021 annual general meeting, the committee will in good faith and with the best reasonable effort engage with its shareholders to ascertain the reasons for dissenting votes and appropriately address legitimate and reasonable objections and concerns raised. This may include amending the remuneration policy or clarifying or adjusting the company's remuneration governance and/or processes.

Shareholder feedback

We maintain open communication channels with our shareholders, listen to feedback and take action where this is deemed to be in the best interests of the company.

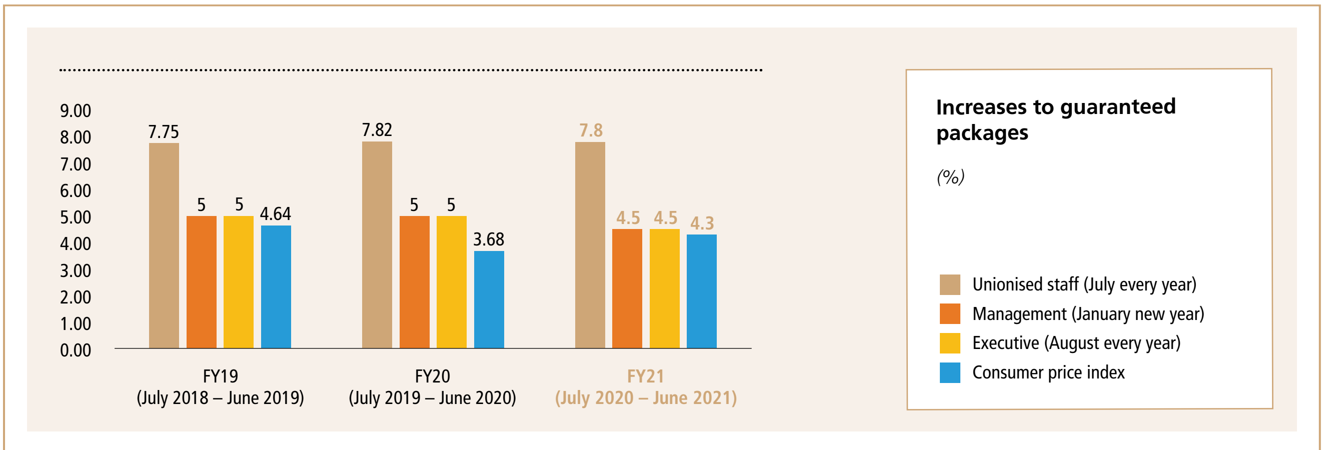
PART 2: REMUNERATION IMPLEMENTATION REPORT ON THE POLICY APPLICABLE IN FY21

This section of the report includes details of the implementation and outcomes of the remuneration policy for FY21. We report on the increase in guaranteed packages, performance outcomes for the total incentive plan and for the 2017 performance shares vesting based on the three-year performance period ending this year.

We have also included disclosure of total single-figure remuneration, the schedule of unvested awards and cash flows for executive directors and prescribed officers in line with the applicable King IV requirements, and with the guidance statement from the Institute of Directors and the South African Reward Association. The remuneration of non-executive directors is disclosed as required by King IV and the Companies Act.

Increases to guaranteed packages during the year

An assessment of executive remuneration was undertaken during the year. Taking into consideration prevailing market conditions, affordability and shareholders' expectations, an average increase of 4.5% to guaranteed remuneration packages of management was made in FY21. The average percentage increases awarded to executives, management and bargaining-unit employees staff in FY19, FY20 and FY21 are illustrated below.



Pay fairness and equality

In FY21, an average increase of 4.5% in guaranteed remuneration packages for management and executives and 7.8% for bargaining-unit employees was approved in the June 2021 wage agreement. Bargaining-unit employees have received above-inflation increases for the past six years. The average total monthly remuneration of our category 4-8 employees is set out below. We continue to focus on fairly remunerating our employees at this level to address the challenges of inequality and poverty.

Grade

	Fixed earnings (R)	Company benefits (R)	Variable income (R)	Total per month (R)
Category 4 underground employee (general worker)	14 755	2 870	5 997	23 622
Category 8 underground employee (team leader)	18 811	3 430	8 862	31 103

Refer to **Caring for our workforce** in our **ESG report 2021** for more information.

Incentive payments attributable to FY21

Total incentive plan

Actual performance outcomes based on the FY21 balanced scorecard for the period 1 July 2020 to 30 June 2021 is as follows:

FY21 scorecard result for the group

Performance drivers	Description	Target	Actual	% achieved	Qualifies	Weighting	Scorecard line result	Final outcome
Shareholder value	Total shareholder return (TSR)							
	– TSR absolute	56%	142%	141.8%	YES	8.34	100%	8.34%
	– TSR versus JSE Gold Index	10%	(43)%	(42.7)%	NO	8.33	0.0%	0.00%
	– TSR versus FTSE Gold Mines	10%	63%	63.5%	YES	8.33	100.0%	8.33%
Operational and financial	Kilograms total Harmony	48 805	47 755	97.8%	YES	20.0	51.4%	10.28%
	Total production cost (SA)	29 703	30 028	98.9%	YES	12.0	55.6%	6.68%
	AISC (SEA ops) (US$/oz)	1 197	1 217	98.4%	YES	3.0	53.5%	1.61%
	Net free cash flow	4 947	5 990	121.1%	YES	10.0	88.1%	8.81%
Growth	Reserve addition (Moz)		9.286		YES	10.0	100.0%	10.00%
Sustainability	LTIFR total SA ops	6.36	6.46	98.4%	YES	15.0	53.7%	8.06%
	ESG				YES	5.0	100.0%	5.00%
						100.0		67.11%

	FY18	FY19	FY20	Three-year average	FY21	% variation	% of LTIFR awarded
Fatal incidents versus actual	8	11	6	8	11	(38)%	**40.00%**
					Final LTIFR %		**3.22%**
					Final scorecard result		**62.27%**

Discretion to be applied based on the number of fatalities in the financial year
The LTIFR award percentage will be adjusted as follows:

- The actual number of fatalities compared to average fatal incidents over the previous three years:
  - Equal to or better than the average – full LTIFR award
  - Up to 20% above the average – 60% of LTIFR award
  - Between 20% and 40% above the average – 40% of LTIFR award
  - More than 40% above the average – 0% of LTIFR award.

The board, with the assistance of the remuneration committee, has added an additional 5% to the formulaic outcome disclosed above to recognize the salary cuts taken last year and the extraordinary efforts of management to address the uncertainty and challenges of the Covid-19 impact on the business, as well as the successful integration of recent acquisitions with minimal disruption.

FY21 total incentive award calculation

TOTAL INCENTIVE (R)	=	Guaranteed pay (R)	X	Participation factor (%)	X	Balanced scorecard result (%)

** Please refer to table on total single-figure remuneration on page 23.*

	Total incentive plan (TIP) FY21 award								
Executive directors and prescribed officers	Cost to company*	Participation factor	BSC results	TIP value*	% settled in cash	TIP cash value*	% settled in shares	DSP awarded**	Vesting years
PW Steenkamp	10 307	250%	67.27%	17 334	40%	6 933	60%	222	5
BP Lekubo	6 792	230%	67.27%	10 337	40%	4 134	60%	132	5
HE Mashego	5 329	230%	67.27%	8 245	40%	3 298	60%	105	5
BB Nel	5 797	230%	63.59%	8 479	40%	3 391	60%	108	5
VP Tobias	5 797	230%	67.27%	8 970	40%	3 588	60%	115	5
JJ van Heerden	7 869	230%	53.33%	9 652	40%	3 860	60%	123	5
MP van der Walt	5 016	230%	67.27%	7 698	40%	3 079	60%	98	5

** Figures in R'000.*
*** Figures in '000.*

Share appreciation rights allocated in November 2014

The 2014 allocation vested in November 2017 and was exercisable in equal thirds on the subsequent anniversaries of the vesting. The 2014 allocation lapsed on 15 November 2020. The value or reward that accrues is based on the positive appreciation of the share price over time.

Performance shares awarded in November 2017

The vesting percentage of performance shares was based on the total shareholder return of the company, comprising two components: absolute and relative performance over the full three-year period.

The performance conditions were measured from 15 November 2017 to 31 October 2020 using a 20-day VWAP at the start and end of the three-year period. The 20-day VWAP at 15 November 2017 was R23.97. The 20-day VWAP at 31 October 2020 was R90.28.

Remuneration of executive directors and prescribed officers

Total single-figure remuneration

Executive director and prescribed officer remuneration, in terms of total single-figure remuneration, as required by King IV and in line with the guideline note issued by the Institute of Directors South Africa and the South African Reward Association, is detailed below.

Remuneration paid for the year ended 30 June 2021

	Salary and benefits	Retirement savings and contributions	Total incentive cash portion accrued	Total incentive deferred share portion accrued	Total single figure of remuneration	Less: amount accrued not settled in FY21	Plus: amount of previous accruals settled in FY21	Total cash remuneration
Executive directors								
PW Steenkamp	8 739 581	1 470 968	6 933 693	10 400 540	27 544 782	(17 334 233)	6 192 246	16 402 795
F Abbott[1]	3 753 261	168 105	—	—	3 921 366	—	3 370 779	7 292 145
BP Lekubo	6 598 189	361 457	4 134 667	6 202 000	17 296 313	(10 336 666)	3 754 244	10 713 891
HE Mashego	4 857 097	630 619	3 298 342	4 947 513	13 733 571	(8 245 856)	2 747 848	8 235 563
Prescribed officers								
BB Nel	4 944 590	800 188	3 391 895	5 087 842	14 224 515	(8 479 737)	2 774 704	8 519 482
VP Tobias	5 259 592	677 403	3 588 186	5 382 279	14 907 460	(8 970 466)	3 204 488	9 141 482
MP van der Walt	4 310 067	520 888	3 078 807	4 618 211	12 527 973	(7 697 018)	2 508 905	7 339 860
JJ van Heerden[2]	7 869 000	287 000	3 860 000	5 791 222	17 807 222	(9 651 222)	3 854 000	12 010 000

[1] *Retired on 30 September 2020.*
[2] *Salary is paid in AU$ and influenced by movement in the exchange rate.*

Schedule of unvested awards and cash flows

A schedule of the unvested awards and cash flows from long-term incentive awards of executive directors and prescribed officers, as required by King IV and in line with the guideline note issued by the Institute of Directors South Africa and the South African Reward Association, is provided below.

Unvested awards and cash flows for FY21

Executive directors	Share award	Award date	Vesting date	Award price R	Opening	Awarded	Number pledged	Settled	Closing	Cash on settlement R	Year-end fair value R
Peter Steenkamp	**Performance shares**										
	2017 performance shares	Nov-17	Nov-20	24	596 427			596 427		39 169 508	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	15 567		15 567				
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	15 567				15 567		821 315
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	15 568				15 568		821 368
	2019 deferred shares tranche 4	Sep-19	Sep-23	46.89	15 568				15 568		821 368
	2019 deferred shares tranche 5	Sep-19	Sep-24	46.89	15 568				15 568		821 368
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		18 966			18 966		1 000 646
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		18 966			18 966		1 000 646
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		18 965			18 965		1 000 593
	2020 deferred shares tranche 4	Sep-20	Sep-24	97.95		18 965			18 965		1 000 593
	2020 deferred shares tranche 5	Sep-20	Sep-25	97.95		18 965			18 965		1 000 593
	Vested awards pledged to MSR										
	2016 performance shares pledge				512 000			216 282	295 718	14 204 018	15 602 082
	2019 deferred shares tranche 1					15 567			15 567		821 315
Total					**1 186 265**	**110 394**	**15 567**	**812 709**	**468 383**	**53 373 526**	**24 711 887**

Executive directors	Share award	Award date	Vesting date	Award price R	Opening	Awarded	Number forfeited	Settled	Closing	Cash on settlement R	Year-end fair value R
Frank Abbott	**Share appreciation rights**										
	2014 SARs tranche 3	Nov-14	Nov-19	18.41	21 208			21 208		1 531 422	
	Performance shares										
	2017 performance shares	Nov-17	Nov-20	24.00	348 815			348 815		22 907 937	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	9 200			9 200		853 927	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	9 200		9 200		9 200		
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	9 200		9 200		9 200		
	2019 deferred shares tranche 4	Sep-19	Sep-23	46.89	9 201		9 201		9 201		
	2019 deferred shares tranche 5	Sep-19	Sep-24	46.89	9 201		9 201		9 201		
	Vested awards pledged to MSR										
	2013 performance shares pledge				84 952			84 952		8 244 447	
	2014 performance shares pledge				141 075			141 075		13 691 089	
	2014 performance shares matched				141 075			141 075		9 264 903	
Total					**783 127**		**36 802**	**746 325**	**36 802**	**56 493 725**	
Boipelo Lekubo	**Performance shares**										
	2017 performance shares	Nov-17	Nov-20	24.00	225 313			225 313		14 797 116	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	6 694			6 694		621 325	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	6 695				6 695		353 228
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	6 695				6 695		353 228
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		11 499			11 499		606 687
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		11 499			11 499		606 687
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		11 498			11 498		606 634
	2020 deferred Shares tranche 4	Sep-20	Sep-24	97.95		11 498			11 498		606 634
	2020 deferred shares tranche 5	Sep-20	Sep-25	97.95		11 498			11 498		606 634
Total					**245 397**	**57 492**	**—**	**232 007**	**70 882**	**15 418 441**	**3 739 732**

Executive directors	Share award	Award date	Vesting date	Award price R	Opening	Awarded	Number pledged	Settled	Closing	Cash on settlement R	Year-end fair value R
Harry Mashego	**Performance shares**										
	2017 performance shares	Nov-17	Nov-20	24.00	251 722			251 722		16 531 490	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	6 639		3 319	3 320		308 156	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	6 639				6 639		350 274
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	6 639				6 639		350 274
	2019 deferred shares tranche 4	Sep-19	Sep-23	46.89	6 640				6 640		350 326
	2019 deferred shares tranche 5	Sep-19	Sep-24	46.89	6 640				6 640		350 326
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		8 416			8 416		444 028
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		8 416			8 416		444 028
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		8 416			8 416		444 028
	2020 deferred shares tranche 4	Sep-20	Sep-24	97.95		8 416			8 416		444 028
	2020 deferred shares tranche 5	Sep-20	Sep-25	97.95		8 416			8 416		444 028
	Vested awards pledged towards MSR										
	2019 deferred shares tranche 1					3 319			3 319		175 110
Total					**284 919**	**45 399**	**3 319**	**255 042**	**71 957**	**16 839 646**	**3 796 450**
Prescribed officers											
Beyers Nel	**Performance shares**										
	2017 performance shares	Nov-17	Nov-20	24.00	293 554			293 554		19 278 748	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	6 595		3 297	3 298		306 114	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	6 595				6 595		347 952
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	6 595				6 595		347 952
	2019 deferred shares tranche 4	Sep-19	Sep-23	46.89	6 595				6 595		347 952
	2019 deferred shares tranche 5	Sep-19	Sep-24	46.89	6 596				6 596		348 005
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		8 499			8 499		448 407
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		8 498			8 498		448 354
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		8 498			8 498		448 354
	2020 deferred shares tranche 4	Sep-20	Sep-24	97.95		8 498			8 498		448 354
	2020 deferred shares tranche 5	Sep-20	Sep-25	97.95		8 498			8 498		448 354
	Vested awards pledged towards MSR										
	2014 performance shares pledge				24 933				24 933		1 315 465
	2014 performance shares matched				24 933			24 933		1 637 440	
	2019 deferred shares tranche 1					3 297			3 297		173 950
Total					**376 396**	**45 788**	**3 297**	**321 785**	**97 102**	**21 222 302**	**5 123 099**

REMUNERATION REPORT continued

Prescribed officers	Share award	Award date	Vesting date	Award price R	Opening	Awarded	Number pledged	Settled	Closing	Cash on settlement R	Year-end fair value R
Phillip Tobias	**Share appreciation rights**										
	2014 SARs tranche 3	Nov-14	Nov-19	18.41	15 618			15 618		1 187 054	
	Performance shares										
	2017 performance shares	Nov-17	Nov-20	24.00	293 554			293 554		19 278 748	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	7 742		3 871	3 871		359 299	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	7 743				7 743		408 521
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	7 743				7 743		408 521
	2019 deferred shares tranche 4	Sep-19	Sep-23	46.89	7 743				7 743		408 521
	2019 deferred shares tranche 5	Sep-19	Sep-24	46.89	7 743				7 743		408 521
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		9 815			9 815		517 839
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		9 815			9 815		517 839
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		9 815			9 815		517 839
	2020 deferred shares tranche 4	Sep-20	Sep-24	97.95		9 814			9 814		517 787
	2020 deferred shares tranche 5	Sep-20	Sep-25	97.95		9 814			9 814		517 787
	Vested awards pledged towards MSR										
	2014 performance shares pledge				31 166				31 166		1 644 318
	2014 performance shares matched				31 166			31 166		2 046 783	
	2019 deferred shares tranche 1					3 871			3 871		204 234
Total					**410 218**	**52 944**	**3 871**	**344 209**	**115 082**	**22 871 884**	**6 071 727**

Prescribed officers	Share award	Award date	Vesting date	Award price R	Opening	Awarded	Number pledged	Settled	Closing	Cash on settlement R	Year-end fair value R
Johannes van Heerden	**Performance shares**										
	2017 performance shares	Nov-17	Nov-20	24.00	293 554			293 554		19 278 748	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	12 313		6 156	6 157		571 482	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	12 313				12 313		649 634
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	12 313				12 313		649 634
	2019 deferred shares tranche 4	Sep-19	Sep-23	46.89	12 313				12 313		649 634
	2019 deferred shares tranche 5	Sep-19	Sep-24	46.89	12 314				12 314		649 687
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		12 265			12 265		647 101
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		12 265			12 265		647 101
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		12 265			12 265		647 101
	2020 deferred shares tranche 4	Sep-20	Sep-24	97.95		12 265			12 265		647 101
	2020 deferred shares tranche 5	Sep-20	Sep-25	97.95		12 265			12 265		647 101
	Vested awards pledged towards MSR										
	2019 deferred shares tranche 1					6 156			6 156		324 791
Total					**355 120**	**67 481**	**6 156**	**299 711**	**116 734**	**19 850 230**	**6 158 885**
Marian van der Walt*	**Performance shares**										
	2014 performance shares matched				81 455			81 455		5 349 443	
	2017 performance shares	Nov-17	Nov-20	24.00	172 610			172 610		11 335 920	
	Deferred shares										
	2019 deferred shares tranche 1	Sep-19	Sep-20	46.89	6 411			6 411		595 057	
	2019 deferred shares tranche 2	Sep-19	Sep-21	46.89	6 411				6 411		338 244
	2019 deferred shares tranche 3	Sep-19	Sep-22	46.89	6 411				6 411		338 244
	2020 deferred shares tranche 1	Sep-20	Sep-21	97.95		8 538			8 538		450 465
	2020 deferred shares tranche 2	Sep-20	Sep-22	97.95		8 538			8 538		450 465
	2020 deferred shares tranche 3	Sep-20	Sep-23	97.95		8 538			8 538		450 465
Total					**273 298**	**25 614**	**–**	**260 476**	**38 436**	**17 280 420**	**2 027 883**

** Appointed as prescribed officer on 14 August 2020.*

Non-executive directors' fees

On the recommendation of the remuneration committee, the board proposed an average increase in fees of 4.5% for non-executive directors, which was approved at the annual general meeting in November 2020. Non-executive director fees paid in FY21 are set out below:

Director (R000)	Note	2021[1]	2020[1]
Dr Patrice Motsepe		**1 440**	1 377
Joachim Chissano		**636**	611
Fikile De Buck		**1 382**	1 479
Ken Dicks[2]		**198**	670
Dr Simo Lushaba		**1 160**	1 205
Grathel Motau[3]		**280**	572
Modise Motloba		**1 550**	1 592
Dr Mavuso Msimang		**968**	822
Karabo Nondumo		**923**	852
Vishnu Pillay		**1 130**	1 023
Given Sibiya		**676**	669
Max Sisulu[2]		**107**	382
Peter Turner[4]		**329**	—
John Wetton		**1 084**	1 033
André Wilkens		**986**	933
Total		**12 849**	13 220

Notes

[1] *Directors' remuneration excludes value-added tax.*
[2] *Resigned on 30 September 2020.*
[3] *Resigned on 18 December 2020.*
[4] *Appointed on 19 February 2021.*

The fees proposed for FY22 are included in the **notice of the annual general meeting** 2021.

Engaging with shareholders

We received positive feedback from shareholders on our remuneration policy and remuneration report, with supporting votes of 97.43% and 98.18% respectively. Despite this support, we continue to engage with our shareholders and proxy voting agencies to enhance our governance and disclosure.

DIRECTORS' REPORT

Nature of business

The Harmony group of companies conducts gold mining and exploration in South Africa and Papua New Guinea.

A general review of the group's business and operations is provided in the **Integrated annual report 2021**, and with more detail available in the **ESG report 2021** and **Operational report 2021**.

The company's primary listing is in South Africa on the JSE. Harmony's ordinary shares are also listed in the form of American depositary receipts (ADRs) on the New York Stock Exchange.

Integrated annual report

As required by the King IV report and the JSE Listings Requirements, the board has reviewed and approved the Integrated annual report 2021 on the recommendation of the audit and risk committee, supported by the social and ethics committee.

The **Integrated annual report 2021** is available online at **www.harmony.co.za**.

Statement by the board

The annual financial statements are drawn up in accordance with the Companies Act, JSE Listings Requirements, IFRS and the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee, and the Financial Pronouncements, as issued by Financial Reporting Standards Council.

The board of directors is of the opinion that the Integrated annual report 2021 and the accompanying consolidated financial statements fairly reflect the true financial position of the group at 30 June 2021 and its performance for the year.

Audit and risk committee and social and ethics committee reports

The **audit and risk committee chairperson's report** is on page 5 of this report and that of the **social and ethics committee: chairperson's report** on page 9 of this report.

Company secretary

The group company secretary is Ms Shela Mohatla. Her business and postal addresses appear on the inside back cover. The certificate by the group company secretary is on page 31. Ms Mohatla was appointed group company secretary with effect from 14 August 2020, subsequent to her appointment in an acting capacity on 27 January 2020.

Board of directors

Changes to the composition of Harmony's board of directors during the review period included:

- Resignation of Messrs Ken Dicks and Max Sisulu as independent non-executive directors with effect from 30 September 2020
- Retirement of Mr Frank Abbott as an executive director with effect from 30 September 2020
- Resignation of Ms Grathel Motau as independent non-executive director with effect from 18 December 2020
- Appointment of Mr Peter Turner as an independent non-executive director with effect from 19 February 2021.

Biographical details of current directors appear online at **www.harmony.co.za**.

In terms of the Company's Memorandum of Incorporation ("**MOI**"), the directors of the Company shall rotate in accordance with the following provisions:

- At each annual general meeting, one-third (1/3) of the non-executive directors for the time being, or if their number is not three (3) or a multiple of 3, the number nearest to 1/3, but not less than 1/3, shall retire from office, provided that if a director is appointed as an executive director or as an employee of the company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the retirement of directors by rotation
- The non-executive directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot
- A retiring director shall be eligible for re-election.

As part of Harmony's board composition transitional plan, Ms Fikile De Buck and Dr Simo Lushaba, who retire by rotation this year, although eligible, will not be seeking re-election to the board effective as of the conclusion of the 2021 annual general meeting.

Refer to **Governance** in our **ESG report 2021** for further information.

Directors' interests

At 30 June 2021, the CEO Peter Steenkamp held 746 085 shares, FD Boipelo Lekubo held 3 581 shares, executive director Harry Mashego held 3 319 shares and non-executive director André Wilkens held 101 301 shares in Harmony.

None of the directors' immediate families and associates held any direct shareholding in the company's issued share capital. No other director held or acquired any shares in the company, other than through share incentive schemes (executive directors only) during FY21.

Refer to the **Remuneration report** on page 11 for details of share incentives awarded to executive directors.

Going concern

The annual financial statements have been prepared on a going concern basis.

In accordance with the solvency and liquidity test in terms of section 4 of the Companies Act, the board is of the opinion that the company has adequate resources and that the:

- Company's assets, fairly valued, exceed the fair value of its liabilities
- Company will be able to pay its debts as they become due in the ordinary course of business for the 12 months following 30 June 2021.

Financial results

The audited consolidated and company annual financial statements as well as the discussion on the group's financial performance are included in the **Financial report 2021**. The **Summarised consolidated financial statements** are included in this report starting on page 32. Confirmation of the financial statements by the CEO and FD appears in the **Financial report 2021**.

Share capital
During the June 2021 year, 12 909 491 shares were issued to settle the exercise of share options by employees relating to Harmony's management share option schemes.

Full details of the authorised, issued and unissued share capital of the company as at 30 June 2021 are set out in the **Financial report 2021**.

Shareholders
The company does not have a controlling shareholder. Information on shareholder spread, the range of shareholdings and public shareholders, as well as major shareholders, is presented in the shareholders' information section in the **Integrated annual report 2021**.

Dividend policy
The company's dividend policy is to pay a return of 20% on net free cash generated to shareholders, at the discretion of the board of directors.

Dividends declared
The board declared an interim dividend of 110 SA cents and a final ordinary dividend of 27 SA cents for the year ended 30 June 2021. No dividends were paid on ordinary shares by Harmony in FY20. Harmony declares an annual preference share dividend of R9 million (2020: R9 million) to the Harmony Gold Community Trust (the Trust). As the Trust is consolidated by Harmony, the dividend is eliminated on consolidation.

Investments
A schedule of investments in subsidiaries, associates and joint arrangements appears in **Annexure A – Statement of group companies** in the **Financial report 2021**.

Contingencies
None of Harmony's properties is the subject of pending material legal proceedings. We are involved in legal and arbitration proceedings that are incidental to the normal conduct of our business.

Refer to note 16 of the **Summarised consolidated financial statements** for further discussion.

Borrowings
- Movement in borrowings: see note 12 of the **Summarised consolidated financial statements**
- Borrowing powers are detailed in the company's memorandum of incorporation.

Disposals
There were no material disposals in FY21.

Acquisitions
On 12 February 2020, Harmony announced the proposed acquisition of AngloGold Ashanti Limited's remaining South African assets (Mponeng and Mine Waste Solutions) for a US$200 million cash consideration, as well as a contingent consideration, the value of which was determined in accordance with IFRS. All conditions precedent were fulfilled in September 2020, resulting in an acquisition date of 1 October 2020.

Refer to note 9 of the **Summarised consolidated financial statements**.

Related-party transactions
None of the directors or major shareholders of Harmony or, to Harmony's knowledge, their families, had an interest, directly or indirectly, in any transaction during the review period or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as discussed below.

Modise Motloba, Harmony's deputy chairman, is a director of Tysys (Proprietary) Limited (Tysys). Tysys entered into a contract with the group in February 2017 to provide services relating to the group's small and medium-enterprise development projects. The contract has a value of up to R5 million per annum. Approximately R5 million (2020: R5 million) was paid in the 2021 financial year relating to services rendered in the current and prior financial years. The contract has a 30-day notice period.

Material transactions with associates, joint arrangements and structured entities
Refer to note 17 of the **Summarised consolidated financial statements** for details on transactions conducted during the period under review.

Compliance with the laws and memorandum of incorporation
The board believes that during the period 1 July 2020 to 30 June 2021, Harmony has complied with the provisions of the Companies Act and operated in conformity with its memorandum of incorporation and/or relevant constitutional documents.

Events subsequent to 30 June 2021
- On 24 August 2021, a final dividend of 27 SA cents was declared, paid on 18 October 2021
- On 16 September 2021, the group concluded a three-year wage agreement with the unions for its South African operations.

DIRECTORS' STATEMENT OF RESPONSIBILITY

Financial statements

The directors have the pleasure in presenting the consolidated and company annual financial statements (collectively the annual financial statements) for the year ended 30 June 2021 and the summarised consolidated financial statements (included in the Report to Shareholders) for the same period. The annual financial statements were audited by PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office. The summarised consolidated financial statements are extracted from the audited financial statements, but are not themselves audited.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and IFRIC Interpretations Committee (IFRIC) Interpretations (collectively IFRS), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa.

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the company and its subsidiaries. The annual financial statements have been prepared by Harmony Gold Mining Company Limited's corporate reporting team, headed by Michelle Kriel CA(SA). This process was supervised by the financial director, Boipelo Lekubo CA(SA). The directors take full responsibility for the preparation of the summarised report and the financial information has been correctly extracted from the underlying consolidated annual financial statements.

The directors are also responsible for the maintenance of effective systems of internal control which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the annual financial statements, and to prevent and detect material misstatement and loss.

Nothing has come to the attention of the board that caused it to believe that the systems of internal controls and risk management are not effective for the period under review and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements. The board's opinion is underpinned by the audit and risk committee's statement.

The annual financial statements have been prepared on a going concern basis and the directors believe that the company and group will continue to be in operation in the foreseeable future.

Approval

The annual financial statements were approved by the board of directors and signed on its behalf by:

PW Steenkamp
Chief executive officer
Randfontein
South Africa

BP Lekubo
Financial director
Randfontein
South Africa

28 October 2021

GROUP COMPANY SECRETARY'S CERTIFICATE

In terms of section 88(2)(e) of the Companies Act No 71 of 2008, as amended (the Act), I certify that for the year ended 30 June 2021, Harmony Gold Mining Company Limited, to the best of my knowledge and belief, has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Act, and that all such returns and notices appear to be true, correct and up to date.

Shela Mohatla
Group company secretary

28 October 2021

SUMMARISED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

		SA Rand		
Figures in million	Notes	2021	Re-presented* 2020	Re-presented* 2019
Revenue	4	**41 733**	29 245	26 912
Cost of sales	5	**(35 489)**	(25 908)	(28 869)
Production costs		**(29 774)**	(22 048)	(20 324)
Amortisation and depreciation		**(3 875)**	(3 508)	(4 054)
Impairment of assets		**(1 124)**	—	(3 898)
Other items		**(716)**	(352)	(593)
Gross profit/(loss)		**6 244**	3 337	(1 957)
Corporate, administration and other expenditure	6	**(1 068)**	(611)	(731)
Exploration expenditure		**(177)**	(205)	(148)
Gains/(losses) on derivatives	11	**1 022**	(1 678)	484
Foreign exchange translation gain/(loss)	12	**670**	(892)	(86)
Other operating expenses		**(241)**	(309)	(100)
Operating profit/(loss)		**6 450**	(358)	(2 538)
Gain on bargain purchase	9	**303**	—	—
Acquisition-related costs	9	**(124)**	(45)	—
Share of profits from associate		**83**	94	59
Investment income		**331**	375	308
Finance costs		**(661)**	(661)	(575)
Profit/(loss) before taxation		**6 382**	(595)	(2 746)
Taxation	7	**(1 258)**	(255)	139
Net profit/(loss) for the year		**5 124**	(850)	(2 607)
Attributable to:				
Non-controlling interest		**37**	28	—
Owners of the parent		**5 087**	(878)	(2 607)
Earnings/(loss) per ordinary share (cents)				
Total earnings/(loss)	8	**842**	(164)	(498)
Diluted earnings/(loss) per ordinary share (cents)				
Total earnings/(loss)	8	**825**	(166)	(500)

** Refer to note 2 for further information on the re-presentation of financial statement line items.*

The accompanying notes are an integral part of these summarised financial statements.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

		SA Rand		
Figures in million	Notes	**2021**	Re-presented* 2020	Re-presented* 2019
Net profit/(loss) for the year		**5 124**	(850)	(2 607)
Other comprehensive income for the year, net of income tax		**3 251**	(1 958)	(684)
Items that may be reclassified subsequently to profit or loss		**3 233**	(1 998)	(677)
Foreign exchange translation gain/(loss)	3	**(1 234)**	1 199	(50)
Remeasurement of gold hedging contracts	11	**4 467**	(3 197)	(627)
Items that will not be reclassified to profit or loss		**18**	40	(7)
Total comprehensive income for the year		**8 375**	(2 808)	(3 291)
Attributable to:				
Non-controlling interest		**58**	12	—
Owners of the parent		**8 317**	(2 820)	(3 291)

** Refer to note 2 for further information on the re-presentation of financial statement line items.*

The accompanying notes are an integral part of these summarised financial statements.

SUMMARISED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2021

		SA Rand	
Figures in million	Notes	At 30 June 2021	Re-presented* At 30 June 2020
ASSETS			
Non-current assets			
Property, plant and equipment	5 & 9	**33 597**	29 186
Intangible assets	5	**365**	536
Restricted cash and investments	9	**5 232**	3 642
Investments in associates		**126**	146
Deferred tax assets	7	**272**	531
Other non-current assets	10	**332**	435
Derivative financial assets	11	**328**	50
Total non-current assets		**40 252**	34 526
Current assets			
Inventories		**2 542**	2 421
Restricted cash and investments		**67**	62
Trade and other receivables		**1 652**	1 308
Derivative financial assets	11	**1 471**	18
Cash and cash equivalents		**2 819**	6 357
Total current assets		**8 551**	10 166
Total assets		**48 803**	44 692
EQUITY AND LIABILITIES			
Share capital and reserves			
Attributable to equity holders of the parent company		**31 160**	23 371
Share capital and premium		**32 934**	32 937
Other reserves		**6 399**	3 017
Accumulated loss		**(8 173)**	(12 583)
Non-controlling interest		**54**	4
Total equity		**31 214**	23 375
Non-current liabilities			
Deferred tax liabilities	7	**2 178**	996
Provision for environmental rehabilitation	9	**4 662**	3 408
Other provisions		**926**	910
Borrowings	12	**2 974**	7 463
Contingent consideration liability	13	**417**	—
Other non-current liabilities		**178**	101
Derivative financial liabilities	11	**6**	879
Streaming contract liability	14	**695**	—
Total non-current liabilities		**12 036**	13 757
Current liabilities			
Other provisions		**175**	175
Borrowings	12	**387**	255
Trade and other payables		**4 389**	3 006
Derivative financial liabilities	11	**206**	4 124
Streaming contract liability	14	**396**	—
Total current liabilities		**5 553**	7 560
Total equity and liabilities		**48 803**	44 692

** Refer to note 2 for further information on the re-presentation of financial statement line items.*

The accompanying notes are an integral part of these summarised financial statements.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	SA Rand					
Figures in million	Number of ordinary shares issued	Share capital and premium	Accumulated loss	Other reserves	Non-controlling interest	Total
Balance – 30 June 2018	500 251 751	29 340	(9 103)	5 145	—	25 382
Impact of adopting IFRS 9	—	—	—	82	—	82
Re-presented opening balance – 1 July 2018	500 251 751	29 340	(9 103)	5 227	—	25 464
Issue of shares						
– Shares issued and fully paid	11 032 623	211	—	—	—	211
– Exercise of employee share options	21 856 821	—	—	—	—	—
– Harmony ESOP Trust	6 700 000	—	—	—	—	—
Share-based payments	—	—	—	230	—	230
Net loss for the year	—	—	(2 607)	—	—	(2 607)
Other comprehensive income for the year	—	—	—	(684)	—	(684)
Balance – 30 June 2019	539 841 195	29 551	(11 710)	4 773	—	22 614
Issue of shares						
– Shares issued and fully paid	60 278 260	3 386	—	—	—	3 386
– Exercise of employee share options	3 023 251	—	—	—	—	—
Share-based payments	—	—	—	186	—	186
Recognition of non-controlling interest	—	—	5	—	(5)	—
Net loss for the year	—	—	(878)	—	28	(850)
Other comprehensive income for the year	—	—	—	(1 942)	(16)	(1 958)
Dividends paid	—	—	—	—	(3)	(3)
Balance – 30 June 2020	603 142 706	32 937	(12 583)	3 017	4	23 375
Issue of shares						
– Exercise of employee share options	**12 909 491**	**—**	**—**	**—**	**—**	**—**
Share issue costs	**—**	**(3)**	**—**	**—**	**—**	**(3)**
Share-based payments	**—**	**—**	**—**	**156**	**—**	**156**
Partial purchase of non-controlling interest	**—**	**—**	**—**	**(4)**	**(1)**	**(5)**
Net profit for the year	**—**	**—**	**5 087**	**—**	**37**	**5 124**
Other comprehensive income for the year	**—**	**—**	**—**	**3 230**	**21**	**3 251**
Dividends paid	**—**	**—**	**(677)**	**—**	**(7)**	**(684)**
Balance – 30 June 2021	**616 052 197**	**32 934**	**(8 173)**	**6 399**	**54**	**31 214**

The accompanying notes are an integral part of these summarised financial statements.

SUMMARISED CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

		SA Rand		
Figures in million	Notes	**2021**	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES				
Cash generated by operations		**9 741**	5 031	5 052
Dividends received		**85**	—	—
Interest received		**171**	86	69
Interest paid		**(234)**	(370)	(387)
Income and mining taxes paid		**(584)**	(24)	(55)
Cash generated by operating activities		**9 179**	4 723	4 679
CASH FLOW FROM INVESTING ACTIVITIES				
Increase in restricted cash and investments		**(48)**	(21)	(15)
Amounts refunded from restricted cash and investments		**34**	5	187
Redemption of preference shares from associates		**36**	59	32
Acquisition of Mponeng operations and related assets		**(3 363)**	—	—
ARM BBEE Trust loan repayment	10	**264**	—	—
ARM BBEE Trust loan advanced	10	**(264)**	—	—
Capital distributions from investments		**8**	7	30
Proceeds from disposal of property, plant and equipment		**11**	2	5
Additions to property, plant and equipment		**(5 142)**	(3 610)	(5 036)
Cash utilised by investing activities		**(8 464)**	(3 558)	(4 797)
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings raised	12	**—**	6 541	1 522
Borrowings repaid	12	**(3 491)**	(5 661)	(1 353)
Proceeds from the issue of shares		**—**	3 466	211
Partial repurchase of non-controlling interest		**(5)**	—	—
Dividend paid		**(684)**	(3)	—
Lease payments		**(119)**	(38)	—
Cash generated/(utilised) from financing activities		**(4 299)**	4 305	380
Foreign currency translation adjustments		**46**	(106)	25
Net increase/(decrease) in cash and cash equivalents		**(3 538)**	5 364	287
Cash and cash equivalents – beginning of year		**6 357**	993	706
Cash and cash equivalents – end of year		**2 819**	6 357	993

The accompanying notes are an integral part of these summarised financial statements.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 GENERAL INFORMATION

Harmony Gold Mining Company Limited (the company) and its subsidiaries (collectively Harmony or the group) are engaged in gold mining and related activities, including exploration, extraction and processing. Gold bullion, the group's principal product, is currently produced at its operations in South Africa and Papua New Guinea. Uranium and silver are produced as by-products.

The company is a public company, incorporated and domiciled in South Africa. The address of its registered office is Randfontein Office Park, Corner Main Reef Road and Ward Avenue, Randfontein, 1759.

The consolidated financial statements were authorised for issue by the board of directors on 28 October 2021.

2 ACCOUNTING POLICIES

Basis of preparation

The summarised consolidated financial statements for the year ended 30 June 2021 are prepared in accordance with the requirements of the JSE Listings Requirements for abridged reports and the requirements of the Companies Act applicable to the summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of the IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The summarised consolidated financial statements should be read in conjunction with the consolidated annual financial statements for the year ended 30 June 2021 (included in the **Financial report 2021** available at www.harmony.co.za), which have been prepared in accordance with IFRS. The accounting policies are consistent with those described in the consolidated annual financial statements. The principal accounting policies applied in the preparation of the consolidated financial statements are consistent with those applied in the previous consolidated annual financial statements.

The consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared to the nearest million and rounding may cause differences.

Comparative information

As a result of the acquisition of AngloGold Ashanti Limited's (AGA) remaining South African assets, collectively Mponeng operations and related assets (refer to note 9), a change in the materiality thresholds applied by management resulted in certain of the financial statement line items either being aggregated or disaggregated in the related primary financial statement as at and for the year ended 30 June 2021. As a result and in accordance with the requirements of IFRS, the comparatives were also re-presented accordingly, as noted in the table below.

Line item	Presentation in FY21 annual financial statements	Presentation in FY20 annual financial statements
Group income statement		
Foreign exchange translation gain/(loss)	Disaggregated and disclosed as a separate line item	Included in other operating expenses. The total for other operating expenses for FY20 was R1 201 million and FY19 was R186 million.
Group statement of comprehensive income		
Items that will not be reclassified to profit or loss	Aggregated	Disaggregated
Group balance sheet		
Restricted cash	Aggregated and disclosed in the restricted cash and investments line item	Disclosed as a separate line item. The FY20 balance for the non-current portion was R107 million and the balance for the current portion was R62 million.
Restricted investments	Aggregated and disclosed in the restricted cash and investments line item	Disclosed as a separate line item. The balance for FY20 was R3 535 million.
Non-current inventories	Aggregated and disclosed in the other non-current assets line item	Disclosed as a separate line item. The balance for FY20 was R47 million.
Retirement benefit obligation	Aggregated and disclosed in the other provisions line item	Disclosed as a separate line item. The balance for FY20 was R193 million.
Provision for silicosis settlement	Aggregated and disclosed in the other provisions line item	Current and non-current portion disclosed as a separate line item. The FY20 balance for the non-current portion was R717 million and the balance for the current portion was R175 million.

Recent accounting developments

During the financial year, there were no new standards, amendments to standards or interpretations that became effective that were relevant to the group's results or financial position.

3 COVID-19 IMPACT

South Africa

The national lockdown that began on 27 March 2020 to curb the spread of Covid-19 and allow the country time in which to prepare for the demands the pandemic would have on its healthcare system is still in place. Harmony continues with the risk assessment-based Covid-19 prevention strategy which was rolled out across all of its operations before the lockdown was announced. This approach has allowed management to identify, evaluate and rank the hazards associated with any exposures to Covid-19 and potential infections. It has allowed the company to reduce or eliminate the probability of an employee contracting Covid-19 and to limit the severity should an employee be infected.

Harmony's Covid-19 standard operating procedure (SOP) has been adopted and rolled out, ensuring a safe return to work and work environment for each of its employees. The SOP was informed by guidelines provided by the Department of Mineral Resources and Energy (DMRE), the National Council for Infectious Diseases and the World Health Organisation (WHO).

All requisite staffing, facilities and equipment are in place to ensure continuous rigorous screening of employees at work, as well as isolate or quarantine employees infected by or exposed to Covid-19, with subsequent testing and treatment. Management adapt the approach continuously as more information becomes available and new best practices evolve.

Papua New Guinea

Harmony's Hidden Valley mine in Papua New Guinea has continued to operate during the Covid-19 state of emergency declared in the country. However, restrictions on international travel and the implementation of strict Covid-19 control protocols required longer employee rosters, including rostered days off on site to manage fatigue, which has negatively impacted productivity. Work is being done to mitigate this impact. The delivery of essential supplies to the mine has continued, with strict isolation control measures in place. All non-essential staff have been temporarily removed from site and certain activities and expenditures have been curtailed to focus on safe, profitable operations during the pandemic. Protocols were adopted to allow the safe movement of personnel to and from site.

Vaccines

The roll-out of vaccine programmes globally since November 2020, despite the subsequent discovery of several mutations, or variants, is seen as a positive move to prevent severe disease and hospitalisation. Harmony has four accredited mass vaccination sites in South Africa and three in Papua New Guinea, with plans to accredit six more sites in South Africa. Harmony expects to at least partially vaccinate 80% of its employees that are willing to be vaccinated by October 2021 and can then assist with the vaccination of employees' families and the communities in which we operate.

Financial risk management

The effects of Covid-19 and other macro-developments have increased financial risks such as exchange rate, interest rate and commodity price volatility, while also impacting on liquidity and credit risk. Management has put various measures in place to mitigate and/or manage the risks and continues monitoring the situation closely. Refer to note 15 for additional detail.

Market impact

Exchange rates

Due to the impact of the Covid-19 pandemic, during FY20 the Rand weakened significantly against the US dollar and the Australian dollar, closing at R17.32/US$1 and R11.96/A$1 on 30 June 2020. During the 2021 year, the Rand strengthened against the two currencies, closing at R14.27/US$1 and R10.72/A$1 on 30 June 2021. In addition, the Papua New Guinea kina weakened against the Australian dollar from PGK2.38/A$1 at 30 June 2020 to PGK2.63/A$1 at 30 June 2021. These movements in the currencies expose the group's operations to foreign currency gains and losses on foreign-denominated receivables and liabilities, including derivatives, and also impact the group's translation of its international operating results and net assets into its Rand presentation currency, which resulted in a foreign exchange translation gain of R1.2 billion for the 2020 year, while a foreign translation loss of R1.2 billion was recognised for the 2021 year. In addition, a net foreign exchange translation gain of R670 million (R892 million net loss in FY20) was recognised in profit or loss for the 2021 year, primarily on the US dollar borrowings.

Commodity prices

Gold prices have rallied to all-time highs during the 2020 and 2021 years following the global economic fallout of Covid-19 and ongoing geopolitical uncertainty supporting its safe haven status with investors. The price of gold in US dollar terms closed at US$1 770/oz on 30 June 2021, relatively unchanged from the price of US$1 781/oz on 30 June 2020. However, spot gold prices have traded in a range of between US$1 681/oz and US$2 063/oz (FY20: US$1 384/oz and US$1 781/oz) during the year, which was driven by factors such as the announcement of the successful developments of vaccines, as well as the various waves of the Covid-19 infections being experienced globally.

Interest rates

The United States of America (US) as well as South African market interest rates remain stable at the recent low levels and are expected to remain low for some time to come, as economies all over the world are still impacted by the economic impact of the Covid-19 pandemic. Since the US Federal Reserve dropped the Fed Funds rate to a maximum of 0.25% in March 2020, there have been no changes to the rate. Similarly in South Africa, the South African Reserve Bank (SARB) has kept the repo rate at a low of 3.50% since reducing it to that level on 23 July 2020. In 2020 the SARB lowered the repo rate by 2.75% from 6.50% to 3.75%. Management's expectation is for interest rates to remain low as inflation is well within the target band.

3 COVID-19 IMPACT continued

Impact on production

During the initial phase of the South African national lockdown, the underground operations were placed on care and maintenance and employees returned to their homes across the country and in other Southern African Development Community (SADC) countries. On 1 May 2020, the underground operations were granted concessions to start producing at a maximum capacity of 50% and as of 1 June 2020, operational restrictions were lifted further to allow the mining industry to operate at 100% of its labour capacity. By 1 September 2020, Harmony had completed the recall of all operational employees.

Management continuously monitors the crew availability and adapts the production models accordingly. The December break was shortened to allow for a catch-up on development which had been delayed during level 4 and 5 of the national lockdown. It also allowed for extra production days.

Due to the protocols put in place to deal with an employee who has potentially been exposed to the virus, the disruption to production has been minimal. The reduction of the quarantine time from 14 to ten days has also seen a quicker return after a potential exposure. The use of the rapid antigen test during the January 2021 return-to-work process significantly improved the process as employees could be cleared for work within an hour of testing. Those with a positive test were immediately isolated for further case management.

Impact on critical estimates and judgements

The group considered the impact of the Covid-19 pandemic on each of its significant accounting estimates and judgements as at 30 June 2021, some which relate to the key assumptions for the calculation of the mining assets' recoverable amounts. The increase in the US dollar gold price impacted the short and medium-term views in the forecasts management received from various institutions in order to determine the assumptions for impairment testing. Refer to note 5 for further details on the assumptions used in the impairment test.

With the fair value exercise that is required for the acquisition of Mponeng operations and related assets, management made certain assumptions and estimates required in the process as at 1 October 2020. These assumptions were affected by the market volatility at the time. Refer to note 9 for further detail.

4 REVENUE

	SA Rand		
Figures in million	**2021**	2020	2019
Revenue from contracts with customers	**43 632**	30 642	26 459
Gold	**42 597**	29 704	25 693
Silver[1]	**857**	839	589
Uranium[1]	**178**	99	177
Consideration from streaming contract[2]	**397**	—	—
Hedging gain/(loss)[3]	**(2 296)**	(1 397)	453
Total revenue[4]	**41 733**	29 245	26 912

[1] *Silver is derived from the Hidden Valley Mine in Papua New Guinea. Uranium is derived from the Moab Khotsong operation.*
[2] *Relates to the recognition of non-cash consideration recognised as part of revenue for the streaming arrangement. Refer to note 14 for further information.*
[3] *Relates to the realised effective portion of the hedge-accounted gold derivatives. Refer to note 11 for further information.*
[4] *A geographical analysis of revenue is provided in the segment report.*

The increase in gold revenue during the 2021 financial year is mainly due to the acquisition of the Mponeng operations and related assets and a higher gold price. The acquired operations contributed R7.5 billion in revenue during the period. In addition, the average gold price received increased by 16% to R851 045/kg from R735 569/kg in the year ended 30 June 2020. Silver produced decreased by 31% to 67 295 kg from 97 332 kg in the prior year, however, the average silver price increased by 49% to R12 602/kg from R8 485/kg in 2020. Uranium produced increased by 10% to 150 778 kg from 137 298 kg in the prior year and the average uranium price increased by 15% to R1 010/kg from R875/kg in 2020.

The increase in gold and silver revenue for 2020 was mainly due to the higher commodity prices. The increase in gold revenue was offset by the decrease in production of 15% from 44 734 kg in the 2019 to 37 863 kg in the 2020 financial year. Silver produced increased by 11% to 97 332 kg in 2020 from 87 325 kg in the 2019 financial year. The decrease in uranium revenue during 2020 was due to lower sales volumes as a result of the South African nationwide lockdown that took place due to Covid-19.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2021

5 COST OF SALES

	SA Rand		
Figures in million	**2021**	2020	2019
Production costs (a)	**29 774**	22 048	20 324
Amortisation and depreciation of mining assets (b)	**3 777**	3 409	3 961
Amortisation and depreciation of assets other than mining assets (b)	**98**	99	93
Rehabilitation expenditure	**135**	47	33
Care and maintenance costs of restructured shafts	**144**	146	134
Employment termination and restructuring costs	**332**	40	242
Share-based payments	**114**	130	155
Impairment of assets (c)	**1 124**	—	3 898
Other	**(9)**	(11)	29
Total cost of sales	**35 489**	25 908	28 869

(a) Production costs include mine production, transport and refinery costs, applicable general administrative costs, movement in inventories and ore stockpiles, ongoing environmental rehabilitation costs and transfers for stripping activities. Employee termination costs are included, except for employee termination costs associated with major restructuring and shaft closures, which are separately disclosed.

Production costs increased by R7 726 million (35% year on year) during the year ended 30 June 2021. These costs increased mainly as a result of the acquisition of the Mponeng operations and related assets, which contributed R5 230 million to the increase. The remaining increase is mainly attributable to higher utilities and labour costs as a result of annual increases. Also contributing is the royalty expense which increased due to increased profitability as a result of the higher gold prices, which also impacted on the rates at which royalties are calculated.

Production costs increased during the 2020 year mainly in line with expectations, with the South African national lockdown from the end of March 2020 due to Covid-19 impacting on production volumes while the cost base remained mostly unchanged. Contributing to the increase for the 2020 year is a decrease of R557 million in the capitalised stripping credit related to the Hidden Valley operation.

(b) The increase for the 2021 year is as a result of the operations running for the entire year with no lockdown while the charge for 2020 was impacted by lower production due to the closure of underground operations as a result of Covid-19. The inclusion of the Mponeng operations and related operations assets in the asset base also contributes to the increase year on year.

In addition to the Covid-19 impact during the 2020 financial year, the depreciation expense was also affected by the completion of the mining of Stage 5 at Hidden Valley during the December 2019 quarter, which also contributed to the decrease. The impairments recognised on certain operations in South Africa during the 2019 year significantly impacted the base which depreciation is calculated on and the lower carrying values contributed to the lower total compared to the comparative period.

Amortisation and depreciation of assets other than mining assets includes the amortisation of intangible assets.

(c) Management performed an assessment for impairment triggers as well as indications of reversal of previously recorded impairment losses at 30 June 2021. Due to the group's net asset value (before any impairments being recognised or the finalisation of the fair value exercise on the acquisition of the Mponeng operations and related assets) exceeding the market capitalisation of Harmony as at 30 June 2021, the recoverable amounts for all cash-generating units (CGUs) were calculated. The recoverable amounts for these assets were determined on a fair value less cost to sell basis using assumptions in the discounted cash flow models and attributable resource values. These are fair value measurements classified as level 3. Based on the impairment tests performed, impairments were recorded on certain operations for the 2021 year.

Where CGUs had previously been impaired, management considered whether the impairment loss (or the contributors to the previously recognised impairment loss) no longer exists or might have decreased. Management considered general and specific factors for each CGU and concluded that although overall the gold price had improved from the time that the impairment losses had been recognised, the specific circumstances that led to the original impairments had not reversed. Furthermore, the service potential of the asset has not increased. Due to the continued volatility seen in the gold prices as well as the exchange rates, coupled with the fact that the factors resulting in the previously recognised impairment losses had not reversed, as well as the market capitalisation issue noted above, management resolved it to be appropriate for no reversal of previously recognised impairment losses to be recorded for the year ended 30 June 2021. There also was no reversal of impairment for the 2020 or 2019 financial years.

5 COST OF SALES continued

(c) Impairment of assets continued

The impairment of assets consists of the following:

	SA Rand		
Figures in million	**2021**	2020	2019
Tshepong Operations	**759**	—	2 254
Bambanani	**187**	—	6
Target 3	**178**	—	318
Kusasalethu	**—**	—	690
Target 1	**—**	—	312
Joel	**—**	—	198
Other mining assets	**—**	—	120
Total impairment of assets	**1 124**	—	3 898

Critical accounting estimates and judgements – impairment of assets

The recoverable amount of mining assets is generally determined utilising real discounted future cash flows (post-tax). Management also considers such factors as the quality of the individual orebody, market risk, asset specific risks and country risk in determining the fair value.

Key assumptions for the calculations of the mining assets' recoverable amounts are the commodity prices, resource values, marketable discount rates, costs to sell, exchange rates and the annual life-of-mine plans. In determining the commodity prices and resource values to be used, management assesses the long-term views of several reputable institutions on commodity prices and based on this, derives the commodity prices and resource values.

The life-of-mine plans are based on the proved and probable reserves as included in the reserve declaration, which are determined in terms of SAMREC, as well as resources where management has high confidence in the orebody and economical recovery of gold, based on historic and similar geological experience.

During the year under review, the group calculated the recoverable amounts (generally fair value less costs to sell) based on updated life-of-mine plans and the following gold price, silver price and exchange rates assumptions:

	2021	2020	2019
US$ gold price per ounce			
– Year 1	**1 805**	1 610	1 325
– Year 2	**1 673**	1 558	1 310
– Year 3	**1 582**	1 469	1 290
– Long term (year 4 onwards)	**1 500**	1 350	1 290
US$ silver price per ounce			
– Year 1	**25.72**	17.00	15.75
– Year 2	**23.22**	17.00	15.75
– Year 3	**21.70**	17.00	17.00
– Long term (year 4 onwards)	**20.70**	17.00	17.00
Exchange rate (R/US$)			
– Year 1	**14.54**	16.72	14.43
– Year 2	**14.36**	15.47	14.25
– Year 3	**14.44**	15.29	14.11
– Long term (year 4 onwards)	**14.51**	14.51	14.11
Exchange rate (PGK/US$)	**3.50**	3.45	3.34
Rand gold price (R/kg)			
– Year 1	**843 000**	865 000	615 000
– Year 2	**772 000**	775 000	600 000
– Year 3	**735 000**	722 000	585 000
– Long term (year 4 onwards)	**700 000**	630 000	585 000

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2021

5 COST OF SALES continued

Critical accounting estimates and judgements – impairment of assets continued

The following is the attributable gold resource value assumption:

	South Africa			Hidden Valley		
US dollar per ounce	**2021**	2020	2019	**2021**	2020	2019
Underground resources						
Measured	**16.50**	25.00	25.00	**n/a**	n/a	n/a
Indicated	**9.00**	8.00	8.00	**n/a**	n/a	n/a
Inferred	**3.60**	2.80	2.80	**n/a**	n/a	n/a
Surface resources						
Measured	**30.00**	n/a	n/a	**n/a**	n/a	n/a
Indicated	**17.50**	n/a	n/a	**9.00**	8.00	8.00
Inferred	**8.00**	n/a	n/a	**n/a**	n/a	n/a

The recoverable amount of mining assets is determined utilising real discounted future cash flows or resource multiples in the case of undeveloped properties and certain resource bases. The underground resource value has been applied to Target North and Doornkop's Kimberly Reef and the surface resource values have been applied to the Mispah Tailings resource, Vaal River and West Wits surface sources.

One of the most significant assumptions that influence the group's operations' life-of-mine plans, and therefore the impairment assessment, is the expected gold price. Due to the short-term volatility in the US dollar commodity price and Rand against the US dollar, management decided it would be appropriate to continue to differentiate between short, medium and long-term assumptions used in the models. The long-term price was determined as part of the annual budgeting process and is used in the life-of-mine plans and is also the cut-off price for calculating reserves included in the declaration of reserves and resources in terms of SAMREC. The resource multiple values have been updated from the prior year, due to the recent transaction between AGA and Harmony for the purchase of the Mponeng operations and related assets. The resource multiple has been further updated to differentiate between underground operations and surface source operations due to this new information and applied to the relevant resource bases. Please refer to note 9 for further information on the acquisition. The silver price has been extended during the current financial year to include short, medium and long-term rates. The long-term rate used is based on the rate used as part of the strategic planning process.

Due to the volatilities experienced in the markets and the uncertainty in forecasting future cash flows due to the impact of Covid-19 management has used various probability scenarios in determining the recoverable amounts for the CGUs at 30 June 2021 and 2020.

The factors below were considered in management's judgements. The most significant change year on year was the introduction of the vaccination programme and its impact on infection rates. The factors were:

- Infection rates and the timing of the expected peaks in the provinces and/or countries that Harmony's operations are situated in
- Expected disruptions to production together with the mitigation strategies management has in place
- Expectation of the completion date of the vaccination programme at Harmony and a governmental level
- Potential duration of the impact of the virus (prior and post-vaccination) and the related restrictions in operations.

Management included estimates of the staffing costs for screening and monitoring employees at work as well as those that are in quarantine. Further costs have been included in the life-of-mine plans for the cost of the vaccination programme and the scenarios used by management include further potential costs if vaccinations are required in the future at various intervals.

In preparing the various scenarios, management considered and varied:

- The potential impact on production and therefore on the revenue cash flows, based on historical trends that have been extrapolated to account for varying disruption levels
- The duration of potential disruptions to production, ranging from 12 months to 24 months
- The infection rates and associated costs as well as vaccination costs. This included impacts on production as well as considerations of the potential requirement to re-vaccinate in coming years.

The calculated cash flows were then weighted based on management's expectation of each scenarios occurring. The resulting amounts were discounted using the specific discount rate for each operation in order to determine the recoverable amount.

The post-tax real discount rate for Hidden Valley was 10.30% (2020: 9.02%) (2019: 10.13%) and the post-tax real discount rates for the South African operations ranged between 9.30% and 12.00% (2020: 9.62% and 11.53%) (2019: 8.90% and 11.10%), depending on the asset, and were used to determine the recoverable amounts. Cash flows used in the impairment calculations are based on life-of-mine plans which exceed five years for the majority of the mines. Cash flows from potential projects, life-of-mine extensions and residual ounces can also be included in the impairment assessment where deemed appropriate. An additional risk premium is added to the post-tax real discount rates in these instances.

Should management’s estimate of the future not reflect actual events, further impairments may be identified.

5 COST OF SALES continued

Critical accounting estimates and judgements – impairment of assets continued

Factors affecting the estimates include:

- Changes to proved and probable ore reserves
- Economical recovery of resources
- The grade of the ore reserves may vary significantly from time to time
- Review of strategy
- Unforeseen operational issues at the mines
- Differences between actual commodity prices and commodity price assumptions
- Changes in the discount rate and foreign exchange rates
- Changes in capital, operating mining, processing and reclamation costs
- Mines' ability to convert Resources into Reserves
- Potential production stoppages for indefinite periods
- The impact of Covid-19 on the global economy, commodity prices and exchange rates, as well as the impact in the countries the group operates in, resulting in production curtailment
- Carbon tax.

Sensitivity analysis – impairment of assets

One of the most significant assumptions that influence the life-of-mine plans and therefore impairment assessments is the expected commodity prices. Management determined a reasonably possible long-term change of 10% in gold prices based on the standard deviation of both Harmony's long-term gold price assumption over the past five financial years and market analysts' forecasted long-term gold price assumptions. A 10% increase/decrease (pre-impairment and scrapping recognition) in the gold price and Resource values used, with the resultant adjustment to mining royalties in 2021 (with all other variables held constant and not taking any actions, such as stopping capital projects, into account) would have resulted in the following post-tax impairment being recorded (including the impairments recorded in the current period) as at 30 June 2021:

	SA Rand	
Figures in million	**2021**	2020
- 10% decrease		
Tshepong Operations	**5 325**	3 352
Mponeng	**2 249**	—
Moab Khotsong[1]	**1 916**	15
Doornkop	**1 914**	—
Target 1	**1 267**	804
Kusasalethu	**821**	441
Bambanani[1]	**413**	94
Kalgold	**390**	—
Joel	**359**	716
Target 3	**178**	—
Other assets	**101**	20
Mine Waste Solutions	**96**	—
West Wits	**35**	—
Unisel	**—**	6
+ 10% increase		
Target 3	**178**	—

[1] *The carrying amounts of these CGUs include goodwill, and any impairment losses are allocated first to goodwill and then to the identifiable assets.*

At all other operations, a 10% increase in the gold price would have resulted in no impairments being recorded.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2021

6 CORPORATE, ADMINISTRATION AND OTHER EXPENDITURE

	SA Rand		
Figures in million	**2021**	2020	2019
Professional and legal fees	**52**	45	54
Compliance and assurance costs	**51**	39	46
Corporate business development (a)	**221**	19	19
Corporate office expenditure (b)	**707**	486	611
Other corporate and administration expenses	**37**	22	1
Total corporate, administration and other expenditure	**1 068**	611	731

(a) The increase in corporate business development is largely attributable to the integration costs of R205 million (2020: R4 million) related to the acquisition of Mponeng operations and related assets. Refer to note 9 for further detail.

(b) The increase in corporate office expenditure in 2021 is mainly due to the increase in remuneration costs and employee incentive payments from a reduced base in the 2020 financial year following the group-wide pay cuts in response to Covid-19.

7 TAXATION

The taxation (expense)/credit for the year is as follows:

	SA Rand		
Figures in million	**2021**	2020	2019
SA taxation			
Mining tax (a)	**(464)**	(56)	(19)
– Current year	**(467)**	(61)	(14)
– Prior year	**3**	5	(5)
Non-mining tax (b)	**(80)**	(2)	(124)
– Current year	**(81)**	(2)	(121)
– Prior year	**1**	—	(3)
Deferred tax (c)	**(714)**	(197)	282
– Current year	**(714)**	(197)	282
Total taxation (expense)/credit	**(1 258)**	(255)	139

(a) Mining tax on gold mining taxable income in South Africa is determined according to a formula, based on the taxable income from mining operations. In total, 5% of total revenue is exempt from taxation while the remainder is taxable at a higher rate (up to a maximum of 34%) than non-mining income (28%) as a result of applying the gold mining formula. Mining and non-mining income of Australian entities and the Papua New Guinea operation are taxed at a standard rate of 30%.

All qualifying mining capital expenditure is deducted from taxable mining income to the extent that it does not result in an assessed loss. Accounting depreciation is eliminated when calculating the South African mining tax income. Excess capital expenditure is carried forward as unredeemed capital to be claimed from future mining taxable income. The group has several tax paying entities in South Africa. In terms of the mining ring-fencing application, each ring-fenced mine is treated separately and deductions can normally only be utilised against mining income generated from the relevant ring-fenced mine.

The movement in foreign exchange translation from losses in the prior year to gains in the current year as well as higher mining taxable income due to the increase of revenue resulted in the increase in the current tax expense during FY21. This was also impacted by certain companies within the group using their unredeemed capital allowances as well as assessed losses.

(b) Non-mining taxable income of mining companies and the taxable income for non-mining companies are taxed at the statutory corporate rate of 28%.The expense for 2021 and 2019 relates to non-mining tax arising from derivative gains (realised and unrealised) recognised on the foreign currency derivatives as well as the realised gains on the commodity forward sale contracts. During 2020, the losses on the derivative contracts resulted in non-mining tax losses. See discussion on deferred tax in (c). Refer to note 11 for details on the group's derivative gains and losses recorded.

7 TAXATION continued

(c) The deferred tax rate used to calculate deferred tax is based on the current estimate of future profitability when temporary differences will reverse based on tax rates and tax laws that have been enacted at the balance sheet date. Depending on the profitability of the operations, the deferred tax rate can consequently be significantly different from year to year.

Following the completion of the annual life-of-mine plans, management revised the weighted average deferred tax rates for all the South African operations. The higher gold price assumption used resulted in an increase in the estimated profitability and consequently higher rates than in the prior year for certain subsidiaries. Refer to note 5 for the assumptions used. These changes, together with changes in the temporary differences, had the following impacts:

- The change in rates on temporary differences at the individual company level, other than hedge accounted derivatives, resulted in an increase in the deferred tax expense and liability to the amount of R55 million
- Unwinding of temporary differences related to unredeemed capital expenditure balance resulted in an increase of R301 million in the deferred tax expense
- Unwinding of temporary differences related to the assessed loss balance resulted in an increase of R144 million in the deferred tax expense
- The Rand strengthened during the year which had the effect of reducing the loss on the Rand gold contracts that matured during the 2021 financial year as well as positively impacting those that were outstanding at 30 June 2021. Refer to notes 11 and 15 for detail. The temporary differences related to the Rand gold derivatives changed from deductible temporary differences (ie resulting in a deferred tax asset) to taxable temporary differences (ie resulting in a deferred tax liability). Management assessed the rates at which the temporary differences are expected to reverse and revised the rate from the weighted average deferred tax rate to the non-mining tax rate of 28%. This accounts for R184 million of the deferred tax expense charged directly to other comprehensive income
- As at 30 June 2020 a deferred tax asset was recognised in Harmony Gold Mining Company Limited (Harmony Company) and Randfontein Estates Limited (Randfontein Estates). Subsequently, the net deferred tax asset balance has decreased due to the utilisation of assessed losses, unredeemed capital expenditure and a decrease in the net derivative liability. Harmony Company's deferred tax asset balance reduced to R175 million while Randfontein Estates' deferred tax asset became a deferred tax liability. Furthermore, the newly acquired Chemwes (Pty) Limited (Chemwes Company) is in a net deferred tax asset position.

A deferred tax asset continues to be recognised for Harmony Company at 30 June 2021 as it is considered probable that sufficient future taxable profits will be available against which the remaining deductible temporary differences existing at the reporting date can be utilised. Management also believes there will be sufficient future taxable income from the operations owned by Chemwes Company and therefore the entire balance of R97 million was recognised at 30 June 2021.

Income and mining tax rates

The tax rate remained unchanged for the 2019, 2020 and 2021 years.

Major items causing the group's income tax provision to differ from the South African mining statutory tax rate of 34% were:

	SA Rand		
Figures in million	**2021**	2020	2019
Tax (expense)/credit on net profit/loss at the mining statutory tax rate	**(2 170)**	202	934
Non-allowable deductions and non-taxable items	**(153)**	(221)	(241)
Share-based payments	**(49)**	(62)	(70)
Gain on bargain purchase	**102**	—	—
Acquisition and integration costs	**(75)**	—	—
Impairment of assets	**(64)**	—	(2)
Exploration expenditure	**—**	(55)	(36)
Finance costs	**(50)**	(76)	(68)
Other	**(17)**	(28)	(65)
Movement in temporary differences related to property, plant and equipment	**378**	(355)	(1 388)
Movements in temporary differences related to other assets and liabilities	**(465)**	(452)	98
Difference between effective mining tax rate and statutory mining rate on mining income	**145**	10	(175)
Difference between non-mining tax rate and statutory mining rate on non-mining income	**17**	—	19
Effect on temporary differences due to changes in effective tax rates[1]	**(55)**	(469)	83
Prior year adjustment	**(4)**	5	(8)
Capital allowances[2]	**860**	766	684
Deferred tax asset not recognised[3]	**189**	34	133
Deferred tax asset previously not recognised now recorded[4]	**—**	225	—
Income and mining taxation (expense)/credit	**(1 258)**	(255)	139
Effective income and mining tax rate (%)	**20**	(43)	5

[1] *This mainly relates to movements in the deferred tax rate related to Harmony (29.8% to 27.4%) (2020: 25.7% to 29.8%) (2019: 10.5% to 25.7%), Freegold (11.4% to 12.1%) (2020: 8.1% to 11.4%) (2019: 8.7% to 8.1%), Randfontein Estates (10.1% to 5.1%) (2020: 4.5% to 10.1%) (2019: 1.8% to 4.5%) and Moab (17.3% to 17.6%) (2020: 4.7% to 17.3%) (2019: 9.1% to 4.7%).*

[2] *This relates to the additional capital allowance that may be deducted from taxable income from mining operations in South Africa. A significant portion relates to Avgold Limited (Avgold) which has a 0% effective tax rate.*

[3] *This relates to tax losses and deductible temporary differences for which future taxable profits are uncertain and are not considered probable.*

[4] *In 2020, the assessment on whether there would be future profits for Harmony Company as well as taxable temporary differences which the deductible temporary differences can be reversed against was performed. Management concluded that there would be and therefore the deferred tax asset not recognised in FY19 was recognised at 30 June 2020.*

8 EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net income attributable to shareholders by the weighted number of ordinary shares in issue during the year.

	2021	2020	2019
Basic weighted average number of ordinary shares in issue (000)	**604 286**	535 336	523 809
Total net profit/(loss) attributable to shareholders (R million)	**5 087**	(878)	(2 607)
Total basic earnings/(loss) per share (SA cents)	**842**	(164)	(498)

Diluted earnings/(loss) per share

	2021	2020	2019
Weighted average number of ordinary shares for diluted earnings per share[1] (000)	**616 385**	547 194	533 346
Total diluted earnings/(loss) per share (SA cents)[2]	**825**	(166)	(500)

[1] *Due to the net loss attributable to shareholders in 2020 and 2019, the inclusion of the share options as potential ordinary shares had an anti-dilutive effect on the loss. The issue price and the exercise price of share options issued to employees include the fair value of any service to be supplied to the entity in the future under the share option or other share-based payment arrangement.*

[2] *The dilution in 2020 and 2019 is as a result of the potential reduction in earnings attributable to equity holders of the parent company as a result of the exercise of the Tswelopele Beneficiation Operation (TBO) option. TBO contributed a profit and therefore the reduction in earnings attributable to Harmony would increase the loss and loss per share. Following the vesting of the option in December 2019, there has been no further impact.*

Headline earnings/(loss) per share

The calculation of headline earnings/(loss), net of tax, per share is based on the basic earnings/(loss) per share calculation adjusted for the following items:

		SA Rand	
Figures in million	**2021**	2020	2019
Net profit/(loss)	**5 087**	(878)	(2 607)
Adjusted for:			
Impairment of assets[1]	**1 124**	—	3 898
Taxation effect on impairment of assets	**(93)**	—	(239)
Gain on bargain purchase[2]	**(303)**	—	—
Profit on sale of property, plant and equipment	**(11)**	(2)	(5)
Taxation effect on profit on sale of property, plant and equipment	**2**	—	—
Loss on scrapping of property, plant and equipment	**161**	62	21
Taxation effect on loss on scrapping of property, plant and equipment	**(8)**	(10)	(1)
Headline earnings/(loss)	**5 959**	(828)	1 067
Basic headline earnings/(loss) per share (cents)	**987**	(154)	204
Diluted headline earnings/(loss) per share (cents)[3]	**967**	(157)	197

[1] *This total includes the impairment of goodwill which does not have a tax effect.*

[2] *There is no taxation effect on this item.*

[3] *Due to the net profit attributable to shareholders, the inclusion of the share options as potential ordinary shares had a dilutive effect on the earnings per share in 2021 and 2019, whereas the net loss in 2020 had an anti-dilutive effect. The 2020 and 2019 diluted headline earnings/(loss) per share also include the potential impact of exercising the TBO option as explained above.*

Dividends

- The board declared an interim ordinary dividend of 110 SA cents for the year ended 30 June 2021. In total, R677 million was paid on 19 April 2021. No dividends were paid on ordinary shares by Harmony during the 2020 and 2019 financial years
- The board declared a final ordinary dividend of 27 SA cents for the year ended 30 June 2021, payable on 18 October 2021.

		SA Rand	
	2021	2020	2019
Dividend declared (millions)	**677**	—	—
Dividend per share (cents)	**110**	—	—

9 ACQUISITIONS AND BUSINESS COMBINATIONS

Acquisition of Anglogold Ashanti's remaining South African operations

On 12 February 2020, Harmony announced that it had reached an agreement with AGA to purchase the Mponeng operations and related assets and liabilities. Harmony's primary goal with the acquisition is to improve the group's overall recovered grade and increase cash flow margins. The transaction includes the following assets and liabilities:

- The Mponeng, Tau Tona and Savuka mines and associated rock-dump and tailings storage facility reclamation sites, mine rehabilitation and closure activities located in the West Wits region and their associated assets and liabilities
- Certain rock-dump reclamation, mine rehabilitation and closure activities located in the Vaal River region and their associated assets and liabilities (the VR remaining assets)
- 100% of the share capital of First Uranium (Pty) Limited which owns Mine Waste Solutions and Chemwes company as well as associated tailings assets and liabilities (the FUSA Group)
- 100% of the share capital of Covalent Water Company (Pty) Limited (CWC), AGA Security Services (Pty) Limited and Masakhisane Investments (Pty) Limited.

The last condition precedent for the acquisition was fulfilled during September 2020, resulting in an acquisition date of 1 October 2020.

CGUs identified

Based on management's assessment the transaction meets the definition of a business combination as defined by IFRS 3. The following CGUs were identified in the acquisition:

- The Mponeng business, consisting of the Mponeng, Tau Tona and Savuka mines, forming a single complex, and their associated assets and liabilities, including CWC
- The West Wits closure business, consisting of the Savuka plant and associated rock-dump and tailings storage facility reclamation sites, mine rehabilitation and closure activities located in the West Wits region and the associated assets and liabilities
- Mine Waste Solutions
- The Vaal River closure business, consisting of certain rock-dump reclamation, mine rehabilitation and closure activities located in the Vaal River region and their associated assets and liabilities.

Consideration transferred

Consideration for the transaction amounted to a cash payment of R3.4 billion (US$200 million), paid on 30 September 2020, and contingent consideration subject to the following criteria:

- US$260 per ounce payable on all underground production from the Mponeng, Savuka and Tau Tona mines in excess of 250 000 ounces per year for six years commencing 1 January 2021
- US$20 per ounce payable on underground production from the Mponeng, Savuka and Tau Tona mines sourced from levels developed in the future below the current infrastructure.

As at 1 October 2020, the contingent consideration was valued at R544 million by using the discounted cash flows valuation method, discounted at a post-tax real rate of 10.6%. The fair value calculated for the contingent consideration is level 3 in the fair value hierarchy due to the use of unobservable inputs. The contingent consideration attributable to the below infrastructure ounces of gold was valued at Rnil at 1 October 2020. Refer to note 13 for subsequent measurement disclosure.

The amount disclosed in the cash flow statement for cash paid for the acquisition of the Mponeng operation and related assets is determined as follows:

	SA Rand
Figures in million	**Total**
Cash consideration paid	**3 366**
Cash acquired	**(3)**
Net cash paid on 30 September 2020	**3 363**

Acquisition and integration costs

The total of R124 million for acquisition costs for the year ended 30 June 2021 relates to various costs directly attributable to the acquisition process. These costs include attorney and advisory fees. There have also been costs incurred for the integration of the acquired assets into Harmony's existing structures and systems. These costs include project management and consultancy fees and software licencing costs required to interface with the Harmony systems. These costs amounted to R205 million (2020: R4 million) for the year ended 30 June 2021 and have been included in Corporate, administration and other expenditure.

9 ACQUISITIONS AND BUSINESS COMBINATIONS continued

Acquisition of Anglogold Ashanti's remaining South African operations continued

Identifiable assets acquired and liabilities assumed

Critical accounting estimates and judgements

Key assumptions for the valuation of the respective CGUs are the gold prices, marketable discount rates, exchange rates and life-of-mine plans. Due to the volatility associated with the potential upside driven by the higher gold prices in the short to medium term, management opted to adopt conservative gold price assumptions in order to accommodate for this, which is still in line with a market participant's view. Management has considered the impact of Covid-19 on the valuations performed and made adjustments to the production and cost estimates for the respective CGUs.

The fair value of the identifiable net assets acquired was determined on the expected discounted cash flows based on the life-of-mine plans of the Mponeng business (Mponeng), West Wits closure business (WW), Mine Waste Solutions (MWS) and the Vaal River closure business (VR). The post-tax real discount rates used ranged from 8.5% to 11.6%, real exchange rates ranged between R14.41/US$1 and R16.75/US$1 while real gold prices ranged between US$1 308/oz and US$1 784/oz over the valuation period. The valuation was performed as at 1 October 2020.

As part of determining the fair value of the provision for environmental rehabilitation the pre-tax risk-free rates used for discounting ranged between 5.1% and 11.5% while inflation of 5.0% was used for cost escalation.

The fair value of the unfavourable contract liability which forms part of the streaming arrangement with Franco-Nevada was measured at the difference between a market analyst consensus of gold prices and the fixed cash consideration to be received for gold delivered. A post-tax real rate of 11.6% was used to discount the liability over the expected period of delivery to settle the contract.

The deferred tax rates used to calculate deferred tax is based on the current estimate of future profitability when temporary differences will reverse based on tax rates and tax laws that have been enacted at acquisition date. The calculated deferred tax rates as at 1 October 2020 were 15.0% for Mponeng and WW, 20.8% for VR and 18.4% for MWS.

Fair value determination of acquired operations

For the period ended 31 December 2020, the fair value exercise was prepared on a provisional basis in accordance with IFRS 3. During the measurement period, being the 12 months permitted in terms of IFRS 3 for the completion of the fair value exercise, Harmony received new information relating to the expected production profiles of Mponeng and MWS, operating costs of the acquired operations, closure costs for environmental rehabilitation, trade and other receivables and trade and other payables that existed at acquisition date. There were changes to the life-of-mine plans which impacted the discounted cash flows used in the valuations of the CGUs. The change in the production profile of Mponeng impacted the valuation of the contingent consideration liability as at 1 October 2020. Other than changes to the expected production profiles, operating and rehabilitation closure costs, no other key valuation assumptions were revised.

Management considers the revised purchase price allocation to be final and the accounting for the acquisition to be concluded as at 30 June 2021. The final amounts for the identifiable assets acquired and liabilities assumed have been included below.

The fair values as at the acquisition date are as follows:

	SA Rand		
	2021		
Figures in million	Provisional fair value	Measurement period adjustment	Final fair value
Non-current assets			
Property, plant and equipment	6 547	(523)	6 024
Restricted investments	1 268	—	1 268
Deferred tax assets	103	119	222
Current assets			
Inventories	454	—	454
Trade and other receivables[1]	59	(12)	47
Cash and cash equivalents	3	—	3
Non-current liabilities			
Deferred tax liabilities	(251)	84	(167)
Provision for environmental rehabilitation	(1 442)	(414)	(1 856)
Other non-current liabilities	(41)	—	(41)
Streaming contract liability	(938)	—	(938)
Current liabilities			
Trade and other payables	(535)	211	(324)
Streaming contract liability	(479)	—	(479)
Fair value of net identifiable assets acquired at 1 October 2020	4 748	(535)	4 213

[1] *The gross contractual amounts receivable is equal to the fair value of the receivables as at acquisition date.*

9 ACQUISITIONS AND BUSINESS COMBINATIONS continued

Acquisition of Anglogold Ashanti's remaining South African operations continued

Fair value determination of acquired operations continued

Groundwater pollution liability

During an assessment of the environmental liabilities associated with the acquisition, a risk related to the potential decant and pollution of groundwater from the tailings storage facilities was identified. Harmony has done an initial assessment and plans on using physo-remediation to assist in mitigating the risk.

A contingent liability acquired in a business combination is recognised in the acquisition accounting if it is a present obligation and its fair value can be measured reliably. Based on Harmony's assessment, a liability of R230 million has been raised as part of the provision for environmental rehabilitation assumed in the business combination.

Performance of acquired operations

For the nine months ended 30 June 2021, the operations acquired contributed revenue of R7 920 million and profit of R1 641 million. Should the acquisition have occurred on 1 July 2020, the group's pro forma consolidated revenue would have been R44 718 million and pro forma consolidated profit would have been R6 087 million.

Adjustments made to pro forma information

For the nine months, October 2020 to June 2021, the revenue and production cost figures as per the segmental operating results were used, with adjustments made to determine the profit/(loss) after tax of the acquired operations. These adjustments were:

- Non-cash consideration recognised from the streaming arrangement
- Depreciation expensed
- Costs incurred directly attributable to the acquisition
- Investment income recognised from restricted investments
- Finance costs recognised for provisions for environmental rehabilitation
- Change in estimate of provision for environmental rehabilitation recognised in the income statement
- Finance costs recognised for significant financing components of the streaming arrangement.

For the three months of July to September 2020 (Q1), the segment operational results of AGA was used. Adjustments made to pro forma information to determine profit/(loss) were as follows:

- Depreciation expensed for Q1 was estimated to be the same as Q2, based on the fair values determined as at 1 October 2020. AGA did not recognise depreciation for Q1 in line with IFRS 5 *Non-Current Assets Held For Sale*
- Non-cash consideration from the streaming arrangement, finance costs for provisions for environmental rehabilitation and the streaming arrangement for Q1 were based on the fair values determined as at 1 October 2020, using Harmony's accounting policies.

Gain on bargain purchase

Gain on bargain purchase has been recognised as follows:

	SA Rand		
	2021		
Figures in million	Provisional fair value	Measurement period adjustment	Final fair value
Consideration paid			
– Cash consideration	**3 366**	**—**	**3 366**
– Contingent consideration	**229**	**315**	**544**
Fair value of net identifiable assets acquired	**(4 748)**	**535**	**(4 213)**
Gain on bargain purchase	**(1 153)**	**850**	**(303)**

The gain on bargain purchase realised can be attributed to the higher gold prices and Rand/US dollar exchange rate assumptions that were used in the business valuations performed as at 1 October 2020 when compared to the assumptions used when the transaction was negotiated. The gold price and exchange rate assumptions were impacted by the market uncertainty surrounding Covid-19, which has had a significant impact on the short and medium-term assumptions that were included in the valuations.

The gain on bargain purchase has been included as a separate line item in the income statement.

10 OTHER NON-CURRENT ASSETS

During FY21 year end, the loan to the ARM Broad-Based Economic Empowerment Trust (the ARM BBEE Trust) was refinanced to allow a sufficient and sustainable repayment structure. Following the restructuring, Harmony advanced R264 million to the ARM BBEE Trust to which the Trust used the amount for the repayment of the outstanding balance under the previous loan agreement. The loan under the revised loan agreement is interest-free and is receivable on the maturity of the loan on 30 June 2035. The loan is unsubordinated and unsecured. The loan does not meet the requirements for amortised cost measurement as it fails the solely payments of principal and interest characteristics. It is therefore classified as a fair value through profit or loss instrument (refer to the fair value determination section in note 15 for detail). The refinancing of the loan resulted in a day one expense of R87 million, which is included in investment income.

11 DERIVATIVE FINANCIAL INSTRUMENTS

The group has the following derivative financial instruments:

Figures in million (SA Rand)	Rand gold hedging contracts (a)	US$ gold hedging contracts	US$ silver contracts	Foreign exchange contracts	Rand gold derivative contracts	Total
At 30 June 2021						
Derivative financial assets	**1 358**	**48**	**10**	**383**	**—**	**1 799**
Non-current	**279**	**40**	**9**	**—**	**—**	**328**
Current	**1 079**	**8**	**1**	**383**	**—**	**1 471**
Derivative financial liabilities	**(41)**	**(73)**	**(98)**	**—**	**—**	**(212)**
Non-current	**—**	**—**	**(6)**	**—**	**—**	**(6)**
Current	**(41)**	**(73)**	**(92)**	**—**	**—**	**(206)**
Net derivative financial instruments	**1 317**	**(25)**	**(88)**	**383**	**—**	**1 587**
Unamortised day one net loss included above	**(18)**	**(5)**	**—**	**—**	**—**	**(23)**
Unrealised gains/(losses) included in other reserves, net of tax	**1 069**	**(18)**	**—**	**—**	**—**	**1 051**
Movements for the year ended 30 June 2021						
Realised losses included in revenue	**(2 023)**	**(273)**	**—**	**—**	**—**	**(2 296)**
Unrealised gains/(losses) on gold contracts recognised in other comprehensive income	**2 999**	**(7)**	**—**	**—**	**—**	**2 992**
Gains/(losses) on derivatives	**—**	**—**	**(256)**	**1 217**	**111**	**1 072**
Day one loss amortisation	**(42)**	**(8)**	**—**	**—**	**—**	**(50)**
Total gains/(losses) on derivatives	**(42)**	**(8)**	**(256)**	**1 217**	**111**	**1 022**
Hedge effectiveness						
Changes in the fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	**2 999**	**(7)**	**—**	**—**	**—**	**2 992**
Changes in the fair value of the hedged item used as the basis for recognising hedge ineffectiveness	**(2 999)**	**7**	**—**	**—**	**—**	**(2 992)**

Figures in million (SA Rand)	Rand gold hedging contracts	US$ gold hedging contracts	US$ silver contracts	Foreign exchange contracts	Rand gold derivative contracts	Total
At 30 June 2020						
Derivative financial assets	19	8	11	30	—	68
Non-current	10	5	5	30	—	50
Current	9	3	6	—	—	18
Derivative financial liabilities	(3 626)	(356)	(4)	(760)	(257)	(5 003)
Non-current	(717)	(96)	(1)	(65)	—	(879)
Current	(2 909)	(260)	(3)	(695)	(257)	(4 124)
Net derivative financial instruments	(3 607)	(348)	7	(730)	(257)	(4 935)
Unamortised day one net loss included above	(18)	(8)	—	—	—	(26)
Unrealised losses included in other reserves, net of tax	(3 053)	(342)	—	—	—	(3 395)
Movements for the year ended 30 June 2020						
Realised losses included in revenue	(1 263)	(134)	—	—	—	(1 397)
Unrealised losses on gold contracts recognised in other comprehensive income	(4 820)	(391)	—	—	—	(5 211)
Gains/(losses) on derivatives	—	—	6	(1 235)	(174)	(1 403)
Unrealised losses reclassified to profit or loss as a result of discontinuance of hedge accounting	(235)	—	—	—	—	(235)
Day one loss amortisation	(34)	(6)	—	—	—	(40)
Total gains/(losses) on derivatives	(269)	(6)	6	(1 235)	(174)	(1 678)
Hedge effectiveness						
Changes in the fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	(4 820)	(391)	—	—	—	(5 211)
Changes in the fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	4 820	391	—	—	—	5 211

(a) Rand gold hedging contracts

All Rand gold forward contracts entered into after 1 October 2020 were apportioned to the South African operations which included Mponeng and Mine Waste Solutions operations.

11 DERIVATIVE FINANCIAL INSTRUMENTS continued

Figures in million (SA Rand)	Rand gold hedging contracts	US$ gold hedging contracts	US$ silver contracts	Foreign exchange contracts	Rand gold derivative contracts	Total
Movements for the year ended 30 June 2019						
Realised gain included in revenue	453	—	—	—	—	453
Unrealised gains/(losses) on gold contracts recognised in other comprehensive income	(302)	(49)	—	—	—	(351)
Gains/(losses) on derivatives	—	—	13	554	(51)	516
Day one loss amortisation	(31)	(1)	—	—	—	(32)
Total gains/(losses) on derivatives	(31)	(1)	13	554	(51)	484

The reconciliation of the hedge reserve is as follows:

	SA Rand	
Figures in million	**2021**	2020
Balance at beginning of year	**(3 395)**	(214)
Remeasurement of gold hedging contracts	**4 467**	(3 197)
Unrealised gain/(loss) on gold hedging contracts	**2 992**	(5 211)
Unrealised losses reclassified to profit or loss as a result of discontinuance of hedge accounting	**—**	235
Released to revenue on maturity of the gold hedging contracts	**2 296**	1 397
Foreign exchange translation	**(39)**	(37)
Deferred taxation thereon	**(782)**	419
Attributable to non-controlling interest	**(21)**	16
Balance at end of year	**1 051**	(3 395)
Attributable to:		
Rand gold hedging contracts	**1 069**	(3 053)
US dollar gold hedging contracts	**(18)**	(342)

12 BORROWINGS

Summary of facilities' terms

	Commenced	Tenor (years)	Matures	Secured	Security	Interest payment basis	Interest charge	Repayment term	Repaid
Existing									
R2 billion facility	November 2018	Four	November 2022	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable			n/a
- R600 million term loan							JIBAR + 2.9%	Eight equal quarterly instalments starting from February 2021 with the final instalment on maturity	
- R1.4 billion revolving credit facility							JIBAR + 2.8%	On maturity	
US$400 million facility	September 2019	Three	September 2023[1]	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	n/a
- US$200 million revolving credit facility		Extendable by one year					LIBOR + 2.9%		
- US$200 million term loan							LIBOR + 3.1%		
US$24 million Westpac loan	July 2018	Four	July 2022	Yes	Cession and pledge of vehicles and machinery	Variable	LIBOR + 3.2%	Quarterly instalments	n/a
Matured									
US$350 million facility	July 2017	Three	July 2020	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	October 2019
- US$175 million revolving credit facility							LIBOR + 3.00%		
- US$175 million term loan							LIBOR + 3.15%		
US$200 million bridge loan	June 2020	One	June 2021	Yes	Cession and pledge of operating subsidiaries' shares and claims	Variable		On maturity	July 2020[2]
						First six months	LIBOR + 1.80%		
						Next three months	LIBOR + 2.40%		
						Last three months	LIBOR + 3.00%		

[1] *The syndicate of lenders for the US$400 million facility agreed to the one year extension during July 2020, extending the maturity date to September 2023.*
[2] *This facility was cancelled on 6 July 2020 with no draw downs having been made.*

12 BORROWINGS continued

Debt covenants

The debt covenant tests for both the Rand and US dollar facilities are as follows:

- The group's interest cover ratio shall be more than five times (EBITDA[1]/total interest paid)
- Tangible net worth[2] to total net debt ratio shall not be less than four times or six times when dividends are paid
- Leverage[3] shall not be more than 2.5 times.

[1] *Earnings before interest, taxes, depreciation and amortisation (EBITDA) as defined in the agreement excludes unusual items such as impairment and restructuring cost.*
[2] *Tangible net worth is defined as total equity less intangible assets. During June 2020, lenders agreed to relax the tangible net worth to total net debt covenant, from four times to two times, until December 2020, in order to provide flexibility to the group following the disruptions from Covid-19. From 1 January 2021, the covenants reverted to the original position.*
[3] *Leverage is defined as total net debt to EBITDA.*

No breaches of the covenants were identified during the tests in the 2020 and 2021 financial years. Management believes that it is very likely that the covenant requirements will be met in the foreseeable future given the current earnings and interest levels, as well as the net debt position.

Interest-bearing borrowings

	SA Rand	
Figures in million	**2021**	2020
Non-current borrowings		
R2 billion facility	**153**	1 351
Westpac fleet loan	**22**	132
US$350 million facility	**—**	—
US$400 million facility	**2 799**	5 980
Total non-current borrowings	**2 974**	7 463

	SA Rand	
Figures in million	**2021**	2020
Current borrowings		
R2 billion facility	**300**	150
Westpac fleet loan	**87**	105
Total current borrowings	**387**	255
Total interest-bearing borrowings	**3 361**	7 718

	SA Rand	
Figures in million	**2021**	2020
The maturity of borrowings is as follows		
Current	**387**	255
Between one and two years	**175**	405
Between two and three years	**2 799**	7 058
	3 361	7 718

	SA Rand	
Figures in million	**2021**	2020
Undrawn committed borrowing facilities		
Expiring within one year	**—**	—
Expiring after one year	**4 254**	1 366
	4 254	1 366

	SA Rand		
Figures in million	**2021**	2020	2019
Foreign exchange translation gain/(loss) on borrowings[1]			
Rand/US dollar exchange rate	**894**	(970)	(99)
Closing/spot	**14.27**	17.32	14.13
Average	**15.40**	15.66	14.18

[1] *The remainder of foreign exchange transaction gain or loss included in profit or loss relates to the translation of cash from a foreign currency to the functional currencies of the operating entities.*

13 CONTINGENT CONSIDERATION

Accounting policy

The contingent consideration liability was initially recognised at fair value on 1 October 2020 in accordance with IFRS 3. The liability was included as part of the consideration transferred for the acquisition of the Mponeng operations and related assets (refer to note 9 for further disclosure on the acquisition). Changes in the fair value of the liability subsequent to initial recognition are included in other operating expenses.

Critical accounting estimates and judgements

The contingent consideration liability was initially valued using the discounted cash flow valuation method, discounted at a post-tax real rate of 10.6%. Other assumptions are the forecast Rand/US$ exchange rate and life-of-mine plans. Subsequent to initial recognition, the assumptions applied for the valuation of the liability were updated. As at 30 June 2021, the contingent consideration was valued using a post-tax real discount rate of 10.3%. Refer to note 5 for R/US$ exchange rates used in the valuation as at 30 June 2021. The fair value calculated for the contingent consideration is level 3 in the fair value hierarchy due to the use of unobservable inputs. At both 1 October 2020 and 30 June 2021, the contingent consideration attributable to the below infrastructure ounces of gold was valued at Rnil.

The movement in the contingent consideration liability is as follows:

	SA Rand
Figures in million	**2021**
Balance as at 1 October 2020 – initial recognition	**544**
Remeasurement of contingent consideration[1]	**(127)**
Balance as at 30 June 2021	**417**

[1] *The remeasurement of the liability relates primarily to a change in the production profile, which is based on Harmony's life-of-mine plan at 30 June 2021.*

14 STREAMING ARRANGEMENTS

Streaming arrangement with Franco-Nevada Barbados

Harmony's subsidiary, Chemwes, which owns the MWS operation, has a contract with Franco-Nevada Barbados (Franco-Nevada). Franco-Nevada is entitled to receive 25% of all the gold produced through MWS. As part of the acquisition of MWS (refer to note 9), Harmony assumed the obligations enforced by the Franco-Nevada contract.

The contract is a streaming agreement that commenced on 17 December 2008 for which Franco-Nevada paid US$125 million upfront for the right to purchase 25% of the gold production through MWS for a fixed amount of consideration until the balance of gold cap is delivered. As at 1 October 2020, the US$125 million upfront payment has been settled. The gold cap is a provision included in the contract, which stipulates the maximum quantity of gold to be sold to Franco-Nevada over the term of the agreement. The consideration is determined as the lower of the quoted spot gold price as per the London Metals Exchange or US$400 per ounce adjusted with an annual escalation adjustment.

Harmony does not have an existing streaming arrangement and therefore a new accounting policy was developed for the classification and measurement of the transaction.

Accounting policy

The streaming contract was assessed and has been accounted for as an own-use customer contract. At acquisition, the Franco-Nevada contract was initially recognised at a fair value (refer to note 9) of R1.4 billion in accordance with IFRS 3. The fair value of the contract took into consideration the existing unfavourable gold price terms at acquisition, in relation to the comparative market gold price.

The obligation to deliver the contractually stipulated ounces over the remaining term of the agreement results in a significant financing component. The interest accrues on the contract liability over the remaining contractual term. As the performance obligation to deliver gold is met, the contract liability unwinds into revenue classified as "consideration from streaming contract" in note 4.

The current portion of the liability is determined with reference to the current production profile of MWS for the next 12 months.

Critical accounting estimates and judgements

Refer to note 9 for the critical estimates and judgements relating to the initial recognition of the streaming contract liability. Changes in the production plan will affect the subsequent measurement prospectively. This is the only input that is considered for subsequent measurement. Harmony's cost of debt of 7.7% was used to impute the finance cost for the significant financing component recognised on the streaming contract liability.

Contract liability and gold delivered

As at 1 October 2020, the balance of gold ounces to be delivered to Franco-Nevada amounted to 100 686oz. Subsequent to 1 October 2020, 16 257oz had been delivered to Franco-Nevada, bringing the balance of gold ounces to be delivered as at 30 June 2021 to 84 429oz.

14 STREAMING ARRANGEMENTS continued

Contract liability and gold delivered continued

The contract price receivable in US$/oz for each ounce of gold delivered is as follows:

- 1 October 2020 – 16 December 2020: US$433/oz
- 17 December 2020 – 30 June 2021: US$437/oz

Reconciliation of the streaming contract liability:

	SA Rand
Figures in million	2021
Balance at 1 October 2020 – initial recognition	**1 417**
Finance costs related to significant financing component	**71**
Non-cash consideration for delivery of gold ounces (included in Revenue)	**(397)**
Balance as at 30 June 2021	**1 091**
– Current	**396**
– Non-current	**695**

15 FINANCIAL RISK MANAGEMENT

Market risk

Foreign exchange risk

Harmony's revenues are sensitive to the Rand/US dollar exchange rate as all revenues are generated by commodity sales denominated in US dollar. Harmony may enter into hedging transactions to reduce this risk. The limit currently set by the board is 25% of the group's foreign exchange risk exposure for a period of 24 months. Refer to note 11 and the fair value determination for financial assets and liabilities section below for details of the contracts. The audit and risk committee review the details of the programme quarterly.

The Rand strengthened during the current financial year, from R17.32/US$1 on 30 June 2020 and closed at R14.27/US$1 on 30 June 2021. This reduced the losses on contracts that matured during the year and positively impacted on the valuations of contracts that were outstanding at 30 June 2021.

The group is exposed to foreign exchange risk arising from borrowings and cash denominated in a currency other than the functional currency of that entity. As of 1 October 2020, the contingent consideration liability has also been included. Refer to note 13 for details. These exposures are mainly to the US dollar. The Rand's levels impacted positively on the translation of the US dollar debt facilities at 30 June 2021. Refer to note 12 for further detail.

Translation of the international net assets was impacted by a strengthening of the Rand against the Australian dollar from R11.96/A$1 at 30 June 2020 to R10.72/A$1. A loss of R1.2 billion has been recognised in other comprehensive income relating to the translation of the international net assets to Rand.

Commodity price sensitivity

The profitability of the group's operations, and the cash flows generated by those operations, are affected by changes in the market price of gold, and in the case of Hidden Valley, silver as well. Harmony entered into Rand gold and US dollar forward gold sale contracts to manage the variability in cash flows from the group's production, to create cash certainty and protect the group against lower commodity prices. The general limit for gold hedging currently set by the board is 20% for a 24-month period. The limit set by the board is 50% of silver exposure over a 24-month period. Management continues to top up these programmes as and when opportunities arise to lock-in attractive margins for the business, but are not required to maintain hedging at these levels. The audit and risk committee review the details of the programme quarterly.

The Rand strengthened during the year (as discussed above), which had the effect of reducing the loss on the contracts that matured during the 2021 financial year as well as positively impacting those that were outstanding at 30 June 2021.

Interest rate risk

Low interest rates facilitated by both the US Federal Reserve and the SARB, the strengthening of the Rand with regards to the cost of servicing US dollar facilities, as well as the decreased debt levels, as discussed in the capital risk management section below had a favourable impact on the cost of debt during the year.

Credit risk

Financial instruments which are subject to credit risk are restricted cash and investments, derivative financial instruments and cash and cash equivalents, as well as trade and other receivables (excluding non-financial instruments).

During June 2020, Fitch downgraded the major SA banks by one notch to AA- from AA following the impact of Covid-19. This rating drop did not have a significantly adverse impact on the credit worthiness of the group's counterparts (SA financial institutions). Fitch increased the credit rating of the major banks to AA+ on 22 December 2020, citing the financial institutions risk appetite and corporate conduct as key factors of the upgrade. At 30 June 2021, the rating of major SA banks remained AA+.

15 FINANCIAL RISK MANAGEMENT continued

Credit risk continued

Therefore the national scale investment grade rating of these banks remains in line with the group's credit risk policy. An assessment of the expected credit losses for the financial assets measured at amortised costs at 30 June 2021 resulted in an immaterial amount for each instrument, in line with the assessment performed in 2020.

Management will continue to review the underlying strength of the South African economy as well as the creditworthiness of the financial institutions during this time and make any changes deemed necessary to safeguard the assets and reduce the credit risk.

Capital risk management

The group's positive financial performance has resulted in the considerable generation of cash throughout the financial year, assisting in the repayment of debt facilities (refer to note 12). It remains the group's objective to adhere to a conservative approach to debt and maintain low levels of gearing.

Net debt is as follows:

	SA Rand	
Figures in million	**2021**	2020
Cash and cash equivalents	**2 819**	6 357
Borrowings	**(3 361)**	(7 718)
Net debt	**(542)**	(1 361)

There were no changes to the group's approach to capital management during the year.

Fair value determination for financial assets and liabilities

The fair value levels of hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from other prices)

Level 3: Inputs for the asset that are not based on observable market data (that is, unobservable inputs).

The following table sets out the group’s assets and liabilities measured at fair value by level within the fair value hierarchy:

	SA Rand				
Figures in million	**At 30 June 2021**			At 30 June 2020	
	Level 1	**Level 2**	**Level 3**	**Level 2**	**Level 3**
Fair value through other comprehensive income					
Other non-current assets (a)	**—**	**—**	**74**	—	77
Restricted cash and investments (b)	**252**	**—**	**—**	—	—
Fair value through profit or loss					
Restricted cash and investments (b)	**—**	**1 391**	**—**	837	—
Derivative financial assets (c)	**—**	**1 799**	**—**	68	—
Derivative financial liabilities (c)	**—**	**(212)**	**—**	(5 003)	—
Loan to ARM BBEE Trust (d)	**—**	**—**	**177**	—	306
Contingent consideration liability (e)	**—**	**—**	**(417)**	—	—

(a) The majority of the balance relates to the equity investment in Rand Mutual Assurance. The fair value of the investment was estimated with reference to an independent valuation. A combination of the “Embedded Valuation” and “Net Asset Value” techniques were applied to revalue the investment as at 30 June 2021. In evaluating the group’s share of the business, common practice marketability and minority discounts as well as additional specific risk discounts were applied.

(b) The level 1 valued assets were acquired as part of the Mponeng operations and related assets (refer to note 9) and comprises listed equity securities designated as fair value through other comprehensive income instruments. The majority of the level 2 valued assets are directly derived from the Top 40 index on the JSE, and are discounted at market interest rates. This relates to equity-linked deposits in the group's environmental rehabilitation trust funds. The remaining balance of the environmental trust funds is carried at amortised cost and therefore not disclosed here.

(c) The mark-to-market remeasurement of the derivative contracts was determined as follows:
- Foreign exchange contracts comprise of zero cost collars and FECs: The zero cost collars were valued using a Black Scholes valuation technique derived from spot Rand/US dollar exchange rate inputs, implied volatilities on the Rand/US dollar exchange rate, rand/US dollar inter-bank interest rates and discounted at a market interest rate (zero-coupon interest rate curve). The value of the FECs is derived from the forward Rand/US dollar exchange rate and discounted at a market interest rate (zero coupon interest rate curve)
- Rand gold contracts (forward sale contracts): spot Rand/US dollar exchange rate, Rand and dollar interest rates (forward points), spot US dollar gold price, differential between the US interest rate and gold lease interest rate which is discounted at a market interest rate
- US dollar gold contracts (forward sale contracts): spot US dollar gold price, differential between the US interest rate and gold lease interest rate and discounted at a market interest rate
- Silver contracts (zero cost collars): a Black Scholes valuation technique, derived from spot US dollar silver price, strike price, implied volatilities, time to maturity and interest rates and discounted at a market interest rate investments.

15 FINANCIAL RISK MANAGEMENT continued

Fair value determination for financial assets and liabilities continued

(d) Following the refinancing of the loan (refer to note 10), the current year fair value movement was calculated using a discounted cash flow model, taking into account forecasted dividends payments over the estimated repayment period of the loan at a rate of 7.9%. A discounted cash flow model, taking into account projected interest payments and the projected African Rainbow Minerals Limited (ARM) share price on the expected repayment date and using a discount rate of 9.8%, was applied to determine the prior year's fair value. A 74 basis point change in the discount rate, which would represent a reasonably possible change based on expected movements in lending rates, would not cause a material change in the fair value of the loan.

(e) The consideration for the Mponeng operations and related assets (refer to note 9) includes a contingent consideration determined using the expected gold production profile for Mponeng at a post-tax real rate of 10.3%. Should the expected gold production profile increase by 7% or decrease by 7%, the contingent consideration liability would increase by R208 million or decrease by R183 million, respectively. This represents reasonably expected changes which were determined based on the standard deviation of previous years' production of the Mponeng operation. No other reasonable expected changes in key unobservable inputs would have caused a material change in the fair value of the liability.

The carrying values (less any impairment allowance) of short-term financial instruments are assumed to approximate their fair values. This includes restricted cash and investments carried at amortised cost. The fair values of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is at floating interest rates. The fair value of borrowings is based on discounted cash flows using a current borrowing rate. The determination of the fair values are level 3 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

16 COMMITMENTS AND CONTINGENCIES

Commitments and guarantees

	SA Rand	
Figures in million	**2021**	2020
Capital expenditure commitments		
Contracts for capital expenditure	**341**	262
Share of joint operation's contracts for capital expenditure	**32**	106
Authorised by the directors but not contracted for	**7 425**	1 314
Total capital commitments	**7 798**	1 682

This expenditure will be financed from existing resources and, where appropriate, borrowings. The increase year on year is due to the inclusion of a number of expansion projects in the life-of-mine plans for FY22. These projects include the Zaaiplaats extension at Moab Khotsong, the Kareerand deposition extension at MWS and the Hidden Valley extension.

Contractual obligations in respect of mineral tenement leases amount to R17 million (2020: R19 million). This includes R17 million (2020:19 million) for the Wafi-Golpu joint operation.

	SA Rand	
Figures in million	**2021**	2020
Guarantees		
Guarantees and suretyships[1]	**481**	143
Environmental guarantees[2]	**479**	479
Total guarantees	**960**	622

[1] The increase is due to additional guarantees following the acquisition of Mponeng operations and related assets required for power services.
*[2] At 30 June 2021 R146 million (2020: R104 million) has been pledged as collateral for environmental guarantees in favour of certain financial institutions. Refer to note 17 of **Financial report 2021** (available at **www.har.co.za**).*

Contingent liabilities

For detailed disclosure on contingent liabilities, refer to the **Financial report 2021** (available at **www.har.co.za**). There have been no significant changes in contingencies since 30 June 2020.

17 RELATED PARTIES

None of the directors or major shareholders of Harmony or, to the knowledge of Harmony, their families, had an interest, directly or indirectly, in any transaction from 1 July 2018 or in any proposed transaction that has affected or will materially affect Harmony or its subsidiaries, other than as stated below.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group. The remuneration of directors, prescribed officers and executive management is fully disclosed in Annexure B of the Financial report 2021 (available at www.harmony.co.za).

On 14 August 2020, Ms Shela Mohatla was appointed as group company secretary by the board of directors. At the same time Ms Marian van der Walt was appointed as senior group executive: enterprise risk and investor relations and has been regarded as a prescribed officer since then.

On 30 September 2020, Harmony announced the resignation of Mr Ken Dicks and Mr Max Sisulu as independent non-executive directors as well as the retirement of Mr Frank Abbott as executive director with effect from 30 September 2020.

On 18 December 2020, Harmony announced the resignation of Ms Grathel Motau as independent non-executive director with effect from 18 December 2020.

On 22 February 2021, Harmony announced the appointment of Mr Peter Turner as independent non-executive director with effect from 19 February 2021.

Modise Motloba, Harmony's deputy chairman, is a director of Tysys. Tysys entered into a contract with the group during FY17 to provide services relating to the group's small and medium-enterprise development projects. The contract has a value of up to R5 million per annum. Approximately R5 million (2020: R5 million) was paid during FY21 relating to services rendered in the current and prior financial years. The contract has a 30-day notice period.

There were no other changes to the directors' interest between the reporting date and the date of the approval of the financial statements other than indicated above.

All the production of the group's South African operations is sent to Rand Refinery in which Harmony holds a 10.38% interest.

A list of the group's subsidiaries, associates and joint operations has been included in Annexure A of the Financial report 2021.

The following directors and prescribed officers owned shares in Harmony at year end:

	Number of shares	
Name of director/prescribed officer	**2021**	2020
Directors		
Peter Steenkamp[1]	**746 085**	512 000
Boipelo Lekubo[1]	**3 581**	—
Andre Wilkens	**101 301**	101 301
Frank Abbott[2]	**n/a**	1 142 010
Harry "Mashego" Mashego[1]	**3 319**	—
Ken Dicks[3]	**n/a**	35 000
Prescribed officers		
Beyers Nel[1]	**216 175**	42 486
Johannes van Heerden[1]	**166 156**	160 000
Philip Tobias[1, 4]	**347 462**	169 294
Marian van der Walt[1, 5]	**139 356**	—

[1] *Increase in FY21 related to share options that vested and were retained.*
[2] *Frank Abbott retired as an executive director effective 30 September 2020.*
[3] *Ken Dicks resigned as a non-executive director effective 30 September 2020.*
[4] *The movement in shares for the 2021 financial year includes the sale of 1 500 ordinary shares in the open market.*
[5] *Marian van der Walt was appointed as senior group executive: enterprise risk and investor relations and a prescribed officer effective 14 August 2020.*

18 SEGMENT REPORT

The group has one main economic product, being gold. In order to determine operating and reportable segments, management reviewed various factors, including geographical location as well as managerial structure. It was determined that an operating segment consists of a shaft or a group of shafts or open-pit mine managed by an operational management team.

During the 2021 financial year, Harmony completed the acquisition of the Mponeng operation, Mine Waste Solutions as well as the WW and VR closure businesses. Refer to note 9 for further information on the acquisition.

After applying the qualitative and quantitative thresholds from IFRS 8 *Operating Segments* the reportable segments were determined as: Tshepong Operations, Moab Khotsong, Bambanani, Joel, Doornkop, Target 1, Kusasalethu, Masimong, Unisel, Mponeng and Hidden Valley. All other operating segments have been grouped together under all other surface operations.

The chief operating decision-maker (CODM) has been identified as the CEO's office consisting of the CEO, FD, executive director: stakeholder relations and corporate affairs, chief operating officer: new business development, corporate strategy and projects, CEO: South-east Asia, chief operating officer: South Africa operations and, as of August 2020, the senior group executive: enterprise risk and investor relations. Previously, the executive: business development also formed part of the CEO’s office, however, the position was vacated and subsequently removed from the CEO's office following the retirement of Frank Abbott on 30 September 2020.

When assessing profitability, the CODM considers the revenue and production costs of each segment. The net of these amounts is the production profit or loss. Therefore, production profit has been disclosed in the segment report as the measure of profit or loss. The CODM also considers capital expenditure, gold production and tonnes milled when assessing the overall economic sustainability of each segment. The CODM, however, does not consider depreciation or impairment and therefore these amounts have not been disclosed in the segment report.

Segment assets consist of mining assets and mining assets under construction included under property, plant and equipment which can be attributed to the segment. Current and non-current group assets that are not allocated at a segment level form part of the reconciliation to total assets.

A reconciliation of the segment totals to the summarised financial statements has been included in note 19.

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2021

18 SEGMENT REPORT continued

	Revenue 30 June			Production cost 30 June			Production profit/(loss) 30 June			Segment assets 30 June			Capital expenditure# 30 June			Kilograms produced* 30 June			Tonnes milled* 30 June		
	2021	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019	**2021**	2020	2019
		Rand million			Rand million			Rand million			Rand million			Rand million			kg			t000	
South Africa																					
Underground																					
Tshepong Operations	**6 214**	5 452	4 685	**4 865**	4 298	3 973	**1 349**	1 154	712	**6 541**	6 733	6 297	**1 112**	930	1 130	**7 419**	7 293	7 967	**1 558**	1 417	1 612
Moab Khotsong	**6 048**	5 008	4 470	**3 842**	3 344	3 101	**2 206**	1 664	1 369	**4 008**	3 842	3 634	**633**	498	559	**7 166**	6 592	7 928	**903**	746	970
Mponeng	**4 750**	—	—	**2 938**	—	—	**1 812**	—	—	**4 321**	—	—	**493**	—	—	**5 446**	—	—	**683**	—	—
Bambanani	**1 687**	1 591	1 477	**1 156**	1 040	994	**531**	551	483	**327**	443	562	**71**	50	61	**1 992**	2 132	2 515	**227**	200	230
Joel	**1 199**	1 037	957	**1 124**	1 010	971	**75**	27	(14)	**1 166**	1 080	947	**172**	151	187	**1 424**	1 391	1 567	**359**	349	429
Doornkop	**3 077**	2 270	1 931	**2 140**	1 730	1 564	**937**	540	367	**2 994**	2 841	2 759	**425**	281	308	**3 670**	2 994	3 273	**851**	681	730
Target 1	**1 410**	1 524	1 585	**1 667**	1 499	1 491	**(257)**	25	94	**1 367**	1 276	1 076	**368**	347	297	**1 603**	2 244	2 653	**488**	543	588
Kusasalethu	**3 400**	2 293	2 975	**2 955**	2 577	2 395	**445**	(284)	580	**1 057**	1 253	1 300	**205**	188	316	**3 999**	3 015	4 989	**708**	615	742
Masimong	**1 636**	1 401	1 359	**1 427**	1 258	1 205	**209**	143	154	**26**	41	106	**29**	24	109	**2 012**	1 999	2 309	**510**	489	602
Unisel[1]	**224**	681	713	**182**	580	564	**42**	101	149	**—**	6	46	**—**	7	45	**247**	982	1 212	**57**	219	256
Surface																					
All other surface operations	**7 025**	3 302	2 403	**4 724**	2 135	1 938	**2 301**	1 167	465	**1 921**	745	724	**335**	118	84	**8 088**	4 349	4 099	**39 489**	16 264	15 931
Total South Africa	**36 670**	24 559	22 555	**27 020**	19 471	18 196	**9 650**	5 088	4 359	**23 728**	18 260	17 451	**3 843**	2 594	3 096	**43 066**	32 991	38 512	**45 833**	21 523	22 090
International																					
Hidden Valley	**4 028**	3 748	3 591	**1 719**	1 639	1 362	**2 309**	2 109	2 229	**3 128**	3 810	3 694	**1 260**	959	1 591	**4 689**	4 872	6 222	**3 420**	3 906	3 886
Total international	**4 028**	3 748	3 591	**1 719**	1 639	1 362	**2 309**	2 109	2 229	**3 128**	3 810	3 694	**1 260**	959	1 591	**4 689**	4 872	6 222	**3 420**	3 906	3 886
Total operations	**40 698**	28 307	26 146	**28 739**	21 110	19 558	**11 959**	7 197	6 588	**26 856**	22 070	21 145	**5 103**	3 553	4 687	**47 755**	37 863	44 734	**49 253**	25 429	25 976
Reconciliation of segment information to the consolidated income statement and balance sheet	**1 035**	938	766	**1 035**	938	766	**—**	—	—	**21 947**	22 622	15 591									
	41 733	29 245	26 912	**29 774**	22 048	20 324	**11 959**	7 197	6 588	**48 803**	44 692	36 736	**5 103**	3 553	4 687	**47 755**	37 863	44 734	**49 253**	25 429	25 976

 # Capital expenditure for international operations excludes expenditure spent on Wafi-Golpu of R34 million (2020: R54 million) (2019: R350 million).

** Production statistics are unaudited.*

[1] The Unisel operation closed during October 2020.

19 RECONCILIATION OF SEGMENT INFORMATION TO CONSOLIDATED INCOME STATEMENT AND BALANCE SHEET

	SA Rand		
Figures in million	**2021**	Re-presented* 2020	Re-presented* 2019
Reconciliation of production profit to consolidated profit/(loss) before taxation			
Revenue per segment report	**40 698**	28 307	26 146
Revenue per income statement	**41 733**	29 245	26 912
Other metal sales treated as by-product credits in the segment report	**(1 035)**	(938)	(766)
Production costs per segment report	**(28 739)**	(21 110)	(19 558)
Production costs per income statement	**(29 774)**	(22 048)	(20 324)
Other metal sales treated as by-product credits in the segment report	**1 035**	938	766
Production profit per segment report	**11 959**	7 197	6 588
Cost of sales items other than production costs	**(5 715)**	(3 860)	(8 545)
Amortisation and depreciation of mining assets	**(3 777)**	(3 409)	(3 961)
Amortisation and depreciation of assets other than mining assets	**(98)**	(99)	(93)
Rehabilitation expenditure	**(135)**	(47)	(33)
Care and maintenance cost of restructured shafts	**(144)**	(146)	(134)
Employment termination and restructuring costs	**(332)**	(40)	(242)
Share-based payments	**(114)**	(130)	(155)
Impairment of assets	**(1 124)**	—	(3 898)
Other	**9**	11	(29)
Gross profit/(loss)	**6 244**	3 337	(1 957)
Corporate, administration and other expenditure	**(1 068)**	(611)	(731)
Exploration expenditure	**(177)**	(205)	(148)
Gains/(losses) on derivatives	**1 022**	(1 678)	484
Foreign exchange translation gain/(loss)	**670**	(892)	(86)
Other operating expenses	**(241)**	(309)	(100)
Operating profit/(loss)	**6 450**	(358)	(2 538)
Gain on bargain purchase	**303**	—	—
Acquisition-related costs	**(124)**	(45)	—
Share on profit from associate	**83**	94	59
Investment income	**331**	375	308
Finance costs	**(661)**	(661)	(575)
Profit/(loss) before taxation	**6 382**	(595)	(2 746)

** Refer to note 2 for further information on the re-presentation of financial statement line items.*

NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2021

19 RECONCILIATION OF SEGMENT INFORMATION TO CONSOLIDATED INCOME STATEMENTS AND BALANCE SHEETS continued

	SA Rand		
Figures in million	**2021**	Re-presented* 2020	Re-presented* 2019
Reconciliation of total segment assets to consolidated assets includes the following			
Non-current assets			
Property, plant and equipment not allocated to a segment	**6 741**	7 116	6 604
Mining assets (a)	**757**	1 062	989
Undeveloped property (b)	**3 989**	4 025	3 965
Other non-mining assets	**411**	115	115
Assets under construction (c)	**1 584**	1 914	1 535
Intangible assets	**365**	536	533
Restricted cash and investments	**5 232**	3 642	3 393
Investments in associates	**126**	146	110
Deferred tax assets	**272**	531	1
Other non-current assets	**332**	435	376
Derivative financial assets	**328**	50	197
Current assets			
Inventories	**2 542**	2 421	1 967
Restricted cash and investments	**67**	62	44
Trade and other receivables	**1 652**	1 308	1 064
Derivative financial assets	**1 471**	18	309
Cash and cash equivalents	**2 819**	6 357	993
	21 947	22 622	15 591

** Refer to note 2 for further information on the re-presentation of financial statement line items.*

(a) These balances relate to Wafi-Golpu assets and assets that provide services to several CGUs, such as Harmony One Plant.
(b) Undeveloped properties comprise the Target North property as well as Wafi-Golpu's undeveloped properties.
(c) Assets under construction consist of the Wafi-Golpu assets.

20 SUBSEQUENT EVENTS

On 24 August 2021, a final dividend of 27 SA cents was declared, paid on 18 October 2021.

On 16 September 2021, the group concluded a three-year wage agreement in respect of wages and conditions of service for the period 1 July 2021 to 30 June 2024. The wage agreement was agreed by all representative unions and permits for basic wage increases, housing and living-out allowance for eligible employees and improved employee benefits.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to shareholders that the annual general meeting ("**AGM**") of Harmony Gold Mining Company Limited ("**Harmony** or **Company**") will, as contemplated by section 63(2)(a) of the Companies Act 71 of 2008, as amended ("**Act**") and clause 19 of the Company's memorandum of incorporation ("**MOI**"), be held entirely by electronic communication on Tuesday, 7 December 2021 at 10:00 (SA time), to conduct the business set out below and to consider, and adopt, if deemed fit, with or without modification, the ordinary and special resolutions set out in this Notice of AGM ("**Notice of AGM**").

For more information about the online facility and the prescribed procedures and means of connecting thereto, please see the section titled "Electronic Participation" below in this Notice of AGM.

In terms of section 59(1)(a) and (b) of the Act, the board of directors of the Company ("**Board**") has set the record date for the purpose of determining which shareholders of the Company are entitled to:

- receive this Notice of AGM (being the date on which a shareholder must be registered in the Company's securities register to receive this Notice of AGM) as Friday, 22 October 2021; and
- participate in and vote at the AGM (being the date on which a shareholder must be registered in the Company's securities register to participate in and vote at the AGM) as Friday, 26 November 2021. Accordingly, the last date to trade in order to participate in and vote at the meeting is Tuesday, 23 November 2021.

As the AGM will cater for Electronic Participation only, it will not be desirable nor practical for voting to take place by way of show of hands. Accordingly, the chairman has already determined that all voting will be by way of poll through the facility provided by the electronic online facilities. See further the section set forth at the end of this Notice of AGM under the title: "Electronic Participation".

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited consolidated annual financial statements of the Company, incorporating the reports of the auditors, the audit and risk committee, and the directors for the year ended 30 June 2021 will be presented to the shareholders of the Company at the AGM as required in terms of section 30(3)(d) of the Act, read with section 61(8)(a) of the Act.

Summarised consolidated financial statements are included on pages 31 to 62 of the report to which this Notice of AGM is attached.

The complete audited consolidated annual financial statements of the Company are available on Harmony's website at **www.har.co.za.**

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

In accordance with regulation 43(5)(c) of the Act, the social and ethics committee's report on pages 9 to 10 of the report to which this Notice of AGM is attached (and also available on Harmony's website at **www.har.co.za**) will be presented to shareholders at the AGM.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. Ordinary resolution number 1:

Election of a new director

"RESOLVED THAT Peter Turner be and is hereby elected as a director of the Company with immediate effect." (See Peter Turner's resumé below).

Peter was appointed to the Harmony board on 19 February 2021. Peter has over forty years of experience in the mining industry in both open-pit and deep-level underground mines. This wealth of experience was achieved through his tenures at Sibanye Stillwater Limited, AngloGold Ashanti Limited and Gold Fields Limited. He brings a wealth of expertise to the board, having managed mining operations throughout Africa (South Africa, Namibia, Mali, Tanzania and Ghana).

The percentage of voting rights required for ordinary resolution number 1 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 1.

2. Ordinary resolution number 2:

Re-election of director

"RESOLVED THAT Karabo Nondumo, who retires by rotation at this annual general meeting in accordance with the MOI, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Karabo Nondumo's resumé below).

Karabo was appointed to the board on 3 May 2013. She is an entrepreneur who has interests in provision of Industrial supplies & Investments. She held Executive Head roles within Vodacom Business and Mergers & Acquisitions at Vodacom Group. She's a previous CEO of AWCA Investment Holdings Limited. She was an associate as well as executive assistant to the chairman at Shanduka Group.

Karabo is a qualified Chartered Accountant and a member of the South African Institute of Chartered Accountants (SAICA) and African Women Chartered Accountants (AWCA). She has extensive experience in the Telecommunications, Financial Services and Mining sectors. She is an independent non-executive director of:

- Harmony Gold Mining Company Limited (Technical, Investment and Audit & Risk subcommittees)
- Sanlam Limited (Chair: Social and Ethics Committee, member of Risk & Compliance, Audit & Actuarial, HR and Nominations subcommittees)
- TCI-Tiso Proprietary Limited
- MTN Group Operating companies in Swaziland, Zambia, Uganda and Rwanda (Chair: Audit and Risk committees)

She is an advisory member of Senatla Capital and a trustee of Mabindu and Ubuntu-Botho Women's Trusts.
Previous board roles include MTN Group Operating companies in Sudan and South Sudan, Brightrock Holdings Limited; Merafe Resources Limited; SA Express Airways SOC Limited; Rolfes Holdings Limited and Richards Bay Coal Terminal.

The percentage of voting rights required for ordinary resolution number 2 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 2.

3. Ordinary resolution number 3:

Re-election of director

"RESOLVED THAT Vishnu Pillay, who retires by rotation at this AGM in accordance with the MOI, and who is eligible and available for re-election, be and is hereby re-elected as a director of the Company with immediate effect." (See Vishnu Pillay's resumé below).

Vishnu was appointed to the board on 8 May 2013. He was executive head: joint ventures and exit operations of Anglo American Platinum Limited, a position he retired from on 31 December 2018. Before joining Anglo American Platinum in 2011, he was executive vice president and head of South African operations for Gold Fields Limited and, prior to that, vice-president and head of operations at Driefontein Gold Mine.

His 35-year mining career was shared between Gold Fields Limited and Anglo American Platinum. It was briefly interposed with a two-year period in 2004 with the Council for Scientific and Industrial Research in South Africa, where he was director of mining technology and group executive for institutional planning and operations.

Vishnu also previously served on the Board of Foskor Proprietary Limited as an Independent Non-Executive Director.

The percentage of voting rights required for ordinary resolution number 3 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 3.

4. Ordinary resolution number 4:

Re-election of audit and risk committee member

"RESOLVED THAT John Wetton, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee, with immediate effect, to hold office until the next AGM." (See John Wetton's resumé below).

John was appointed to the board on 1 July 2011. He spent his professional career with Ernst & Young ("EY") in the United Kingdom and South Africa mainly in corporate audit.

He attended several post qualification programmes including those presented by University of Cape Town Graduate School of Business, Harvard Business School and Gordon Institute of Business Science.

When EY integrated globally, he had a business development role across Sub-Saharan Africa and was also part of the team that led the strategic integration of EY's practices and services throughout sub-Saharan Africa. For several years he led EY's mining group and acted as senior partner for many of the firm's major mining and construction clients. He was a member of EY's executive management committee (Board) and was, until retirement, a member of the EY Africa Governance Board.

The percentage of voting rights required for ordinary resolution number 4 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 4.

5. Ordinary resolution number 5:

Re-election of audit and risk committee member

"RESOLVED THAT, subject to ordinary resolution number 2 being passed, Karabo Nondumo, who is a non-executive director of the Company, be and is hereby elected as a member of the Company's audit and risk committee with immediate effect to hold office until the next AGM." (See Karabo Nondumo's resumé under ordinary resolution number 2).

The percentage of voting rights required for ordinary resolution number 5 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 5.

6. Ordinary resolution number 6:

Re-election of audit and risk committee member

"RESOLVED THAT Given Sibiya, who is a non-executive director of the Company, be and is hereby re-elected as a member of the Company's audit and risk committee, with immediate effect, to hold office until the next AGM." (See Given Sibiya's resumé below).

Given was appointed to the board on 13 May 2019. She is a Chartered Accountant and until 31 August 2014 was Head: Internal Audit at SekelaXabiso (Pty) Ltd. She has over 29 years' experience in internal and external auditing, risk management, management consulting, corporate governance and forensic auditing. Prior to joining SekelaXabiso Proprietary Limited, she spent nine years at SizweNtsaluba VSP where she was Director: Forensics and where from 2005 she headed the Corporate Governance Services Division. She also worked for Anglo American Corporation as an internal auditor in the Group Audit Services Department from April 1994 to May 1996. Prior to that, she served articles at KPMG Aiken & Peat from 1991 to early 1994.

She has served as a member of the audit & risk committee for a number of entities, including as chairperson of the audit committee for Basil Read Holdings Limited, South African Express Airways SOC Limited and Brand South Africa. She currently serves as a non-executive board member of Ithala SOC Limited and is audit committee chairperson of The Presidency and the chairperson of the Composers, Authors and Publishers Association (CAPASSO).

The percentage of voting rights required for ordinary resolution number 6 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 6.

7. Ordinary resolution number 7:

Re-appointment of external auditors

"RESOLVED THAT PricewaterhouseCoopers Incorporated be and is hereby reappointed as the external auditor, with Sizwe Masondo as designated audit partner, of the Company to hold office from this AGM until conclusion of the next AGM."

The percentage of voting rights required for ordinary resolution number 7 to be adopted: more than 50% (fifty percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on ordinary resolution number 7.

8. Ordinary resolution number 8:

Approval of remuneration policy

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King IV Report on Corporate Governance for South Africa, 2016 ("**King IV**"), that the remuneration policy of the Company, as set out on pages 14 to 20 of the report to which this Notice of AGM is attached (and also available on Harmony's website at **www.har.co.za**), be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed. However, if 25% (twenty five percent) or more of the voting rights exercised on ordinary resolution number 8 are against such resolution, the Board will commit to implementing the measures set out in the remuneration policy read with King IV.

9. Ordinary resolution number 9:

Approval of the implementation report

"RESOLVED, as a non-binding advisory vote in accordance with the recommendations of King IV, that the implementation report of the Company, as set out on pages 20 to 28 of the report to which this Notice of AGM is attached (and also available on Harmony's website at **www.har.co.za**) be and is hereby approved."

As this matter is non-binding, no minimum voting threshold is needed. However, if 25% (twenty five percent) or more of the voting rights exercised on ordinary resolution number 9 are against such resolution, the Board will commit to implementing the measures set out in the implementation report read with King IV.

10. Ordinary resolution number 10:

General authority to issue shares for cash

"RESOLVED THAT the Board be and is hereby authorised as a general authority to issue the authorised but unissued shares in the capital of the Company (including the grant or issue of options or convertible securities that are convertible into an existing class of equity securities) for cash (or the extinction of a liability, obligation or commitment, restraint or settlement of expenses) on such terms and conditions as the Board may, from time to time, in its sole discretion deem fit, subject to the provisions of the Act and the Listings Requirements of the JSE Limited ("**JSE Listings Requirements**" and "**JSE**" respectively), provided that:

a. the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
b. the equity securities must be issued to public shareholders, as defined in the JSE Listings Requirements, and not to related parties;
c. securities which are the subject of general issues for cash in the aggregate may not exceed 5% (five percent) of the Company's shares in issue as at the date of this Notice of AGM, excluding treasury shares – the number of shares available for the issue of shares for cash will therefore be limited to 30 505 536 shares;
    (i) this authority shall be valid until the Company's next AGM or for 15 (fifteen) months from the date on which this resolution is passed, whichever period is shorter, subject to the requirements of the JSE and any other restrictions set out in this authority;
    (ii) the calculation of the Company's listed equity securities must be a factual assessment of the Company's listed equity securities as at the date of this Notice of AGM, excluding treasury shares;
    (iii) any equity securities issued for cash during the period contemplated in (i) shall be deducted from the number set out in (c);
    (iv) in the event of sub-division or consolidation of issued equity securities during the period contemplated in (i), the existing authority will be adjusted accordingly to represent the same allocation ratio;
d. the maximum discount at which equity securities may be issued is 10% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities; and
e. equity securities (of any class) which are the subject of the issue for cash in terms of this general authority, will be aggregated with any securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsory convertible securities, aggregated with the securities of that class into which they are convertible."

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 10 requires the approval of at least a 75% (seventy five percent) majority of the votes cast by shareholders of the Company present at the AGM or represented by proxy, and entitled to exercise voting rights on ordinary resolution number 10.

11. Ordinary resolution number 11:

Approval of amendment to the Harmony Gold Mining Company Limited Deferred Share Plan 2018 ("Plan")

"RESOLVED THAT the existing Plan be and is hereby amended as follows:

Clause 17.1 of the Plan is hereby amended by (i) inserting the following words that have been underlined; and (ii) deleting words indicated by strikethrough:

"17.1 Subject to clause 1.2.8, if a Participant ceases to be employed by the Group by reason of a No Fault Termination prior to the Vesting Date, <u>the Participant's unvested Awards will continue in force in terms of the DSP and will Vest on the original Vesting Date(s), notwithstanding that the Participant has ceased to be employed. The terms and conditions of the DSP will continue to apply and</u> ~~*a pro rata portion of the current tranche of*~~ the Deferred Shares ~~*shall Vest on the Date of Termination of Employment and*~~ shall be Settled in accordance with clause 14, unless Remco determines otherwise. ~~*The pro rata portion of the current tranche of Deferred Shares that Vest, will be calculated as a percentage of the number of months served in the twelve-month Vesting Period in which the Date of Termination of Employment takes place. The balance of the Deferred Shares will lapse and shall be deemed to have been reacquired.*~~

~~***An example of the calculation referred to in clause 17.1 is as follows:***~~

~~*An Award is made on 1 September 2019 of 150 000 Deferred Shares, which will Vest in equal tranches over the following three years*~~

~~*First Vesting Date: 1 September 2020 (50 000 Shares)*~~
~~*Second Vesting Date: 1 September 2021 (50 000 Shares)*~~
~~*Third Vesting Date: 1 September 2022 (50 000 Shares)*~~
~~*The Participant receives 50 000 Shares on 1 September 2020*~~
~~*The Participant ceases to be employed by the Group by reason of a No Fault Termination on 30 January 2021*~~
~~*The Participant will (in addition to the Shares received on 1 September 2020) be entitled to the pro-rata portion of his second tranche as follows:*~~
~~*(4/12 months) x 50 000 Shares = 16 666 Shares*~~
~~*The balance of his Award is forfeited"*~~

Additional information in respect of ordinary resolution number 11

<u>The motivation for ordinary resolution 11 is as follows:</u>

- To seek approval for amendments to the "No Fault Termination" provisions of the Plan.

- Participants under the Plan terminating their employment due to death, ill-health, disability, injury, the undertaking or company with which the participant is employed being transferred outside of the Group, retrenchment or retirement are classified as "No Fault Terminations". The current No Fault Termination provisions for the deferred share awards under the Plan provide for accelerated vesting of the deferred share awards on a time pro-rated basis. This means that a substantial portion of the deferred share awards are forfeited in the case of a No Fault Termination, which is out of line with market precedent for similar awards.

- Accelerated vesting of awards is not consistent with the latest ISS 2021 proxy voting guidance and vesting on the original vesting dates will provide post-termination exposure to the share price, which is in line with emerging practice to encourage attention to succession and sustainability during executive tenure so that the share price growth is sustained when the leave the company.
- The Remuneration Committee of the Board has proposed amending the Plan to remove the accelerated vesting and time pro-rating of any unvested awards upon the No Fault Termination of participants in line with best market practice.

In terms of the JSE Listings Requirements, the passing of ordinary resolution number 11 requires the approval at least a 75% (seventy five percent) majority of the votes cast by shareholders of the Company present at the AGM or represented by proxy, and entitled to exercise voting rights on ordinary resolution number 11.

12. Special resolution number 1:

Approval of Financial Assistance in terms of section 45 of the Act

"RESOLVED THAT, in terms of section 45(3)(a)(ii) of the Act, the provision by the Company, at any time during the period of 2 (two) years from the date of passing of this special resolution, of any direct or indirect financial assistance, as contemplated in section 45 of the Act, to any one or more related or inter-related companies or corporations of the Company and/or to any one or more juristic persons who are members of any such related or inter-related company or corporation and/or to any one or more juristic persons related or inter-related to any such company, corporation or member, be and is hereby approved, provided that:

a. the identity of the recipient of such financial assistance, the form, nature and extent of such financial assistance and the terms and conditions under which such financial assistance is to be provided, are determined by the Board from time to time;
b. the Board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the Board fulfils all the requirements of section 45 of the Act, which it is required to fulfil in order to authorise the Company to provide such financial assistance; and
c. such financial assistance to a recipient is, in the opinion of the Board, required for the purpose of (i) meeting all or any of such recipient's operating expenses (including capital expenditure), and/or (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or (iii) funding such recipient for any other purpose which, in the opinion of the Board, is directly or indirectly in the interests of the Company."

The percentage of voting rights required for special resolution number 1 to be adopted: at least 75% (seventy five percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on special resolution number 1.

Notice is hereby given to shareholders of the Company in terms of section 45(5) of the Act of a resolution adopted by the Board, authorising the Company to provide such direct or indirect financial assistance as specified in special resolution number 1 on the basis that:

a. by the time that this Notice of AGM is delivered to shareholders of the Company, the Board will have adopted a resolution ("Section 45 Board Resolution") authorising the Company to provide, subject to the shareholders approving special resolution 1, at any time and from time to time during the period of 2 (two) years commencing on the date on which special resolution number 1 is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the Company and/or to any one or more juristic persons who are members of any such related or inter-related company or corporation and/or to any one or more juristic persons related to any such company, corporation or member;
b. the Section 45 Board Resolution will be effective only if and to the extent that special resolution number 1 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the Company as referred to in section 45(3)(b)(ii); and
c. in as much as the Section 45 Board Resolution contemplates that such financial assistance will in the aggregate exceed 1/10 (one tenth) of 1% (one percent) of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the Section 45 Board Resolution to shareholders of the Company. Such notice will also be provided to any trade union representing any employees of the Company.

13. Special resolution number 2:

Pre-approval of non-executive directors' remuneration

"RESOLVED, in terms of section 66(8), read with section 66(9) of the Act, that the Company be and is hereby authorised to pay the following annual remuneration to its non-executive directors for their services as non-executive directors (together with the value-added tax thereon, if applicable) for a period of two (2) years from the date of this AGM or until the non-executive directors' remuneration is amended by way of special resolution of the shareholders, whichever comes first:

Directors' remuneration (R'000)

	Board					Committee									
	Annual Retainer				Attendance Fee[1]	Audit and risk		Social and ethics		Remuneration		Nomination/ Investment		Technical	
	Chairman	Deputy chair	LID[2]	Member	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member	Chairman	Member
Current	1 249.6	514.5	410.6	286.9	22.6	315.2	158.7	241.9	125.7	241.9	125.7	241.9	125.7	241.9	125.7
Proposed	1 499.5	622.7	492.7	344.3	27.1	362.5	182.5	254.0	144.6	254.0	138.3	254.0	138.3	254.0	138.3
Increase	20.0%	15.0%	20.0%	20.0%	20.0%	15.0%	15.0%	5.0%	15.0%	5.0%	10.0%	5.0%	10.0%	5.0%	10.0%

[1] *Only payable per board meeting attended*
[2] *Lead independent director*
Ad hoc fees: R20 080 ad hoc meeting/attendance to company business per day.

The directors' remuneration set out above excludes value-added tax which the Company is authorised to pay, in addition to the above directors' remuneration, to those non-executive directors who are obliged to charge value-added tax on their directors' remuneration.

The percentage of voting rights required for special resolution number 2 to be adopted: at least 75% (seventy five percent) of the voting rights exercised on the resolution by shareholders of the Company present at the AGM or represented by proxy and entitled to exercise voting rights on special resolution number 2.

ELECTRONIC PARTICIPATION

In accordance with the provisions of the Act and the MOI, the AGM will be conducted entirely through electronic communication. The electronic meeting facilities will permit all participants to be able to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting. Voting via the electronic facility will be the only method available to shareholders to vote their shares at the AGM.

Shareholders who wish to electronically participate in and/or vote at the AGM are required to complete the Electronic Participation Application Form attached hereto and email same to The Meeting Specialist (Proprietary) Limited ("**TMS**") at proxy@tmsmeetings.co.za or contact them on +27 11 520 7950/1/2 as soon as possible, but in any event no later than 10:00 (SA time) on Friday, 3 December 2021.

If shareholders who hold dematerialised shares without own name registration wish to participate in the AGM, they should instruct their central securities depository participant ("**CSDP**") or broker to issue them with the necessary letter of representation to participate in the AGM, in the manner stipulated in their Custody Agreement. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker, to accommodate such requests.

TMS will assist shareholders with the requirements for electronic participation in, and/or voting at the AGM. TMS is further obliged to validate (in correspondence with Harmony and, in particular, Harmony's transfer secretaries, JSE Investor Services Proprietary Limited (previously Link Market Services South Africa Proprietary Limited) ("**CSDP**") and shareholders' CSDPs) each such shareholder's entitlement to participate in and/or vote at the AGM, before providing it with the necessary means to access the AGM and/or the associated voting platform.

Shareholders will be liable for their own network charges in relation to electronic participation in and/ or voting at the AGM. Any such charges will not be for the account of the JSE, Harmony, the Transfer Secretaries and/or TMS.

None of the JSE, Harmony, the Transfer Secretaries or TMS can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the AGM.

Shareholders are strongly encouraged to have a stable internet connection with sufficient bandwidth capabilities to participate in the AGM. Shareholders are strongly encouraged to submit their proxies beforehand, even if they intend to participate in the AGM, to ensure that their votes are counted in the event of any delays or disruptions to the shareholder's network connectivity and/or loss of network connectivity by such shareholder during any part of the AGM.

IDENTIFICATION, PROXIES AND VOTING

Shareholders are reminded that:

- a shareholder eligible to participate in and vote at the AGM is entitled to appoint a proxy (or proxies) to participate in and vote at the AGM in place of the shareholder – shareholders are referred to the proxy form attached to this Notice of AGM in this regard;
- a proxy need not also be a shareholder of the Company;
- in terms of section 63(1) of the Act, any person participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or as proxy for a shareholder) has been reasonably verified – acceptable forms of verification include a green bar-coded or smart card identification document issued by the South African Department of Home Affairs, a South African driver's licence or a valid passport; and
- this Notice of AGM includes the attached form of proxy.

All beneficial owners whose shares have been dematerialised through a CSDP or broker, other than with "own name" registration, must provide their CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the AGM. Alternatively, they may request their CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to participate in the AGM.

Unless you advise your CSDP or broker, in terms of your agreement, by the cut-off time stipulated therein, that you wish to participate in the AGM or send a proxy to represent you, your CSDP or broker may assume that you do not wish to participate in the AGM or send a proxy.

Forms of proxy attached hereto must be dated and signed by the shareholder of the Company appointing a proxy and, for the sake of good order, are urged (but not required) to be submitted to the offices of the Transfer Secretaries by no later than 10:00 (SA time) on Friday, 3 December 2021.

In compliance with section 58(8)(b)(i) of the Act, a summary of the rights of a shareholder to be represented by proxy is set out immediately below:

- **An ordinary shareholder entitled participate in and vote at the AGM may appoint any individual (or individuals) as a proxy or proxies to participate in and vote at the AGM in the place of such shareholder. A proxy need not be a shareholder of the Company.**
- **A proxy appointment must be in writing, dated and signed by the shareholder of the Company appointing a proxy and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the AGM.**
- **A proxy may delegate its authority to act on behalf of a shareholder of the Company to another person, subject to any restrictions set out in the instrument appointing the proxy.**
- **Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the shareholder of the Company who appointed such proxy chooses to act directly and in person in exercising any rights as a shareholder of the Company.**
- **Unless the proxy appointment expressly provides otherwise, the appointment of a proxy is revocable by the shareholder of the Company in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder of the Company as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.**
- **If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice required by the Act or the MOI to be delivered by the Company to the shareholder of the Company, must be delivered by the Company to (a) the shareholder of the Company, or (b) the proxy or proxies, if the shareholder of the Company has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.**

Attention is also drawn to the notes to the form of proxy.

Completing a form of proxy does not preclude any shareholder of the Company from participating in the AGM.

By order of the Board

Harmony Gold Mining Company Limited
S Mohatla
Group company secretary
Randfontein
28 October 2021

ANNUAL GENERAL MEETING EXPLANATORY NOTES

Presentation of annual financial statements

At the AGM, the directors must present the annual financial statements for the year ended 30 June 2021 to shareholders as required in terms of section 30(3)(d) of the Act, together with the reports of the directors, audit and risk committee and the auditors.

Presentation of group social and ethics committee report

At the AGM, the social and ethics committee must report, through one of its members, on matters within its mandate as required in terms of Regulation 43(5)(c) of the Act.

Ordinary Resolution Number 1:

Election of a new director

In accordance with the JSE Listings Requirements, the MOI, section 68(1) read with section 70(3)(b)(i) of the Act, Peter Turner's appointment by the Board as a director of the Company must be confirmed at this AGM of the Company by a new election. (See Peter Turner's resumé under ordinary resolution number 1).

Ordinary Resolutions Numbers 2 and 3:

Re-election of directors

In accordance with the MOI, one third of directors are required to retire at each AGM and may offer themselves for re-election. As such, Ms Karabo Nondumo and Mr Vishnu Pillay who retire by rotation are eligible and have availed themselves for re-election (See their resumés on pages 44 to 46 of this Notice of AGM). However, Ms Fikile De Buck and Dr Simo Lushaba who also retire by rotation, although eligible, have not availed themselves for re-election and will be retiring from the Board effective as of the conclusion of the 2021 Annual General Meeting.

Ordinary Resolutions Numbers 4 to 6:

Re-election and election of audit and risk committee

In terms of section 94(2) of the Act, a public company must, at each AGM, elect an audit committee comprising at least 3 (three) members who are directors and who meet the criteria of section 94(4) of the Act. Regulation 42 to the Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas as listed in the regulation.

The Board is satisfied that the proposed members of the audit and risk committee meet all relevant requirements.

Ordinary Resolution Number 7:

Re-appointment of external auditors

PricewaterhouseCoopers Incorporated has indicated its willingness to continue in office and ordinary resolution 7 proposes the reappointment of that firm as the Company's auditors. Section 90(3) of the Act requires the designated audit partner to meet the criteria as set out in section 90(2) of the Act.

The Board is satisfied that both PricewaterhouseCoopers Incorporated and the designated audit partner meet all relevant requirements.

Ordinary Resolution Number 8:

Remuneration policy

King IV recommends that the remuneration policy of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to give shareholders an opportunity to indicate their support for or opposition to the material provisions of the remuneration policy.

Ordinary Resolution Number 9:

Approval of Implementation report

King IV recommends that the implementation report of the Company be submitted to shareholders for consideration and for an advisory, non-binding vote to give shareholders an opportunity to indicate their support for or opposition to the material provisions of the implementation of the remuneration policy.

In the event that 25% (twenty-five percent) or more of the votes are cast against ordinary resolutions number 8 and/or 9, the company undertakes to engage with dissenting shareholders in the manner stipulated in the remuneration report read with King IV.

Ordinary Resolution Number 10:

General authority to issue shares for cash

Ordinary resolution number 10 seeks to give the directors authority to issue the Company's listed securities for cash as permitted by the Act, the MOI and the JSE Listings Requirements.

The Board confirms that there is no specific intention to use this authority as at the date of this Notice of AGM, but considers it advantageous to have the flexibility to take advantage of any business opportunity that may arise in future.

Ordinary Resolution Number 11:

Approval of amendment to the Plan

The motivation for ordinary resolution 11 is as follows:

- To seek approval for amendments to the "No Fault Termination" provisions of the Plan.
- Participants under the Plan terminating their employment due to death, ill-health, disability, injury, the undertaking or company with which the participant is employed being transferred outside of the Group, retrenchment or retirement are classified as "No Fault Terminations". The current No Fault Termination provisions for the deferred share awards under the Plan provide for accelerated vesting of the deferred share awards on a time pro-rated basis. This means that a substantial portion of the deferred share awards are forfeited in the case of a No Fault Termination, which is out of line with market precedent for similar awards.
- Accelerated vesting of awards is not consistent with the latest ISS 2021 proxy voting guidance and vesting on the original vesting dates will provide post-termination exposure to the share price, which is in line with emerging practice to encourage attention to succession and sustainability during executive tenure so that the share price growth is sustained when the leave the company.
- The Remuneration Committee of the Board has proposed amending the Plan to remove the accelerated vesting and time pro-rating of any unvested awards upon the No Fault Termination of participants in line with best market practice.

Special Resolution Number 1:

Approval of financial assistance

In terms of section 45 of the Act, the Company may, amongst others, provide loans and other financial assistance to any one or more related or inter-related companies or corporations of the Company and/or to any one or more juristic persons who are members of any such related or inter-related company or corporation and/or to any one or more juristic persons related or inter-related to any such company, corporation or member. Shareholders are required to pass special resolution number 1 in order to grant the Board the authority to authorise the Company's provision of such financial assistance, subject to the Board being satisfied that the Company meets the solvency and liquidity test (as per section 4 of the Act) and subject further to the financial assistance falling within the category of assistance mentioned in sub-paragraph (c) of special resolution number 1 above.

Special Resolution Number 2:

Pre-approval of non-executive directors' remuneration

In terms of section 66(8) read with section 66(9) of the Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the MOI and on approval of shareholders by way of a special resolution. Executive directors are not specifically remunerated for their services as directors but as employees of the Company and, as such, the resolution, as included in this Notice of AGM, requests approval only for the remuneration paid to non-executive directors for their service as directors of the Company. The proposed fees are recommended for approval for a period of 2 (two) years from the date of this AGM or until such time as the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first.

GENERAL

Shareholders and proxies participating in the AGM are reminded that section 63(1) of the Act requires that reasonably satisfactory identification be presented for such shareholder or proxy to be allowed to participate in the AGM.

FORM OF PROXY

To be completed by certificated shareholders and dematerialised shareholders with 'own name registration only

HARMONY GOLD MINING COMPANY LIMITED
Incorporated in the Republic of South Africa
Registration number: 1950/038232/06 (Harmony or Company)
JSE share code: HAR
NYSE share code: HMY
ISIN code: ZAE 000015228

For use by certificated shareholders and dematerialised shareholders with "own-name" registration who are unable to attend and vote at the AGM of Harmony to be held entirely by electronic communication on Tuesday, 7 December 2021 at 10:00 (South African Standard Time) or at any adjournment thereof.

Dematerialised Shareholders without "own-name" registration must not complete this Form of Proxy but should timeously inform their nominee, or, if applicable, their CSDP or stockbroker of their intention to attend the AGM electronically and request such nominee, CSDP or stockbroker to issue them with the necessary letter of representation to attend or provide such nominee, CSDP or stockbroker with their voting instructions should they not wish to attend the AGM electronically but wish to be represented by proxy at such meeting. Such shareholders must not return this Form of Proxy to the Transfer Secretaries.

Each Shareholder is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and vote in place of that Shareholder at the AGM. Please read the notes to this form of proxy below.

I / We (please print names in full)	
of (address)	
being the holder/s of	shares in the Company, do hereby appoint:
1	or, failing him/her
2	or, failing him/her

The chairman of the annual general meeting, as my/our proxy to attend, speak and, on a poll or ballot, vote on my/our behalf at this annual general meeting of members or at any adjournment, and to vote or abstain from voting as follows on the ordinary and special resolutions to be proposed at such meeting:

ORDINARY RESOLUTIONS	For	Against	Abstain
Ordinary Resolution Number 1: To elect Peter Turner as a director			
Ordinary Resolution Number 2: To re-elect Karabo Nondumo a director			
Ordinary Resolution Number 3: To re-elect Vishnu Pillay as a director			
Ordinary Resolution Number 4: To re-elect John Wetton as a member of the audit and risk committee			
Ordinary Resolution Number 5: To re-elect Karabo Nondumo as a member of the audit and risk committee			
Ordinary Resolution Number 6: To re-elect Given Sibiya as a member of the audit and risk committee			
Ordinary Resolution Number 7: To reappoint the external auditors			
Ordinary Resolution Number 8: To approve the remuneration policy			
Ordinary Resolution Number 9: To approve the implementation report			
Ordinary Resolution Number 10: To give authority to issue shares for cash			
Ordinary Resolution Number 11: To approve the amendment of the Plan			
SPECIAL RESOLUTIONS			
Special Resolution Number 1: To approve financial assistance in terms of section 45 of the Act			
Special Resolution Number 2: To pre-approve non-executive directors' remuneration			

Please indicate with an 'X' in the appropriate spaces above how you wish your vote to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit.

Signed at	this	day of	2021
Signature			
Assisted by me, where applicable (name and signature)			

Completed Forms of Proxy must be dated and signed by the shareholder appointing a proxy and must be lodged electronically with Transfer Secretaries. Shareholders are urged (but not required) to electronically deliver their completed Form of Proxy by no later than **10:00 (SA time)** on **Friday, 3 December 2021** to meetingservices@jseinvestorservices.co.za.

Please read the notes and instructions on the reverse side.

NOTES TO FORM OF PROXY

1. A Form of Proxy is only to be completed by those shareholders who are:
    a. registered holders of shares in certificated form; or
    b. holders of dematerialised shares of the Company in their own name.
2. If you have already dematerialised your shares through a CSDP or broker and wish to attend the AGM, you must request your CSDP or broker to provide you with a letter of representation or instruct your CSDP or broker to vote by proxy on your behalf in terms of the agreement entered into between yourself and your CSDP or broker.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space provided. The person whose name stands first on the Form of Proxy and who is present at the AGM will be entitled to act to the exclusion of those whose names follow.
4. On a poll, a shareholder who is present or represented by proxy will be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.
5. A shareholder's instructions to the proxy must be indicated by inserting the relevant numbers of votes exercisable by the shareholder in the appropriate box. Failure to comply will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/ she deems fit in respect of all the shareholder's votes exercisable. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of votes cast and in respect of which abstention is recorded may not exceed the total of votes exercisable by the shareholder or by the proxy.
6. Forms of Proxy (enclosed) must be dated and signed by the shareholder appointing a proxy and must be lodged electronically with JSE Investor Services Proprietary Limited. Shareholders are urged (but not required) to electronically deliver their completed Form of Proxy by no later than 10:00 (SA time) on Friday, 3 December 2021 to the offices of the Transfer Secretaries, JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000, fax number: +27 86 674 2450, email meetingservices@jseinvestorservices.co.za).
7. Completing and lodging this Form of Proxy will not preclude the relevant shareholder from electronically attending the AGM and speaking and voting electronically to the exclusion of any proxy appointed in terms hereof.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity or other legal capacity must be attached to this Form of Proxy, unless previously recorded by the Transfer Secretaries or waived by the chairman of the AGM.
9. The completion of blank spaces overleaf need not be initialled. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
10. Despite the aforegoing, the chairman of the AGM may waive any formalities that would otherwise be a prerequisite for a valid proxy.
11. If any shares are jointly held, all joint shareholders must sign this Form of Proxy. If more than one of those shareholders is present at the AGM either electronically or by proxy, the person whose name appears first in the Register will be entitled to vote.

ELECTRONIC PARTICIPATION FORM

Harmony Gold Mining Company Limited
(Incorporated in South Africa)
(Registration number: 1950/038232/06) JSE share code: HAR
ISIN: ZAE000015228 JSE share code: HAR NYSE: HMY
("**Harmony**" or the "**Company**")

Electronic participation in the Harmony Gold Mining Company Limited electronic annual general meeting to be held on 7 December 2021

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication (**"Participants"**), must apply to the Company's meeting scrutineers to do so by emailing the form below (**"the application"**) to the email address of the Company's meeting scrutineers, The Meeting Specialist (Proprietary) Limited (**"TMS"**), by no later than 10:00 (SA time) on 3 December 2021. The email address is as follows: proxy@tmsmeetings.co.za
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant (**"CSDP"**) or broker in the manner and time stipulated in their agreement with their CSDP or Broker:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between 3 and 7 December 2021 via email/mobile with a unique link to allow them to participate in the electronic annual general meeting.
- The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
- The cut-off time, for administrative purposes, to participate in the meeting will be **10:00am (SA time) on 3 December 2021**.
- The participant's unique access credentials will be forwarded to the email/mobile telephone provided below.

Application form

Name and surname of shareholder	
Name and surname of shareholder representative (if applicable)	
ID number of shareholder or representative	
Email address	
Mobile/cell number/Telephone number	
Name of CSDP or Broker (if shares are held in dematerialised format)	
SCA number/Broker account number or Own name account number	
Number of shares	
Signature	
Date	

By signing this form, I agree and consent to the processing of my personal information above for the purpose of participation in the general meeting.

Terms and conditions for participation at the Harmony Gold Mining Company Limited annual general meeting to be held on 7 December 2021 via electronic communication

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the participant and will be billed separately by the participant's own telephone service provider.
- The participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third-party and indemnifies Harmony Gold Mining Company Limited, the JSE Limited and TMS and/or their third-party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against Harmony Gold Mining Company Limited, the JSE Limited and TMS and/or its third-party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/ webcast/web-streaming to the annual general meeting.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above.
- Once the participant has received the link, the onus to safeguard this information remains with the participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the participant and delivered or emailed to TMS at proxy@tmsmeetings.co.za

Shareholder name:

Signature:

Date:

Important: You are required to attach a copy of your identity document/driver's licence/passport when submitting the application.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the safe harbour provided by section 21E of the Exchange Act and section 27A of the Securities Act of 1933, as amended (the Securities Act), with respect to our financial condition, results of operations, business strategies, operating efficiencies, competitive positions, growth opportunities for existing services, plans and objectives of management, markets for stock and other matters.

These forward-looking statements, including among others, those relating to our business prospects, revenues, and the potential benefit of acquisitions (including statements on growth and cost savings) wherever they may occur in this report and the exhibits to this report, are necessarily estimates reflecting the best judgement of our senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set forth in this report. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- Overall economic and business conditions in South Africa, Papua New Guinea, Australia and elsewhere, and measures taken to address the Covid-19 pandemic, and other contagious diseases, such as HIV and tuberculosis
- Estimates of future earnings, and the sensitivity of earnings to gold and other metals prices
- Estimates of future gold and other metals production and sales
- Estimates of future cash costs
- Estimates of future cash flows, and the sensitivity of cash flows to gold and other metals prices
- Estimates of provision for silicosis settlement
- Estimates of future tax liabilities under the Carbon Tax Act (South Africa)
- Statements on future debt repayments
- Estimates of future capital expenditures
- The success of our business strategy, exploration and development activities and other initiatives
- Future financial position, plans, strategies, objectives, capital expenditures, projected costs and anticipated cost savings and financing plans
- Estimates of reserves statements regarding future exploration results and the replacement of reserves
- The ability to achieve anticipated efficiencies and other cost savings from past and future acquisitions, as well as at existing operations
- Fluctuations in the market price of gold
- The occurrence of hazards associated with underground and surface gold mining
- The occurrence of labour disruptions related to industrial action or health and safety incidents (both as a result of tariff increases from Eskom as well as possible future costs to introduce more sustainable decarbonised green power options)
- Power cost increases as well as power stoppages, fluctuations and usage constraints
- Supply chain shortages and increases in the prices of production imports and the availability, terms and deployment of capital
- Our ability to hire and retain senior management, sufficiently technically skilled employees, as well as our ability to achieve sufficient representation of historically disadvantaged persons in management positions
- Our ability to comply with requirements that we operate in a sustainable manner and provide benefits to affected communities
- Potential liabilities related to occupational health diseases and liabilities associated with safety incidents
- Changes in government regulation and the political environment, particularly tax and royalties, mining rights, health, safety, environmental regulation and business ownership including any interpretation thereof; court decisions affecting the mining industry, including the interpretation of mining rights
- Our ability to protect our information technology and communication systems and the personal data we retain
- Risks related to the failure of internal controls
- The outcome of pending or future litigation or regulatory proceedings
- Fluctuations in exchange rates and currency devaluations and other macro-economic monetary policies
- The adequacy of the group's insurance coverage
- Any further downgrade of South Africa's credit rating
- Socio-economic or political instability in South Africa, Papua New Guinea and other countries in which we operate.

For a more detailed discussion of such risks and other factors (such as availability of credit or other sources of financing), see the company's latest integrated annual report and Form 20-F which is on file with the Securities and Exchange Commission, as well as the company's other Securities and Exchange Commission filings. The company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law. The foregoing factors and others described under "Risk Factors" should not be construed as exhaustive. The forward-looking financial information has not been reviewed and reported on by the company's auditors.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Mineral Resources or Ore Reserves has been extracted from our Reserves and Resources statement published on 31 August 2021. Harmony confirms that it is not aware of any new information or data that materially affects the information included in the statement, in the case of Mineral Resources or Mineral Reserves, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. Harmony confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original release.

ADMINISTRATIVE AND CONTACT DETAILS

HARMONY GOLD MINING COMPANY LIMITED

Harmony was incorporated and registered as a public company in South Africa on 25 August 1950
Registration number: 1950/038232/06

Corporate office
Randfontein Office Park
PO Box 2, Randfontein 1760, South Africa
Corner Main Reef Road and Ward Avenue,
Randfontein, 1759, South Africa

Telephone: +27 11 411 2000

Website: **www.harmony.co.za**

DIRECTORS

Dr PT Motsepe* (chairman)
JM Motloba* (deputy chairperson)
Dr M Msimang*^ (lead independent director)
PW Steenkamp** (chief executive officer)
BP Lekubo** (financial director)
HE Mashego** (executive director)
JA Chissano*#^
FFT De Buck*^
Dr DS Lushaba*^
P Turner *^
KT Nondumo*^
VP Pillay*^
GR Sibiya*^
JL Wetton*^
AJ Wilkens*

* *Non-executive*
** *Executive*
^ *Independent*
\# *Mozambican*

INVESTOR RELATIONS

Email: HarmonyIR@harmony.co.za
Telephone: +27 11 411 6073 or +27 82 746 4120
Website: **www.harmony.co.za**

GROUP COMPANY SECRETARY

Shela Mohatla
Email: companysecretariat@harmony.co.za
Telephone: +27 11 411 2359

TRANSFER SECRETARIES

JSE Investor Services (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House, Ameshoff Street, Braamfontein
Johannesburg, South Africa

PO Box 4844, Johannesburg, 2000, South Africa

Email: info@jseinvestorservices.co.za
Telephone: +27 861 546 572 (South Africa)
Fax: +27 86 674 2450

AMERICAN DEPOSITARY RECEIPTS (ADRS)

Deutsche Bank Trust Company Americas
c/o American Stock Transfer and Trust Company
Operations Centre, 6201 15th Avenue, Brooklyn,
NY11219, United States

Email queries: db@astfinancial.com

Toll free (within US): +1-886-249-2593
Int: +1-718-921-8137
Fax: +1-718-921-8334

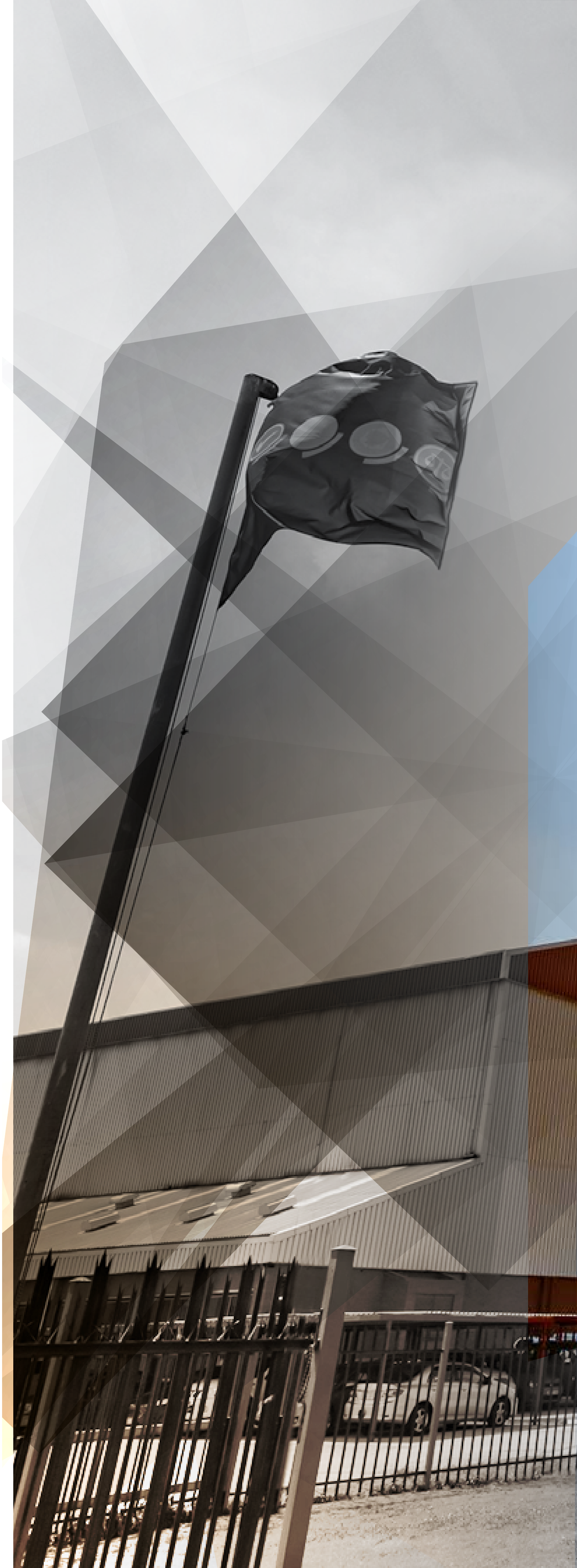
SPONSOR

JP Morgan Equities South Africa (Proprietary) Ltd
1 Fricker Road, corner Hurlingham Road, Illovo
Johannesburg, 2196, South Africa
Private Bag X9936, Sandton, 2146, South Africa

Telephone: +27 11 507 0300
Fax: +27 11 507 0503

TRADING SYMBOLS

JSE: HAR
NYSE: HMY
ISIN: ZAE 000015228



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