

KUMBA IRON ORE

Herein after referred to as the Company or the Employer

COMPANY POLICY: RECRUITMENT AND SELECTION

This policy, effective 1 August 2007, replaces all previous policies and documents in this regard.

1. PURPOSE

The purpose of this policy is to provide rules and guidelines to regulate the recruitment and selection of talent at all levels in the Company.

2. APPLICATION

This policy is applicable in all cases of recruitment from outside of the Company and selection / placement of current employees into positions within the Company.

3. MANAGEMENT INTENT

The Company is committed to acquire and build talent and core competencies required in order to lead the organisation towards the fulfilment of its long term vision. This policy will be managed in compliance with the Basic Conditions of Employment Act as well as the regulations as stated in the Employment Equity Act.

4. GENERAL GUIDING PRINCIPLES**4.1 Recruitment as a marketing tool**

The entire recruitment process is recognised as a marketing process and all interactions with both internal and external applicants should therefore be customer focused.

4.2 Hire for potential

The recruitment procedures which include advertising, screening, interviewing, assessing and selecting will be applied openly, fairly and professionally. The Company abides by the Basic Conditions of Employment Act which emphasises that recruitment processes must focus on the applicant's potential to be successful in the job.

4.2 Affirmative Action

Affirmative Action is defined as one of the measures that the Company takes to redress previous disadvantages in employment experienced by Historically Disadvantaged South Africans (HDSA: black people, women and people with disabilities). The objective is to ensure their equitable representation in all occupational categories and levels in the workforce. Recruitment activities will therefore be aimed at achieving or improving the agreed Company employment equity targets.

4.3 Solicited Employment Applications

The Company will give preference to applications which refer to a specific advertised vacancy and which meet the minimum inherent job requirements. Where applicable the Company encourages all CV's to be submitted via the Company's website.

4.4 Unsolicited Employment Applications

Unsolicited employment applications refer to applications and / or CVs which are randomly submitted and do not relate to any specific position advertised by the Company at the time. Such applications may be in the form of hard copy documentation or electronic applications. It is the Company's stated policy not to accept unsolicited hard copy applications and such applications will not be acknowledged; recorded; or held by the Company in any way whatsoever. The Company will furthermore be under no obligation to consider the content of such applications at any time in the future.

Unsolicited applications will only be accepted if they are submitted electronically via the Company's website. In this event, such applications will be held in a database for possible future consideration in accordance with the Company's ongoing labour requirements. The Company is however under no obligation to consider the content of such applications at any time in the future.

4.5 Confidentiality

All necessary steps will be taken to ensure confidentiality with regard to applicant particulars.

4.6 Record Keeping

Once a vacancy has been filled, records (regarding advertisements, applications, interview questions and answers, psychometric assessment reports, medical examinations, security clearance and reference checks) shall be kept for one (1) year. Medical records of successful applicants however, will be kept as prescribed by law.

4.7 Roles and Responsibilities

Recruiting responsibilities and hiring decisions rest with the Company. The Company will adhere to the principles and standards of this policy and local regulations as well as staffing requirements and job profiles.

It is the responsibility of the Human Resources function to design, implement, and maintain recruitment processes which adhere to the principles and standards described in this policy and to

provide advice and guidance to line managers and ensure excellence in recruiting. In order to do so, management must involve Human Resources in the entire recruitment process.

4.8 Measurement

Recruitment is viewed as an integrated process and will be monitored and measured on its efficiency and effectiveness. The measurement metrics will include quality, time, and cost.

5. RECRUITMENT GUIDING PRINCIPLES

5.1 Approval mandate

All departments of the Company are required to develop an annual Human Resources Plan in terms of the Company's overall business strategy, which should be aligned with the Employment Equity Plan. This plan must be submitted to and approved by the Executive Committee and/or the Board of Directors prior to the commencement of recruitment and selection activities in terms thereof.

All consequent recruitment activities must be conducted in liaison with the Human Resource function, which has the responsibility to ensure that such activities are in accordance with the Company's Human Resources policy parameters.

The authorisation for the creation of new positions and the filling of vacancies will be done in accordance with the following criteria:

- All appointments at Director level positions must be approved by the Board of the Company.
- All appointments must be approved by a Manager at least two organisational levels higher than the level of the appointee.
- The appointment or promotion of an employee who does not meet the minimum requirements such as qualifications and or experience for a position must be managed in accordance with the Company policy on Condoning of Qualifications in Appointments.

5.2 Sourcing

5.2.1 Internal verses external sourcing

In the interests of the development and advancement of current permanent employees the Company will as a general practice offer such employees the opportunity to apply for vacant positions before it will consider external applicants. Contractors or contract employees are regarded as external applicants. External applicants who submit their applications or CV's shall be regarded as potential employees and will be treated with the same respect and consideration as internal applicants.

5.2.2 Affirmative action

In the event of applicants being equally suitable, priority will normally be given to the appointment of black people, women and people with disabilities subject to paragraph 5.2.3 below. Once the Company's workforce reflects the demographics of the country (or in respect to a Business Unit and the economically active population of that region), preference will be given to applicants whose profile will maintain the demographics of that area.

5.2.3 Citizenship

Preference will generally be given to the appointment of people who are citizens of the country in which the Company's operation where the vacancy exists is located. The Company will take all reasonable steps to prevent its employment of people who are illegal immigrants in the country where the Company's operation is located. In so doing the Company will ensure compliance with its policy on Employment of Illegal Immigrants.

5.2.4 Previously retrenched employees

Before recruitment in the open labour market, all attempts shall be made to recruit previously retrenched workers (excluding those employees who accepted voluntary packages) within one year of retrenchment.

5.3 Advertisements

All advertisements will reflect the branding and image of the Company and will be standardized accordingly. Internal advertisements shall be circulated throughout the organisation using the internal media. Where a rationalisation program is in progress, advertisements shall at first be restricted to internal applicants within the affected area.

5.4 Search Agencies

Given the specialised nature of recruiting executive and professional staff from previously disadvantaged groups, the services of selected search agencies, which are able to source people from the designated groups may be contracted in for the recruitment of suitably qualified individuals.

5.5 Applicant Database

A comprehensive database of all applicants will be maintained, reflecting fair and equitable employment practices. The Company maintains the right to source applicants from this database, before advertising in the open labour market.



6. SELECTION GUIDING PRINCIPLES

6.1 Selection criteria

An applicant's compliance with the inherent job requirements and the need to create an equitable Company will be the most important criteria for selection. Final selection of all new employees will be based on assessment of the applicant's skills and competencies against a person/job specification. Selection shall not revolve solely around formal educational qualifications. Preference will be given to "suitably qualified" applicants whose selection will enable the Company to achieve its talent related targets.

6.2 Interviews

Interviews must be conducted by interview panels which are representative of members from the functional department as well as the Human Resources department. Hiring decisions are made by at least two interviewers, one of whom represents Human Resources. The final decision on the selection of an applicant rests with the hiring line manager.

Questions during the interview must be related to inherent job requirements and must be asked consistently across all interviews for the position. If there is doubt as to whether a question is relevant, such a question should be avoided. The interview must be structured and the areas to be covered in the interview shall be pre-planned. The interview shall be free from patronising approaches and intimidation. Persons who are members of an interview panel must be skilled in conducting competency-based interviews.

6.3 Psychological assessments

The company will make use of Assessment methodologies in accordance with the provisions of the Employment Equity act and the provisions of the Health Professions Act of SA. Please refer to the Psychometric Assessment Policy for further details.

6.4 Credit and reference checks

Reference checking will be done by the Company before appointing any external applicant into a position in the organisation provided that the applicants have given written permission to do so (except when a referent is named in a letter or CV from the applicant). Verification of factual information regarding qualifications, driver's license, ID number etc, will be carried out by an accredited provider (Reference Check Company as contracted for a period). Reference checks for F roles and higher will be done by the Staffing Centre of Expertise and for G roles and lower such checks will be done by the relevant business unit. Reference checks must only be aimed at eliciting factual information on job objective issues, such as duration of employment, salary on termination, position held, and reasons for leaving, attendance record and qualifications.

In conducting reference checks, care must be taken to account for any racial/gender biases held by previous managers or colleagues of an applicant. If an applicant is rejected as a result of a substantial discrepancy between applicant information and the reference check, or where a previous employer returns information of a derogatory nature, the applicant shall be allowed to make representations if requested. Reference checks shall be documented and placed on record.

6.5 Security Clearance

General security clearance on all applicants shall not be part of the selection process. Security clearance shall only be done on applicants for positions where such clearance forms part of the inherent requirements of the job. Applicants must be notified beforehand in the advertisement of the fact that security clearance will take place. No questions concerning previous convictions, arrests or detentions shall be asked during the formal interview, unless these issues are related to the inherent job requirements.

6.6 Medical Testing


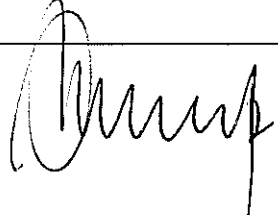
Medical tests include any test, question, enquiry or other means designed to ascertain whether an employee has any medical condition(s). The Company shall request a medical test if the state of health of the employee is particularly important to the environment of employment or to the inherent job requirements. Where applicable, applicants must be notified beforehand in the advertisement of the fact that a medical examination will be carried out as part of the recruitment process. All medical testing shall be done in accordance with the Employment Equity Act.

6.7 Unsuccessful applicants

Standard regret letters shall be used for communication to unsuccessful applicants who have applied for a specific advertised position. Reasons for rejection (being unsuccessful) shall be made available to the applicant on request. This is applicable for all applicants, and not only for those selected for interviews. The reasons for a candidate not being successful should be recorded and kept for a period of 12 months.

7. APPROVAL

This policy is approved by the General Manager Human Resources

| | NAME | TITLE | SIGNATURE |
|--------------------------|------------|--|---|
| Recommended for approval | N. MEIRING | MANAGER TALENT MANAGEMENT AND STAFFING |  |
| Approved | F. MARUPEN | Head GENERAL MANAGER HUMAN RESOURCES |  |

Last saved: 13 -11 - 2007