

CORPORATE GOVERNANCE REPORT

The ARM Board of Directors (the Board) confirms its commitment to the highest standards of corporate governance. Corporate governance encompasses the concept of sound business practice, which is inextricably linked to the management systems, structures and policies of the Company.

ARM, a public company, is listed on the JSE Limited (JSE). The Company complies with the JSE Listings Requirements, applicable statutes, regulatory requirements and other authoritative directives regulating its conduct, as well as the principles set out in the King Report on Corporate Governance for South Africa 2002 (King II) with the exceptions noted in this report. The King Report on Corporate Governance in South Africa 2009 (King III), published in final form on 1 September 2009, will be effective from 1 March 2010.

All Directors and employees are required to maintain high standards of integrity and ethical behaviour to ensure that the Company's business practices are conducted in a reasonable manner, in good faith and in the interests of the Company and all its stakeholders.

The Board is the foundation of ARM's corporate governance systems and is accountable and responsible for the Company's performance. The Board retains effective control through a clear governance structure and has established committees to assist it, recognising that delegating authority does not reduce the responsibility of Directors to discharge their duties.

To ensure consistent standards of governance and internal controls, the Company's subsidiaries and joint ventures have established boards and committees, as the case may be. The Chief Executives of each division regularly report to the Board regarding the activities of the divisions and joint ventures.

Board composition

ARM has a unitary Board comprising 16 Directors, of whom seven are Independent Non-executives, two are Non-executive Directors and seven are Executive Directors. *Curricula vitae* for the Board members are provided on pages 132 to 133.

The Directors of the Company at the date of this report are as follows:

Director	Executive (E) Non-executive (N) Independent (I)
P T Motsepe (Executive Chairman)	E
A J Wilkens (Chief Executive Officer)	E
F Abbott*	N
M Arnold**	E
Dr M M M Bakane-Tuoane	I
A D Botha***	I
J A Chissano	I
W M Gule	E
M W King	I
A K Maditsi	I
K S Mashalane	E
J R McAlpine	I
L A Shiels	E
Dr R V Simelane	I
J C Steenkamp	E
Z B Swanepoel	N

Changes during 2008/9:

* Former Financial Director; became a Non-executive Director on 1 August 2009.

** Appointed Financial Director on 1 August 2009.

*** Appointed on 1 August 2009.