



Health, Safety, Environment and Risk Committee Terms of Reference

1. Constitution

1.1 The Health, Safety, Environment and Risk Committee (the Committee) is constituted as a committee of the board of directors (the Board) of Thungela Resources Limited (the Company) in respect of all functions assigned to it by the Board from time to time.

1.2 The Committee has an independent role with accountability to the Board and to the Company.

1.3 These terms of reference are subject to the applicable provisions of the Companies Act, 71 of 2008 (the Companies Act), the Companies Regulations, 2011, the listings requirements of the JSE and any other securities exchange on which the securities of the Company may be listed (the Listing Requirements), the King Code, the Company's memorandum of incorporation and any other applicable law or regulatory provision (collectively, the Legal Requirements).

2. Purpose and Mandate

2.1 The purpose of the Committee is to:

- a. assist the Board in fulfilling its oversight responsibilities in relation to identifying, considering, and monitoring health, safety, and the environment impacting the Company and the Company's group of companies (the **Group**), as well as risk, and the Company's risk policies and practices;

- b. exercise the powers and rights, perform the duties, and discharge the obligations, granted, or required under the legal requirements,
- c. perform any other such functions that may be requested by the Board,
- d. encourage open communication with senior management and the risk and assurance function.

3. Overall Role and Associated Responsibilities

3.1 Safety, Health and Environment (SHE) management

- 3.1.1. The responsibility of the Committee in terms of SHE management is to:
- a. review the development of the framework policies and guidelines for the management of sustainable development issues, including safety, health and environment;
 - b. commission and consider sustainable development audits carried out both in terms of legal and company requirements and to review the results;
 - c. satisfy itself that the management system is appropriate and effective in managing SHE risks and comprises of appropriate hazard identification and risk assessment processes, medical surveillance systems, accident / incident investigation systems and other appropriate systems that aid in identifying SHE risks;
 - d. review (i) the SHE elements of the Company's strategic and business plan, (ii) the Company's SHE policies, guidelines and operating practices and (ii) the Group's external SHE reporting and regulatory disclosures, and findings of the external auditors;
 - e. consider the performance of the Company's individual operating units in the field of SHE performance /compliance;
 - f. consider material local and international regulatory and technical developments in the field of SHE management and practice and, where appropriate, to have the impact of these assessed and provide

- appropriate strategic guidance;
- g. review once a year the salient features highlighted in the annual report for each mine on health and safety as required by section 2(1)(c) of the Mine Health and Safety Act, 1996;
- h. satisfy itself on the effectiveness and appropriateness of the Company's wellness programme;
- i. consider the environment, including the impact of the Company's activities and of its products or services;
- j. monitor regulatory compliance, as a minimum, the following:
 - Mine Health and Safety Act;
 - Mineral and Petroleum Resources Development Act;
 - National Environmental Management Act;
 - National Environmental Management Waste Act;
 - National Health Act;
 - National Water Act; and
 - Occupational Health and Safety Act.
- k. to the extent that the Committee is of the view that there is a deficiency, shortcoming or anything else of concern on the part of the Company with respect to any matters set out in this paragraph, management of the Company will propose corrective action plans which the Committee will review and approve.

4. Risk Management

- 4.1 The Board has overall responsibility for the governance of risk and determines the levels of risk tolerance and risk appetite appropriate to the Group. The Committee will guide and advise the Board in setting risk tolerance and risk appetite levels, after consulting with operational management.
- 4.2 An annual Board Risk workshop will be held to receive and review a register of the Company's key risks.
- 4.3 The responsibility of the Committee in terms of risk management is to:
- a. oversee the development and annual review of a policy and plan for risk management to recommend for approval to the Board;
 - b. oversee that the risk management plan is disseminated throughout the

- company and integrated into the day-to-day activities of the Company;
- c. oversee that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
- d. review reporting concerning risk management that is to be included in the Integrated Report for it being timely, comprehensive, and relevant;
- e. continual, thorough risk assessments shall be conducted by operational management under a pre-determined risk management plan;
- f. risks should be prioritised and ranked to focus responses and interactions;
- g. independent assurance may be obtained by the Committee of the existence and effectiveness of controls to address controllable risks;
- h. any and all risks with a financial impact to be reported to the Audit Committee.
- i. review and approve an IT governance framework which delegates to management the responsibility for implementation of the IT governance framework.
- j. review reports on the effectiveness of IT risks as part of the overall risk management of the Group.

5. Composition and Rotation of Membership

- 5.1 The Chairperson, who must be an independent non-executive director, and members of the Committee shall be nominated by the Nominations and Governance Committee and appointed by the Board. The Committee shall comprise of at least three members, the majority of whom shall be independent non-executive directors.
- 5.2 In the absence of the Chairperson, the members present may nominate and elect one of their members to chair the meeting, provided the member is an independent non-executive director.
- 5.3 The Executive Heads of Technical, SHE and the Chief Operating

Officer will have standing invitations to the meeting.

5.4 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties.

5.5 The Board may at any time remove a member of the Committee and shall from time-to-time review and, where appropriate, revise the composition of the Committee.

6. Meetings

6.1 Meetings of the Committee will be held no less than four times a year, prior to scheduled Board meetings of the Company.

6.2 The Committee Chairperson may, within the framework of any relevant directives set by the Board, convene a meeting of the Committee at any time and at their discretion.

6.3 The quorum at any meeting of the Committee shall be a majority of its statutorily appointed members.

7. Meeting Attendees

7.1 The Committee may invite any executive management team members or other individuals to attend meetings of the Committee as they consider appropriate.

7.2 The Company Secretary or their designated representative shall be the secretary of the Committee.

8. Procedure for Meetings

8.1 Committee members who are unable to attend Committee meetings shall inform the Committee Chairperson or Company Secretary at an early date.

8.2 Committee meetings may be conducted entirely or partly by electronic communication. Each Committee member has one vote on a matter before the Committee.

8.3 The Company Secretary shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made.

9. Access to resources and information

9.1 The Committee, acting as such or through such of its members as are authorised by it from time to time, has unrestricted access to Company information falling within the Committee's mandate.

9.2 The Committee or any of its individual members, may take outside legal, accounting, or other independent professional advice on matters relating to matters within the Committee's mandate.

10. Reporting

10.1 The Committee Chairperson shall report to the Board at the first Board meeting following the last Committee meeting on the activities of the Committee.

10.2 The Committee shall report on an annual basis to the shareholders through the Integrated Annual Report on the following items:

- the Committee's overall role and associated responsibilities and function;
- its composition;
- key areas of focus during the reporting period;
- Key areas of focus for the next financial year;
- the number of meetings held during the reporting period and attendance at those meetings; and
- whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

- Key Risks.

11. Evaluation

The Committee will be evaluated as required by legislation and/or best practice governance and actions from the evaluation should be agreed and implementation tracked and reported to the Board.

APPROVAL OF THESE TERMS OF REFERENCE

The revised terms of reference were approved by the Board on 18 August 2023.