



## Remuneration and Human Resources Committee Terms of Reference

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### 1. Constitution

- 1.1. The Remuneration and Human Resources Committee (the **Committee**) is constituted as a committee of the board of directors (the **Board**) of Thungela Resources Limited (the **Company**) and the subsidiaries forming part of the Thungela Resources Limited Group (the Group) of companies.
- 1.2. The Committee functions within the authority of the Board and is accountable to it and 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 **Regulations**), 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 IV Report on Corporate Governance for South Africa, 2016 (**King Code**), the Company's memorandum of incorporation (**Mol**) and any other applicable law or regulatory provision (collectively, the **Legal Requirements**).

### 2. Purpose and Mandate

The purpose of the Committee is to independently review and monitor the integrity of (i) the Company's remuneration policies and implementation thereof, ensuring that the Company remunerates fairly, responsibly and transparently, as well as ensuring compliance with the statutory duties of the Committee as contained in relevant legislation, and (ii) the **Group's** human resource processes, and

- 2.1 promote fair, responsible, transparent remuneration and fair employment practices within the Company;

- 2.2 assist the board to ensure that the company has a clearly articulated remuneration philosophy and human resource strategy that supports the strategic objectives of the company;
- 2.3 establish an appropriate remuneration framework and ensure the adoption of remuneration policies to attract and retain top talent with the capacity to drive the Company's long-term strategy and sustainable performance;
- 2.4 review and approve all remuneration related matters including but not limited to salary increases and incentive awards as recommended by management; and
- 2.5 ensure that the Company's talent management strategies and practices are appropriate to drive the Group's long-term success.

### 3. Overall Role and Associated Responsibilities

#### 3.1 Nomination:

The duties and responsibilities set out in these terms of reference are in addition to those duties and responsibilities they have as members of the Board. The Committee has the duty to:

#### 3.1 Remuneration:

- 3.1.1 ensure alignment of the human resources and remuneration strategies and policies with the UN sustainable development goals, the group business strategy and the desired culture;
- 3.1.2 consider, review, and approve the remuneration policy for

onward recommendation for Board approval and ultimately shareholder approval at the Annual General Meeting (AGM);

- 3.1.3 review and approve the overall annual increase pool awarded to employees across the Group and annually note and report to the Board the annual overall salary percentage increases of senior managers and employees;
- 3.1.4 recommend to the Board executive management benchmarked increases and performance calculations for Board approval;
- 3.1.5 approve the salary increase percentage mandate for management to negotiate with trade unions;
- 3.1.6 review annually all elements of the Company's executive remuneration and benefits in order to ensure that it is reasonable taking into account the measurement of performance against pre-determined and agreed criteria, and report to the Board;
- 3.1.7 ensure that remuneration is delivered in a transparent manner and linked to performance to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term for executives;
- 3.1.8 consider the non-executive salary increase proposal for onward recommendation to the Board and shareholders for approval at the AGM;
- 3.1.9 review and approve the disclosure in the Remuneration Report for onward recommendation for Board approval, to ensure that it provides sufficient forward-looking information for shareholders to pass a resolution in terms of S66(9) of the Companies Act of 2008 at the AGM;

### **3.2 Human Resources**

- 3.2.1 review and oversee the Group's human resource policies and strategies aimed at creating and sustaining the technical and managerial excellence required to support the attainment of the Company's global objectives;

- 3.2.2 review and give guidance regarding the implementation of human resource group policies and strategies aimed at creating a globally competitive workforce;
- 3.2.3 monitor the Company's performance in the area of human resources development against internal targets, peers' legislative imperatives, and the standards applicable to conducting business in other countries;
- 3.2.4 ensure that the Company addresses issues of employee retention, implements strategies to counteract losses, develop careers, attraction and retention of critical skills, and promotes mobility in an environment free of discrimination;
- 3.2.5 to promote an organisational culture which affords all employees the development opportunities which will enable them to achieve their optimal levels of career development in the course of their employment with the Company, recognising the diversity of the society within which the Company conducts its business.

### **4. Composition and Rotation of Membership**

- 4.1 The Committee must comprise of at least three members, of which the majority as well as the Chairperson must be independent non-executive directors. The members of the Committee shall be nominated by the Nomination and Governance Committee and appointed by the Board. The Chairperson of the Board shall be a member but not the Chairperson. Members must have the requisite experience, knowledge and skills set to serve on the Committee.
- 4.2 The Board shall from time-to-time review and, where appropriate, revise the composition of the Committee, taking into account the need for an adequate combination of skills and knowledge.
- 4.3 The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties. Committee members must keep up to date with key developments affecting their required skills set.

4.4 The chief executive officer (CEO) and chief financial officer (CFO) of the Company and the Executive Head: Human Resources will have standing invitations to attend.

## 5. Meetings

5.1 Meetings of the Committee shall take place as often as required, but at least two times a year, prior to scheduled Board meetings, at which Board meetings the Committee Chairperson will present a report on the activities of the Committee.

5.2 The Committee Chairperson and any member 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.

5.3 The quorum at any meeting of the Committee shall be a majority of its members.

## 6. Procedure for Meetings

6.1 Individuals in attendance by invitation may participate in discussions, but do not form part of the quorum for Committee meetings and will not be allowed to vote on any matter before the Committee where voting is required.

6.2 The Committee may at any time request other members or invitees to recuse themselves where the issues being discussed affect them and/or are of a sensitive nature.

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

## 7. Procedure

7.1. Committee meetings may be conducted entirely or partly by electronic communication.

7.2. Each Committee member has one vote on a matter before the Committee.

7.3. A majority of the votes cast on a Committee resolution is sufficient to approve that resolution, and, in the case of a tied vote, the Committee Chairperson shall not have a casting vote and the matter being voted on fails.

7.4. In the absence of the Committee Chairperson at a meeting of the Committee, the remaining members present shall elect one member present to chair the meeting.

## 8. Access to resources and information

8.1. 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.

8.2. 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.

## 9. Reporting

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

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

9.2.1 the Committee's overall role and associated responsibilities and function;

9.2.2 its composition;

- 9.2.3 any external advisers who regularly attend the Committee meetings;
- 9.2.4 key areas of focus during the reporting period;
- 9.2.5 the number of meetings held during the reporting period;
- 9.2.6 attendance at those meetings; and
- 9.2.7 whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9.3 The Committee Chairperson shall be required to attend the Company's annual general meeting to answer relevant questions posed by shareholders.

## **10. Evaluation**

10.1 The Committee will be independently 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 17 November 2023.