



## Investment Committee Terms of Reference

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### Constitution

#### 1. Constitution

- 1.1 The Investment 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 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 consider and, if deemed appropriate, make recommendations to the Board in respect of proposed new investments and disposals of investments and other business opportunities in line with the Group's overall strategy, such as material acquisitions, mergers, investments, divestments and disposals prior to approval by the Board, and deliberating on and advising on on-going material transactions and matters related thereto.
- 2.2 The Committee must review investment strategies and policies and capital allocation.

- 2.3 The Committee must act independently with accountability to the Board and the Company's shareholders and does not assume the functions of management.

#### 3. Overall Role and Associated Responsibilities

- 3.1 The duties and responsibilities of the members of the Committee as set out in these terms of reference are in addition to those duties and responsibilities that they have as members of the Board.
- 3.2 The Committee has the duty to:
- 3.2.1 consider, monitor and evaluate all
- i. investments (including related financing), divestments, corporate restructurings and financing proposals,
  - ii. acquisitions and disposals,
  - iii. major capital projects,
  - iv. capital allocations recommendations such as buybacks and dividend ranges proposed by management,
  - v. major commercial and procurement agreements that require approval at Board level and make such recommendations as it considers appropriate to the Board in respect of such matters and as stipulated in the Thungela Approvals Framework,
  - vi. proposed plant and mine closures and make the necessary recommendations to the Board.
- 3.2.2 ensure that investments, disposals or acquisitions are in line with the Company's overall strategy;
- 3.2.3 conduct planning and forecasting to enable the Board to make informed decisions with regard to major investment and divestment matters;

- 3.2.4 assess the risks and impacts of proposed projects and activities and outputs in the context of the economic, social and natural environments in which the Company operates;
- 3.2.5 monitor the execution of investments, mergers and acquisitions, divestments, disposals, and takeover activities approved by the Board;
- 3.2.6 confirm that appropriate due diligence procedures have been followed when acquiring or disposing of assets;
- 3.2.7 track the performance and post-implementation performance of investments, mergers and acquisitions, and takeover activities approved by the Board; and
- 3.2.8 perform such other investment related functions as may be determined by the Board from time to time.

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

- 4.1 The Committee must comprise of at least four 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 Chief Executive Officer and Chief Financial Officer shall have standing invitations to this meeting.
- 4.2 The Chairperson of the Board may not be the Committee Chairperson.
- 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 Board may at any time remove a member of the Committee and shall from time-to-time review and revise the composition of the Committee when appropriate.

#### **5. Meetings**

- 5.1 Meetings of the Committee shall be held at least four times a year prior to scheduled Board meetings of the Company. Additional ad hoc meetings can be set up on request by the Committee Chairperson.
- 5.2 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.

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

#### **6. Meeting Attendees**

- 6.1 The Committee may invite any executive management team members or other individuals to attend meetings of the Committee as they consider appropriate.
- 6.2 The Company Secretary or their designated representative shall be the secretary of the Committee.

#### **7. Procedure for Meetings**

- 7.1 Committee members who are unable to attend Committee meetings shall inform the Committee Chairperson or Company Secretary at an early date.
- 7.2 Committee meetings may be conducted entirely or partly by electronic communication. 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.
- 7.5 The Company Secretary shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made.

#### **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 or sooner if appropriate 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:

- the Committee's overall role, 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.

## **10. 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.