



Nomination and Governance Committee Terms of Reference

1. Constitution

- 1.1. The Nomination and Governance Committee (**the Committee**) is constituted as a committee of the **board** of directors (the Board) of Thungela Resources Limited (the **Company**).
- 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 **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

- 2.1. The purpose of the Committee is to consider and, if deemed appropriate, make recommendations to the Board in respect of sound governance principles in line with the overarching principles of the King Code, monitor regulatory compliance, evaluate the effective functioning of the Board and its committees, manage the process to make nominations to the Board for appointments to the Board and the CEO, and monitor the succession process for executive and non-executive directors.
- 2.2. 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.

- 2.3. The Committee has no ultimate decision-making authority and provides oversight and makes recommendations to the Board in respect of matters within its scope.

3. Overall Role and Associated Responsibilities

3.1 Nomination:

The Committee has the duty to:

- 3.1.1 through a transparent process, prepare a description of the role and capabilities required for a specific appointment, then identify, suitably assess, conclude preliminary interviews, and nominate for Board approval candidates to fill Board vacancies or add additional skills to the Board composition if and when a lack of skills are identified, including the CEO;
- 3.1.2 oversee the recruitment and appointment of a Company Secretary should a vacancy arise;
- 3.1.3 evaluate the independence and recommend to the Board the continuation in service of directors who has served for nine years and longer;
- 3.1.4 recommend for re-election directors retiring by rotation at the Annual General Meeting (AGM);
- 3.1.5 review notifications from Board members to serve on other Boards in line with the Guidelines approved by the Board;
- 3.1.6 ensure succession planning is implemented for the leadership of the Company, both executive and non-executive, have line of sight of the

pipeline, and updating the Board regularly on the status;

- 3.1.7 ensuring that the Board is of a size and composition appropriate for the Company bearing in mind the Company's growth, economic circumstances and other factors, and to make sure that the Board is equipped to make appropriate decisions, with the benefit of a variety of perspectives and skills mix, and in the best interests of the Group as a whole, make recommendations to the Board when necessary;
- 3.1.8 consider the nomination for appointment of a lead independent non-executive director should the size or circumstances of the company justifies said appointment;
- 3.1.9 oversee the development and implementation of an annual process for evaluating the performance of the Board, its committees, individual Directors, and the Company Secretary, and implement corrective processes in the event of poor performance;
- 3.1.10 ensure that induction and ongoing training and professional development of new and current directors takes place;
- 3.1.11 review the Nomination and Governance Committee Report for inclusion in the integrated annual report;
- 3.1.12 annually review the terms of reference of this Committee and recommend changes for Board approval.

3.2 Governance:

- 3.2.1 promote sound corporate governance and deliver governance outcomes such as an ethical culture, effective control and legitimacy with a due regard for the UN sustainable development goals;
- 3.2.2 review shareholder proposals for inclusion in the Notice of the AGM and make recommendations to the Board;
- 3.2.3 approve governance policies and procedures for the defining the role of the Board, duties of directors and prescribed officers, nomination, selection, appointment and removal of directors, conflicts of interest

procedures, and processes to enhance corporate governance;

- 3.2.4 ensure regular updates to the Board on regulatory changes that impacts the business;
- 3.2.5 review the governance sections in the integrated reports;
- 3.2.6 review the Notice and the Minutes of the AGM of the Company and recommend these for Board approval;
- 3.2.7 review the Governance Policy and recommend for Board approval, and review said policy every three years for relevance;
- 3.2.8 ensure that the Company and all Group companies complies with policies regulating governance such as business integrity, anti-trust, code of conduct, the dealing code, insider trading and price sensitive information;
- 3.2.9 reviewing developments in corporate governance and best practice and consider their impact and implication for the Company's processes and structures and make recommendations to the Board where necessary;
- 3.2.10 evaluate and monitor the regulatory governance requirements and code of business conduct within the Company;
- 3.2.11 have due regard to the principles of governance and code of best practice as contained in the King Code, and any legislation with respect to governance requirements and standards of the jurisdictions in which Thungela operates;
- 3.2.12 regularly review and make recommendations to the Board regarding the Governance section of the Group's Approvals Framework.

4. Composition and Rotation of Membership

- 4.1. The Board shall appoint the Chairperson of the Board as the Chairperson of this committee. The members of the Committee shall be appointed by the Board from among the independent non-executive directors and shall consist of not less than three members with 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 Chief Executive Officer and Chief Financial Officer will have standing invitations to the meetings. Invitations shall be extended to other senior executives, functions, or professional advisors when deemed appropriate.
- 4.4. The quorum at any meeting of the Committee shall be a majority of its statutorily appointed members.

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.
- 5.2. The Committee Chairperson and any members 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. Procedure for Meetings

- 6.1. Committee members who are unable to attend Committee meetings shall inform the Committee Chairperson or Company Secretary at an early date.
- 6.2. Committee meetings may be conducted entirely or partly by electronic

communication.

- 6.3. 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.
- 6.4. 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. Access to resources and information

- 7.1. The Committee has unrestricted access to Company information falling within the Committee's mandate.
- 7.2. The Committee Chairperson, 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.
- 7.3. monitor the correct balance between transformation activities, provision of adequate skills investments towards enterprise and supplier development, socio-economic development and maintaining stability within the Company;
- 7.4. consider material external developments in the fields of transformation and sustainable development and where appropriate, to have these assessed and provide appropriate strategic guidance; and
- 7.5. make recommendations to the Board on possible participation, cooperation and consultation to transformation, community and social development issues with government and non-governmental organisations and employee organisations.

8. Reporting

- 8.1. The Committee Chairperson shall report to the Board at the first Board meeting following the last Committee meeting on the activities of the Committee.
- 8.2. The Committee shall report on an annual basis to the shareholders through the Integrated Annual Report on the following items:
- 8.3. the Committee's overall role and associated responsibilities and function;
- 8.4. its composition;
- 8.5. key areas of focus during the reporting period;
- 8.6. key areas of focus for the following reporting period; and
- 8.7. the number of meetings held during the reporting period and attendance at those meetings; and
- 8.8. whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

9. Evaluation

- 9.1. 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 17 November 2023.