THUNGELA RESOURCES LIMITED

(Registration number 2021/303811/06)

(“Thungela” or “the Company”)

Explanation on application of practices in terms of the IoDSA King IV Report on Corporate Governance™ (King IV)[1]

The document is to be read in conjunction with the Company’s 2025 Integrated Annual Report (“**2025 IAR**”), specifically the sections headed “**Governance**” which is available on the Company’s website www.thungela.com

For purposes of the table below:

i. Principles represent the ultimate target of the path towards good governance.
ii. Practices are the recommended steps to be taken to support and give effect to the Principles.
iii. Explanations address how the Company which recommended or other practices have been implemented and how these achieve or give effect to the Principles.

	King IV Principle	King IV Recommended practices	Explanation of practices
1	***The Board should lead ethically and effectively***	I. Board members should strive for integrity, competence, responsibility, fairness and transparency in both their character as well as their conduct. II. Ethical and effective leadership by the Board should result in the Company achieving its strategic direction and attaining positive outcomes.	I. The Board is committed to achieving the strategic objectives of the Company, ethically, in support of a sustainable business. In furtherance of this, the Board has adopted a Board Charter which affirms the Board’s commitment to good corporate governance and leading ethically and effectively. II. The Directors have the necessary competence and skills and are provided with the requisite information and adequate time to make informed and well-reasoned decisions. The Company Secretary ensures that Board meetings are scheduled well in advance and that Board members are provided with information timeously.

			III. The Directors, overseen by the Chairperson, hold one other accountable for decision-making and ethical behaviour. IV. Board members individually and collectively take responsibility and accountability for their decisions and actions. V. The Board's performance is assessed annually as well as that of individual Board members, including the Chief Executive Officer and Chief Financial Officer.
2	***The Board should govern the ethics of the Company in a way that supports the establishment of an ethical culture***	The Board should: I. assume responsibility for the ethics of the Company by setting the direction how governance should be approached and addressed by the Company; II. approve codes of conduct and policies that address and give effect to the Board's stated direction on Company ethics; II. delegate to management and exercise ongoing oversight of the implementation and execution of the codes of conduct and policies governing ethics.	I. The Board leads by example and sets the direction on how governance is to be approached and addressed by the Company. II. The Board has adopted a Board Charter in terms of which the Board has stated its commitment to lead ethically and effectively and to determine the Group's values and culture, including by implementing a code of conduct that promotes integrity at Board level, senior management and other employees, defining acceptable and unacceptable behaviors, and which establishes the ethical tone and corporate culture of the Group. The Board has delegated to management the dissemination of the code of conduct throughout the Group, along with supporting policies. II. In terms of its Charter, the Board periodically assesses the effectiveness of ethics management, monitors indicators of ethical culture and provides appropriate disclosure regarding the ethical culture outcomes achieved.

			V. The Board approves and oversees the implementation of policies and procedures to give effect to the Board’s stated direction on Company ethics including but not limited to a Group code of conduct, business integrity policy, anti-trust policy, dealing code, inclusion and diversity policy, whistleblowing policy and insider trading policy. The policies and codes are adapted where necessary to ensure compliance with the different jurisdictions in which the Group operates. V. All Company policies and codes are published on the Group’s internal website, Ignite. Online and face-to-face training is also rolled out throughout the Group. VI. The Board, through the Social, Ethics and Transformation Committee has delegated to management oversight for the implementation and execution of all policies, codes and procedures related to ethics and responsible business practice management. VII. Breaches of policies or codes are reported either via the anonymous whistleblowing process, or to line management, and feedback is provided to the Social, Ethics and Transformation Committee, followed by disciplinary procedures and corrective actions where necessary. VIII. A process is in place to highlight high risk areas annually for focused training and audits. Employees can by way of an electronic register on the Company’s internal website, Ignite, declare conflicts of interest,

			gifts and entertainment, or external directorships, to name but a few.

3	***The Board should ensure that the Company is seen to be a responsible corporate citizen***	The Board should: I. assume responsibility for corporate citizenship, by establishing a course for how it should be approached and addressed by the Company; II. ensure that as a responsible corporate citizen, the Company complies with the Constitution of South Africa, the law, leading practices and adheres to its own codes of conduct and policies; III. that the Company's purpose and values, strategy and conduct are consistent with it being a responsible corporate citizen; IV. oversee and monitor how the Company's activities and outputs affect its status as a responsible corporate citizen.	I. The Board, through the Board committees, ensures that the Company is, and is seen to be, a responsible corporate citizen by having regard not only to the financial aspects of the business of the Company, but also the impact that business operations have on the environment and the society within which it operates. II. The Board proactively manages relationships with stakeholders and oversees and ensures compliance with relevant legal and regulatory requirements. III. The Board through the Social, Ethics and Transformation Committee tracks Company performance against targets for development, transformation, retention, well-being, and dignity. Accommodations are made to take into account the legal and regulatory requirements of the different jurisdictions in which Thungela operates. IV. The Remuneration and Human Resources Committee regularly reviews industry best practice for remuneration and salary benchmarking to ensure employees are remunerated fairly.

	King IV Principles	King IV Recommended practices	Explanation of practices
4	***The Board should appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process***	The Board should: I. steer and set the direction for the realisation of the Company's purpose and values through its strategy; II. delegate to management and thereafter approve the formulation and development of the Company's short, medium and long-term strategy; III. approve management's policies and operational plans to give effect to the strategy; IV. delegate to management the implementation and execution of the approved policies and operational plans; V. exercise ongoing oversight of management's implementation of strategy and operational plans against agreed performance measures and targets; VI. oversee that the Company on an ongoing basis assesses and responds to the negative consequences of its activities and outputs on the triple context in which it operates and the capitals which it uses and affects; VII. be alert to the Company's reliance on and effects on the capitals, its solvency and liquidity and its status as a going concern.	I. The Board has reflected on and determined the Company's purpose and guiding values. II. The Board has approved a delegation of authority framework in terms of which certain responsibilities have been delegated to an executive committee, including the formulation and development of the Company's short, medium and long-term strategy which is then approved by the Board. III. The Board committees, in particular the Health, Safety, Environment and Risk Committee and the Audit Committee assist the Board with the governance of risk and continuously monitor risks and ensures the implementation of controls. IV. The Chief Executive Officer reports back to the Board at least quarterly on the implementation and execution of approved policies and operational plans. V. The Board, through the Audit Committee, monitors and considers the Company's liquidity and solvency analysis on a quarterly basis. The status of the Company as a going concern is included in the Company's Integrated Annual Report and audited Annual Financial Statements.

	King IV Principles	King IV Recommended practices	Explanation of practices
5	***The Board should ensure that reports issued by the Company enable stakeholders to make an informed assessment of the Company's performance, and its short, medium and long-term prospects***	The Board should: I. assume responsibility for the Company's reporting including the approach to be taken and given effect to; II. approve management's reporting frameworks; III. approve management's determination of materiality for purposes of deciding the information to be included in external reports; IV. oversee that the following information is published on the Company's website: – corporate governance disclosures required in terms of King IV; – Integrated reports; – Annual Financial Statements and other external reports.	I. Thungela follows a structured process for determining material matters to be included for reporting to its shareholders and stakeholders, to allow them to make informed assessments of the Company's ability to generate value over the short, medium, and long term. II. Management has presented a reporting framework to the Board for consideration. This has been approved by the Board and is aligned to both the UK and SA financial, code and regulatory principles and requirements. Thungela annually issues an Integrated Annual Report, Annual Financial Statements, and an Environmental, Social and Governance (ESG) Report (which includes a Climate Change report), which is made available to all stakeholders via the Company's website. III. Thungela applies a combined assurance model seeking to optimise the assurance obtained from management and internal and external assurance providers. Both financial and non-financial information contained in the suite of reports are assured by external assurance providers. IV. The Board is committed to the governance outcomes set out in King IV. The self-assessments undertaken by the Board indicate alignment with the governance principles enunciated in King IV and the Board oversees the application of relevant governance practices.

	King IV Principles	King IV Recommended practices	Explanation of practices
6	***The Board should serve as the focal point and custodian of corporate governance in the Company***	I. The Board should exercise its leadership role by: – steering the Company and setting its strategic direction; – approving policy and planning that give effect to the direction provided; – overseeing and monitoring implementation and execution by management; – ensuring accountability for the Company's performance including by way of reporting and disclosures. II. The Board should ensure that its role, responsibilities, membership requirements and procedural conduct are documented in a Charter which is regularly reviewed to guide its effective functioning.	I. The Board is the focal point and custodian of corporate governance both in the Company as throughout the greater Group. II. The Board has an approved Board Charter which details amongst others: – The Board's role and responsibilities including reviewing and refining the Company's purpose and approving strategy. – Delegation of oversight to various Board committees. – Delegation to management through the office of the CEO. – Board structure and composition. – Matters reserved for the Board. – The process for executing its duties and decision making. III. The Board accordingly steers and sets the Company's strategic direction which is implemented and monitored by the executive committee led by the CEO. IV. The Board has delegated oversight of the implementation of appropriate financial reporting processes and procedures and the functioning thereof to the Audit committee. V. The Board and its sub-Committees are authorised to obtain independent professional advice on any matter when necessary to carry out their duties as well as to secure the attendance of outside third parties with the relevant experience and expertise when it is considered necessary.

	King IV Principles	King IV Recommended practices	Explanation of practices
7	***The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively***	I. The Board should: – assume responsibility for its composition by determining and approving the processes for it to achieve the correct balance of knowledge, skills and experience, diversity and independence to objectively and effectively discharge its role and responsibilities including with regards to governance. The process for nomination, election and ultimately the appointment of Board members should be formal and transparent; – comprise a majority of non-executive directors, the majority being independent. As a minimum the chief executive officer (**CEO**) and at least one other executive should be appointed to the Board to ensure that it has more than one point of direct interaction with management; – promote diversity for purposes of better decision making and effective governance including diversity in the field of knowledge, skills and experience as well as age, culture, race and gender; – establish a succession plan which should include the identification, mentorship and development of future candidates; – elect an independent non-executive member as the chairman of the Board ("**Chair**") to lead the Board in the discharge of its governance role and responsibilities; – appoint an independent non-executive member as the lead independent director;	I. The Board Charter details the Board structure and composition. New appointees to the Board are identified and selected for nomination by the Nomination and Governance Committee, which recommendation is then submitted to the Board for final approval. The Remuneration and Human Resources Committee follows a transparent and formal process in recommending suitable candidates for the Board's consideration, as set out in the Company's Inclusion and Diversity Policy. II. The Board, and its sub-Committees, with the assistance of the Nomination and Governance Committee and where appropriate the Remuneration and Human Resources Committee, assesses at least bi-annually its composition in terms of balance of skills, experience, diversity, independence, and knowledge and whether this enables the Board to effectively discharge its role and responsibilities including in terms of the Inclusion and Diversity Policy. The Board is satisfied that there exists the necessary balance of skills, experience, diversity, independence, and knowledge needed to discharge its role and responsibilities effectively. III. The Board consists of eight members, of whom two are Executive Directors (CEO and CFO). Further information on the Board and individual Board members may be found in the Governance section of the 2025 IAR. The remaining six Board members were as at 31 December 2025 all Independent Non-Executive Directors. IV. The Board Charter and Board Committee terms of references regulate the minimum requirements for members of each of the Board Committees. such that each Committee comprises of and complies with the

		– ensure that there is succession planning in place for the position of Chair. II. The Chair's role, responsibilities and term in office as well as that of the lead independent should be reflected in the Board Charter. III. Non-executive members may be characterised as independent if the Board determines that there is no interest, position, or the like which is likely to unduly influence or cause bias in the Board member's decision making in the best interests of the Company. IV. Nomination of a Board member for re-election at the Company's annual general meeting ("**AGM**") should be considered by the Board based on the Director's performance. A brief profile of each candidate standing for election at the AGM should accompany the notice of AGM, together with a statement from the Board confirming whether it supports the candidate's election or re-election. V. Professional development and regular briefings on legal and corporate developments, risks and changes in the external environment of the Company should be provided to Board members. VI. Board members should at least annually submit to the Board a declaration of all financial, economic and other interests held by the Director and related parties or whenever there are material changes to such interests. VII. At the beginning of each Board and Committee meeting, all Directors should be required to declare any conflicts of interest in respect of a matter on the Agenda.	applicable laws, regulations, codes and policies. V. At Board meetings, each Board member has one vote, and the Chairman does not have a deciding vote. VI. Succession planning is provided for in the Board's annual workplan. VII. The Company's Memorandum of Incorporation (MoI) provides that one-third of non-executive Directors are to retire at the Company's annual general meeting (**AGM**) and will be eligible for re-election. The Nomination and Governance Committee recommends the Directors to be considered for re-election at the Company's upcoming AGM for Board approval. VIII. Brief resumes of the non-executive Directors who are to retire at the AGM and who have put themselves forward for re-election, as well as the members of the Audit committee for election are included in the Notice of the AGM sent to shareholders. IX. During 2025, professional development was undertaken. and regular briefings on legal and corporate developments, risks and changes in the external environment of the Company were provided to Board members. X. Directors are required to submit to the Board a "Declaration of Business Interest" on an annual basis. Directors must in terms of section 75 of the Companies Act, 2008 disclose any personal financial interests in respect of any matter on the Agenda at the commencement of all Board and Committee meetings. XI. The Chairman of the Board is an Independent Non-Executive Director. A lead independent Director was appointed in May 2025.

			XII. The Chairman of the Board also chairs the Nomination and Governance Committee and serves as a member of the Health, Safety, Environment and Risk committee, and the Investment Committee. He attends meetings of the Audit Committee, the Social, Ethics and Transformation Committee, and the Remuneration and Human Resources Committee as a standing invitee.
8	***The Board should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties***	I. Subject to legal requirements, the Board should determine when to delegate particular roles and responsibilities to Board members or to standing or ad hoc committees. II. Delegation should be recorded in writing and approved by the Board. The record should set out the nature and extent of the responsibilities delegated, decision-making authority, the duration of the delegation and the delegates' reporting responsibilities. III. Delegation to Committees should be recorded in formal terms of reference that should be approved and reviewed annually by the Board. IV. The Board should consider the allocation of roles and associated responsibilities as well as the composition of Board committees to further effective collaboration and a balanced distribution of power across the Committees. V. The Board should ensure that each Committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively. VI. Each Committee should have a minimum of three members subject to legal provisions where applicable. VII. Members of the executive and senior management should be invited to attend committee meetings to	I. The Board and its sub-Committees comply with the requirements as contained in King IV regarding the composition of the Board and its Committees. II. The Board has delegated oversight and the monitoring of various functions to the following Committees: – Audit Committee; – Health, Safety, Environment and Risk Committee; – Nomination and Governance Committee; – Remuneration and Human Resources Committee; and – Social, Ethics and Transformation Committee. III. The Nomination and Governance Committee is responsible for: – the process for nominating, electing and appointing Board members; – succession planning in respect of Board members; and – evaluation of the performance of the Board. IV. Oversight of risk governance has been delegated by the Board to the Health, Safety, Environment and Risk Committee. There is a cross membership of Directors between the Audit Committee and the Health, Safety, Environment and Risk Committee in that Mr. T McKeith is a

		provide relevant information and insights in their area of responsibility. VIII. Board members are entitled to attend a Committee meeting as an observer. IX. The delegation of any responsibilities by the Board does not in itself constitute a discharge of the Board's accountability. X. **Audit committee** – The Audit committee's role is to provide independent oversight of amongst others: – the effectiveness of the Company's assurance functions and services; and – the integrity of the Company's annual financial statements and if applicable, other external reports issued by the Board; – the management of financial and other risks that affect the integrity of external reports issued by the Company. – The members of the Audit Committee should have the necessary financial literacy, skills and experience to execute their duties effectively. – All members of the Audit committee should be independent, non-executive members of the Board. – The Board should appoint an independent, non-executive member to chair the Audit committee. – The Audit committee must meet with each of the internal and external auditors on an annual basis,	member of both Committees. V. There is a clear balance of power to ensure that no individual has undue influence or decision-making powers, and all Committee terms of references are approved by the Board. Other delegations of authority by the Board are made as per the Thungela Approvals Framework, which is reviewed annually for relevance. VI. The constitution of the individual board Committees complies with regulatory and code requirements, and extracts may be found in the Integrated Annual Report (IAR). Executive and Senior Management are invited to attend meetings as and when needed.

		without management being present, to facilitate an exchange of views and concerns. XI. **Committee responsible for the nomination of Board members** – The Board should consider allocating the oversight of the following to a dedicated committee: – the process for nominating, electing and appointing Board members; – succession planning in respect of Board members; and – evaluation of the performance of the Board. – All members of the committee responsible for nominations should be non-executive directors and the majority should be independent. XII. **Committee responsible for risk governance** – The Board should consider allocating the oversight of risk governance to a dedicated committee. – Should responsibility for audit and risk be delegated to separate committees, the Board should consider cross membership. – The committee for risk governance should have executive and non-executive members with the majority being non-executive members of the Board. XIII. **Committee responsible for remuneration** – The Board should consider allocating oversight of remuneration to a dedicated committee which	

should comprise of non-executive members of the Board with the majority being independent on-executive Board members.

– The committee responsible for remuneration should be chaired by an independent non-executive Board member.

XIV. **<u>Social and Ethics committee</u>**

– The Company is required by statute to establish a social and ethics committee which should, subject to Statute comprise of both executive and non-executive members with the majority being non-executive members of the Board.

– The responsibilities of the Social and Ethics committee should include its statutory duties and other responsibilities delegated to it by the Board.

	King IV Principles	King IV Recommended practices	Explanation of practices
9	***The Board should ensure that the evaluation of its own performance and that of its own committees, its Chair and its individual members support continued improvement in its performance and effectiveness***	The Board should: I. assume responsibility for the evaluation of its performance and that of its committees, the Chair and individual Board members; II. appoint an independent non-executive director to lead the evaluation of the Chair's performance; III. ensure that there is a formal process undertaken at least every 2 years for evaluating the Board's performance, its committees, the Chair and individual Board members which may be externally facilitated; IV. every alternate year schedule an opportunity for consideration, reflection and discussion of its performance and that of its committees, the Chair and Board members.	I. The Board Charter as well as the terms of reference of the Board Committees contain a requirement that performance is evaluated in accordance with statute and good governance practices. Feedback received from Committee evaluations are to be converted into action items which are tracked and reported on to the Board. II. The Board and Committee evaluations alternate each year between internal and external appraisals. Internal assessments focus less on individual performance, while external evaluations include 360-degree individual assessments. II. In 2025 an independent evaluation of the Board and its committees was completed. The evaluation determined that the Board remains highly effective.

	King IV Principles	King IV Recommended practices	Explanation of practices
10	***The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities***	**I. CEO appointment and role** – The Board should: – appoint the CEO, who should be responsible for the implementation and execution of the Board approved strategy, policy and operational planning and should act as the nexus between management and the Board; – satisfy itself that there is succession planning for the CEO in place to provide continuity. Succession planning should be reviewed periodically and should provide for both succession in emergency situations and succession over the longer term; – formally evaluate the performance of the CEO against agreed performance measures and targets at least annually. – The CEO and the Board should agree on whether the CEO takes up additional professional positions outside the Company. – The CEO should be accountable, and report to the Board. – The CEO should not be a member of the Remuneration, Audit and Nomination committees but should attend by invitation any meeting if needed.	I. The Board is satisfied that the Company is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. II. The CEO is responsible and accountable for the implementation and execution of the Company's strategy, policies, and operational planning, is appointed by the Board, and serves as an executive Director on the Board. The CEO's performance is evaluated annually by the Board. III. Succession planning for non-executive directors including for the CEO and CFO is undertaken by the Nomination and Governance Committee. Succession planning for the CEO was given effect to in 2025 with the successful transition of the CEO of the Company from July Ndlovu to Moses Madondo. Succession planning for the executive and non-executive Directors' forms part of the Nomination and Governance Committee's annual workplan. IV. The Thungela Approvals Framework delegates certain decisions within defined parameters to management. The Framework is reviewed regularly for relevance and to ensure its effectiveness. The Board is satisfied that the Framework contributes to role clarity and the effective exercise of authority and responsibility.

		II. Delegation The Board should: – set the direction and parameters for the decision-making authority which are to be reserved for itself and those that are to be delegated to management through the office of the CEO; – approve a delegation of authority framework that communicates both the reservation and the delegation of power; – ensure that the delegation of authority framework addresses the authority to appoint executives who will serve as ex-officio executive members of the Board and to make other executive appointments; – oversee that key management functions are adequately resourced and headed by a person with the necessary authority and competence; – satisfy itself that there is succession planning in place for executive management and other key positions both for emergency situations as well as over the longer term. The should be reviewed periodically.	V. The Board is responsible for the appointment of the Company Secretary, who is accountable to the Board and works closely with the Chairman in respect of all Board related matters and in assisting the Board in fulfilling its statutory and governance duties. The Board annually assesses the competence of the Company Secretary through the Nomination and Governance Committee. The Company Secretary is not a director of the Company nor that in respect of any of its subsidiaries, reports to the CEO, and retains an arms-length relationship with the Board at all times.

	King IV Principles	King IV Recommended practices	Explanation of practices
11	***The Board should govern risk in a way that supports the Company in setting and achieving its strategic objectives***	The Board should: I. assume responsibility for the governance of risk by setting the direction for how risk should be approached and addressed in the Company; II. treat risk as fundamental to the way it makes decisions and executes its duties; III. approve policy that details and gives effect to is risk objectives; IV. evaluate and agree the nature and extent of the risks that the organisation is willing to take in pursuit of its strategic objectives; V. delegate to management the responsibility for implementing and executing effective risk management; VI. exercise ongoing oversight of risk management and oversee that it results in an assessment of: – the risks and opportunities that emanate from the triple context in which the Company operates as well as the capitals that the Company uses and affects; – the potential upside or opportunity presented by risks as well as any possible negative effects on achieving the Company's objectives; – the Company's dependence on resources and relationships that allow the Company to operate under conditions of volatility and to withstand acute shocks;	I. The Health, Safety, Environment and Risk Committee, assisted by the Audit Committee, assists the Board with the governance of risk. The Board is cognisant of the importance of risk management as it impacts amongst others strategy, performance, and sustainability of the business. Accordingly, risks are identified and managed within acceptable parameters. II. The Health, Safety, Environment and Risk Committee delegates to management the identification, mitigation, and management of risk within the Group's operating environment. The Group's risk tolerance and appetite is determined at Board level. III. The Health, Safety, Environment and Risk Committee is provided with quarterly reports on risk and assurance. IV. The Board has approved an Integrated Risk Management (IRM) Policy and Framework to better manage risk. This is integral to good management practice, sustainable wealth creation and predictable operational performance. V. The Board annually convenes a Board strategy workshop, where strategic, external, and preventable risks and opportunities are considered.

		VII. consider the need to receive periodic independent assurance on the effectiveness of risk management.	VI. The Board and Board Committees review management reports on IRM which includes reviewing risks to ensure that they are within risk tolerance and appetite levels. These are assessed on a quarterly basis by the respective Board committees and consolidated at a Board level.
12	***The Board should govern technology and information in a way that supports the Company setting and achieving its strategic objectives***	I. The Board should: – assume responsibility for the governance of technology and information by setting the direction for how technology and information should be approached and addressed in the Company; – approve policy that set out and gives effect to its strategy on the employment of technology and information; – delegate to management the implementation and execution of technology and information management while exercising ongoing oversight. II. The intended outcome of the Board's oversight of information and technology management is: – People, technology, information and processes being integrated across the Group. – The Group's risk management integrating technology and information risks. – Proactive monitoring is undertaken to identify and respond to incidents including cyber-attacks and adverse social media events.	I. The Board is aware of the importance of technology and information in relation to the Company's strategy. II. The Board has delegated oversight of information technology and information management (**IM**) to the Health, Safety, Environment and Risk Committee. III. Management, led by the Head of Information Management, is responsible for the implementation of IM structures and processes as well as security. IV. The Health, Safety, Environment and Risk Committee is provided with quarterly reports on amongst others information technology hardware and software upgrades, including in Dubai and Australia, IM governance as well as the governance of Artificial Intelligence. Cyber security and breaches are also reported on. The Health, Safety, Environment and Risk Committee in turn reports to the Board.

		– The performance of and risks associated with third party and outsourced service providers being managed. – The value derived from investments by the Group in technology and information being assessed. – The responsible disposal of technology and information. – The ethical and responsible use of technology and information. – Compliance with applicable laws.	

	King IV Principles	King IV Recommended practices	Explanation of practices
13	***The Board should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen.***	The Board should: I. assume responsibility for the governance of compliance with applicable laws and adopted rules, codes and standards by setting the direction for how compliance should be approached and addressed in the organisation; II. should approve policy that sets out and gives effect to the Company's focus with regards to compliance, and which details the non-binding rules, codes and standards the Company has adopted; III. should delegate the implementation and execution of compliance to management whilst retaining oversight.	I. The Board is ultimately responsible for the governance of compliance with applicable laws, regulations, policies and codes. II. The Board, Board committees and the legal, risk and assurance teams monitor compliance with the laws, regulations, policies and codes applicable to the Company in such a manner as to ensure that the Company is managed in an ethical manner befitting of a good corporate citizen. III. The Board has set the direction for how compliance should be approached and has approved various Codes and policies applicable to the Company including: – A Code of Conduct; – Business Integrity Policy; – Insider Trading Policy; – Dealing Code; – Whistleblowing Policy; – Inclusion and Diversity Policy; – Anti-Trust Policy. IV. The Board has delegated implementation and execution of compliance to management while the monitoring of compliance is conducted by the Company Secretary in conjunction with the Group Legal function. Bi-annual compliance reports are submitted to the Nomination and Governance Committee highlighting regulatory compliance and potential risks to the Group emanating from the report.

			The Nomination and Governance Committee in turn reports back to the Board on these matters.
14	***The Board should ensure that the Company remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.***	**I. <u>Remuneration Policy</u>** – The Board should: – assume the governance of remuneration and how remuneration should be approached and addressed throughout the Group; – approve a Remuneration Policy that details its direction on fair, responsible and transparent remuneration; – oversee that the Remuneration Policy achieves its objectives. – The Remuneration Policy should be formulated to achieve stated objectives including attracting and retaining human capital, the achievement of strategic objectives and positive outcomes while promoting ethical culture and responsible corporate citizenship. – The Remuneration Policy should address the Group's remuneration including all elements of remuneration that are offered as well as the mix of these elements. **II. <u>Remuneration Report</u>** The Board should ensure that remuneration is disclosed by means of a report comprising of three parts namely: – Background statement.	I. The Board, assisted by the Remuneration and Human Resources Committee, ensures that employees are remunerated fairly, responsibly, transparently and in line with industry standards to promote the creation of value in a sustainable manner. II. The Thungela Remuneration Policy is designed to attract, motivate, retain, and reward employees, and to promote positive outcomes while promoting an ethical culture and responsible corporate citizenship. In so doing, the Company is supported in achieving its strategic objectives. Remuneration is benchmarked to ensure that employees are remunerated in line with market practice. III. The Remuneration Policy and Implementation Report are each presented to shareholders at the Company's AGM annually for a non-binding advisory vote. IV. Fees payable to Non-Executive Directors for their services as directors are submitted to the shareholders for approval by way of a special resolution at the AGM. The fees are recommended by the Remuneration and Human Resources committee for approval by the Board prior

		– An overview of the main provisions of the Remuneration Policy. – An Implementation Report which contains details of the remuneration awarded to Board members and executive management during the reporting period.	to inclusion in the Company's notice of AGM. The fees are benchmarked annually by an independent external service provider.

15	***The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the Company's external reports.***	I. The Board should: – assume responsibility for assurance by setting the direction concerning the arrangements for assurance services and functions and delegating oversight to the Audit committee. The intended outcomes are: – an effective internal control environment; – the integrity of information used for internal decision making by management, the Board and its Committees; – integrity of external reports; – oversee that a combined assurance model is designed and implemented to effectively deal with the Group's material risks and matters through a combination of assurance providers and functions; – be satisfied that a combined assurance model is applied which supports the objectives for assurance. II. The Board and its committees should assess the output of the Group's combined assurance model, the robustness thereof and the degree to which an effective control environment has been achieved.	I. While the Board retains ultimate responsibility for assurance, the Board has delegated to the Audit Committee the responsibility for overseeing this as per the Committee's terms of reference. II. In terms of the Audit committee's terms of reference: – the committee oversees that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular: – that the combined assurance is appropriate to address all the significant risks facing the Company; – monitors the relationship between the external assurance providers and the Company; and – oversees the co-ordination of internal and external audit activities to the extent that it is appropriate.

		III. **<u>Assurance of External Reports</u>** The Board should – assume responsibility for the integrity of external reports issued by the Company and how assurance of these reports should be addressed, taking into account any legal considerations. – satisfy itself that it may place reliance on the combined assurance underlying Board statements made concerning the integrity of the Company's external reports. IV. **<u>Internal Audit</u>** The Board should – assume responsibility for internal audit and set the direction needed to provide objective and relevant assurance. Oversight should be delegated by the Board to the Audit committee; – approve an internal audit charter detailing the role, responsibilities and authority of the internal audit function; – ensure that internal audit comprises of the necessary skills and resources to address the complexities and the risks faced by the Company, and where necessary should be supplemented by specialist services; – monitor on an ongoing basis that internal audit follows a risk-based internal audit plan and reviews the Company's risk profile and where necessary propose amendments to the internal audit plan. – obtain annual confirmation from internal audit that the internal audit function conforms to recognised industry standards.	III. The Committee evaluates all the information it receives from management, internal audit, external assurance providers, the control functions and the Company's subsidiaries', and reports to the Board in relation to its conclusion on the effectiveness of all internal controls over material risks. IV. The Audit committee examines and reviews all financial reports and information including the integrated report, the annual financial statements, the interim reports, the preliminary reports, trading statements and any other announcements regarding the Company's results or other financial information to be made public, prior to submission and approval by the Board. V. The Audit committee annually reviews the competency of both the internal and external audit function, as well as the independence of the external audit function and recommends for approval by the Board the appointment or re-appointment of the Company's external auditor and designated partner at the Company's AGM. VI. The Board is satisfied that the assurance results indicate an adequate and effective control environment and the integrity of reports.

16	***In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time.***	**I. <u>Stakeholder relationships</u>** The Board should: – assume responsibility for the management of stakeholder relationship as well as determining the manner in which stakeholder relationships should be approached and conducted. The Board should in addition approve a policy which gives effect to this; – delegate to management the implementation and execution of stakeholder relationship management; – exercise ongoing oversight of stakeholder relationship management. **II. <u>Shareholder relationships</u>** The Board should: – oversee that the Company encourages pro-active engagement with Shareholders including at the Company's AGM; – ensure that shareholders are equitably treated and that the interests of minority shareholders are adequately protected. **III. <u>Relationships with group companies</u>** The Board should: – assume governance of all the companies is the Group by setting the direction in how the relationships and exercise of power within the Group should be exercised and conducted;	I. Various stakeholder groups have been identified, and the Board balances their legitimate and reasonable needs, interests, and expectations. The Social, Ethics and Transformation Committee assists the Board to monitor stakeholder engagements and interactions. II. The Social, Ethics and Transformation Committee is responsible to develop sustainable development policies and guidelines to identify and manage focus areas, monitoring performance against key indicators, and facilitating stakeholder participation, cooperation, and consultation on key issues. III. The Board, through the Social, Ethics and Transformation Committee, reviews and approves policies pertaining to stakeholder engagement, and delegates to executive management the implementation and execution of stakeholder relationship management.

		– adopt a Group Governance Framework that details and gives effect to its direction on relationships and the exercise of authority across the Group, while ensuring that the group governance framework does not conflict with any of the subsidiary companies' memoranda of incorporation; – ensure that the Group governance framework recognises each subsidiary in the Group as a separate legal entity to which the directors of that company owe a fiduciary duty.	

	King Principles	King IV Recommended practices	Explanation of practices
17	**The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests.**	The governing body of an institutional investor should: I. assume responsibility for governing responsible investment by setting the direction for the approach and conduct by the organization; II. approve policy that contains its direction on responsible investing; III. delegate to management or alternatively to the outsourced service provider the responsibility to implement and execute its policy on responsible investment; IV. where it outsources investment decisions or investment activities to custodians or the like, the governing body should oversee that this is regulated by a formal mandate which gives effect to its responsible investment policy; V. ensure the accountability of service providers for complying with the formal mandate; VI. disclose the responsible investment code adopted by it and its application thereof.	Not applicable