



Thungela King Code Register

Preamble

The Board recognises the link between effective governance, sustainable performance, and the creation of long-term value for all its stakeholders. The Board is committed to the principles of transparency, integrity, fairness, and accountability, and recognises the need to implement good corporate governance principles. The Board, therefore, seeks to apply the principles as set out in the King Code.

The Company has performed an assessment of its application of the principles set out in the King Code. The assessment is reflected below together with key actions envisaged to achieve full application, where gaps exist.

Principle

1 The governing body should lead ethically and effectively. Applied

The Directors, overseen by the Chairperson, hold each other accountable for decision-making and ethical behaviour.

The Directors act with integrity and transparency, has the necessary competence, and sufficient time, to make calculated decisions and take responsibility and accountability for their decisions and actions.

The Board commits to achieving the strategic objectives of the Company, ethically, in support of a sustainable business.

The Directors complies with the code of conduct and are assessed annually to ensure that the board has the necessary skillset, knowledge, and expertise to discharge their responsibilities in the best interest of Thungela.

2 The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture. Applied

The Board acts by example and is responsible for the monitoring and governance of the ethics of the Company. Board responsibilities are set out in the board charter which is aligned with the memorandum of incorporation.

The Board approves and oversee the implementation of policies and procedures including but not limited to the code of conduct, business integrity, anti-trust, dealing in securities, inclusion and diversity, price sensitive information, whistle blowing, and insider trading.



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The Board ensure compliance with the code of conduct is integrated into the business strategy and operations, and is reflected in the company's purpose, to responsibly create value together for a shared future.

All company policies are published on the internal website, Ignite. Online and face to face training is also rolled out throughout the organisation on code of conduct, business integrity, and other relevant topics.

The Board, through the Social and Ethics Committee has delegated to management oversight for the implementation and execution of all policies, codes, and procedures.

Breaches of polices or codes are reported either via the anonymous whistleblowing process, or to line management, and feedback provided to the Social and Ethics Committee, followed by the necessary disciplinary procedures and corrective actions where necessary.

The Board has zero tolerance for unethical behaviour. 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 internal website, Ignite, declare conflicts of interest, gifts and entertainment, or external directorships, to name but a few.

3 The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen. Applied

The Board, through the Board committees, ensures that the Company is, and is seen to be, a responsible corporate citizen by having regard to not only 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.

The Board proactively manages relationships with stakeholders and oversees and ensures compliance with relevant regulatory requirements included but not limited to the framework for the United Nations Guiding Principles on Business and Human Rights (UNGPs) as well as the Mineral and Petroleum Resources Development Regulations.

The Board through the Social and Ethics Committee tracks Company performance against targets for development, transformation, retention, well-being, and dignity in line with relevant legislation. The Remuneration and Nomination Committee regularly reviews industry best practice for remuneration and salary benchmarking to ensure employees are remunerated fairly.

Principle

- 4 The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. Applied**

The Company's ability to create value in a sustainable manner is illustrated throughout its business model. The Board committees assists the Board with the governance of risk and continuously monitors risks and ensures the implementation of controls.

As per the Board Charter, the Board is responsible for setting the overall company strategy and direction to create value for stakeholder.

The Board, through the Audit Committee, monitors and considers the company's liquidity and solvency analysis on a quarterly basis. The going concern status of the company is included in the integrated report and audited annual financial statements.

- 5 The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium, and long-term prospects. Applied**

Thungela follows a structured process for determining material matters to be included for reporting to its shareholders and all stakeholder, to allow them to make informed assessments of Company's ability to generate value over the short, medium, and long term. The annual report will contain an assessment of its performance, measured against its objectives.

Management has presented a reporting framework, which has been approved by the Board, which is aligned with both UK and SA financial, code and regulatory principles and requirements. Thungela annually issues the Integrated Annual Report, the Annual Financial Statements, and the Environmental, Social and Governance (ESG) Report which is made available to all stakeholders via the website.

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.

The Board is committed to the governance outcomes set out in King IV™. The self-assessment shows alignment with the 16 principles and the Board oversees the application of relevant practices.

- 6 The governing body should serve as the focal point and custodian of the corporate governance in the organisation. Applied**



Principle

The Board is the focal point and custodian of good corporate governance. Its role and responsibilities and the way it executes its duties and decision making are set out in the Board Charter. Further aspects of governance are addressed with greater impetus through the Board sub-Committees. The Board Charter also sets out the roles and responsibilities of the individual directors, including the composition and relevant procedures of the board. The Board Charter is reviewed annually to ensure that it is aligned with statutory and regulatory requirements.

The Board through the Social and Ethics Committee oversees and monitors governance throughout the group. The Board adopted policies on code of conducts and other ethics related policies and ensures that the ethical performance of all Thungela representatives is monitored and reported on.

The Audit Committee oversees and ensures that appropriate financial reporting processes and procedures are in place and functioning effectively.

The Board and its sub-Committees, is authorised to obtain independent professional advice on any matter as necessary to carry out their duties and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

7 The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.

Applied

On an annual basis, the Board, and its sub-Committees, through the Remuneration and Nomination Committee, consider their composition in terms of balance of skills, experience, diversity, independence, and knowledge and whether this enables them to effectively discharge their roles and responsibilities as per the Inclusion and Diversity Policy. The Board is satisfied that there is a balance of skills, experience, diversity, independence, and knowledge needed to discharge its roles and responsibilities.

Through the annual assessment process of the Board and its sub-Committees, the knowledge and skills set will be evaluated and improved where required. Furthermore, where necessary, subject matter experts are available for matters requiring specialised guidance.

The Board consist of 8 members of whom 2 are Executive Directors (CEO and CFO), as prescribed in the Memorandum of Incorporation. Details of the individual Board members can be found in the governance section of the IAR and on the Thungela website. Of the 6 Non-Executive Directors, all 6 were Independent during the year ending 31 December 2022.

The Board Charter and Board Committee terms of references regulates the minimum requirements for members of each of the Board Committees. The constitution of each Committee is such that the necessary skills, knowledge, and experience are utilised within

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the appropriate Committee, and complies with the requirements of the Inclusion and Diversity Policy.

The Memorandum of Incorporation (MoI) stipulates that one-third of the Board members will retire from office at the annual general meeting (AGM) and will be eligible for re-election. Directors may avail themselves for re-election 3 times. The maximum age for a Director is prescribed as 70 years of age, whereafter the reappointment of said director must be scrutinised and motivated by the Remuneration and Nomination Committee. Nominations coming from the Remuneration and Nomination Committee must be approved by the Board. Brief resumes of Directors up for re-election will be included in the Notice of the AGM.

The Board assesses the independence of all Directors. In addition, Directors are required to submit to the Board a "Declaration of Business Interest" on a bi-annual basis. Directors must to S75 of the Companies Act disclose all personal financial interests at the start of all Board and Committee meetings.

The Chairman of the Board is an Independent Non-Executive Director. The Board is currently considering the appointment of a Lead Independent Non-Executive Director.

The Chairman of the Board also chairs the Risk and Sustainability Committee and serves as a member of the Social and Ethics and Remuneration and Nomination Committees. He attends the Audit Committee as a standing invitee.

8 The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.

Applied

The Board and its sub-Committees complies with the requirements of the King IV Principles. There is a clear balance of power to ensure that no individuals have undue decision-making powers, as set out in the Board Charter, and the individual Committee terms of references. All Committee terms of references are approved by the Board, and subject to an annual review.

Other delegations of authority by the Board are made as per the Thungela Approvals Framework, which is reviewed annually for relevance.

The constitution of the individual board Committees complies with regulatory and code requirements, and extracts can be found in the Integrated Annual Return (IAR). Executive and Senior Management are invited to attend meetings where and when relevant.

The Audit Committee, comprising of 3 Independent Non-Executive Directors, oversees the effectiveness of the assurance function, and the integrity of the annual financial statements, as well as financial risk. The Committee is satisfied that the auditor is independent and non-audit services are not performed and the audit firm has been

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appointed with the designated audit partner having oversight of the audit. The Committee is also satisfied with the effectiveness of the CFO and the Finance function.

The Remuneration and Nomination Committee is responsible for all remuneration matters, as well as new Board nominations and appointments, succession planning and board and Committee assessments. All members are Independent Non-Executive Directors.

The Risk and Sustainability Committee has oversight of risk governance, safety, health, and environment.

The Social and Ethics Committee has oversight of organisational ethics, corporate citizenship, sustainable development, governance, and stakeholder relationships.

9	The governing body should ensure that the evaluation of its own performance and that of its Committees, its chair, and its individual members, support continued improvement in its performance and effectiveness.	Applied
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The Board and all sub-Committees' charters include the onus of annual assessments. Assessments of the performance by the Board, its sub-Committees and the Company Secretary will be conducted on a rotational basis annually by way of an external evaluation process in one year, followed by an internal assessment process the following year run by the company secretary. An independent service provider was appointed to do the assessments in 2022 and will again conclude the assessments in 2024. The Board was supportive of the proposed assessment process.

10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	Applied
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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.

The CEO, responsible and accountable for the implementation and execution of the strategy, policies, and operational planning, is appointed by the Board, and serves as an Executive Director on the Board, and the Board annually evaluates his performance.

The Thungela Approvals Framework for decision-making delegates authority to Management, with the Board retaining ultimate decision-making powers over material matters. The Framework is regularly reviewed to ensure its effectiveness, and the Board is satisfied that the Framework contributes to role clarity and the effective exercise of authority and responsibilities.

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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 assisting the Board in fulfilling its statutory and governance duties. The Board annually conducts an assessment of the competence of the Company Secretary through the Remuneration and nominations Committee. The Company Secretary is not a director of the Company or any of its subsidiaries, and reports to the CFO.

11 The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives. Applied

The Risk and Sustainability Committee, assisted by the Audit Committee, assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance, and sustainability of the business. Accordingly, risks are identified and managed within acceptable parameters.

The Risk and Sustainability Committee delegates to management to continuously identify, assess, mitigate, and manage risks within the existing operating environment. The Group risk appetite is set at Board level.

The Board approved an Integrated Risk Management (IRM) Policy and Framework to better manage risk, which was integral to good management practice and fundamental to the sustainable creation of wealth and predictable operational performance.

The Board annually convenes a Board Strategy Workshop, where strategic, external, and preventable risks and opportunities are considered to set strategic direction for Thungela.

The Board and Board Committees review management reports on IRM which includes reviewing risks to ensure they are within tolerance and appetite levels set by the Board. These are assessed on a quarterly basis by the respective Board Committees and consolidated at Board level.

12 The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives. Applied

The Board, together with the Head of Information Management (IM), oversees the governance of IM, through the Risk and Sustainability Committee. The Board is aware of the importance of technology and information in relation to the Company's strategy.

Management is responsible for the implementation of IM structures and processes, with quarterly reports into the Risk and Sustainability Committee, reporting into the Board.

IM is mandated with the responsibility and has developed mechanisms and processes to protect the security of information and information systems. Reports are submitted to the

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Risk and Sustainability Committee addressing the various security mechanisms in place and their efficacy.

13 The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen. Applied

The Board, together with the Risk and Sustainability Committee and the compliance function, monitors compliance with the various regulations applicable to the Company in such a manner as to ensure that the Company is run in an ethical manner befitting of a good corporate citizen.

The Board, through the Social and Ethics Committee, monitors compliance to various policies, codes, and procedures, such as King IV™.

Continuous monitoring of regulatory compliance is conducted by, amongst others, the compliance manager, and legal functions, and quarterly compliance reports are submitted to the Risk and Sustainability Committee who reports back to the board.

14 The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term. Applied

The Board, assisted by the Remuneration and Nominations Committee, ensures that staff are remunerated fairly, responsibly, transparently and in line with industry standards to promote the creation of value in a sustainable manner.

The Thungela Remuneration Policy is designed to attract, motivate, retain, and reward human capital, and to promote positive outcomes and an ethical culture of a responsible corporate citizen. The policy and implementation plan are presented to the shareholders at the AGM annually for a non-binding advisory vote. The Remuneration Policy contains a process of engagement if 25% or more of the voting rights exercised voted against any one of the two reports.

Fees for Non-Executive Directors for their services as Directors are submitted to the shareholders for approval by way of a special resolution at the AGM via the Board on recommendation by the Remuneration and Nomination Committee.

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15 The governing body should ensure that assurance services and functions enable an effectively controlled environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports. Applied

The Board is satisfied that the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making. This responsibility is contained in the Board Charter and the Audit Committee terms of reference.

The Audit Committee assists the Board in discharging its duties and responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and overall oversight of the external and internal audit appointments and functions.

During the year the Committee:

- Considered the effectiveness of the internal audit function and monitored adherence to the annual internal audit plan.
- Considered and reviewed the Company's combined assurance model for completeness and ensured that augmented assurance coverage is obtained from management, external and internal assurance providers.
- Evaluated the IR and assessed the consistency with operational and other information known to the Committee and that the report was prepared in line with the IIRC's International Framework.

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 make the necessary recommendations to the Board. The Board, on the recommendation by the Audit Committee, will make the necessary recommendation to the shareholders to reappoint the external auditor and partner at the next AGM by way of an ordinary resolution.

16 In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time. Applied

Various stakeholder groups have been identified and the Board balances their legitimate and reasonable needs, interests, and expectations. The Social and Ethics Committee assists the Board to monitor stakeholder engagements and interactions.

The Social and Ethics Committee is responsible to develop sustainable development policies and guidelines to identify and manage focus areas, monitoring performance



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against key indicators, and facilitating stakeholder participation, cooperation, and consultation on key issues.

The Board, through the Social and Ethics Committee, reviews and approves policy pertaining to stakeholder engagement, and delegated to executive management the implementation and execution of stakeholder relationship management.