MERAFE RESOURCES LIMITED

REMUNERATION AND NOMINATION COMMITTEE TERMS OF REFERENCE

NOTE: THESE TERMS OF REFERENCE HAS BEEN ALIGNED TO THE KING IV RECOMMENDATIONS

REMUNERATION AND NOMINATION TERMS OF REFERENCE

DECEMBER 2025

INTRODUCTION

These terms of reference have been drafted in accordance with King IV Principle 7 and Principle 14.

The Remuneration and Nomination Committee (the Committee) is constituted as a committee of Merafe Resources Limited (the Company).

The duties and responsibilities of the members of the Committee are in addition to those as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgment in accordance with their statutory obligations.

These terms of reference are subject to the provisions of the Companies Act, King IV, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

PURPOSE

The purpose of these terms of reference is to set out the Committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

COMPOSITION

Membership

The Committee shall consist of not less than three directors appointed by the Board, all of whom shall be non-executive directors and the majority deemed to be independent. The Board will annually determine the term of office of the committee members.

The Board shall review the composition of the Committee at least annually.

The Board shall appoint the Committee Chairperson, who shall be an independent non-executive director. The Board shall determine the tenure of office of the Committee Chairperson.

The Chairperson of the Board must not chair the Committee in regard to the **remuneration aspects** but must chair the Committee in regard to the **nomination aspects.** *(JSE LRs 5.7(g))*

The members of the Committee must collectively have sufficient knowledge, skills, qualifications, experience and capacity to fulfil their duties.

SECRETARY

The company secretary of the Company shall act as the secretary of the Committee.

ROLE

The Committee will make recommendations to the Board for its consideration and final approval regarding:

- Remuneration strategy
- Remuneration policy
- Remuneration packages

These should be reviewed annually to ensure their continued relevance.

The Committee does not assume the functions of management which remain the responsibility of executive directors, officers and other members of senior management. The role of the Committee is to assist the Board in ensuring that:

- Directors and executives are remunerated fairly and responsibly.
- The disclosure of director's and other executive's remuneration, is accurate, complete and transparent.

The Committee also has certain nomination related responsibilities, which are set out below.

RESPONSIBILITIES

The Board delegates to the Committee the following:

Policies and procedures

- Assisting the Board in setting and monitoring remuneration policies which promote the achievement of strategic business objectives and encourage individual performance.
- Ensure that remuneration policies are adopted and reviewed and aligned with the strategy of the organisation and linked to individual performance.
- Review the outcomes of the implementation of the remuneration policy for whether the set objectives are met.

Non-executive directors

- Make recommendations on non-executive director fees which should comprise a base fee as well as an attendance fee per meeting.
- Executive management will through obtaining independent advice, when required, recommend a fee structure which should comprise:
  - Base fee
  - Attendance fee
  - Re-imbursement of expenses
  - Supplementary fee for specific work

Remuneration

- Having regard to the recommended practices of King IV as set out in Principle 14, consider and approve the Remuneration Report, consisting of three parts:
  - A background statement;
  - An overview of the main provisions of the Remuneration Policy; and
  - An Implementation Report which contains details of all remuneration awarded to individual members of the Board and prescribed officers during the reporting period.

- Ensure that the Remuneration Policy and the Implementation Report are tabled every year for separate non-binding advisory votes by shareholders at the Annual General Meeting. Further, the Committee is responsible to ensure that the Remuneration Policy records the measures that the Board commits to take in the event that either the Remuneration Policy or the Implementation Report, or both, have been voted against by 25% or more of the voting rights exercised. If 25% or more of the voting rights are so exercised, the Committee should also ensure disclosure in the background statement of the Remuneration Report on whom the Company will engage, and the manner and form of engagement to ascertain the reasons for dissenting votes and the nature of steps to be taken to address legitimate and reasonable objections and concerns, as required by King IV.
- Oversee the setting and administration of remuneration at all levels in the company.
- Approve cost of annual salary increases.
- Address base pay and bonuses, employee contracts of service, severance and retirement benefits and other long-term incentive schemes, in remuneration policies and/or procedures. This should specifically include company medical aid, retirement, life cover and disability.
- Ensure benefits such as retirement are justified and correctly measured.
- Ensure mix of fixed and variable pay in cash, shares and other elements meets company's needs and strategic objectives, that incentives should be measurable and that remuneration is fair, responsible and transparent.
- Consider the result of the performance evaluation of the CEO and other executive directors in determining remuneration.
- Select an appropriate comparator group, which will be similar in size, for external benchmarking purposes of CEO and executive remuneration.
- Make recommendations on CEO and executive guaranteed remuneration after taking into account:

  - Individual performance evaluation
  - Benchmarking
  - Company performance
- Regularly review incentive schemes to ensure they meet strategic objectives and contribute to shareholder value and that these are administered in terms of the rules.
- Incentive schemes should be appropriate to life cycle of the company and the risk to the company of driving incorrect behaviour needs to be assessed.
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives and make recommendations on incentive payouts of CEO and executives.
- Consider appropriateness of early vesting of share-based schemes at the end of employment.
- Recommend allocations to individuals in terms of the share based incentive scheme.
- Review the performance measures of the long term incentive scheme.
- Determine policy for and scope of service agreements for the executive management team, termination payments, and remuneration commitments for new appointments.
- Review the terms and conditions of executive director's service agreements, at least annually – the service agreements should not exceed three years without Board approval.
- Review communication requirements and contents between this committee and HR departments or other pension committees, and share trust committees.
- Ensure that the implementation and execution of the Remuneration Policy achieves the objectives of such policy.
- Exercise ongoing oversight of the management of ethics and, in particular oversee that it results in the organisation's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees (cross-reference from S & E Committee terms of reference).

- Consider the Committee's current and future focus areas relating to the above matters.

Annual Remuneration Report

Oversee the preparation of the annual remuneration report for the Board (to be included in the integrated report) which should include:

- All benefits paid to directors;
- The policy on base pay;
- The use of benchmarks;
- Incentive schemes to encourage retention;
- Justification of salaries above the median;
- Material payment that are ex-gratis in nature; and
- Policies regarding executive's employment.

The Committee should oversee the annual remuneration report for whether it:

- Is accurate, complete and transparent;
- Provides a clear explanation of how the remuneration policy has been implemented; and
- Provides sufficient forward-looking information to enable shareholders to pass a resolution in terms of section 66(9) of the Companies Act 2008 (pay remuneration to directors for their service as directors).

Ethics

Exercise ongoing oversight of the management of ethics and, in particular oversee that it results in the organisation's ethical standards to the processes for the recruitment, evaluation of performance and reward of employees.

Annual General Meeting

- Ensure that the remuneration policy and implementation report is put to a non-binding advisory vote at the annual general meeting of shareholders.
- The chairperson of the Committee will attend the meeting and answer questions about the remuneration policy and implementation report.

Nomination related responsibilities (the text below is also deemed to be the policy detailing the procedures for appointment to the Board) ***(JSE LRs 5.7(i))***

The nomination related role of the Committee is to assist the Board to ensure that:

- The Board has the appropriate composition for it to execute its duties effectively.
- Directors are appointed through a formal process.
- Induction and ongoing training and development of directors takes place.
- Formal succession plans for the Board, chief executive officer and senior management appointments are in place.

The Committee shall have the following responsibilities:

- Oversee the process for the appointment of directors, including:
  - Identification of suitable members to the Board;
  - Performance of reference and background checks of candidates prior to nomination;
  - Formalising the appointment of directors through an agreement between the company and the director; and
  - Ensure that appointments are formal and transparent and a matter for the Board as a whole, assisted by the Committee.
- Make recommendations to the Board on the appointment of the chief executive officer, new executives and non-executive directors, including making recommendations on the composition of the Board generally and the balance between executive and non-executive directors appointed to the Board.
- Regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary.
- Ensure that formal succession plans for the Board, chief executive officer and senior management appointments are developed and implemented.
- Oversee the succession plan for the Board Chairperson, make recommendations on a successor and ensure that the Chairperson's role and function is in writing.

- Make recommendations to the Board on the appointment of a Lead Independent Director and ensure that the role and function is in writing.
- Identify and nominate candidates for the approval of the Board to fill Board vacancies as and when they arise (taking account of Diversity Indicators, namely gender, race, culture, age, field of knowledge, skills and experience) as well as put in place plans for succession for the Board, in particular for the chairperson and chief executive.
- Recommend directors who are retiring by rotation at the AGM, for re-election and ensuring that their performance and attendance record is assessed prior to recommending them for re-election by shareholders.
- Make recommendations to the Board at any time for the continuation (or not) in service on the Board of any director.
- Consult other directors in its evaluation of the chairperson of the Board, the chief executive and individual directors.
- Evaluate annually the independence of those Directors who are classified as independent, including those directors who have been on the Board for longer than nine years.
- Oversee the development of a formal induction programme for directors and approve such programme.
- Oversee the development and implementation of continuing professional development programmes for directors.
- Ensure that directors receive regular briefings on changes to risks, laws and the environment in which the company operates.
- Consider the performance of the directors and take steps necessary to remove directors who do not make an appropriate contribution.
- Make recommendations on gender and race targets at Board level and reviewing and approving the Board Diversity Policy.

AUTHORITY

The Committee, acts in terms of the delegated authority of the Board as recorded in these terms of reference, and has the power to investigate any activity within the scope of its terms of reference.

The Committee may call upon the chairperson of the other Board committees, any of the executive directors, officers or company secretary to provide it with information. The Committee will have reasonable access to company records, facilities and resources necessary to discharge its duties and responsibilities

The Committee shall, in addition to reporting to shareholders, report to the Board through the Chairperson, who shall provide a review of the deliberations of the Committee and its recommendations for Board consideration, noting and/or approval as appropriate.

The Committee may form, and delegate authority to, sub-committees and may delegate authority to one or more designated members of the Committee.

The Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

Where appropriate or otherwise as authorised by the Board, decisions of the Committee may be taken by way of a round robin resolution.

Tenure of committee

The Committee shall have no fixed tenure and shall remain established for so long as required by legislation or as recommended by King IV or any subsequent governance codes.

MEETINGS AND PROCEDURES

Frequency

Meetings of the Committee will be held as the Committee deems to be appropriate; however, the Committee should meet at least twice each year. Further meetings may be called by the Chairperson of the Committee, and subject to the approval of the Chairperson of the Committee,

any member of the Committee, the CEO, head of human resources (if there is one), or senior members of management or the Board may call a meeting.

The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed and supporting documentation, shall other than under exceptional circumstances, be forwarded to each member of the Committee not less than five days prior to the date of the meeting.

Attendance

The Committee shall normally invite the Chairperson of the Board and the chief executive to attend meetings to discuss the performance of other executive directors and to make proposals as necessary.

The chairperson of the committee may meet with the CEO, head of human resources or company secretary to discuss important issues and agree on the agenda.

The CEO, FD, Head of HR (if there is one) and other senior employees, professional advisers and Board members may attend the meeting by invitation only, but they may not vote.

Committee members must attend all meetings unless prior apology has been submitted to the chairperson or company secretary.

Attendance of the meeting by members and invitees may be via video or teleconference and shall be regarded as being present at that meeting, however the preference is attendance in person at meetings.

If the chairperson is absent, the attending members present will elect one of the members present to act as chairperson.

Agenda and minutes

The Committee must establish an annual work plan to ensure that all matters are adequately covered during the year. More critical matters will be dealt with annually while other matters will be handled on a three yearly basis.

The annual plan must ensure proper coverage of the matters laid out in the Committee charter: the more critical matters will need to be attended to each year while other matters may be dealt

with on a rotation basis over a three-year period. The number, timing and length of meetings and the agendas are to be determined in accordance with the annual plan.

A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the Committee and other invitees.

Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.

The minutes must be completed as soon as possible after the meeting and circulated to the chairperson and members of the Committee for review thereof. The minutes must be formally approved by the Committee at its next scheduled meeting.

Quorum

The quorum for decisions of the Committee shall be a majority of members present provided that the majority will comprise of independent non-executive directors.

Reporting

The Chairman of the committee shall report to the Board on matters within its mandate.

EVALUATION AND REMUNERATION

Evaluation - The Committee must perform an evaluation of its effectiveness at least every two years and report the outcomes and make recommendations to the Board.

Remuneration - Committee members shall be entitled to such remuneration as considered by the Committee annually and as recommended by the Board to shareholders, for approval at the annual general meeting.

APPROVAL

These terms of reference were reviewed by the Committee on 27 November 2025 and approved by the Board on 10 December 2025.

REVIEW

These terms of reference will be reviewed annually against current legislation and practice.