



4 Prioritising good governance



A robust governance approach is essential to our ability to create value. Aligned with our theme, Positioning Exxaro to win through our resilient strategy, we uphold good governance to drive sustainable growth and stakeholder confidence. This section highlights our commitment to responsible business practices that support our strategy and future readiness.



Through good governance, our board is committed to contributing positively to achieving SDG 16, which seeks to promote peaceful and inclusive societies for sustainable development, provide access for all and build effective, accountable and inclusive institutions.

In this chapter

Our approach to governance supports Exxaro's Sustainable Growth and Impact strategy. We present how Exxaro's governance structures support our ability to create value in the short, medium and long term.

Our corporate governance reporting is structured under the four desired King IV governance outcomes of ethical culture, performance and value creation, adequate and effective control, and trust, good reputation and legitimacy.

We report on our governance activities across the following areas:

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113 to 136	Key focus areas and outcomes of material focus areas
118 to 125	How we deliver the outcomes of good governance
126 to 136	Demonstrating the balance of knowledge, skills, experience, diversity and independence that supports Exxaro's board in delivering on its governance role and responsibilities objectively and effectively
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Prioritising good governance continued

Our approach

Exxaro's corporate governance is underpinned by principles that guide the board in meeting its responsibilities to the company, the group, and its stakeholders. These principles enable the company to achieve the King IV governance outcomes and fulfil its purpose to power better lives in Africa and beyond through its own ethical and effective leadership.

Accountability and responsibility

Exxaro's board is the focal point and custodian of good corporate governance for the group, assuming ultimate accountability and responsibility for the group's performance and affairs. In so doing, it effectively represents and promotes the group's legitimate interests. As a responsible corporate citizen, Exxaro considers its material stakeholders' legitimate interests and expectations to ensure it contributes positively to society and the environment.

Regulatory compliance

Our governance approach complies with relevant national legislation, particularly the Companies Act, Financial Markets Act, JSE Listings Requirements, SAMREC Code and King IV.

Beyond compliance

King IV promotes good governance, transparency in leadership and decision making, and a focus on sustainability. Sustainable development is an ethical and economic imperative. It entails economic and social growth to meet present needs without compromising future generations' ability to fulfil their needs. Sustainable development is a fitting response to organisations being an integral part of society, their status as corporate citizens, and meeting stakeholders' needs, interests and expectations. Exxaro expresses its commitment to sustainable development through its Sustainable Growth and Impact strategy.



In line with King IV's recommendation to apply and explain how Exxaro practices good governance, we include our detailed King IV application register in our [databook](#), which sets out each principle with an explanation of steps taken, policies, and processes.

Future focus



To execute on our strategy in creating sustainable value and building resilience through principled and robust governance, we focus on responding to the class action, monitoring any release under the 2017 replacement empowerment structure, overseeing succession planning and revisiting our internal delegations.

Material themes



Exxaro's board provides attention to the [material themes](#) (page 8) throughout the year. These include:



Adapting to a changing context



Executing our strategy



Responsible environmental stewardship



Driving business resilience



Building sustainable communities



Principled governance



Enabling a thriving workforce



The table below outlines the board's quarterly progress in addressing our material themes to achieve our governance outcomes.

Area	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material themes
Board engagement	<ul style="list-style-type: none"> First quarter board meeting 	<ul style="list-style-type: none"> Second quarter board meeting Special board meeting to approve the group and company annual financial statements and integrated report Annual strategy sessions with executive and management 	<ul style="list-style-type: none"> Third quarter board meeting 	<ul style="list-style-type: none"> Fourth quarter board meeting: 100th board meeting and budget review Board site visit to Grooteegeluk coal mine and LSP 	
Stakeholder engagement	<ul style="list-style-type: none"> 2023 financial results presentation Participation in the Mining Indaba: "Unlocking African Mining Investment: Stability, Security, and Supply" 	<ul style="list-style-type: none"> AGM: shareholder election of audit committee and SERC members, auditors and approval of remuneration policy and implementation through the non-binding advisory vote FD pre-close 	<ul style="list-style-type: none"> 2024 interim financial results presentation Governance roadshow 	FD pre-close	
Board performance	<ul style="list-style-type: none"> All meetings commence with confirmation of declarations of interest 	<ul style="list-style-type: none"> Reviewed benchmarking of non-executive director fees for recommendation to shareholders in 2025 	<ul style="list-style-type: none"> Board composition review including appropriateness of the size of the board Declarations of interest. This was extended to include a review of the roles directors hold on other JSE-listed companies Performance against Exxaro's DEI targets was measured (and met) Committee composition review to ensure all committees are adequately composed and skilled The skills set (against which the board measures itself) was better defined to ensure it encompasses the experience necessary to govern the organisation towards its prevailing strategic objectives 	<ul style="list-style-type: none"> Non-executive director independence categorisation Internal board performance evaluation interviews (next external evaluation is due in 2026) Performance evaluation of the company secretary Board committee performance evaluations commenced 	
Continuous development of the board	<ul style="list-style-type: none"> SERC training: ESG reporting and assurance knowledge sharing (ISSB standards, ESRS updates) 	<ul style="list-style-type: none"> Governance session: Risk – economic landscape, strategic risk report, cybersecurity SERC and remuneration committee training: proposed Companies Amendment Bill 	<ul style="list-style-type: none"> Strategy workshop: commodities outlook, M&A landscape and insights, energy markets Governance session: water challenges and trends, climate interactions, the Companies Amendment Act, 2024 (Act 16 of 2024) (Companies Amendment Act), JSE Listings Requirements when applicable, and roles and responsibilities of the board, committees and executive committee 		
Safety	<ul style="list-style-type: none"> All meetings commence with a safety moment and monitoring of frequency of safety incidents and occupational health incidents 		<ul style="list-style-type: none"> Safety leadership days at all sites to ensure VFL 		
Growth performance	<ul style="list-style-type: none"> Noted progress on various acquisition, divestment, and investment opportunities Approved the Resource and Reserve statement 	<ul style="list-style-type: none"> Reaffirmed the Exxaro Sustainable Growth and Impact strategy and the inclusion of energy transition minerals into the growth pipeline 	<ul style="list-style-type: none"> The CEO roadshow, where the CEO and executive committee provided an update on the Exxaro strategy, which was rolled out to all BUs 		

Prioritising good governance continued

Area	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Material themes
Risk	<ul style="list-style-type: none"> Approved the delegation of authority 	<ul style="list-style-type: none"> Noted no significant changes to the strategic risk report but requested consideration of country risks applicable to Exxaro operations 	<ul style="list-style-type: none"> Noted the strategic risk report 	<ul style="list-style-type: none"> Approved the group ERM framework, risk appetite approach and risk appetite statement Approved the revised group delegation of authority 	
Environmental sustainability		<ul style="list-style-type: none"> Reviewed the strategic logistics programme 	<ul style="list-style-type: none"> Noted the progress made on the decarbonisation plan and roadmap 	<ul style="list-style-type: none"> Monitored the performance of the Amakhala Emoyeni windfarm and Tsitsikamma community windfarm Monitored the progress of the LSP construction and visited the site in November 2024 Reviewed energy efficiency and rehabilitation initiatives being planned by the business 	
Social sustainability	<ul style="list-style-type: none"> Considered the coal mine dust class action litigation matters that were launched in 2023 Considered the new Political Party Funding Act 2018 to ensure alignment and approved a donation of R25 million to the Independent Electoral Commission Multi-Party Democracy Fund 	<ul style="list-style-type: none"> Noted an increase in B-BBEE compliance to level 2 and the organisation's progress on the DEI strategy Noted the amended EEA and management's approach to alignment 	<ul style="list-style-type: none"> Took due notice of the relocation of the Sindane family to ensure the matter was handled with care and dignity 		
Economic sustainability and governance	<ul style="list-style-type: none"> Approved the group year-end financial results and IFRS announcement Approved the integrated suite of documents for publication, including the King IV report and JSE compliance certificate Approved a dividend and special dividend payment to shareholders Approved the registration of a bond programme 	<ul style="list-style-type: none"> Approved the integrated ESG framework Approved the strategic performance management dashboard 	<ul style="list-style-type: none"> Approved dividend distribution to shareholders Approved the group interim financial results, IFRS announcement and interim dividend declaration Approved financial assistance to subsidiaries as contemplated in sections 44 and 45 of the Companies Act 	<ul style="list-style-type: none"> Approved the group consolidated budget, the coal consolidated budget and the energy budget for financial year 2025 and noted the 2026 forecast Approved the integrated report material matters Oversaw the development of cascading strategic KPIs to ensure holistic monitoring and execution of Exxaro's strategy Approved the revised supply chain management sustainability policy 	
People and performance	<ul style="list-style-type: none"> Noted the EEA2 and EEA4 remuneration report submissions and that most targets set were achieved 		<ul style="list-style-type: none"> Noted the coal negotiating landscape as it moved from a single to a multi-union context 	<ul style="list-style-type: none"> Considered that the energy industry will need to invest in future-ready skills development Considered the two-pot retirement savings framework that took effect in September 2024 and the effect on the contribution structure Noted the wage gap statement of intent, approved by the remuneration committee 	
Appointments	<ul style="list-style-type: none"> Appointed independent non-executive director, Nosipho Molohe 	<ul style="list-style-type: none"> Appointed Michelle Nana as group company secretary 			



Governance and leadership

Exxaro's corporate governance is underpinned by principles that guide the board in meeting its responsibilities to the company, the group and its stakeholders. These principles enable the company to achieve the King IV governance outcomes and fulfil its purpose to power better lives in Africa and beyond through its own ethical and effective leadership.

Focus areas at a glance

[Board key matters and areas of focus](#)

Page 113 and 114

We provide insight into the board's key discussions and strategic focus areas during board meetings, including risk management, digital innovation, succession planning and the execution of Exxaro's Sustainable Growth and Impact strategy.

[ESG governance structure](#)

Page 115 to 117

This section details Exxaro's ESG governance framework, including board and committee oversight, management responsibilities, and the integration of sustainability into decision-making processes.

[Adopting good governance principles](#)

Page 118 to 125

In line with King IV's recommendation to apply and explain how Exxaro practises good governance, our corporate governance reporting is structured under the four desired King IV governance outcomes. We demonstrate our alignment with these King IV principles and the regulatory requirements that ensure ethical leadership, accountability and transparency. Good governance underpins our ethical culture, safeguards human rights and supports our sustainable growth while transitioning into a low-carbon world.

[Our board of directors and executive leadership](#)

Page 126 to 136

Exxaro's board is the focal point and custodian of good corporate governance for the group and assumes ultimate accountability and responsibility for the group's performance and affairs. As such, we showcase the composition, skills and diversity of Exxaro's board and executive leadership, highlighting their roles in driving the company's strategic direction and governance effectiveness.



Board key matters in focus

Strategic direction, risk and performance

As sustained value creation requires responsiveness to significant social and environmental challenges, we annually assess our strategy and formally present it to the board for approval.

After a two-day strategy session, the board reaffirmed the Sustainable Growth and Impact strategy while monitoring its progress and execution. The inclusion of energy transition minerals into the growth pipeline was noted. The ESG framework remains the lens through which the Sustainable Growth and Impact strategy is viewed.



[How ESG is integrated into our strategy](#) (page 7)

The strategy development and review process follows a risk and opportunity assessment, including emerging risks and material sustainability issues.



[Our risks and opportunities](#) ([integrated report](#), page 28)

The top five risks for 2024 and key events we anticipate may impact our ability to achieve our strategic imperatives for 2025 include:

2024/2025 top risks

Unavailability of rail capacity

Fatal risk incidents

Cybersecurity attack impacting business

Country risk

Customer concentration risk

Geopolitical risk and competition risk are emerging risks that were identified for investigation by the executive risk committee to assess their potential impact on the strategy.

Our strategic performance management dashboard enables visibility of strategy execution and facilitates strategic conversations at the right time within a tiered group governance structure.



[Our strategy](#) ([integrated report](#), page 54)

Coal mine dust class action

As reported previously, a coal mine dust class action litigation was launched against Exxaro on 23 November 2023. The action relates to mineworkers who contracted coal mine dust lung disease in the form of pneumoconiosis caused by exposure to coal mine dust at various Exxaro mines, as well as dependants of those mineworkers who have died and whose deaths were probably attributable to coal mine dust disease.

Exxaro has duly served and filed our answering affidavit. The Deputy Judge President assigned the dates for the certification hearing, which will take place from 25 November 2025 to 5 December 2025.

Exxaro takes our health and safety obligations seriously. Our management team continues to work on addressing risks and ensuring preventive measures are properly implemented to address the potential of any novice occupational health diseases at our operations.

Preventive measures include:

- Occupational hygiene programmes
- Implementation of leading practices developed through the Mining Industry Occupational Safety and Health Dust Learning Hub
- Medical surveillance programmes
- Policies and standard operating procedures to define controls to prevent and mitigate exposure to health hazards in the workplace

Board key matters in focus continued

Managing rail risk

In response to Exxaro's top risks for the past few years and the possible impact on our sustainable growth, the board logistics committee was established early in 2023 to report to the board on:

- The development of long-term solutions for logistics access to international markets
- The identification of medium-term solutions and alternatives and related matters

The logistics committee is monitoring the reform taking place in South Africa, with government assuming more responsibility for rail reform, as evidenced by the gazetting of the Rail Network Statement at the end of 2024. It also considered a prefeasibility study focusing on alternative solutions to increase rail infrastructure capacity.

Climate change response

We believe our greatest opportunity is to help steer South Africa towards a sustainable future by focusing on low-carbon minerals and energy with the goal to be carbon neutral by 2050.

The board goes beyond compliance and responds to climate change through its commitment to mitigating the impact of climate change with our robust Sustainable Growth and Impact strategy. In addition, a peer review of Exxaro's decarbonisation roadmap has commenced to ensure its credibility and subsequent implementation. Included in the review process is the climate transition action plan.

Our board ensures effective oversight of climate-related impacts, risks and opportunities through the SERC and RBR committee.

In October 2024, the board held a governance session where it considered climate interactions as well as water challenges and trends.



[Climate change mitigation, adaptation and resilience](#) (page 35)



[Climate Change Response strategy report](#) (investor tab under integrated reports 2020)

Adapting to a changing context

The first five months of 2024 started with several interesting local and global dynamics. The pace of change in the industry has elevated and could present opportunities for Exxaro to further entrench our Sustainable Growth and Impact strategy. The burning platform on our coal business has remained, with the world moving towards a low-carbon economy, and energy security remaining the key focus globally. Further, with almost 50% of the world going through elections during the year, the board considered the social issues and geopolitics that could have a significant impact on our industry and society.

The board's strategy session was themed "positioning Exxaro to win" and included the following expert-led topics:

- Commodities outlook – supply and demand dynamics, price forecasts, and trends on all commodities including energy transition minerals
- M&A landscape and insights – scenarios for the growth phase, providing a view on acquisitions in the last decade, and considering China and Middle East competition for assets
- Energy landscape – the global current energy landscape, market trends

Divestment of non-core assets and investments

FerroAlloys

Exxaro has made significant progress in disposing of our entire shareholding in Exxaro FerroAlloys Proprietary Limited, with the sale and purchase agreement expected to be concluded in the 2025 financial year.

Innovation

Innovation and digitalisation are integral to Exxaro's culture, driving business resilience and empowering our people to thrive. The board approved a refreshed innovation strategy, aligning with advancements in the digital and technological landscape.

With the evolution of AI, we aim to go beyond visualisation to prescriptive analytics through advanced solutions such as digital twins, further strengthening our data-driven decision-making capabilities. By leveraging data science and AI, we enhance

automation based on pre-programmed actions while advancing our automation journey.

The integrated Mineral Resource Management lever, powered by AI, will enable us to drive Resource intelligence. Predictive maintenance will help the organisation evolve towards smart assets that not only anticipate potential failures but also recommend the most effective corrective actions improving efficiencies.

The refreshed iNOVAXXION will be deployed safely and responsibly, supported by our robust governance and risk management structures and policies. This will unlock untapped value and support our Sustainable Growth and Impact objectives.



Technology-driven innovation and sustainability ([integrated report](#), page 112)

Governance roadshow 2024

We held our annual governance roadshow for domestic equity shareholders from 30 September to 2 October 2024. A series of meetings was held with shareholders representing 69.43% of Exxaro's total domestic shareholding.

The roadshow's purpose is to create positive engagement with our investor community and outline Exxaro's positioning on long-term value creation, leveraging ESG for business resilience and sustainability. The key objectives were to:

- Provide shareholders with a response to concerns or questions raised in previous engagements
- Provide an opportunity for in-person engagement with board members
- Confirm the board's trust in Exxaro's governance practices and support for management
- Obtain insights into how shareholders perceive Exxaro's strategy, capital allocation, remuneration and other management practices

Key issues included performance conditions in the Exxaro incentive scheme, remuneration-related ESG measures and the deferred bonus plan (DBP), which was a shareholder concern in previous years. Given the feedback received from shareholders in recent years, Exxaro undertook a detailed review of the incentive schemes.

The progress with Exxaro's vertical and horizontal wage gap was discussed along with the potential impact of the recently promulgated legislative disclosure requirements. The company is confident that work in this regard is well advanced and will consider commencing with disclosure pertaining to the wage gap.

Changes to the board and management

In terms of paragraph 3.59(b) of the JSE Listings Requirements shareholders were informed on 6 February 2025 of Dr Nombasa Tsengwa's resignation. The board thanked Dr Tsengwa for her years of service and wishes her all the best in her future endeavours.

Following an expedited and targeted selection process, the board appointed Ben Magara as the incoming CEO, effective 1 April 2025. Ben stepped down as an independent non-executive director and succeeds acting CEO, Riaan Koppeschaar, who continues his role as FD. Together with an experienced management team, the board is confident that the company will stabilise and be led by focusing on meeting customer demand and driving safe, disciplined and efficient production, while creating value for stakeholders.

Board diversity and independence

In terms of King IV and our directors' nomination and appointment policy, we annually review the structure, size and composition (including the skills, knowledge and experience) of the board and board committees. The following directorship changes occurred:

Directors	Date
Nosipho Molope	Appointed 3 January 2024
Likhapha Mbatha	Retired 23 May 2024
Dr Nombasa Tsengwa	Resigned 5 February 2025
Ben Magara	Appointed CEO, 1 April 2025



[Board composition](#) (page 128)



ESG governance that supports our sustainability drive

By leveraging ESG for business resilience and sustainability, we position Exxaro for long-term value creation

In terms of the King IV guidance paper on Responsibilities of Governing Bodies in Responding to Climate Change, while accountability remains with the board, the responsibility for managing and monitoring risk and impact should be delegated to management with defined indicators and targets to measure and assess performance.

ESG governance at its essence encapsulates the policies, practices and procedures adopted by the company to manage and enhance our ESG performance. Exxaro works to integrate and embed ESG into the organisation beyond mere compliance, through a tiered governance structure and lens through which to view the Sustainable Growth and Impact strategy.



[Embedding ESG in our business](#) (page 9)

Board ESG direction and oversight

The board sets the ultimate direction for sustainability considerations, including committee and individual responsibilities for overseeing sustainability-related impacts, risks and opportunities by ensuring these are reflected in board and committee terms of reference, annual work plans and other relevant policies and processes, which are reviewed annually.

The board is comfortable that all ESG matters are distributed among the relevant board committees, as set out in the illustration below:

	Audit	Investment	Logistics	Nomination	Remuneration	RBR	SERC
ENVIRONMENTAL							
Climate change		x				x	x
GHG emissions						x	x
Decarbonisation						x	x
Energy, water and waste						x	x
Pollution						x	x
Environmental compliance						x	x
Biodiversity and land use						x	x
Resource scarcity		x				x	x
SOCIAL							
CSI						x	x
Training and education							x
Diversity and equal opportunity					x	x	x
Non-discrimination					x	x	x
Human rights						x	x
Health and safety						x	x
Privacy and security	x					x	x
Labour relations					x	x	x
Local community impact		x				x	x
GOVERNANCE							
Board diversity and structure				x			x
Board performance				x			
Ethical culture	x			x			x
Executive pay					x		
Anti-bribery and anti-corruption	x					x	x
Audit and assurance	x					x	x
Stakeholder engagement	x		x	x	x	x	x
Procurement practice	x		x			x	x
Risk management	x	x	x			x	
Regulatory compliance	x			x	x	x	x
Internal policies	x	x		x	x	x	x
Information technology governance	x					x	
Tax transparency	x					x	x

Building resilience by decarbonising today for a sustainable tomorrow

Our management ESG steering committee supports the executive team in ensuring the integration of decarbonisation and other critical ESG factors. In addition to Exxaro's ESG commitments and climate change position statement, the ESG steering committee is responsible for developing and reviewing an ESG framework policy for board approval.

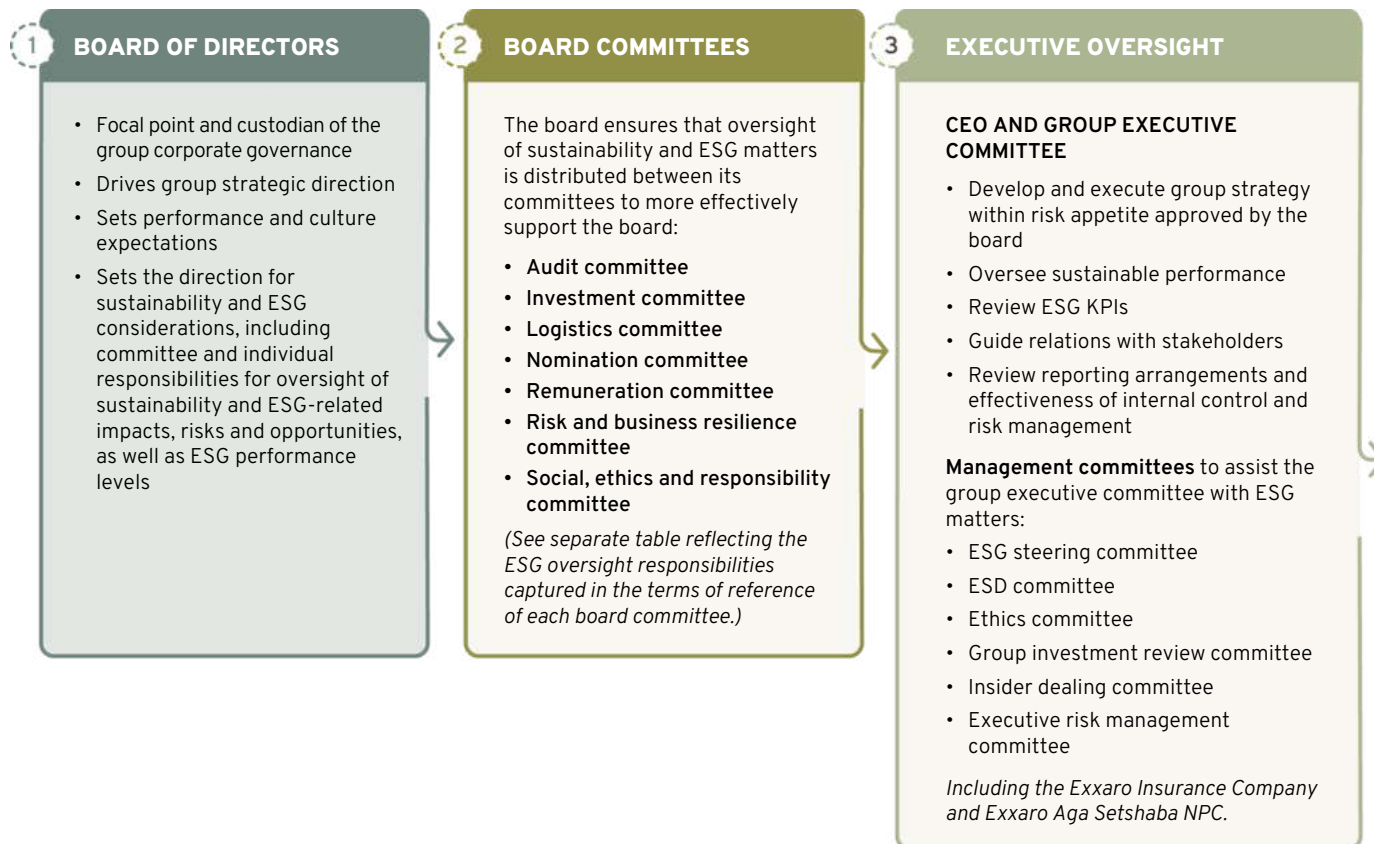
Other policies supporting our ESG focus are referenced throughout this report. All reports submitted to our board, its committees and executive committee require management to reflect on strategy and financial implications, and provide directors with a risk analysis of major risks applicable to the matter and its ESG implications. This approach highlights the importance of ESG in everything we do.



Our tiered ESG governance structure reflecting management roles and responsibilities is illustrated on the next page.

Exxaro's ESG governance structure beyond compliance

Board oversight





4 MANAGEMENT'S ESG ROLES AND RESPONSIBILITIES

Executive and leadership	Senior management	ESG responsibilities
CEO	Chief strategy officer; chief investor relations and liaison officer; head: internal audit	<ul style="list-style-type: none"> • Provide a central strategy compass and roadmap towards Exxaro's future • Coordinate strategy execution throughout the business • Enable the adoption of leading practices across the organisation • Build and maintain long-term trust relationships with stakeholders • Internal audit: provide assurance, offer valuable insights, promote operational efficiency and enhance governance
FD	Group finance manager; group manager: strategic finance and treasury; group manager: taxation	<ul style="list-style-type: none"> • Ensure legislative and regulatory financial compliance • Balance growth and risk through effective financial risk management and capital allocation • Minerals pre-investment committee manages minerals M&A
Chief coal operations officer	General manager: Grootegeluk complex; general manager: Mpumalanga; chief financial officer: coal; general manager: marketing and logistics; general manager: technical support and optimisation	<p>Embed sustainable mining practices into our way of working by:</p> <ul style="list-style-type: none"> • Reducing scope 1 and 2 emissions, improving business resilience to climate change impacts and increasing our adaptive capacity • Ensuring water and energy efficiency at operations • Operating mine concurrent rehabilitation • Maintaining and exceeding our social licence to operate • Caring for our employees, contractors and the communities we operate in • Maintaining world-class health and safety standards while striving for zero harm
Managing director: energy	Head: distribution and generation; CEO: Cennergi	<ul style="list-style-type: none"> • Engage in energy operations and investments to create sustainable impact and contribute to decarbonisation
Chief growth officer	Business development manager; technical and integration manager	<ul style="list-style-type: none"> • Execute the strategy by growing and diversifying our portfolio responsibly
Chief people and performance officer	Manager: performance and culture; group manager: organisation design and remuneration; group manager: employee relations and compliance	<ul style="list-style-type: none"> • Embed the DEI strategy • Implement the remuneration policy and responsible labour practices • Build and maintain stakeholder engagement • Drive responsible performance practices
Chief technology officer	Group manager: supply chain management; group manager: mineral asset management; group manager: information management; group manager: projects; group manager: technology; group manager: technology investment review	<ul style="list-style-type: none"> • Increase asset productivity through state-of-the-art technology • Maximise the value of our mineral assets • Implement IT governance measures and ensure security of information and systems • Leverage sourcing and partnerships
Chief strategic resilience and governance officer	Group manager: risk; manager: governance and reporting; manager: legal and compliance; ethics officer	<ul style="list-style-type: none"> • Enable strategic resilience • Preserve the business's integrity and protect its reputation in providing a compliance and regulatory compass • Embed and maintain a culture of ethics and integrity • Drive effective governance and entrench business resilience
Chief sustainable impact officer	Group manager: integrated environment; group manager: social impact; group manager: security; manager: safety and health; manager: mine closure and Ferroland; manager: climate change and ESG	<ul style="list-style-type: none"> • Lead environmental stewardship and oversee the process to acquire and maintain our licence to operate (current and future) • Ensure reduction of climate-related risks and achieve carbon neutrality by 2050 through decarbonising operations, tracking emissions, reducing climate-related risks, reducing value chain emissions, strategic partnerships and collaboration • Promote a positive legacy through rehabilitation best practice and mine closure • Implement programmes to achieve and maintain zero harm and zero fatalities, as well as improving employee and community health and wellbeing • Implement the Social Impact strategy (education, SMME development and land use management for sustainable community livelihoods) • Utilise Exxaro's land to create a social impact
Group company secretary		<ul style="list-style-type: none"> • Provide the board and management with corporate governance guidance • Ensure compliance with corporate regulatory affairs and national and international best practices • Maintain status as a custodian of governance information

Ethical culture

Statement of strategic ethical intent: Exxaro aspires to build an ethical culture based on our values. To do this, we are committed to operating ethically by living the Exxaro values with dignity, transparency, consistency, fairness and respect in all that we do.

Exxaro's ethical commitment

Recognising that our reputation is one of our most important assets, we are committed to achieving the highest ethical standards. We recognise our obligations to our stakeholders to conduct business ethically, particularly with shareholders, customers, employees, business partners, competitors, authorities, the environment and the wider community.

Maintaining the trust and confidence of our stakeholders is the responsibility of every Exxaro employee. Because we are committed to doing the right thing, even when no one is watching, our employees are expected to be able to distinguish between right and wrong and commit to what is right. By emphasising our ethical commitment, we continue to grow as a business.

OECD recommendations on ethical behaviour

Following ENSafrica's ISO 37001 readiness assessment in 2018, we introduced due diligence processes for suppliers, customers, employees and business partners.

Governance of ethics

Our board is committed to lead ethically and establish an ethical culture. Flowing from this commitment, the board adopted several codes, policies and practices outlining the group's ethics and values to which employees and suppliers are required to adhere.

The board monitors the group's ethical culture through its reporting structures, including two board committees (SERC and audit committee), the management ethics committee, the internal audit function, head of internal audit, and our ethics officer.

The management ethics committee was established to ensure that high ethical standards are maintained in Exxaro's business conduct. The committee is responsible for evaluating all instances of fraud, extortion, bribery, corruption, possible conflicts of interest, violations of the code of ethics or any other ethics-related matters. It also oversees anti-fraud and anti-bribery initiatives as part of a comprehensive fraud prevention programme, ensuring compliance with both local and international laws and regulations.

Guided by our ethics strategy and management plan, the ethics officer is responsible for embedding an ethical culture and ensuring that integrity is maintained within the group.

Ethics management strategy

Building organisational ethics is a journey. Our board assumes responsibility for ensuring that organisational ethics is managed effectively and governs the group's ethics to support the establishment of an ethical culture. In line with this responsibility, the board adopted a statement of strategic ethical intent, an ethics strategy and management plan, which is being implemented.

Code of ethics

Our code of ethics confirms that Exxaro's ethical principles promote values such as trust, acceptable behaviour and fairness. Our values provide general guidelines for interactions with each other and our stakeholders and reflect what is important to us and how we conduct ourselves.

Exxaro's fundamental values, as itemised below, are propounded in the code of ethics as a guide to acceptable and responsible behaviour:

- 1 Empowered to grow and contribute
- 2 Teamwork
- 3 Committed to excellence
- 4 Honest responsibility

Ethics training and awareness

In 2024, we emphasised the importance of ethics in our organisation. For us, this means consistently doing the right thing, even when no one is watching. This guiding principle of integrity permeates everything we do, ensuring that every decision, action and interaction is grounded in fairness, respect and accountability.

To promote an ethical culture, we adopted the theme "mining with morals", and our employees participated in training and awareness sessions that addressed the following topics:

- Workplace integrity
- Conflicts of interest
- Exchange of gifts and benefits
- Duty of speaking up
- Benefits of an ethical organisation

We encourage our employees to speak up and report unethical behaviour without fear of retaliation. Exxaro expressed our commitment to fighting fraud, corruption, theft and unethical behaviour and acting without fear or favour.

By purposefully building ethical guidelines within our business, we are keeping our employees' and stakeholders' best interests in mind while maintaining a positive influence on those we impact through our processes.

Fraud and ethics hotline

A comprehensive evaluation of the fraud hotline in 2020 identified areas needing improvement, such as the composition of the management ethics committee, a process for tabling forensic reports, monitoring BU investigations, and updating escalation protocols. All the recommendations were addressed and reaudited to the satisfaction of the internal auditor.

As part of this, Exxaro is committed to an independent review of the hotline every three years. The next audit is in 2025.

We encourage employees and stakeholders to report suspected fraud, corruption or human rights violations to our fraud and ethics hotline. The hotline is independently managed with guiding escalation protocols in place.

Due to the importance of retaining the integrity of the hotline, we protect the interests of the disclosing parties as far as reasonably possible.

Exxaro fraud and ethics hotline

Free call: 0800 203 3579

Email: exxaro@tip-offs.com

Website: www.tip-offs.com



Board code of conduct

Our board charter and code of conduct (board charter) regulate the parameters within which the board operates and ensure that good corporate governance principles are applied in all dealings in respect and on behalf of the company and group.

The board charter and nomination and appointment policy require board members to be individuals of calibre, integrity and credibility, with the necessary skills and experience.

The nomination committee ensures continuity of directorships and undertakes succession planning on behalf of the board. The nomination committee is also responsible for conducting independent background checks on all proposed candidates prior to recommending appointment to the board.

A review of the board charter is scheduled for the first half of 2025.

Family code of conduct

In early 2024, our executive management pledged themselves to ensure ethical leadership in the organisation. Our executive team shared its expectation of employee behaviours, emphasising that everyone should live up to our values, culture, standards and expectations. Employees are encouraged to speak out without fear of reprisal on issues of discrimination, harassment and poor leadership.

We developed a family code of conduct that includes 10 principles to clearly outline acceptable behaviour (encouraged in Exxaro) and unacceptable behaviour we will not tolerate.

Honesty boxes

Exxaro uses honesty boxes throughout the organisation as a communication channel for employees to share concerns and innovative ideas. The honesty boxes are primarily intended for employees to raise matters of concern that have not been resolved through the existing conflict resolution mechanisms. Formal feedback is provided to individuals who request it, and when concerns are raised anonymously, site-specific communication channels are used to give feedback.

Avoiding conflicts of interest

In terms of the Companies Act and King IV, directors and prescribed officers have specific duties to disclose actual direct and indirect conflicts of personal financial interests as well as the perception of a conflict, including that of their related parties.

Our directors, prescribed officers and employees (and their related parties) are obliged to actively avoid any conflicts with Exxaro's best interests.

Annual general declarations of outside interests are required from directors and prescribed officers in accordance with section 75(4) of the Companies Act. The conflict of interest policy also requires annual declarations from directors, prescribed officers and all group employees.

In addition to our annual declarations, management of conflicts of interest are further addressed through the following:

- An agenda item dealing with the declaration of interests appears at the beginning of each board, board committee, executive and management committee meeting
- All board and committee packs contain a summary of the Exxaro conflict of interest policy disclosure requirements, prohibitions, and the definition of related persons
- All meeting attendees are also required to formally declare that neither they, nor their related parties, have any personal financial interest in any matter on the agenda
- Any director or attendee who declares a conflict of interest or a personal financial interest is recused from the meeting for the duration of the relevant matter being considered
- The above mentioned declarations are recorded in meeting minutes
- A director or prescribed officer must also indicate their personal financial interest in a matter to be decided through written resolution by informing the group company secretary

We implemented an electronic platform to facilitate annual reporting, workflow approvals and an auditable communication trail for disclosures by directors and employees, including a gifts and benefits register, director trade clearances and policy management.



[Conflicts of interest policy and register](#) (reflecting material disclosures in line with the JSE Debt and Specialist Securities Listings Requirements) (our business tab under governance)

Supplier ethics

The Exxaro supplier code of conduct assists employees in selecting suppliers who operate in a manner consistent with our values and relevant standards. The code also communicates our mandatory selection standards to prospective suppliers and promotes a commitment to ethical conduct, including respecting human rights, among our suppliers. An updated and revised code will be submitted for approval in 2025.



[Supplier code of conduct](#) (supplier tab)

As part of the supply chain pre-qualification process, suppliers must disclose details of shareholders, directors and other associates who are current or former employees in compliance with the conflicts of interest policy.

Employees who evaluate requests for proposals or recommend contract awards must declare that they have neither an interest in nor a close relationship with the supplier that may be construed as a conflict of interest.

Supplier conduct

To improve the broader operating environment and culture to combat corruption, our standard operational and capital-related expenditure terms and conditions with suppliers contain specific provisions around sanctions, corrupt practices, fraud and prohibited practices in respect of local and international legislation, including the UN and EU, which terms are considered material to the relevant agreement.



[Driving supply chain sustainability](#) (page 103)

We developed guidelines to provide a framework for action where suppliers and service providers are mentioned adversely in the media or where it comes to Exxaro's attention that the supplier is under investigation or involved in any dealings (actual or alleged) that could put Exxaro into disrepute. Should a supplier whose services are critical to us be charged, we would issue a holding statement and continue with the existing contract, but not enter into any new contract.

Political contributions

Exxaro agrees that a clear policy on political funding provides for certainty and consistency and reduces the suspicion that companies are funding parties for their own interest. It is acknowledged that the primary purpose of political donations is to strengthen and consolidate democracy by ensuring that political parties can function effectively within a multi-party democracy.

The board requested that donations be directed to the Independent Electoral Commission in support of democratic stability. Accordingly, Exxaro made a contribution to the Multi-Party Democracy Fund in May 2024 in the amount of R25 million to be disbursed to represented parties.

Anti-bribery and anti-corruption

The board has expressed a zero tolerance stance towards bribery and corruption and approved the group-wide anti-bribery and anti-corruption policy.

To support the board, the SERC is responsible for overseeing the group's ethical performance, which includes detection and response to fraud and corruption. The RBR and audit committees oversee risks, including controls and fraud risks. In addition, the SERC receives quarterly reports on forensic investigation statistics and progress on initiatives under the fraud prevention and anti-bribery and corruption programme.



[Social, ethics and responsibility committee report](#) (page 156)

Monetary loss from unethical behaviour

The board is satisfied that the group has not suffered any monetary loss as a result of legal proceedings (including fines) associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice or violations of other related industry laws or regulations.



[Upholding and respecting human rights](#) (page 105)

Performance and value creation

Strategic direction

King IV articulates the responsibilities of the board, which is to steer an organisation strategically in line with its core purpose and values by approving and monitoring an informed short, medium and long-term strategy while considering sustainability-related impacts, risk and opportunities.

The board sets Exxaro's short, medium and long-term strategic direction through our Sustainable Growth and Impact strategy. It enables sustainable value creation through the approval of a capital allocation model and budget, setting and monitoring performance and culture expectations as well as a group governance framework.

The board supports King IV strategy-setting principles through an iterative process. Before executive management's strategy presentation to the board, iterative strategy workshops – which follow a bottom-up process – and board governance sessions ensure input is integrated into the group strategy.

During our annual strategy review process, management demonstrates how sustainability and ESG objectives are integrated into the Sustainable Growth and Impact strategy, including status and progress in our context.

Our integrated medium to long-term decarbonisation roadmap to achieve carbon neutrality by 2050 was submitted for a peer review to ensure its credibility and subsequent implementation.

During the year, the board reviewed and was satisfied with the key macro-economic indicators and assumptions used to compile the 2025 budget.



[Our decarbonisation roadmap](#) (page 32)

Performance monitoring

As part of holistic strategic performance monitoring, prioritised KPIs align with the Sustainable Growth and Impact strategy. This provides forward-looking insights and monitors the execution of our strategy for the board, board committees, group and energy executive committees, in line with our tiered governance approach.

We use a strategic performance monitoring dashboard to report on the achievement of these KPIs.

For more on our performance see:



[Performance against our strategy](#) ([integrated report](#), page 59)



[Delivering meaningful and positive impact](#) (page 11)

Performance targets to support our climate change response

To strengthen GHG mitigation and business resilience efforts, we included water intensity and energy intensity targets in the group-wide GIS in 2022.

Total carbon emissions and energy intensity are also included as part of Exxaro's strategic performance monitoring dashboard.

Reducing absolute emissions is essential to our commitment to carbon neutrality by 2050, and tracking scope 1 and 2 emissions allows us to measure our progress in minimising our carbon footprint. Lower energy intensity indicates greater efficiency, supporting our decarbonisation targets and reducing our operations' environmental impact.

Implementation of these two KPIs since 2023 is a progression of our Climate Change Response strategy, our goal to be carbon neutral by 2050 and further alignment with the TCFD recommendations.



[Responding to TCFD reporting requirements](#) ([databook](#))

Business continuity and crisis management

The RBR committee plays a key role in assessing and reviewing the group's business resilience programme, and ensuring that appropriate measures are in place for business recovery. The committee is responsible for driving the company's resilience agenda, ensuring that our business continuity strategies align with best practices and regulatory requirements.

Exxaro is fully committed to building organisational resilience and, by maintaining a strong business resilience programme and aligning it with our ERM programme, we are protecting the interests of our stakeholders, and ensuring that we can continue to deliver on our commitments, regardless of the challenges we may face.

We continuously review and update our business resilience framework to ensure it remains aligned with best practice and governance standards. The company regularly evaluates the effectiveness of its business resilience programme, making improvements when required.

Strategy-aligned internal reporting

Internal reporting to the board requires management to detail the outcomes of proposed recommendations to the board in respect of:

- Strategy implications
- Financial implications
- Risk and compliance analysis
- ESG implications

Transparency

The board is committed to clear and comprehensive financial reporting and disclosure as well as constructive shareholder engagement, including transparency of activities and performance. It therefore ensures that reports issued by the company enable stakeholders to make informed assessments of the group's performance as well as its short, medium and long-term prospects.

Assurance



Refer to the [assurance report](#) (page 185) for details on assurance of key sustainability information.

Creating value for our stakeholders



For more on how Exxaro created value for our stakeholders, including government, employees, communities, investors and customers, refer to [stakeholder-inclusive approach](#) (page 16).



Adequate and effective control

Group governance framework

A robust governance framework enables the execution of governance responsibilities at all levels of the organisation.

The Exxaro group governance framework provides an overview of our governance principles, structures, policies and practices and the integration of the minerals and energy strategies and budgets. It guides monitoring and oversight of business affairs to achieve accountability at all levels, clarifying reporting roles, limits on authority, guides sound decision making as well as informs group-wide policies to support achievement of the Sustainable Growth and Impact strategy and ethical culture. It is an entrenched governance principle within Exxaro that group-wide policies require board approval, as captured in the delegation of authority framework.

The group governance framework sets out the following:

- Statutory and regulatory framework of corporate governance
- Various group governance structures and role players
- Guiding principles that underpin effective corporate governance and describe the role of the board regarding reserved matters, delegations, policies and frameworks that apply across the group
- The roles of:
 - Shareholders and stakeholders, as well as shareholder reserved matters
 - The board, board committees and reserved matters
 - Executive management and the executive committees
 - Independent control functions and structures within the group
 - The holding company, subsidiaries and other entities

The group governance framework enables Exxaro's core businesses to thrive in an increasingly dynamic market and industry sector, and to continue to support the execution of the approved strategy.

The group governance framework was reviewed and, following recommendation by the nomination committee, an update was approved by the board in 2023.

Delegation of authority

The delegation of authority policy and framework define the limits of authority designated to specific positions of responsibility in the company and the group's management structure. It defines commitments and transactions that may include capital amounts approved by individuals on our behalf. The final approval of commitments and transactions outlined in the policy must always be made by parties with designated authority.

In November 2024, following recommendation by the RBR committee, the board approved the revised Exxaro delegation of authority framework. A structured and inclusive review highlighted several key areas to promote collaboration, enhance clarity, improve efficiency in business execution, and strengthen the governance framework.

Four main principles were considered throughout the process:

- Alignment with the Companies Act and King IV governance principles
- Alignment with the Exxaro strategy
- Consideration of the growth of the business
- Alignment of monetary requirements with industry demands

The board is satisfied that the delegations in place contribute to role clarity and the effective exercise of authority and responsibilities.

Board's access to information

The board charter guides directors and executive management on the information requirements to be shared with the board. The onus remains on each director to advise the chairperson and/or CEO should they believe that the information provided is insufficient for informed decision making.

The board has unrestricted access to all company employees, information, records, documents and property. A process to guide directors is provided should they require access. The board, in carrying out its tasks, may obtain outside or other independent professional advice it considers necessary. The board charter sets out the required protocols for requests of this nature.



Adequate and effective control continued

Board committees

Exxaro's corporate governance structure supports its ability to create value in the short, medium and long term. Through this structure, the board exercises effective control and builds and protects the organisation's reputation and legitimacy. Good corporate governance is the responsibility of our board, executive management, senior management and all our employees.

Board committees enhance efficiency by providing focused expertise on specific areas, allowing the board to address a broader range of issues. When used effectively, committees also enhance the objectivity of the board's judgement. As such, to facilitate the execution of its functions, the board delegates activities to board committees through formal terms of reference.

The board retains full and effective control of business and company affairs and does not assume management's functions, which remain the responsibility of the executive directors, prescribed officers and other senior management.

Chairpersons

The chairpersons of the board committees meet regularly to consult and collaborate on areas of shared responsibility, activity and interest across the different committees.

Terms of reference

The board committees' terms of reference, key focus areas and annual work plans were reviewed in the first quarter of 2025, properly sequenced to follow the approval of the delegation of authority.

Board confirmation

The board confirms that it is satisfied that the board committees executed their roles and responsibilities. In this regard, it confirms that the audit committee has executed the responsibilities set out in paragraph 3.84(g) of the JSE Listings Requirements.

Audit committee

Appointed by shareholders

To fulfil the statutory functions as set out in section 94 of the Companies Act and assist the board in providing independent oversight of the quality and integrity of, among others, the company's financial statements

Investment committee

Appointed by the board

To monitor and report to the board on material acquisition, merger and investment or disposal opportunities and related ongoing material transactions in the scope of the energy and minerals businesses

Logistics committee

Appointed by the board

To develop long-term solutions for logistics to access international markets for coal and minerals and identify medium-term solutions and alternatives to mitigate rail capacity risk

Nomination committee

Appointed by the board

To assist the board with director recruitment in fulfilment of the nomination process, oversee the board's effectiveness evaluation process, and evaluate and determine the adequacy and efficiency of the group governance structure and practices

Remuneration committee

Appointed by the board

To ensure the group remunerates fairly, responsibly and transparently and to ensure compliance with the JSE Listings Requirements and related reporting obligations

RBR committee

Appointed by the board

To ensure that risk management enhances the company's ability to achieve its strategic objectives and annually assure the business's resilience in a changing environment to enable it to deliver its objectives, survive and prosper

SERC

Appointed by shareholders

To advise the board on the fulfilment of the statutory duties as set out in regulation 43 of the Companies Act, oversee significant impacts of the company on the economy, environment, society and broader public interest, and to ensure negative impacts are mitigated effectively



[Board committee reports](#) (from page 137)



Subsidiary companies

The board, on behalf of the company, recognises the statutory and fiduciary duties of directors of subsidiary companies. Directors are obligated to always act in the best interest of the subsidiary company, regardless of their nomination to the board of the subsidiary company (in its capacity as holding company). If a conflict arises between a director's duties in a subsidiary company and the interests of the company, as holding company, the director's duties in the subsidiary company prevail.

The group governance framework seeks to mitigate possible tension between the holding company and its subsidiary boards. The subsidiary directors must adhere to the framework and adopted group policies. This does not absolve the directors of subsidiary boards from exercising their fiduciary duties. If directors breach their fiduciary duties, they may be held liable under section 77 of the Companies Act. This responsibility is clearly highlighted for all our subsidiary directors.



[Ownership structure](#) (page 2)

Group-wide control functions

The group control and oversight functions are responsible for providing enterprise-wide oversight of operational management and integrated reporting.

Our group control and oversight functions consist of:

- Governance and reporting
- Corporate secretariat
- Risk management
- Compliance management
- Legal
- Strategy
- Internal audit and assurance
- Finance (as it relates to financial compliance and tax)

The board is responsible for overseeing the effectiveness of the oversight functions and ensuring an effective internal control environment within the group.

Robust integrated ERM

Our ERM process is robust and ensures that we identify, assess, manage and mitigate risks across the organisation. The ERM framework is designed to support strategic decision making, safeguard assets and enhance our ability to achieve long-term objectives while creating value for our stakeholders.

We are dedicated to cultivating a culture of risk awareness across all levels of the organisation. We have integrated ERM into our daily operations, ensuring that risk management is embedded in every aspect of the business (top-down, bottom-up approach). The ERM process involves identifying existing and emerging risks, evaluating their potential impact on the organisation, and implementing effective control measures to mitigate them to acceptable levels.

Our ERM framework is aligned with globally recognised best practices, including the ISO 31000 standard on risk management and the Committee of Sponsoring Organizations of the Treadway Commission framework. These principles guide our approach to managing risk in a way that ensures consistency, transparency and accountability across all levels of the organisation.

Through the combined assurance model, we bring together the efforts of internal audit, risk management, compliance teams and external auditors to assess and verify the effectiveness of our risk mitigation strategies. This collaborative approach ensures that we avoid duplication, optimise resources and provide a comprehensive view of how well we are managing risk.

The board plays a proactive role in overseeing our ERM processes, ensuring that risks which could impact our strategic objectives are carefully monitored and managed. Our strategic risk register is regularly updated to ensure it accurately reflects Exxaro's current risk exposures and outlines the mitigation actions taken to address identified risks. The strategic risk profile, which outlines the

group's key risks – along with Cennergi's top risks – is reported to the RBR committee and the board on a quarterly basis.

We continuously review and update our ERM framework to ensure it remains aligned with evolving governance standards and regulatory requirements. The company regularly evaluates the effectiveness of its ERM framework, making improvements where necessary.

Our integrated ERM approach aims to mitigate risks and identify opportunities for growth and innovation. This drives sustainable growth and long-term value for our shareholders, employees, customers and other stakeholders.



Our risks and opportunities ([integrated report](#), page 28)

Technology and information management

The board governs technology and information management in a way that supports the organisation in setting and achieving its strategic objectives.

The board mandated the RBR committee to oversee information management strategy governance, integration of the improvement programme's overall direction, context and objective, and ensure alignment with the enterprise business strategy, governance and risk management.

In addition to the oversight of the RBR committee, the audit committee is responsible to ensure adequate information management governance.

Our foundational policies support these structures by guiding behaviour, expectations and operations. These include the acceptable use of ICT policy, security policy, operations policy, project management policy, asset management policy and the information and communications technology service continuity policy. Together, these form a cohesive governance structure that promotes transparency, efficiency and innovation in our information technology domain.

Information management risks

Information management risks and mitigation measures are monitored continuously, including assessment of emerging risks, and reported to the RBR committee quarterly.

These are our top information management risks over the past two years:

	2023	2024
1	Cybersecurity: data theft	Cybersecurity: data theft
2	Cyber threat: malware	Cyber threat: disruption of operations
3	Cyber threat: disruption of operations	Cyber: Unauthorised privileged access

Cybersecurity remains our top risk but is expected to gradually decline as mitigation measures take effect. However, advancements in technology, including AI, cloud computing, and unpatched legacy systems, continue to heighten this risk. Additionally, the upcoming enterprise resource planning transformation, driven by the end of maintenance support, presents an emerging challenge. We actively monitor risk treatment plans to ensure their adequacy.

Information management disaster recovery

To ensure our disaster recovery programme is robust and resilient, we strategically aligned it with the ISO 27031 guidelines by embedding the plan-do-check-act cycle, a systematic series of steps for continuous improvement of our disaster recovery capabilities.

Adequate and effective control continued

Beyond compliance culture

The group is committed to:

- 1 Maintaining high standards of integrity, professionalism and ethical behaviour in its relationships
- 2 Complying with the letter and spirit of the law and regulations governing its conduct by ensuring the organisation acts with due skill and diligence
- 3 Conducting its business in adherence to statutory, supervisory and regulatory requirements

While we drive compliance with relevant regulatory requirements in our jurisdictions, the law serves as a minimum standard of conduct, building a culture beyond complying with the law at all levels.

Our compliance philosophy is captured in a compliance policy approved by the board, which supports ethical and responsible corporate citizenship and seeks to create sustainable value for all stakeholders by striving for operational efficiency, growth and regulatory compliance with applicable laws. Our policy is being revised and will be submitted for approval in 2025.

The board is responsible for ensuring that the group and our employees comply with all applicable laws and regulations, and it considers non-compliance with legal and regulatory requirements a key risk. Accordingly, the board delegated the responsibility for managing Exxaro's compliance risks to the RBR committee.

The RBR committee is responsible for:

- Overseeing regulatory compliance risks, policies and frameworks
- Monitoring compliance with agreed policies, national and international protocols and procedures on non-financial aspects in collaboration with the SERC
- Ensuring compliance is continuously monitored and reported by management, external audit and internal audit

The chief strategic resilience and governance officer is responsible for providing a compliance and regulatory compass to the group by promoting a culture of compliance and regular review of the regulatory environment.

Optimised combined assurance

Exxaro applies a combined assurance model to optimise assurance by management, as well as internal and external service providers, while fostering a strong ethical climate and mechanisms that ensure compliance. Using our board-approved ERM framework, management identifies key risks we face and implements the necessary internal controls with comparable information for trend analysis where possible.

We remain committed to continuously enhancing our combined assurance process to ensure it remains effective, adaptive and aligned with emerging risks and best practices. Through ongoing evaluation and collaboration among assurance providers, we strive to strengthen our oversight and risk management framework, fostering a culture of transparency and accountability.

The audit committee is responsible for overseeing the use of a combined assurance model to achieve the following objectives:

- 1 Enabling an effective internal control environment
- 2 Ensuring integrity of information used for decision making by management, the board and its committees
- 3 Supporting the integrity of external reports

Combined assurance forum

The combined assurance model, which is based on the five lines of assurance, is in place through the effective functioning of the combined assurance forum. The forum coordinates assurance for our risk exposure, as identified and ranked by the risk management function and aligned to King IV recommended practices for assurance. The forum's activities and outcomes of assurance reports are presented quarterly to the audit committee.

Combined assurance plan

The combined assurance plan focus areas align with the group's strategic risk profile with input from assurance providers. The plan considers the level of assurance from assurance providers in providing the audit committee and board with confidence regarding the effective functioning of the internal control environment. Execution of the assurance plan ensures that the audit committee receives the assurance required in assessing the effectiveness of the risk management function and effective functioning of the control environment.

Overdue and repeat findings

Exxaro uses an issue tracking management system to capture and track the status of all internal audit and other assurance provider findings. This enables visibility and accountability when addressing identified control weaknesses. All overdue and repeat findings are reported at each audit committee meeting.

Internal audit

Exxaro's internal audit function is partially outsourced to PwC under the management control of Exxaro's head of internal audit. The responsibilities of the internal audit function are detailed in an internal audit charter approved by the audit committee, which is reviewed and approved annually. The internal audit charter informs the role and scope of work of the internal audit function.



[Audit committee report](#) (page 138)

Independence of audit and assurance functions

To ensure the independence of our audit and assurance functions, the following measures are in place:

- We appointed KPMG as our independent external auditor, along with its service delivery partner, AM PhakaMalele (approved by shareholders at the AGM on 23 May 2024 by way of a separate resolution of shareholders in terms of the JSE Listings Requirements paragraph 3.84(g))
- Under the management of Exxaro's head of internal audit, PwC and its service delivery partner, Ngubane & Co, have been providing internal audit services since 1 July 2022
- In 2021, the group adopted a framework for engaging auditors to supply non-audit services. We confirmed that KPMG, in terms of its policy, does not provide advisory and tax services to its audit clients
- Our group governance framework confirms the internal audit function as an independent control function across the group
- The head of internal audit reports directly to our audit committee and is administratively overseen by the CEO

Board statement

The board and audit committee are satisfied with the effectiveness of controls for the year ended 31 December 2024. This conclusion was reached principally through a process of management self-assessment (including formal confirmation by executive management), reports from internal audit, independent external audit and other assurance providers.



[Combined assurance for effective governance report](#) ([integrated report](#), page 94)



Trust, good reputation and legitimacy

JSE compliance certificate

The board considered the JSE compliance certificate for the reporting period, confirming the company's compliance with the JSE Listings Requirements, Debt and Specialist Securities Listings Requirements and every disclosure requirement for continued listing on the JSE imposed in 2024. The certificate will be submitted to the JSE following board consideration in early 2025.

Integrity in reporting

The board ensures the integrity of the company's integrated report and its alignment with best practice in integrated reporting, including other reporting by the company. The board also oversees the publication of our annual financial statements, ESG report, board committee reports, remuneration report and other online or printed information that complies with legal requirements and meets the legitimate and reasonable information needs of stakeholders.

No insider dealing

The RBR committee will review the company's insider dealing policy in early 2025 to ensure it complies with the JSE Listings Requirements, Financial Markets Act and Companies Act and is aligned to the company's code of ethics. The policy applies to all directors, prescribed officers, employees and consultants.

The insider dealing committee provides guidance and clarity to employees and directors on insider trading or price-sensitive information as well as prohibited or closed periods.

We provide ongoing online training on the MyNexxt platform to directors, prescribed officers, employees and consultants to ensure in-depth understanding of the policy, regulatory environment and controls in place.



[SENS announcements](#)

The board is satisfied with the controls in place to ensure regulatory compliance.

Sponsors

The company's lead equity sponsor and debt sponsor, Absa Bank Limited, and joint equity sponsor, Tamela Holdings Proprietary Limited, perform the continuing obligations in connection with Exxaro's listing on the JSE. The board is satisfied that the sponsors executed their mandate with due care and diligence for 2024.

Stakeholder inclusivity

Exxaro's board has a stakeholder-inclusive approach that responds to principle 16 of King IV regarding stakeholder inclusivity and responsiveness. It aims to balance the needs, interests and expectations of material stakeholders in the organisation's best interest over time to protect and build trust in the organisation and its reputation and legitimacy in the eyes of our stakeholders.

As recommended by King IV, Exxaro's disclosure regarding stakeholder relationship management reflects our management approach, key focus areas and stakeholder management activities.



[Stakeholder-inclusive approach](#) (page 16)

Responsible corporate citizenship

The board ensures Exxaro's strategy and conduct reflect its purpose of powering better lives in Africa and beyond, and to be a responsible corporate citizen in giving effect to its purpose.

As Exxaro is an integral part of society, the board ensures the company's efforts to be a responsible corporate citizen. This includes compliance with the South African Constitution (including the Bill of Rights), the law, leading international and national standards, and its own codes of conduct and policies.

The board exercises independent judgement in overseeing management and safeguarding the interests of all stakeholders, including our shareholders. In fulfilling its stewardship role, the board seeks to instil and foster a corporate environment founded on integrity and provide management with sound guidance in pursuit of long-term stakeholder value, ensuring that the company offers sustainable value to society as a whole.

Governance

It is the SERC's role to entrench responsible corporate citizenship as part of the committee's focused activities. The roles and responsibilities of the SERC include overseeing the impact of the consequences of the group's activities and outputs on its status as a responsible corporate citizen in:

- The economy: economic transformation as well as fraud and corruption prevention, detection and mitigation
- Society: public health and safety, consumer protection, community development and protection of human rights

Commitments

Fundamental to Exxaro's purpose of powering better lives is our stance that all people have inherent fundamental human rights regardless of their differences. As such, Exxaro is committed to respecting and upholding human rights for all people in its sphere of influence, where the company has the power to effect investment and development.



[Upholding and respecting human rights](#) (page 105)

Exxaro remains committed to supporting the 10 principles of the UNGC. The UNGC principles are embedded in our Sustainable Growth and Impact strategy, values, operations and stakeholder engagements in alignment with our efforts to apply the principles. Exxaro's voluntary participation in the UNGC advances the case for responsible business practices and encourages our stakeholders to do the same. It holds us accountable to a global standard as we strive to become a catalyst for economic growth and environmental stewardship.



[UNGC communication on progress](#) (investors tab under integrated reports 2021)

An internal due diligence analysis was conducted to close the gaps and improve Exxaro's human rights practices. The SERC noted how human rights had evolved over time and highlighted the need to consider exposure to air pollution, water pollution, and relocation of people as elements that fall within human rights for reporting purposes.

Health and safety

The importance of safety in the workplace receives focused attention at each board, board committee and executive committee meeting. This is achieved through a standing safety moment item on all agendas, to allow for reflection and reporting.

In addition to the SERC's mandate, the RBR committee is responsible for reviewing health and safety risks and focuses on reported HPs and LTIs. The SERC monitored occupational health and noted the processes which may detect potential deterioration of certain organs and assist in reversing some diseases.



[Prioritising safety](#) (page 67) and [promoting health and wellness](#) (page 70)



Our board of directors

The board offers effective ethical leadership and strategic direction while balancing the company's interests as a responsible corporate citizen with stakeholders' legitimate needs and expectations, within a framework of principled governance. We are proud to present the following board members:

Board nominees for the upcoming 24th AGM

In accordance with the company's memorandum of incorporation (Mol), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders annually. Eligible directors may offer themselves for re-election.

Furthermore, Zwelibanzi Mntambo, non-executive director, indicated that he will retire at the 24th AGM.

As per our board charter and director nomination and appointment policy, the nomination committee reviewed the composition, gender and racial balance of the board and evaluated the independence (where applicable), performance and contribution of the directors listed below, as well as their individual knowledge, skills and experience.

The board will propose the following directors for re-election to shareholders at the upcoming AGM:

Re-election		Appointed
1	Geraldine Fraser-Moleketi Independent non-executive director and lead independent director	18 May 2018
2	Isaac Malevu Non-executive director	22 June 2021
3	Billy Mawasha Independent non-executive director	7 February 2022

Independent non-executive
director and chairman

Executive directors

Independent non-executive directors

Independent non-executive directors continued

Non-executive directors



1. Mvuleni Geoffrey Qhena (59)

Board chairman and independent non-executive director

Director since 19 April 2021 and board chairman since 27 May 2021

Senior Executive Programme (jointly offered by Harvard Business School and Wits Business School), Advanced Taxation Certificate (Unisa), CA(SA), BAccSc (Hons), BCompt (Unisa)

Other listed boards: Investec Bank Limited, Telkom SA Limited



5. Karin Ireton (69)

Independent non-executive director

Director since 7 February 2022

MA (international political economy) (University of Leeds), International Programme for the Management of Sustainability (Netherlands), Environmental Impact Assessment and Management (University of Aberdeen)

Other listed boards: None



2. Ben Magara* (57)

CEO, former independent non-executive director and investment committee chairperson

Director since 7 February 2022, and CEO from 1 April 2025

BSc (Hons) (mining engineering), Advanced Management Programme (GIBS), Accelerated Development Programme (London Business School)

Other listed boards: WEIR Group plc

6. Billy Mawasha (46)

Independent non-executive director and chairperson of the investment committee from 1 April 2025

Director since 7 February 2022

BSc (electrical engineering), Government Certificate of Competency for Engineers, Factories (electrical), Government Certificate of Competency for Engineers, Mines and Works (electrical), Global Leadership and Public Policy for the 21st Century (Harvard Kennedy School), Advanced Management Programme (Kellogg School of Management), Accelerated Development Programme (London Business School), Programme for Management Development (GIBS)

Other listed boards: Impala Platinum Holdings Limited and Metair Investments Limited



3. Riaan Koppeschaar (54)

FD

Executive director since July 2016

CA(SA), Advanced and Associate Programmes in Treasury Management (Unisa), Advanced Diploma in Taxation (Unisa), Advanced Management Programme (INSEAD), BCom (Hons) (University of Pretoria), Certificate in Theory of Accounting (University of Pretoria)

Other listed boards: None

7. Nondumiso Medupe (54)

Independent non-executive director

Director since 3 January 2023

CA(SA) SAICA, PGDip (accounting) (University of KwaZulu-Natal), BAcc (University of Durban Westville), Certificate in Sustainability Leadership and Corporate Governance (London Business School)

Other listed boards: Alexander Forbes Limited, City Lodge Hotels Limited and MetAir Limited



4. Geraldine Fraser-Moleketi (64)

Lead independent non-executive director

Director since 18 May 2018

MPA (University of Pretoria) (cum laude), Leadership Programme (Wharton), Digital Savvy Board Member Certificate (MIT Sloan School of Management), Fellow of the Institute of Politics (Harvard), Awards: DPhil honoris causa (North-West University), DPhil honoris causa (Nelson Mandela University)

Other listed boards: Standard Bank Group Limited, The Standard Bank of South Africa Limited and Tiger Brands Limited



8. Dr Phumla Mnganga (56)

Independent non-executive director

Director since 7 February 2022

PhD (entrepreneurship/entrepreneurial studies) (Wits Business School), MBL (business management) (Unisa), BED (University of KwaZulu-Natal), BA (University of KwaZulu-Natal)

Other listed boards: Adcorp Holdings Limited, Altron Holdings Limited



9. Nosipho Molope (60)

Independent non-executive director

Appointed 3 January 2024

BSc (medical sciences) (Wits), BCompt (Hons) (Unisa), CA(SA) SAICA

Other listed boards: Alexander Forbes Group Holdings Limited, EOH Holdings Limited, Burstone Group Limited, MTN Group Limited



13. Mandlesilo Msimang (48)

Non-executive director

Director since 15 March 2021

MSc (utilities regulation) (London School of Economics), BA (Cornell University)

Other listed boards: Telkom



10. Chanda Nxumalo (42)

Independent non-executive director

Director since 1 February 2021

University of Oxford, MEng (economics and management)

Other listed boards: None



14. Zwelibanzi Mntambo (67)

Non-executive director

Director since 28 November 2006

BJuris (North-West University), LLB (North-West University), LLM (Yale University)

Other listed boards: None



11. Peet Snyders (64)

Independent non-executive director

Director since 1 July 2016

BEng (mining) (University of Pretoria), PGDip in Marketing Management (Unisa), MCom (business management) (University of Johannesburg), Mine Manager's Certificate of Competency (coal and metalliferous) (Government Competency Exams)

Other listed boards: None



Chairperson

A Audit committee

B Board

I Investment committee

L Logistics committee

NOM Nomination committee

RBR RBR committee

REM Remuneration committee

SER SERC

* Ben Magara was appointed CEO post-year end, effective 1 April 2025. FD, Riaan Koppeschaar, subsequently stepped down as acting CEO.

12. Isaac Malevu (51)

Non-executive director

Director since 22 June 2021

BCom (Wits), Postgraduate Diploma in Accounting (University of KwaZulu-Natal), CA(SA), SAICA member, Senior Executive Programme (London Business School)

Other listed boards: None



Member

A Audit committee

I Investment committee

L Logistics committee

NOM Nomination committee

RBR RBR committee

REM Remuneration committee

SER SERC

Our board of directors continued

Board composition

Deliberate policy parameters are required to ensure a suitable board composition and appropriate balance of power between directors to enable the board to operate effectively and in the company's interests. Diverse capabilities and perspectives of board members are important for making robust decisions.



[Director nomination and appointment guidance note](#) (our business tab under governance)

The board is committed to striving towards the appropriate size, balance of power, independence, diversity, skills, knowledge and experience to discharge its governance role and responsibilities objectively and effectively without compromising the common purpose, involvement, participation and sense of responsibility necessary to meet the company's strategic objectives. The board size was reduced from 18 in 2021 to 15 in 2024 with the retirement of non-executive director, Likhapha Mbatha. This will be monitored continuously to ensure a majority of independent non-executive directors.

The nomination committee must ensure continuity and undertake succession planning on behalf of the board to ensure all new directors are individuals of calibre, integrity and credibility, with the necessary skills and experience.

Changes to the board

- Nosipho Molope was appointed as an independent non-executive director to the company and member of the audit committee and SERC effective 3 January 2024. Nosipho's appointment was approved by shareholders at the 2024 AGM
- Likhapha Mbatha, non-executive director, retired by rotation at the 2024 AGM
- Dr Nombasa Tsengwa, CEO and executive director, resigned on 5 February 2025
- Ben Magara was appointed CEO with effect from 1 April 2025 and is no longer categorised as an independent non-executive director

Independence

The principles of good governance, King IV and the JSE Listings Requirements recommend holistic independence assessments with a substance-over-form approach in accordance with certain criteria. Annual assessments are therefore based on King IV requirements and section 94(4) of the Companies Act.

Our board assessments are conducted annually to confirm that members exercise objective judgement. The assessments also confirm that there is no interest, position, association or relationship, judged from the perspective of a reasonable and informed third party, likely to unduly influence or cause bias in decision making.

During 2024, 67% of board members were classified as independent non-executive directors. In the first quarter of 2025, a more detailed process was conducted to examine this independence. Directors were asked to consider their roles on other JSE-listed companies and apply Exxaro's objective formula to assess whether they are over-committed. The nomination committee guide is that non-executive directors should be limited to four listed entities including Exxaro, and any chairmanship will be counted as two mandates. In the case of perceived over-commitment, the committee's policy is that a path should be agreed upon to reduce the number of boards as there would be some level of irresponsibility should this take place overnight.

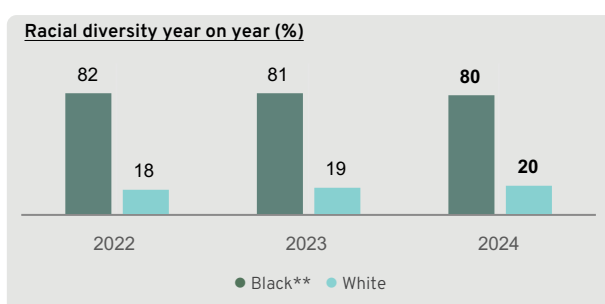
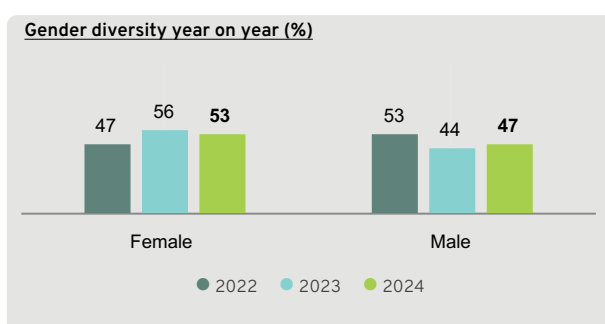
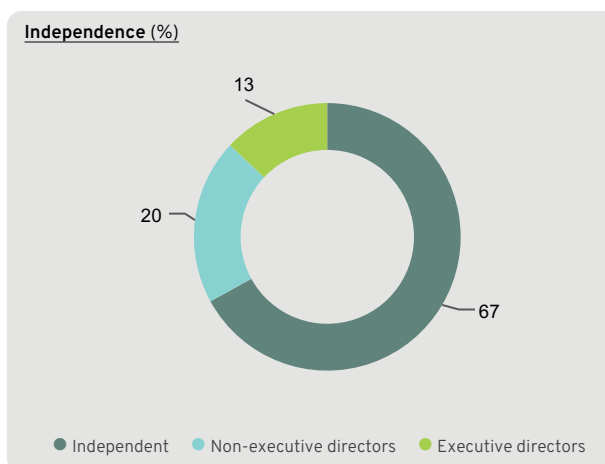
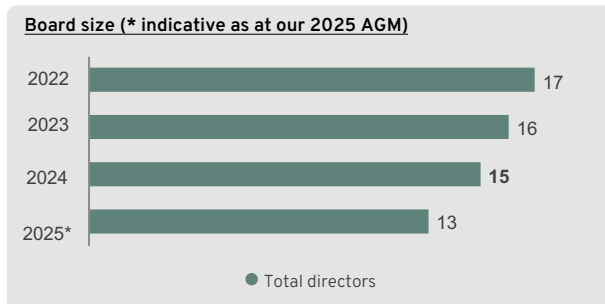
Our chairperson also chairs Telkom's board and is a director of Investec. As Investec is a subsidiary of a listed entity, this is considered to be in line with the nomination committee recommendation.

The board consisted of 10 independent non-executive directors, three non-executive directors and two executive directors as at 31 December 2024.

Broader diversity

In keeping with good corporate governance, the board embraces the constitutional principles of equality, freedom and inclusion. The board diversity and inclusion policy expresses a broader definition of diversity and inclusion, with targets reflected in this report. The board promotes diversity of, among others, knowledge, skills, experience, age, gender, race, nationality and physical ability. This is in line with King IV recommendations and the JSE Listings Requirements.

The progress of our board's diversity, size and independence over the past few years is shown in the graphs below as at 31 December 2024:



**Black refers to African, coloured and Indian.



Director tenure

Succession planning for non-executive directors is typically iterative and part of an ongoing planning and discussion programme conducted by the nomination committee. Succession planning is based on our broader diversity policy. The approach to diversity is holistic, with a view to inclusion and supporting the group's strategic focus areas.

To ensure continuity of experience and knowledge, the company has a staggered approach to re-election of directors in terms of the MoI. Directors are selected for retirement by rotation in terms of the MoI and, following assessment by the nomination committee, may be presented to shareholders for re-election at the AGM.

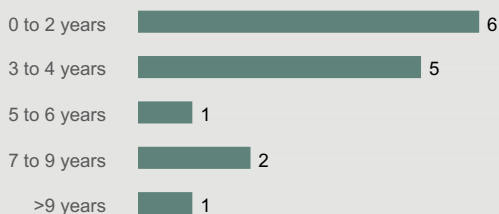
Non-executive director, Zwelibanzi Mntambo, has a board tenure of over nine years. Although shareholders confirmed his reappointment at the 2024 AGM, he has indicated that he will retire at the upcoming AGM.



Details about rotation, retirement and election of directors can be found in the [notice of AGM](#) and [page 126](#).

Our director tenure as at 31 December 2024 is illustrated below:

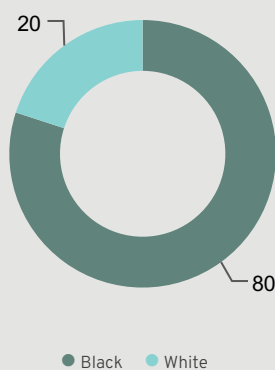
Non-executive director tenure



Racial diversity

The board consistently achieved its 50% target for racial diversity and increased its racial target to 60% black representation in 2021. As at 31 December 2024, the board achieved a total of 80% black representation.

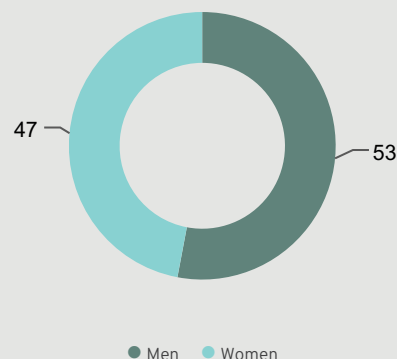
Racial diversity (%)



Gender diversity

The board achieved its set target of 40% black female representation as at 31 December 2024, with 47% black female representation and overall female representation of 63%.

Gender diversity (%)

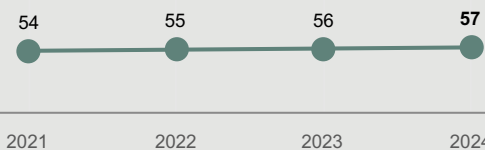


Age diversity

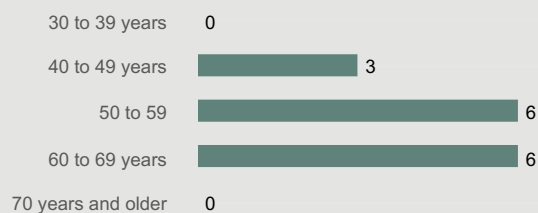
The retirement age is 63 years for executive directors and 70 years for non-executive directors.

Our average board member age in 2024 was 57 years against a board age diversity target of 55 years.

Average age per year



Age diversity: number of directors (15)



Our board of directors continued

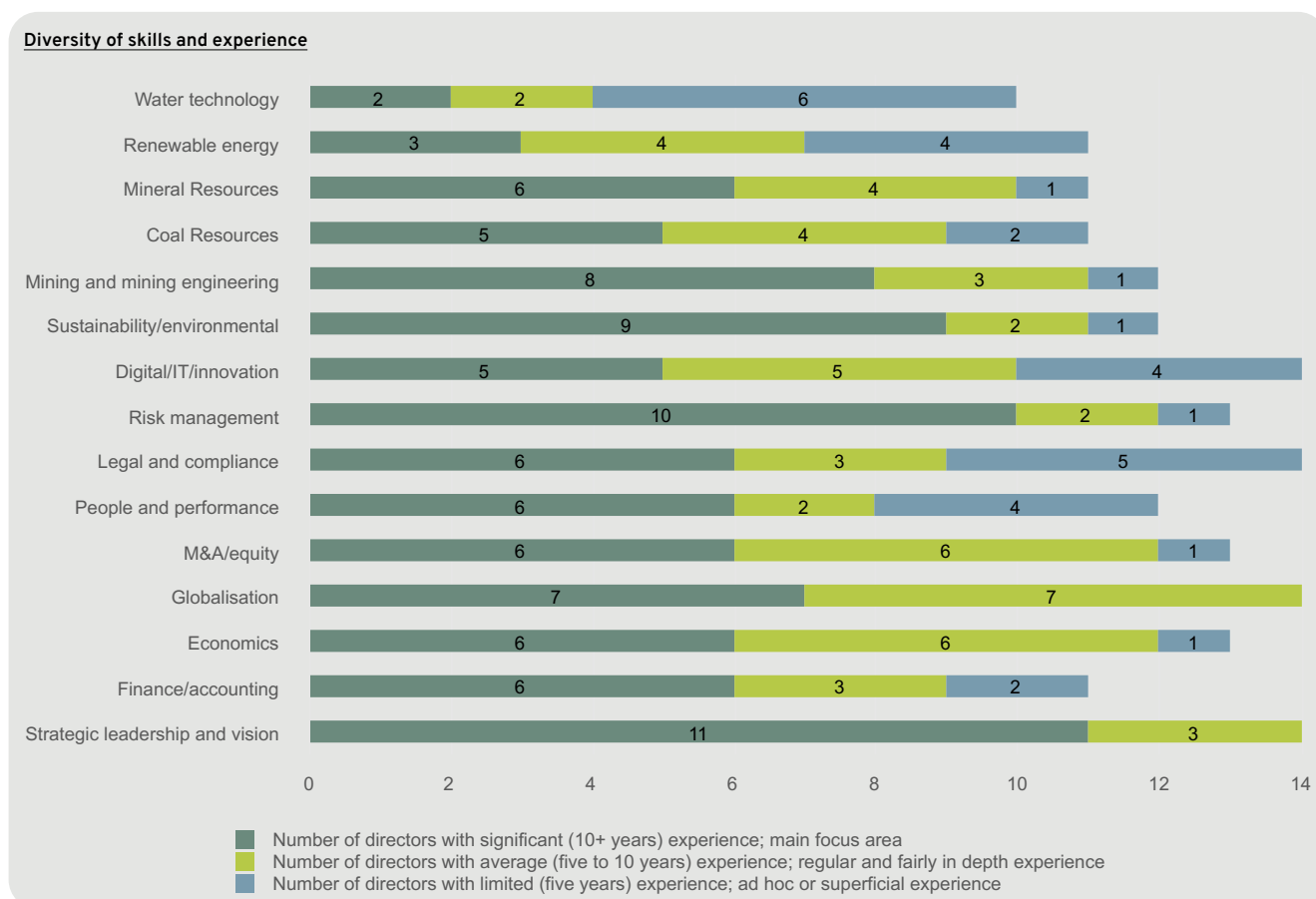
Director competence and diversity in skills and experience

Our directors are carefully selected to ensure a balanced mix of expertise and experience for effective decision making on behalf of Exxaro. In accordance with King IV, directors should be knowledgeable, skilled, experienced, diverse and independent to effectively discharge their governance responsibilities.

Following the skills set review in 2024, Exxaro considers the following leadership and management experience, and technical expertise when evaluating and appointing directors:

Diversity of skills and experience

In the third quarter of 2024, we re-evaluated and clearly defined the leadership and management experience and technical experience skills that will bolster the achievement of our strategy. Some new skills, including water technology, were added and will be developed over time. The matrix below indicates that our board of directors has a depth of skills, and at least two directors have significant experience in each field. There are sufficient skills in all the board's key stewardship areas.





Board leadership

Our board is led by an independent non-executive chairman, Mvuleni Geoffrey Qhena, in compliance with paragraph 3.84 of the JSE Listings Requirements and King IV recommended practices.

Geraldine Fraser-Moleketi continues to serve on the board as lead independent non-executive director.

The role of the chairperson is separate and distinct from that of our CEO. Separation of powers and responsibilities, as set out in the board charter and group governance framework, ensures that no single person has unfettered decision-making powers and that there is an appropriate balance of power at board level.

Roles and responsibilities of the chairperson, CEO and lead independent non-executive director

Functions	Responsibilities
Chairperson	<ul style="list-style-type: none"> • Sets the tone for ethical culture at board level and ensures adherence to the rules of conduct set out in the board charter • Represents the board to shareholders and other stakeholders relating to the performance of the company • Ensures the integrity and effectiveness of the governance processes of the board • Manages conflicts of interest at board meetings in accordance with applicable legal requirements and best practice • Maintains a collegial yet arm's length relationship with board members and management • Ensures board decisions are executed • In collaboration with the group company secretary, ensures the contents and order of the agenda are correct • Maintains regular dialogue with the CEO on operational matters and promptly consults with the board on any matter that presents cause for major concern • Acts as facilitator at board meetings to ensure appropriate discussions take place and result in logical outcomes and that no board member dominates the discussions • Plays a crucial role in ensuring the board has effective leadership and its composition is adequate to enable it to effectively fulfil its functions • Provides necessary direction for an ethical and effective board and forms the link between the board, the CEO and management
CEO	<ul style="list-style-type: none"> • Formulates and develops the company's short, medium and long-term strategic vision to realise its core purpose and values, considering relevant risks and opportunities that will generate satisfactory levels of value creation, as defined by King IV • Leads the implementation and execution of approved strategy, policy and operational planning as the chief link between management and the board while monitoring and managing the company's day-to-day operational requirements and administration • Develops and recommends business plans, policies and objectives for board consideration, accounting for business, economic and political trends that may affect the operations of the company • Manages and ensures the submission of timeous and accurate reports, financial statements and consolidated budgets for board consideration • Oversees the company's financial management, including financial planning, cash flow and management reporting • Is involved in group affairs as executive committee chairperson • Does not cause or permit practices, activities or decisions by or in the group that are contrary to commonly accepted good business practice, good corporate governance or professional ethics • Ensures key management functions are headed by individuals with the necessary competence and authority and that they are adequately resourced and performance-managed • Sets the tone at management level by providing ethical leadership and maintaining an ethical culture conducive to attracting, retaining and motivating a diverse group of employees • Ensures implementation and execution of the company's codes of conduct and ethics policies
Lead independent non-executive director	<ul style="list-style-type: none"> • Leads in the absence of the chairperson • Serves as adviser to the chairperson • Acts as intermediary between the chairperson and other directors, if necessary • Deals with shareholders' concerns where contact through normal channels has failed to resolve concerns or where such contact is inappropriate • Strengthens independence of the board if the chairperson is not an independent non-executive director • Chairs discussions and decision making by the board on matters where the chairperson has a conflict of interest • Ensures the chairperson adheres to the rules of conduct and etiquette set out in the board charter • Leads the chairperson's performance appraisal when an independent service provider is not used to facilitate the process

Our board of directors continued

Performance of our board

Board meeting attendance

The board held five formal meetings, two special board meetings (one of which was in-committee), a dedicated strategy session over two days and two governance sessions during the year. Attendance is calculated against the number of meetings a director was required to attend.

Members	Designation	Attendance of quarterly meetings	Attendance of special meetings
Mvuleni Geoffrey Qhena	Independent non-executive director and board chairman	5/5	2/2
Dr Nombasa Tsengwa	CEO and executive director	5/5	0/0
Riaan Koppeschaar	FD and executive director	5/5	0/0
Geraldine Fraser-Moleketi	Lead independent non-executive director	5/5	1/2
Karin Ireton	Independent non-executive director	5/5	1/2
Ben Magara	Independent non-executive director	5/5	2/2
Isaac Malevu	Non-executive director	5/5	2/2
Billy Mawasha	Independent non-executive director	5/5	2/2
Nondumiso Medupe	Independent non-executive director	5/5	2/2
Dr Phumla Mnganga	Independent non-executive director	5/5	2/2
Zwelibanzi Mntambo	Non-executive director	4/5	1/2
Mandlesilo Msimang	Non-executive director	5/5	2/2
Chanda Nxumalo	Independent non-executive director	5/5	2/2
Peet Snyders	Independent non-executive director	5/5	2/2
Likhapha Mbatha*	Non-executive director	1/1	1/1

* Likhapha Mbatha retired at the 2024 AGM.

Evaluation

In terms of our board charter, an internal evaluation of the board's 2024 performance was undertaken in January 2025.

The board is satisfied that it continues to function effectively and has depth in traditional core skill areas.

Conclusion

The board is satisfied that it complied with the provisions of the Companies Act and relevant laws of establishment relating to its incorporation and that the company is operating in conformity with its MoI and other relevant constitutional documents. The board is also satisfied that it fulfilled its responsibilities in accordance with its charter and King IV during the reporting period.



Executive leadership

We continue to have conviction in Exxaro's Sustainable Growth and Impact strategy. For the year ahead, we will focus on meeting customer demand, driving safe, disciplined and efficient production, while creating value for stakeholders.



Ben Magara (57)
CEO

Key

- Executive director
- Cennergi executive committee
- Executive committee



Riaan Koppeschaar (54)
FD



Kgabi Masia (49)
Chief coal operations
officer



Leon Groenewald (58)
Managing director: energy



Mongezi Vetu (61)
Chief sustainable impact
officer



Johan Meyer (56)
Chief technology officer



Joseph Rock (55)
Chief people and
performance officer



Richard Lilleike (52)
Chief growth officer



Tshoko Ratsheko (59)
Acting chief strategic
resilience and governance
officer



Michelle Nana (56)
Group company secretary

Executive leadership continued

Ben Magara (57)

CEO

Appointed 1 April 2025



See full CV in the [13 March 2025 SENS announcement](#)

Riaan Koppeschaar (54)

FD

Appointed 1 July 2016



See full CV on our [website](#)

Kgabi Masia (49)

Chief coal operations officer

Appointed 1 March 2022

BTech (extractive metallurgical) (University of Johannesburg), Advanced Management Programme (INSEAD)

Skills and experience

In 2004, Kgabi was appointed process and metallurgical manager before progressing to general manager, processing and later to head of integrated operations within BHP Energy Coal. In 2015, he was appointed vice-president: operations and later moved to vice-president: commercial for coal, manganese and aluminium at South32 Africa Region. From 2018 until 2021, Kgabi served as president: South African energy coal. He formerly served on the Minerals Council as chair of its coal leadership forum.

Leon Groenewald (58)

Managing director: energy

Appointed 1 April 2023

CA(SA), associate member of CIMA

Skills and experience

Leon joined Exxaro (then Iscor) in 1997. During this time, he occupied the following roles: manager: finance and administration (1997 to 1999); head of finance: coal (1999 to 2011); performance manager: growth (2012 to 2014); group manager: strategic investments (2015 to 2016); general manager: corporate finance (2016 to 2019); and was seconded to Exxaro's energy solutions business from 2019 to date. He was appointed as managing director of the energy business in 2023. His skills include leadership in various teams, strategic planning and execution, finance and deal making.

Richard Lilleike (52)

Chief growth officer

Appointed 1 October 2023

BSc (Eng) (University of Cape Town), MA Business Administration (Wits)

Skills and experience

Richard has almost 30 years of engineering, consulting and investment banking experience. Having started his career working at Eskom's power stations and then at EL Bateman in project management, Richard joined Marsh McLellan as an enterprise risk consultant, consulting primarily to the mining sector on a global basis. Subsequently, Richard joined Standard Chartered Bank as a mining investment banker, eventually leading the southern Africa mergers and acquisitions team originating and executing on a range of transactions across mining and metals, oil and gas, renewable energy, industrial and agricultural sector deals across Africa.

Johan Meyer (55)

Chief technology officer

Appointed 1 April 2015

BEng (metallurgy) (University of Pretoria), MBA (University of Stellenbosch), Advanced Management Programme (INSEAD), Certified Director (IoDSA)

Skills and experience

Johan started his career in production management at Iscor's Pretoria steel works. He worked at KZN Sands, headed research and development at Kumba Resources as part of the leadership team of Mineral Sands (Tronox), was BU manager of Zincor and Exxaro corporate office. His current role focuses on delivering coal growth projects of approximately R20 billion and developing integrated resource and reserve LoM plans and supporting implementation of the minerals strategy. He is passionate about leading people and powering better lives.

Tsheko Ratsheko (59)

Acting chief strategic resilience and governance officer

Appointed 25 September 2024

Three LLM degrees, including Extractive Industries Law in Africa (University of Pretoria, 2019), Certificate in Advance Corporate Law and Securities Law (2009)

Skills and experience

Tsheko is a lawyer by profession. He was a member of the Johannesburg Bar between 2009 and 2012. Before joining Exxaro, he held senior positions in the public sector, including being a law lecturer at the Justice College (Department of Justice), and deputy registrar of intellectual property. He left public service in 2006 in the position of the chief director and head of the environment inspectorate (the Green Scorpions) at the Gauteng Department of Agriculture, Conservation and Environment to join Kumba Resources Limited (later Exxaro Resources Limited).

Joseph Rock (55)

Chief people and performance officer

Appointed 16 October 2023

BA (Hons), MA (University of Essex, UK), ACA (UK), Advanced Management Programme (INSEAD)

Skills and experience

Joseph is a chartered accountant with over 30 years' business experience spanning the consulting, public and private sectors. He has spent the past 15 years holding various roles across the human capital value chain, most recently as the former group head of people experience and chief operating officer for people and culture for Absa Group Limited, spanning 10 countries across Africa. He has held various board roles including 10 years as a non-executive director of Shoprite Holdings Limited, serving four years as the chair of the remuneration committee.

Mongezi Vetu (61)

Chief sustainable impact officer

Appointed 1 April 2015

HDip (metalliferous mining and coal mining) (University of Johannesburg), MBL (Unisa), Advanced Management Programme (Wharton), Mine Overseer's Certificate, Mine Manager's Certificate of Competency (fiery mines)

Skills and experience

Since the start of his career, Mongezi has earned extensive mining experience in the gold, platinum and coal sectors. He is a certificated professional engineer registered with the Engineering Council of South Africa. Mongezi was third in the *Sustainability* magazine's top 10 chief sustainability officers in 2022.

Michelle Nana (56)

Group company secretary (ex officio)

Appointed 1 May 2024

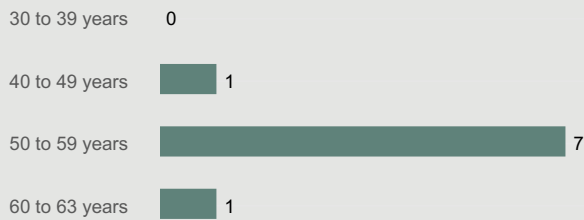
LLB, Fellow of the South African Institute of Chartered Secretaries and Administrators

Skills and experience

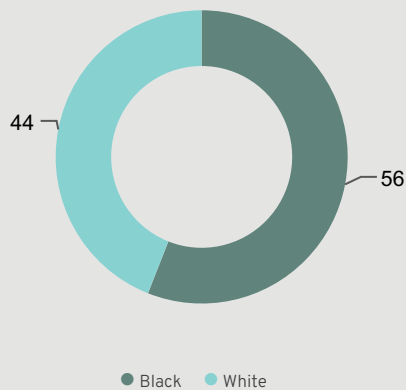
Michelle has over 30 years of company secretarial experience over multiple geographies on the continent and offshore. She is a fellow of the South African Institute of Chartered Secretaries and Administrators, certified director (IoDSA) and law graduate.



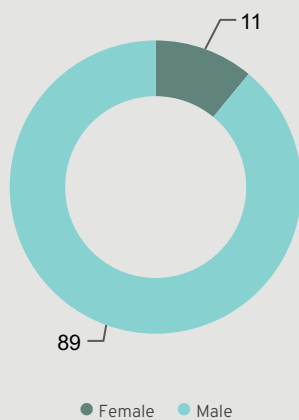
Executive age diversity (an average age of 55)*



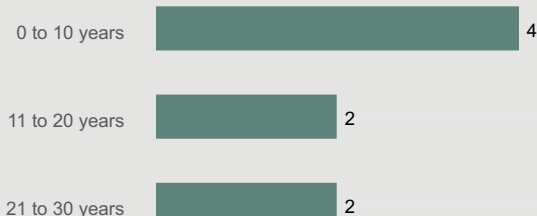
Executive race diversity (%)



Executive gender diversity (%)



Executive tenure at Exxaro**



* Exxaro policy requires all employees, including executives, to retire at the age of 63.

** The Exxaro executive team has more than 87 years of combined service since Exxaro's inception.

Roles and responsibilities of Exxaro's executive committees

The roles and responsibilities of Exxaro's board are distinct from those of senior management as outlined in the group governance framework, board charter and delegation of authority policy and framework. This ensures transparency, confidence and mutual trust where the board can constructively challenge and guide senior management. The functions of management therefore remain the responsibility of the executive directors, prescribed officers and other members of senior management.

The executive committee assists the CEO in managing the business. It leads the implementation and execution of strategy, policies and operational planning, subject to statutory limitations and enabled by the board's delegation of authority. In carrying out its duties, the executive committee considers the King IV governance principles, the company's MoI, the committee's terms of reference, delegations of authority and the group governance framework.

The board is responsible for establishing the group's business objectives and targets and providing the strategic direction and control of the group's business activities.

Group executive committee: focuses on group operations and business.

Cennergi executive committee: assists the CEO in managing Exxaro's energy business.

Management committees supporting the group executive committee

The group executive committee formed the following sub-committees to support and report to it:

- 1. ESG steering committee:** to integrate and embed ESG in our strategy and everything we do.
- 2. ESD committee:** to integrate, implement and embed ESD.
- 3. Management ethics committee:** to ensure a robust ethics management process and assist in the elimination of corruption, including fraud, extortion and bribery.
- 4. Group investment review committee:** to oversee management review processes for major investments and divestments.
- 5. Insider dealing committee:** to provide guidance and clarity to employees and directors on insider trading or price-sensitive information and prohibited or closed periods.
- 6. Executive risk management committee:** to ensure a robust risk management process is followed.

Executive leadership continued

Group executive committee performance

The group executive committee held five quarterly and nine special meetings in 2024:

Designation	Attendance at quarterly meetings	Attendance at special meetings
CEO and chairperson, including acting	5/5	8/9
FD	5/5	9/9
Chief growth officer	5/5	9/9
Chief coal operations officer, including acting	4/5	9/9
Chief people and performance officer	4/5	9/9
Chief strategic resilience and governance officer, including acting	5/5	8/9
Chief sustainable impact officer	5/5	9/9
Chief technology officer	4/5	9/9
Group company secretary (ex officio) from 1 May 2024	4/4	6/6

Cennergi executive committee performance

The Cennergi executive committee held four quarterly and four special meetings in 2024:

Designation	Attendance at quarterly meetings	Attendance at special meetings
CEO and chairperson	3/4	4/4
FD	4/4	4/4
Managing director: Cennergi	4/4	4/4

Strategic performance management dashboard

A strategic performance management dashboard is applied to enable visibility of strategy execution and facilitate strategic conversations at the right time within our tiered group governance structure.

For more on our performance see:



Performance against our strategy ([integrated report](#), page 59)



[Delivering meaningful and positive impact](#) (page 11)

Group company secretary

Michelle Nana was appointed group company secretary effective 1 May 2024.

The board recognises the important role the group company secretary plays in establishing effective processes and systems to ensure good corporate governance is entrenched in Exxaro. The group company secretary's role and responsibilities are to:

- Guide the directors collectively and individually in their duties, responsibilities and powers
- Make directors aware of any law relevant to the company
- Report any failure on the part of the company or a director to comply with the Mol or Companies Act
- Ensure board procedures are followed and reviewed regularly
- Ensure compliance with applicable rules and regulations for conducting the affairs of the board
- Facilitate a programme for the induction and ongoing development of directors
- Maintain statutory records in accordance with legal requirements
- Guide the board on the proper discharge of its responsibilities in the best interests of the company
- Provide professional and independent guidance on corporate governance matters to assist the board in exercising ethical and effective leadership
- Keep abreast and inform the board of current and new developments regarding corporate governance practice
- Fulfil all other functions assigned to the position by the Companies Act and by any other legislation
- Ensure proper compilation and timely circulation of board papers
- Obtain appropriate responses and feedback on specific agenda items and matters arising from earlier meetings in board deliberations
- Ensure that the proceedings of the board, board committees and shareholder meetings are properly recorded and minutes of meetings are circulated to the directors timeously
- Assist the nomination committee in evaluating the performance of the board, its committees and individual directors

The board evaluated the group company secretary in compliance with paragraph 3.84(h) of the JSE Listings Requirements and was satisfied with her competence, qualifications and experience. The board was comfortable that she maintained an arm's length relationship with individual directors and that she was neither a director nor a public officer of the company or any of its subsidiaries.



Committee reports

Exxaro's board committees play a vital role in enhancing governance efficiency and oversight, ensuring that key areas receive focused expertise and strategic direction. By delegating specific responsibilities through formal terms of reference, the board strengthens decision making, enhances objectivity and upholds the principles of ethical and effective leadership.

This section provides insight into the mandates, activities and key focus areas of Exxaro's committees, reflecting their contribution to sustainable value creation and robust corporate governance.

Focus areas at a glance

[Audit committee report](#)

Page 138

This review reflects the committee's role in providing independent oversight of financial reporting, internal controls and risk management. It details how the committee ensured compliance with legal and regulatory frameworks, reviewed audit and assurance processes and strengthened governance through external and internal audit coordination.

[Investment committee report](#)

Page 142

We unpack the committee's approach to evaluating and recommending key investment decisions in line with Exxaro's Sustainable Growth and Impact strategy. This section outlines how the committee reviewed minerals and energy growth pipelines, assessed due diligence outcomes and monitored strategic acquisitions and divestments.

[Logistics committee report](#)

Page 144

This report describes the committee's role in mitigating rail and infrastructure challenges that impact coal and mineral exports. It explores the development of long-term logistics solutions, stakeholder engagement efforts and the monitoring of regulatory reforms affecting freight and rail capacity.

[Nomination committee report](#)

Page 146

We unpack the committee's focus on board composition, succession planning and governance effectiveness. The report highlights how the committee reviewed the group governance framework, aligned governance with King IV principles, and exceeded board diversity targets.

It also covers annual performance evaluations and governance roadshows.

[Remuneration committee report](#)

Page 149

This overview provides insight into how the committee ensures fair, transparent and responsible remuneration practices. It details key initiatives, including wage gap monitoring, enhancements to incentive schemes and the alignment of executive remuneration with shareholder expectations and evolving regulatory requirements.

[RBR committee report](#)

Page 152

We describe the committee's role in strengthening Exxaro's risk management framework, focusing on strategic, operational, financial and regulatory risks. This report explains how the committee enhanced business continuity planning, assessed crisis management protocols and integrated risk governance into decision-making processes.

[SERC report](#)

Page 156

This review outlines the committee's mandate to oversee Exxaro's impact on public interest and corporate citizenship. It details how SERC monitors human rights practices, social impact strategies, ESG governance and sustainability-related disclosures. Key focus areas include stakeholder engagement, employment equity targets, safety performance and overseeing the development of Exxaro's 2050 decarbonisation roadmap.



Audit committee report

Dear shareholders,

I am pleased to present the audit committee report for the year ended 31 December 2024. This report reflects the committee's independent role with accountability to the board and shareholders.



Nondumiso Medupe
Audit committee chairperson

Committee overview

Composition

Committee members are elected at the AGM by shareholders on recommendation from the board, through the nomination committee.

The board ensures a balance of skills and experience, with a focus on financial literacy, to enable the committee to discharge its function. All committee members are independent non-executive directors.

On recommendation from the board, shareholders at the 2024 AGM approved the appointment of Nosipho Molohe as independent non-executive director and audit committee member.

In 2024, the committee maintained its minimum membership of four independent non-executive directors.

The board is satisfied that the committee members have the necessary academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.



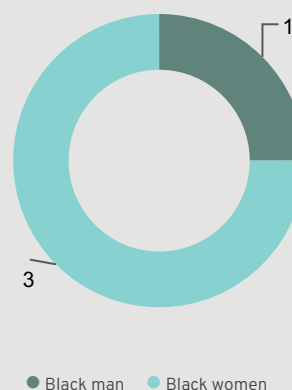
Refer to [board of directors](#) (page 126) for members' qualifications and experience.

Non-executive director Isaac Malevu is a standing invitee to the committee. Other meeting attendees include the CEO, FD, head of internal audit, group finance manager, chief finance officer: coal, chief strategic resilience and governance officer, chief technology officer and representatives from the external and internal auditors.

Other individuals, including members of management, external consultants and service providers are invited to attend meetings of the committee from time to time in consultation with the committee chairperson.

The internal and external auditors have unrestricted access to the audit committee.

Gender and racial diversity



Meetings

As determined by its terms of reference, the committee held four scheduled meetings and one special meeting in 2024.

Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Nondumiso Medupe	Independent non-executive director and audit committee chairperson	4/4	1/1
Billy Mawasha	Independent non-executive director	4/4	1/1
Chanda Nxumalo	Independent non-executive director	3/4	1/1
Nosipho Molohe	Independent non-executive director	4/4	1/1

Two additional annual sessions are held separately with the independent external auditor and internal auditor, without management present, to exchange views and concerns to further strengthen the committee's independent oversight.



Role and purpose

The audit committee is an independent statutory committee with members appointed annually by Exxaro's shareholders in compliance with section 94 of the Companies Act and the principles of good governance. In terms of the Companies Act, this committee has an independent role and is accountable to the board and the company's shareholders.

The committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers, and other members of senior management, nor does it assume accountability for the functions performed by other board committees. In addition to the Companies Act, the committee's duties are guided by the JSE Listings Requirements and King IV.

The committee's terms of reference govern its role and responsibilities. To assist the board, the committee plays an essential role in providing independent oversight of:

- The quality and integrity of the financial statements and related public announcements
- The integrity of the integrated reporting process and content of the reporting suite
- The external auditor's qualification and independence
- The external audit function's scope and effectiveness
- The scope and effectiveness of the overall combined/integrated assurance process

- The efficacy of internal controls and the internal audit function
- Assessing the adequacy of the company's insurance arrangements regarding the nature of its business and insurable risks
- The integrity and efficacy of the risk management process relating specifically to internal controls and financial reporting risks through assurance of system controls and policies in place

Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

Performance evaluation

There is no regulatory requirement to conduct an annual external independent performance assessment. However, King IV recommends regular performance evaluations for all board committees and, as such, it is a governance practice at Exxaro to conduct independent assessments every third year.

An internal evaluation of the committee's performance and effectiveness was conducted in January 2025. The evaluation aims to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness.

2024 in review

Key highlights

- Provided training for the committee on accounting developments relating to climate change disclosure
- Noted the performance and assurance opinion on the sustainability KPIs and recommended that the board agree on the approach to scope 3 reporting to align it with the decarbonisation plan
- Exxaro injected R290 million in Exxaro Insurance Company Limited, reinforcing our insurance retention strategy

Material themes



Committee statements

FD and finance function

The committee considered and reviewed an internal assessment of Riaan Koppeschaar's expertise and experience as the FD and is satisfied that he has the appropriate experience and expertise to execute his responsibilities, including while acting as CEO from 4 December 2024. The evaluation considered the appropriateness of the expertise and adequacy of resources in the finance function.

The committee is satisfied with the group's hedge effectiveness and loan covenant position applicable to each facility within the group.

The committee considered the criteria for the selection of multi-fund managers and approved the revised dealer limits and counterparty limits for the group's treasury operations in the financial markets.

The committee reviewed the key reporting issues and significant balances for the interim and year-end reporting periods. Furthermore, it reviewed and approved the trading statements for the interim and year-end reporting periods.

Following a deliberation of the base case and downside scenarios presented by management, and having applied the solvency and liquidity test, the committee was satisfied to provide assurance to the board that the company and group satisfied the requirements of the going concern assessment and further recommended the approval of dividends to the board.

Tax compliance status

The reports to the committee include reporting on all tax matters, including tax audits, tax disputes with tax authorities, recognition of deferred tax assets, and the status of tax returns and payments. The committee was also appraised of global tax developments. The committee is satisfied that the group is tax compliant.



[Tax report](#) (investors tab)

Regulatory updates

The committee noted the amendments to the JSE Listings Requirements and the new and revised IFRS Accounting Standards and pronouncements, and their impact on the group. In addition, the committee considered the JSE proactive monitoring and thematic reviews.

Annual financial statements

The committee ensured that the finance function re-evaluated its disclosures in line with the latest accounting developments. A clear focus was placed on financial reporting risks and controls presented by geopolitical macro-economic conditions including supply chain disruptions, inflation, interest rates and market volatility.

Audit committee report continued

The group and company annual financial statements for the year ended 31 December 2024 were prepared by management, reviewed by the committee and the board, and audited by the independent external auditor.

The committee is satisfied that the group and company annual financial statements for the year ended 31 December 2024 comply with the relevant provisions of the Companies Act, IFRS Accounting Standards, interpretations issued by the IFRS Interpretations Committee, Financial Pronouncements (as issued by the Financial Reporting Standards Council), the SAICA Financial Reporting Guides (as issued by the Accounting Practices Committee), the JSE Listings Requirements and applicable accounting policies and practices. The committee is satisfied that the group and company annual financial statements for the year ended 31 December 2024 fairly present a balanced view of the group and company's financial position, financial performance and cash flows.

Effectiveness of internal financial controls

Internal control confirmations are distributed to all BUs and corporate service departments in order for management to confirm that no additional reporting issues need to be brought to the attention of the committee. This process verifies that internal controls are being followed in line with policies and governance requirements, it identifies any gaps or weaknesses in internal control processes, and it holds the BUs responsible for maintaining and reporting on their control environment.

During the year, the committee, with input and reports from the independent internal and external auditors, as well as an ERM benchmarking exercise, reviewed the system of internal financial reporting procedures. This review considered all Exxaro entities within the consolidated group to ensure that the committee had access to all financial information to allow for effective preparation and reporting on the group and company annual financial statements for the year ended 31 December 2024. Informed by these reviews, the committee confirmed that no material findings came to the committee's attention to indicate the ineffectiveness of internal financial reporting controls during 2024.

Independent external auditor

KPMG was the independent external auditor for 2024, with its delivery partner, AM PhakaMalele. Their reappointment was approved by shareholders as presented by a separate resolution at the AGM on 23 May 2024, in terms of paragraph 3.84 of the JSE Listings Requirements.

The committee oversaw the extent of services provided by the external auditor for assurance and other services.

Assessment and recommendation

The committee has evaluated the appointment of the external auditor and designated audit partner and is satisfied that KPMG meets the independence requirements outlined in section 94(8) of the Companies Act.

The committee considered the relevant information under paragraph 3.84(g)(iii) of the JSE Listings Requirements. Thus, the committee executed its responsibility to consider the suitability of the external auditor and designated individual auditor, as required by paragraphs 3.84(g)(iii) and 3.87, and in terms of their mandate required by paragraph 3.86 of the JSE Listings Requirements.

The committee recommends KPMG with its delivery partner, AM PhakaMalele, for reappointment for the ensuing year ending 31 December 2025 at the upcoming AGM on 15 May 2025 by way of a separate resolution by shareholders in terms of paragraph 3.84(g)(iv) of the JSE Listings Requirements and section 61(8) of the Companies Act.

Independent external auditor fees

During the review period, the following fees were paid to the independent external auditor:

	2024 Rm	2023 Rm
Statutory audit fees	31	30
Non-audit service fees	3	3
Total	34	33

The policy for engagement of the external auditor to supply assurance and other services was reviewed in 2024. The committee considered the Revisions to the Non-Assurance Services Provisions of the Code from the International Ethics Standards Board for Accountants and the Revisions to the Non-Assurance Services Provisions of the Code from the Independent Regulatory Board for Auditors and set the threshold for assurance and other services for the external auditor at a maximum of 20% of the statutory audit fee for any given financial year. It was confirmed that KPMG, in terms of its internal policy, will not provide any advisory or tax services to its audit clients.

The committee is satisfied with the level and extent of assurance and other services rendered by the external auditors during the year. It was confirmed that KPMG and AM PhakaMalele remained independent of Exxaro.

The committee approved the external audit plan and approach for the financial year ended 31 December 2024.

Transformation

For 2024 and 2023, KPMG partnered with AM PhakaMalele, a level 1 B-BBEE company, fulfilling Exxaro's commitment to transformation.

Internal audit

The committee ensured that assurance provided by the internal audit function focused on the company's key risks and that the services provided by the function add value to the organisation.

The internal audit function is partially outsourced to PwC under the management control of Exxaro's head of internal audit. PwC partnered with a level 1 B-BBEE company, Ngubane & Co, to fulfil the internal audit support function. The responsibilities of the internal audit function are detailed in an internal audit charter approved by the committee, which is reviewed and approved annually.

The main function of internal audit is to express an opinion on the effectiveness of governance, risk management and systems of internal controls as well as the internal control environment within the group. It provides an independent and objective consulting service designed to add value, maintain assurance, and improve Exxaro's operations.

The committee holds management accountable to ensure corrective measures are in place to address control deficiencies identified by internal audit or forensic investigations. The committee will continue to monitor the efficacy of these measures.

During the period under review, the committee authorised the CEO and FD to sign the management representation letter for the interim and year-end reporting periods. Additionally, internal audit provided an assessment to support the CEO and FD in effecting their responsibility to sign the mandatory responsibility statement in terms of the JSE responsibility statement requirement Item 14, section 3.84(K) which affirms that the internal control environment can be relied on in compiling the annual financial statements.

The committee considered the status of the execution of the annual internal audit plan and the results of completed audits. The committee is pleased with the overall performance of the internal audit function and the services provided.

Internal audit charter

The internal audit charter was reviewed and presented to the committee for approval on 6 March 2025. Exxaro internal audit decided to be an early adopter of the new Institute of Internal Audit model charter which is aligned to the new Global Internal Audit Standards.

The model charter was utilised as the base document where the bespoke Exxaro requirements were added:

- The purpose of the internal audit function was expanded
- Provides for the process to be followed for changes to the mandate and charter
- A section for audit committee oversight was added
- Enhanced role and responsibilities of the head of internal audit to include additional information on ethics and professionalism



Forensic report

The committee noted the status of:

- The forensic investigations
- Progress with initiatives under the SERC
- The 2024 fraud prevention, anti-bribery and anti-corruption programme
- The proactive assurance training being conducted in collaboration with supply chain management and the ethics office at the BUs

Combined assurance

As required by King IV, assurance was broadened to cover all sources of assurance, including external assurance, internal audit, management oversight and regulatory inspections. In 2024, the combined assurance model was updated to include the five lines of assurance to differentiate the level of risk ownership and independence of assurance efforts by providers.

The model incorporates and optimises all assurance services and functions to enable an effective control environment and support the integrity of information used for internal decision making by management, the governing body and its committees and the organisation's external reports.

An annual combined assurance plan is submitted for approval to the committee, detailing all proposed assurance activities within the group, including the level of assurance. The committee ensures alignment of the combined assurance plan, and internal and external audit plans. Risk acceptance, level 1 finding disclosure process and risk extension requests are adopted as protocols.

The committee's role is to review the effective establishment and operation of combined assurance within the group. To this end, the company established a combined assurance framework. The committee is satisfied that the combined assurance framework is a platform to coordinate Exxaro's assurance functions. The combined assurance framework coordinates assurance coverage for Exxaro's risk exposure as identified and ranked by Exxaro's risk management function, including optimisation of assurance functions aligned with King IV recommended assurance practices.

The committee is satisfied with the arrangements for ensuring an effective and efficient combined assurance model within the group. Furthermore, a benchmarking exercise will be conducted to align

the roles and responsibilities of different assurers to avoid duplication.

Technology and information governance

In terms of King IV, the committee exercises oversight of technology and information governance.

The committee received reports on the group's digital transformation as well as the impact of cyber risk on information technology performance to support strategy execution.

The recent organisational effectiveness process necessitated a review of the current information management operating model, and the committee noted the information management strategy, governance, internal and external audit findings, portfolio and enterprise architecture, risk management and enterprise resource planning journey.

In the year, the committee oversaw the implementation of key security projects including the implementation of the privileged access management tool and multi-factor authentication for privileged users.

Several management governance forums enhance decision making, oversight and strategic direction. Foundational policies support these structures by guiding behaviour, expectations and operations.

Insurance coverage

As it is increasingly challenging for companies with a large carbon footprint to obtain insurance coverage at competitive terms, this is a focal point for the committee. Exxaro has a separate captive insurance company registered in terms of the Insurance Act, 2017 (Act 18 of 2017) to manage short-term insurance arrangements, being Exxaro Insurance Company Limited.

A formal memorandum is submitted quarterly to the committee, setting out the main activities of the insurance company. The committee considered regulatory compliance, level of self-insurance, financial position, external audit plan for the 2024 audit, investment strategy, performance of investments, insurance renewal programme, and associated costs and exclusions during the period under review. In addition, the committee reviewed Exxaro's strategy regarding insurance coverage and self-insurance.



Key focus areas 2024/2025

- Monitor the progress and implementation of the strategy concerning the deployment of new post-modern enterprise resource planning solutions to ensure acceptable cost, risk and alignment with the Exxaro strategy
- Evaluate whether the company has incorporated digitalisation and utilisation of advanced technologies, eg AI
- Review Exxaro's future strategy regarding insurance cover and self-insurance, considering global resistance to thermal coal and insurance markets
- Monitor the impact of cybersecurity risks in the finance and internal control environment
- Monitor talent challenges in the finance and internal audit functions as a result of the global war for talent

Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act, the JSE Listings Requirements (paragraph 3.84(g) in particular) and King IV.

On behalf of the audit committee

Nondumiso Medupe

Audit committee chairperson

15 April 2025

Investment committee report

Dear shareholders,

I am pleased to present the investment committee report for the year ended 31 December 2024. The report provides an overview of how we work to responsibly further our strategic objective of transitioning at speed and scale, in support of Exxaro's purpose and vision.



Billy Mawasha
Investment committee chairperson

Committee overview

Composition

The board appoints committee members on the recommendation of the nomination committee. The board ensures that there is a balanced blend of skills and experience, so that the committee can discharge its function.

In 2024, the committee consisted of four independent non-executive directors and two non-executive directors. The board is satisfied that the committee members have the necessary experience.

There were neither retirees nor additional members to the investment committee in 2024, ensuring continuity in furthering the strategic objectives.

Since Ben Magara was appointed CEO, he has stepped down as chairperson of the committee. The board appointed Billy Mawasha as committee chairperson, effective 1 April 2025.

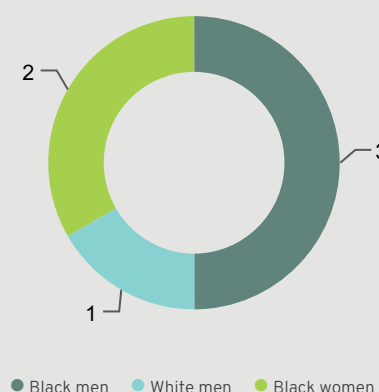
Exxaro, being cognisant of the significance of delivering on the growth aspect of the Sustainable Growth and Impact strategy, appointed a chief growth officer at the end of 2023, enhancing Exxaro's minerals growth endeavours.

The CEO, FD, managing director: energy, and chief growth officer attend investment committee meetings as standing invitees. Other members of the executive team and senior managers representing areas relevant to investment committee discussions attend meetings as required.



Refer to [board of directors](#) (page 126) for members' qualifications and experience.

Gender and racial diversity



Meetings

The committee held four scheduled quarterly meetings and three special meetings in 2024:

Members	Designation	Attendance at scheduled meetings	Attendance at special meetings
Ben Magara	Independent non-executive director and committee chairperson	4/4	3/3
Isaac Malevu	Non-executive director	4/4	2/3
Billy Mawasha	Independent non-executive director	4/4	2/3*
Mandlesilo Msimang	Non-executive director	3/4	3/3
Chanda Nxumalo	Independent non-executive director	3/4	3/3
Peet Snyders	Independent non-executive director	4/4	3/3

* Meeting missed due to miscommunication resulting from differing time zones.



Role and purpose

This committee plays a key role in the execution of the Exxaro Sustainable Growth and Impact strategy.

The committee has an independent role where it:

- Reports to the board on material acquisition, merger, investment, or disposal opportunities
- Exercises ongoing oversight of transactions and related matters in the scope of the approved energy and minerals Sustainable Growth and Impact strategy, including portfolio management of these businesses and post-investment reviews

Importantly, the committee reviews the strategic fit, risk profiles and outcomes of financial, technical, and legal due diligence for major investments. The committee ensures adherence to all Exxaro's governance processes, and oversees that potential investments meet the approved hurdle rates, set from time to time, before Exxaro commits any funds. The committee considered various energy and minerals opportunities throughout 2024. These opportunities were considered using robust investment criteria that protect our stakeholders' interests in Exxaro and in that regard did not conclude any transaction that Exxaro believed met its requirements. The board is committed to protecting Exxaro's value and will not approve the pursuit of projects outside the approved investment criteria.

Investment opportunities are first presented at the investment committee, where a detailed review is conducted in line with the investment criteria approved by the board. After the review, the committee may recommend the investment opportunity to the board for final approval.

2024 in review

Key highlights

- Monitored the minerals and energy growth pipelines and recommended investment decisions for board approval
- Reviewed the energy investment criteria to ensure alignment with the approved strategy and prevailing market conditions
- Monitored progress in the implementation of the LSP
- Considered, guided and recommended participation in proposed acquisitions to fit the long-term minerals and energy strategy
- Noted outcomes of due diligence processes and monitored progress regarding various proposed transactions in line with executing the Exxaro strategy

Material themes



Other key matters in review

- Considered the commodity price updates and long-term view regarding energy transition minerals
- Considered and guided management on the Exxaro Moranbah South carve out sale which was successfully concluded

Future focus



Key focus areas 2024/2025

- Monitor divestments and acquisitions
- Review and recommend minerals investment guidelines for approval
- Monitor portfolio management of investments and post-investment reviews
- Guide and recommend participation in proposed acquisitions that fit our long-term minerals and energy strategy

Confirmation

The committee, in carrying out its duties, has due regard of its terms of reference and the principles and recommended practices of King IV. The committee is satisfied that it has conducted its affairs and discharged its responsibilities in accordance with its terms of reference.

On behalf of the investment committee

Billy Mawasha

Investment committee chairperson

15 April 2025

Terms of reference

The committee's terms of reference are reviewed annually. The next review will be in the second quarter of 2025 and will be submitted to the board for approval. The review will ensure the terms of reference remain aligned to relevant legislation, regulations and King IV.

Conflict of interest

The committee's mandate requires that disclosures of interest are made at the time of circulating information to the committee members and before the commencement of any meeting. Any declaration and/or recusal by members as a result thereof is captured in the meeting minutes to ensure transparency.

Performance evaluation

As there is no regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. It is a governance practice at Exxaro to conduct such independent assessments every third year.

An internal evaluation of the performance and effectiveness of the committee during 2024 was conducted in January 2025 in accordance with King IV recommendations. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics as well as factors that may positively or negatively impact the committee's performance and effectiveness. The assessment concluded that the committee functions effectively.

Logistics committee report

Dear shareholders,

I am pleased to present the logistics committee report for the year ended 31 December 2024. The committee was established in early 2023 to address rail logistic challenges and support Exxaro's continued sustainable growth.



Zwelibanzi Mntambo
Logistics committee chairperson

Committee overview

Composition

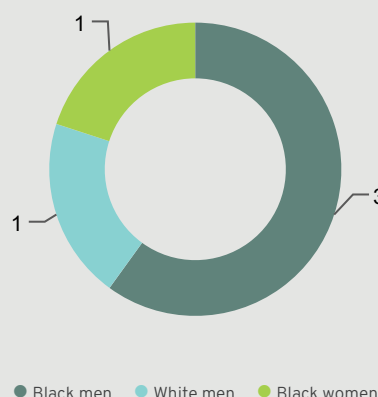
Committee members are appointed by the board on recommendation of the nomination committee to ensure a blended balance of the necessary skills and experience for the committee to successfully carry out its assigned duties and obligations. The board is satisfied that the committee members have the necessary experience. In 2024, the committee comprised four independent non-executive directors and one non-executive director.

From 1 April 2025, Ben Magara will no longer be a member of the committee. However, as CEO, he will have a standing invitation to committee meetings.



Refer to [board of directors](#) (page 126) for members' qualifications and experience.

Gender and racial diversity



Meetings

The committee held three scheduled meetings in 2024.

It was agreed that the frequency of the meetings should be driven by the need to discuss or report on updates that are significant or noteworthy, but no less than three times per year.

Members	Designation	Attendance at scheduled meetings
Zwelibanzi Mntambo	Non-executive director and logistics committee chairperson	3/3
Ben Magara	Independent non-executive director	2/3
Dr Phumla Mnganga	Independent non-executive director	2/3
Mvuleni Geoffrey Qhena	Independent non-executive director	3/3
Peet Snyders	Independent non-executive director	3/3

Role and purpose

Early in 2023, the board established an ad hoc board committee to address the threat of rail unavailability to Exxaro's strategy. The logistics committee was subsequently confirmed as a permanent committee of the board.

The role of the logistics committee is to monitor and report on developing long-term solutions for logistic access to international markets, and identify medium-term solutions and alternatives.

The committee operates independently and makes recommendations to the board, monitors on behalf of the board and reports to the board on mainly:

- Developing long-term solutions for logistics to access international markets for coal and minerals
- Identifying medium-term logistics solutions and alternatives to mitigate Transnet Freight Rail issues to increase volumes



Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

Performance evaluation

While there is no regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. Independent assessments are conducted every third year in line with Exxaro's governance practices.

2024 in review

Key highlights

- Exxaro's logistics strategy focuses on exploring areas such as governance and regulation, third-party operations, port allocation and infrastructure upgrade possibilities in the challenging logistical environment
- Pleasingly, reform is ongoing in South Africa, with the government assuming more responsibility for rail reform
- We conducted a prefeasibility study focusing on alternative solutions to increase rail infrastructure capacity
- Parliament approved the National Freight Logistics Roadmap at the end of 2023, which was released to the public at the beginning of 2024. The Rail Network Statement was gazetted at the end of 2024

Material themes



Future focus



Key focus areas 2024/2025

Oversee the development and review of long-term logistics solutions to access international markets

Monitor the identification and review of medium-term logistics solutions to mitigate Transnet Freight Rail risk and increase exports

Confirmation

The committee, in carrying out its duties, has due regard of its terms of reference and the principles and recommended practices of King IV. The board is satisfied that the committee has considered and discharged its responsibilities.

On behalf of the logistics committee

Zwelibanzi Mntambo

Logistics committee chairperson

15 April 2025

Nomination committee report

Dear shareholders,

The committee carried out its responsibility to review the board's composition and independence during the year. The committee also oversaw the implementation plan from the annual board evaluation process and engaged with shareholders. These activities enable the group's desired governance outcomes and purpose, and create long-term value.



Mvuleni Geoffrey Qhena
Nomination committee chairperson

Committee overview

Composition

The committee benefits from cross-membership with the remuneration committee. The terms of reference require the committee to comprise at least three non-executive directors, with the majority being independent.

The board ensures committee members have a suitably balanced blend of skills and experience to enable the committee to discharge its functions.

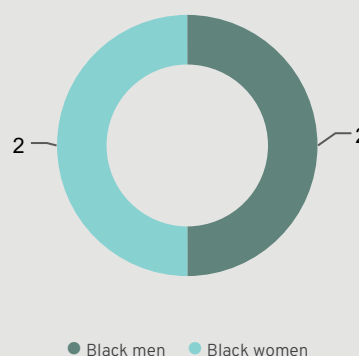
The CEO may not be a member of this committee but is a standing invitee to meetings. Executive management may attend committee meetings if and when necessary.

There were no changes to committee membership in 2024, ensuring continuity in furthering the strategic objectives.



Refer to [board of directors](#) (page 126) for members' qualifications and experience.

Gender and racial diversity



Meetings

The committee met formally three times during the year. The committee's attendance of 100% indicates high levels of engagement and commitment by its members.

Members	Designation	Attendance at quarterly meetings
Mvuleni Geoffrey Qhena	Independent non-executive director and nomination committee chairperson	3/3
Geraldine Fraser-Moleketi	Lead independent non-executive director	3/3
Dr Phumla Mnganga	Independent non-executive director	3/3
Zwelibanzi Mntambo	Non-executive director	3/3

Role and purpose

In line with the JSE Listings Requirements, the committee is constituted as a committee of the board in terms of the Companies Act, the company's Mol and King IV. The committee is governed by its board-approved terms of reference which set out its role and responsibilities.

The main purpose of the committee includes to determine and evaluate the adequacy, efficiency, and appropriateness of the group governance structure, practices, and processes.

The committee's areas of responsibility include:

- Reviewing the board composition and additional criteria
- Succession planning for board and senior management
- Board performance evaluation
- Board induction and training
- Oversight of group corporate governance and statutory compliance

In January 2024, the Institute of Directors South Africa published the results of a survey of issues that South African boards need to consider. Topics relevant to the nomination committee are board performance, board composition and redefining the role of the board and management. This governance trends report informed

the 2024 focus areas for the committee and the topics for board governance sessions.

Terms of reference

The committee's terms of reference were reviewed in 2024 to enhance its broader role as a governance committee. The amendments were subsequently approved by the board. The terms of reference remain aligned with legislation, regulations and King IV.

Performance evaluation

While there is no regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. It is a governance practice at Exxaro to conduct such independent assessments every third year.

At the end of 2024, we conducted an internal evaluation of the committee's performance and effectiveness in accordance with King IV recommendations. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics as well as factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness in these areas. The assessment concluded that the committee functions effectively.



2024 in review

Key highlights

- Reduced the board size, while achieving and exceeding most board diversity and inclusion targets and building our board skill and experience
- In managing and addressing succession planning, the committee considered and recommended composition enhancements for board committees to the board for approval
- Allocated the recommendations from shareholders on various matters to the respective board committees for consideration
- Reviewed, adopted, and monitored the implementation of the 2023 board and board committee evaluation action report
- Reviewed the size, structure, diversity, and independence of the board, as well as the continuous development plan for directors

Material themes



Board diversity and inclusion

To enable the board to operate effectively and in the company's interest, deliberate policy parameters are set and careful consideration is given to achieve a suitable board composition and an appropriate balance of power between individual directors and/or groups of directors.

In keeping with good corporate governance, the board embraces the constitutional principles of equality and inclusion for all. The nomination committee enables the board's commitment to strive for a knowledgeable, skilled, experienced, diverse and independent governing body that fully discharges its role and responsibilities with objectivity and effectiveness.

The committee focused on exceeding the gender diversity and inclusion target set by the board in 2021. We recognise the need to increase the representation of people with disabilities on our board.

In respect of our gender diversity, we exceeded the 40% black female director target. The committee is pleased with the progress to date and will continue to consider targets set by the board in any future appointments. No changes were made to the 2021 targets.

In addition to its own targets, the board aims to pursue the compliance targets set by the dtic regarding management and control, and positively contribute to Exxaro's B-BBEE rating.

The table below reflects current targets and Exxaro's achievement, enabled by the committee:

Target	Previous reporting period (31 December 2023)	Actual as at 31 December 2024	Status as at 31 December 2024
Size: Minimum of four and maximum of 20 members	16	15	Within target range
Race: 60% black	81%	80%	Achieved
Gender: 40% black women	50%	47%	Achieved
Age: Average of 55 years	56 years	57 years	Ongoing
Tenure: Average tenure of seven years (two years mentoring a successor), excluding executive	Four years	Four years	Ongoing
Appropriate diversity mix based on prevailing strategic objectives	The board directs its attention to the principles of a balanced governing body authority by directing strategic decision making around broader diversity at board level. The range in gender, race, age, field of knowledge, skills and experience, and tenure make for well-informed and thoughtful consideration of all board matters.		

Note: the table includes executive directors and excludes Likhapha Mbatha, who retired at the 2024 AGM.

Board size and composition

The number of board members should promote accountability, independence, and healthy, constructive debate in line with the company's Mol and regulatory framework. In terms of the company's Mol, one-third of all non-executive directors is subject to retirement by rotation and re-election by shareholders at least once every three years, if available and eligible to stand, subject to recommendation by the nomination committee and the board.

The nomination committee is responsible for the annual consideration of director retirement and recommendation for re-election and election to shareholders at the AGM. The committee conducts this by assessing an individual's performance, meeting attendance, age and diversity targets, and tenure. This arises from the need to introduce members with new expertise and perspectives while retaining valuable knowledge, skills and experience, and maintaining continuity. The committee considers whether a director is fit and proper to continue as a director, including an assessment of independence in terms of King IV.

The committee is cognisant of the board composition and size as this is integrated within the board continuity mandate.

We achieved our reduction target of the board size from 18 to 16 since 2021 (actual 15). We will continue to responsibly monitor the board's size to ensure it has the right mix of skills, knowledge, and experience to execute Exxaro's strategy.



Changes to [the board](#) (page 127) will be presented to shareholders at our 2025 AGM.

Nomination and appointment of directors

The committee achieved its mandate to establish and maintain a board directorship continuity programme through its recommendation to appoint Isaac Malevu as a member of the RBR committee, effective from 1 January 2025.

The board director appointment process is formal and transparent, in line with the nomination and appointment policy which was reviewed and approved in 2024. The Exxaro website contains a summarised guideline of this process.



[Nomination of directors](#) (our business tab under governance)

Nomination committee report continued

Governance structures

We continuously monitor the group governance structures and framework to ensure clear guidance to the group on monitoring and oversight, authority, and decision making. Policies are captured to ensure Exxaro achieves its strategy.

Induction and ongoing development of directors

The nomination committee considers the topics to be addressed at the two annual board governance sessions to provide directors with focused inputs from regulatory, strategic, and economic perspectives. The committee ensured that continuous development was included in the agendas of both the board and committees throughout the year. This included both specialist presentations and deep dives by management. The directors attended two board governance sessions and engaged with subject matter experts on ESG reporting and assurance, the Companies Amendment Bill, the M&A landscape and insights, as well as water challenges and trends.

Throughout the year, our directors receive information and opinions on changes within the regulatory framework. The board has a designated reading room where topical and relevant information is shared. Directors are recommended to consider various training and development programmes to support ongoing development.

The board induction for new directors includes an introduction to management, access to all relevant company administration information, meeting management systems and processes, as well as constitutional documents, the delegation of authority framework, and other policies. The induction programme includes an introduction to the company's strategy, group governance structure, operations and stakeholder engagement model, and key advisers.

Succession planning

Succession planning for non-executive directors is typically iterative and part of an ongoing programme of planning and discussion by the nomination committee. Succession planning is based on the board's broader diversity and inclusion policy. The

policy is formulated using a holistic approach to diversity with the aim of inclusion and supporting the group's strategic focus areas. In accordance with succession planning needs, filling independent non-executive director board vacancies is continuously addressed.

Given the changing context, the committee contributes to a governance enhancement programme aimed at aligning strategic changes in the group to board and board committee composition. The committee's terms of reference and mandate are reviewed annually.

The committee monitors the executive leadership succession planning. Succession planning is a well-entrenched process that supports the building of our senior leadership and executive pipeline. The committee recognises that improvement in this regard is required.

Governance roadshow 2024

The committee considered recommendations flowing from the 2024 annual board governance roadshow. The purpose of the roadshow is to proactively engage with our investor community to outline Exxaro's positioning on long-term value creation, and leverage ESG for business resilience and sustainability.

Key concerns raised that require further board consideration in 2025 will be monitored by the committee.



[Board key matters in focus](#) (page 113)

Board performance

The implementation of outcomes flowing from the performance and effectiveness evaluation of the board, its committees and specific individuals conducted towards the end of 2023 were monitored by the committee. This was aimed at achieving the desired governance outcomes and the group's purpose. The committee approved an internal board evaluation to survey the opinions of the individual board members on the effectiveness and performance of the board as a whole.

Future focus



Key focus areas 2024/2025

- Monitor the framework for a future optimal board structure and size to support Exxaro's strategy
- Continue to oversee director induction and ongoing director development
- Monitor board and executive leadership succession planning
- Consider 2024 board internal assessment outcomes and recommend matters for continuous improvement
- Report on annual board governance roadshow outcomes and oversee matters for implementation

Confirmation

The nomination committee, in carrying out its respective duties, duly regarded the principles and recommended practices of King IV. The committee is satisfied that it has considered and discharged its responsibilities in accordance with its terms of reference.

On behalf of the nomination committee



Mvuleni Geoffrey Qhena
Nomination committee chairperson

15 April 2025



Remuneration committee report

Dear shareholders,

I am pleased to present the remuneration committee report for the year ended 31 December 2024. The committee recognises the value of Exxaro's people in powering possibility, and strives to balance stakeholder interests with our commitment to fair and reasonable pay.



Dr Phumla Mnganga
Remuneration committee chairperson

Committee overview

Composition

The committee benefits from cross-membership with the nomination committee, allowing it to fulfil remuneration matters and board governance and nomination matters. The committee's terms of reference require the committee to comprise at least three non-executive directors, the majority being independent and the board chairperson being an ex officio member.

The board ensures committee members have a suitably balanced blend of skills and experience to enable the committee to discharge its functions, on recommendation from the nomination committee.

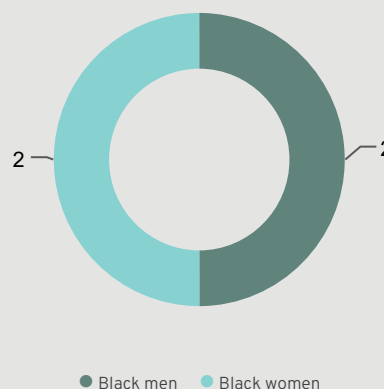
The committee comprises a majority of independent non-executive directors. There were neither retirees nor additional members to the remuneration committee in 2024, ensuring continuity in furthering the strategic objectives.

The CEO, FD and chief people and performance officer attend meetings as standing invitees to make submissions and provide information required by the committee.



Refer to [board of directors](#) (page 126) for members' qualifications and experience, and more information in the [remuneration report](#) (page 160).

Gender and racial diversity



Meetings

The committee met formally six times during 2024 at four quarterly meetings and two special meetings. The following table details members' attendance at meetings held during 2024:

Members	Designation	Attendance at quarterly meetings	Attendance at special meetings
Dr Phumla Mnganga	Independent non-executive director and remuneration committee chairperson	4/4	2/2
Geraldine Fraser-Moleketi	Lead independent non-executive director	4/4	2/2
Zwelibanzi Mntambo	Non-executive director	3/4	1/2
Mvuleni Geoffrey Qhena	Independent non-executive director	4/4	2/2

Role and purpose

This committee's role and responsibility is to ensure the group remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. The committee ensures the continuous development, review and implementation of remuneration governance-related documents, including compliance with JSE Listings Requirements and reporting obligations.

The committee is accountable to the board for executing its independent and objective oversight. The committee does not assume the functions of management, which remain the responsibility of executives, prescribed officers and other members

of senior management. The committee is not accountable for functions performed by other board committees.

Where board committee focus areas overlap with this committee's focus areas, committees collaborate to execute the board's broader effectiveness objective. For example, the committee plays a role in support of the DEI strategy execution, as it applies to fair pay or application of mechanisms to achieve and exceed employment equity.

Annual work plan

The committee's annual work plan was reviewed in 2024 and amendments were approved by the board. These amendments assisted the committee in fulfilling its duties in a structured and measured manner.

Remuneration committee report continued

Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

Performance evaluation

Although there is no legislative or regulatory requirement to conduct an annual external independent performance assessment, King IV recommends regular performance evaluations for all board committees. Independent assessments are conducted every third year in line with Exxaro's governance practices. An internal assessment was conducted in January 2025.

The committee fulfilled its mandate during 2024, and it remains an effectively functioning and contributing arm of the board.

2024 in review

Key highlights

- The work on the wage gap continued as part of Exxaro's broader DEI strategy. The wage gap roadmap will be updated in 2025 to reflect Exxaro's progress on the wage gap journey as well as its ongoing commitment to narrowing the wage gap
- The committee considered feedback received from shareholders regarding Exxaro's incentive schemes, and other concerns linked to the remuneration-related ESG measures. The committee has undertaken a detailed review of Exxaro's incentive schemes (short and long term) and approved that management further investigate potential proposed changes
- Pending changes to the Companies Act (promulgation of Companies Amendment Bills 1 and 2), Exxaro has been addressing the new remuneration requirements proactively by aligning its remuneration policies and reporting per the new obligations, preparing for pay gap disclosure, binding votes on remuneration, and being mindful of the potential implications for non-executive directors on the remuneration committee
- Subsequent to the approval of the Cennergi STI and LTI scheme provisions, Exxaro committed to successfully embed the schemes with the respective participants. The new structures were communicated to Cennergi Holdings and Cennergi Proprietary Limited and the schemes were successfully embedded
- We conducted a benchmarking review on the remuneration report, which included a gap analysis and a focus on streamlining and enhancing disclosure
- The implementation of the minimum shareholder requirements continued to enable the interests of executives to be more aligned with those of shareholders
- We reviewed our recognition policy and programme to ensure alignment with Exxaro's evolving needs, with the aim of continuing to foster a culture of appreciation and engagement. The revised policy will be approved by the committee in 2025
- Comprehensive overviews of retirement funds, wellness programmes, group insurance funds and medical schemes were provided, with a comprehensive benefits benchmark. The committee approved gap cover and funeral cover as additional benefits to qualifying employees. This also forms part of the organisation's efforts to reduce the wage gap
- The ongoing monitoring and corrective actions on horizontal wage gaps form part of the social aspect of ESG. These efforts ensure compliance with employment equity legislation around equal pay for work of equal value

Material themes



This committee is responsible for good governance in respect of remuneration matters. Flowing from the 2024 key focus areas, the following is reported:

AGM

With the promulgation of the Companies Amendment Bills 1 and 2 on the proposed amendments of the Companies Act, in March 2024 (only partially effective by 27 December 2024), the remuneration committee had been aware of the pending changes required for some time. In many cases the company already complies with the proposed changes, but where this is not the case, the legislative changes will be applied as required.

As part of the board's ongoing commitment to foster strong corporate governance and maintain transparent engagement with our shareholders, the chairpersons of the board, the remuneration committee, and the RBR committee conducted a governance roadshow to address shareholder concerns in October 2024.

Outcomes of two non-binding advisory votes at the AGM on 23 May 2024

	For	Against
Non-binding advisory vote number 1: Approval of the Exxaro remuneration policy	93.34%	6.66%
Non-binding advisory vote number 2: Endorsement of the implementation of the Exxaro remuneration policy	93.30%	6.70%

In terms of the JSE Listings Requirements paragraph 3.84(j), if either the remuneration policy or the implementation report or both are voted against by 25% or more of the votes exercised at the AGM, the board must invite dissenting shareholders to engage with Exxaro and provide the manner and timing of such engagement in the voting results announcement. Exxaro is pleased to report that the non-binding advisory vote number 2, "Endorsement and implementation of the remuneration policy" increased by 10.79% from the previous year.



Although engagement was not necessary, the board remains committed to meaningful engagements with stakeholders regardless of the outcome of the non-binding advisory vote.

Major employee incentive scheme revamp underway

Key concerns raised by shareholders and other stakeholders were addressed. Where applicable, we investigated the proposed changes. One concern was the performance conditions in the STI and LTI schemes. Exxaro performed detailed reviews on the following employee incentive schemes:

- Exxaro Coal LOS scheme
- Exxaro long-term incentive plan (LTIP)
- Exxaro DBP
- Cennergi value appreciation rights plan (VARP)
- Cennergi bonus matching plan (BMP)
- Employee ownership plan/GreenShare (ESOP)

For each scheme, recommendations were made on how to better align market practices, consider different design options, and optimise the schemes for the benefit of both employer and employee. The remuneration committee gave its approval for and mandated management to further investigate the proposed changes and recommendations, and to propose a roadmap for their implementation.

Implementation of the two-pot retirement system

The National Assembly approved the two-pot retirement system for implementation on 1 September 2024. The intention is to promote the preservation of retirement fund investments until members retire, while allowing them access to some of their accumulated savings during their working years.

The Exxaro retirement fund administrators have been aware of these pending legislative changes for many years and have advised that their processes and systems were ready for implementation long before the effective date. It was important for Exxaro to be collaboratively involved with the relevant funds in communicating and educating employees on the two-pot system to ensure that the changes were properly understood. Employees were advised that the savings pot withdrawal facility is intended for emergencies only and that it should be wisely considered before making withdrawals since the member would be borrowing from their future self which could negatively affect their retirement funding.

Employee benefits update

As part of the annual workplan of the committee, the remuneration committee was provided with an overview of the retirement funds, wellness programmes, group insurance funds, and medical aid

schemes in comparison with a comprehensive benefits industry benchmark. On recommendation of the group executive committee, gap cover was approved for inclusion as an additional benefit. This benefit is fully funded by the employer for employees outside of the management and specialist category. Funeral cover was also approved to be offered to those employees who did not currently qualify for this benefit as part of their pension fund benefits. Again, this benefit is fully funded for employees outside the management and specialist category.

During 2024, Exxaro participated in an extensive and comprehensive benefits survey. This survey was conducted to benchmark the organisation's employee benefits against industry standards, enabling the committee to assess how our offerings compare with those of other organisations. Ninety-eight companies participated in the survey, with 17% being from the mining industry.

Through this process, we gained valuable insights into the competitiveness of our benefits offerings, which helped us identify areas where we are excelling and where there are opportunities for enhancement. Generally, the survey showed that Exxaro's benefits were in line with or better than the market. There were, however, a few benefits where we were slightly below the market, and we are reviewing these to ensure that our employee value proposition remains strong, supports talent retention and continues to attract top talent.

Review of recognition policy and programme

Recognition remains integral to Exxaro's total reward offering and our recognition events once again united teams at a functional and group level to celebrate our people's exceptional contributions and achievements. While recognition is important and was working well, a policy and programme review is underway to ensure alignment with the evolving needs of Exxaro, with the aim of continuing to foster a culture of appreciation and engagement. The outcome of the policy and framework review and recommended changes will be presented in 2025.

Review of non-executive director fees framework and approach

A thorough review of non-executive director fees was undertaken against a chosen comparator group. The remuneration committee extensively deliberated an updated fee structure. The updated structure reflects the scope and complexity of the roles, while maintaining alignment with the shareholder interests. The final recommendations will be presented to shareholders for approval at the 2025 AGM.

Future focus



Key focus areas 2024/2025

Continue on our wage gap journey as part of our DEI strategy by tracking our pay ratios and implementing appropriate interventions to close the wage gap, as required

Implement the incentive scheme changes arising from the reviews undertaken, in line with the associated roadmap and taking account of stakeholder feedback

Implement the minimum shareholding requirement (MSR) to ensure the interests of executives are more aligned with those of shareholders

Update the wage gap roadmap to reflect our ongoing commitment to narrowing the wage gap and continuous monitoring and corrective actions of horizontal wage gaps as part of ESG

Approve the revised recognition policy and programme

Ongoing consideration and deliberation of shareholder feedback

Review benefits and allowances, and implement proposed changes arising from the reviews undertaken

Confirmation

The committee acknowledges that remuneration continues to be managed within the context of Exxaro's remuneration principles, policy and other guidelines, which enable sound governance and fair and responsible pay. The committee is satisfied that everything that they had committed themselves to for 2024 has either been successfully completed or is on track.

Dr Phumla Mnganga
Remuneration committee chairperson

15 April 2025

Risk and business resilience committee report

Dear shareholders,

I am pleased to present the RBR committee report for the year ended 31 December 2024. The committee focused on enhancing Exxaro's ability to achieve its strategy, reputation as a good corporate citizen, and resilience to adapt appropriately in a changing environment.



Peet Snyders
RBR committee chairperson

Committee overview

Composition

During the period under review, the committee consistently had six members, the majority of whom are independent non-executive directors.

The board is satisfied that the committee members have a suitably balanced blend of skills and experience to enable the RBR committee to discharge its mandated functions.

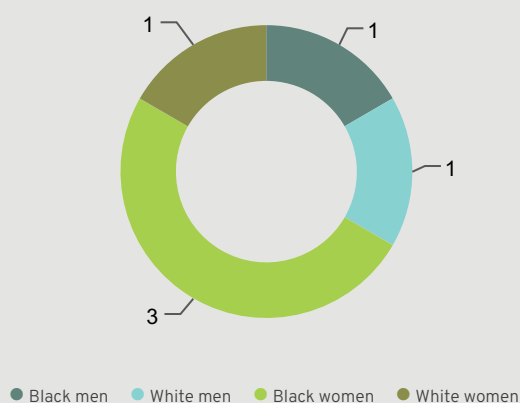
There were neither retirees nor additional members to the committee in 2024, ensuring continuity in furthering the strategic objectives. Following Ben Magara's appointment as CEO on 1 April 2025, he will step down as a committee member but has a standing invitation to all meetings.

Standing invitees to committee meetings include the CEO, FD, chief strategic resilience and governance officer, and group manager: risk. Other individuals, including members of management, external consultants and service providers are invited to attend the committee's meetings from time to time in consultation with the committee chairperson.



Refer to [board of directors](#) (page 126) for members' qualifications and experience.

Gender and racial diversity



Meetings

The committee held four scheduled meetings as determined by its terms of reference. The meeting attendance illustrates a high level of commitment from its members. The table below provides an overview of meeting attendance in 2024.

Members	Designation	Attendance at quarterly meetings
Peet Snyders	Independent non-executive director and RBR committee chairperson	4/4
Karin Ireton	Independent non-executive director	4/4
Ben Magara	Independent non-executive director	4/4
Nondumiso Medupe	Independent non-executive director	3/4
Mandlesilo Msimang	Non-executive director	4/4
Chanda Nxumalo	Independent non-executive director	4/4



Role and purpose

The committee is a board committee in terms of section 72 of the Companies Act, the company's Mol, and King IV.

Risk management

The committee's primary role is to implement an effective policy and plan for risk management that will enhance the group's ability to achieve its strategic objectives and to ensure that risk disclosure is comprehensive, timely and relevant.

Risk management is effected by the board, management and other personnel. It is applied in strategy setting and across the group and is designed to identify potential events that may affect the organisation, manage risks to within its risk appetite, and provide reasonable assurance regarding the achievement of the organisation's objectives. Risk governance involves the structures and mechanisms within the organisation that guide the decision-making and implementation processes related to managing risks.

The committee is responsible for reviewing the ERM process, including key risks facing Exxaro and the responses to address these risks. It maintains a particular focus on:

- Strategic risks
- Financial risks (technical debates on managing financial risk take place in audit committee meetings, but financial risks are part of the overall enterprise risk register over which this committee has oversight)
- Operational risks
- Regulatory compliance risks

Business resilience

Business resilience is the ability of an organisation to adapt to a changing environment to enable it to deliver its objectives, survive, and prosper. Risk, incident, crisis and business continuity management are the four key elements of business resilience. The committee's role is to oversee the appropriateness of Exxaro's crisis response plans and frameworks.

Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and the revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

Performance evaluation

There is no regulatory requirement to conduct an annual external independent performance assessment. However, King IV recommends regular performance evaluations for all board committees and, as such, we conduct independent assessments every third year in line with Exxaro's governance practices.

An internal evaluation of the committee's performance and effectiveness was conducted in January 2025. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness in these areas. The assessment concluded that the committee functions effectively.

2024 in review

Key highlights

- The Exxaro delegation of authority framework was reviewed to promote efficiency in business execution and collaboration
- On 1 October 2024, the Sindane family was successfully relocated with due sensitivity while ensuring adequate measures were in place at the mine to eliminate the risk associated with the location of the homestead. Exxaro committed to transferring donated properties to the Phumulani Communal Property Association
- Exxaro held a safety leadership day in October 2024. The event aimed to achieve our ultimate safety goal of zero harm by proactively managing safety risks through strict and consistent implementation of Exxaro's five safety focus areas
- The business continuity plan highlighted the measures that would be implemented in 2024 to increase Exxaro's business continuity maturity and address internal audit recommendations
- Exxaro won the top listed entity category at the Chartered Governance Institute of South Africa for the 2023 integrated report and was recognised by Coal Safe for exceptional safety performance

Material themes



Risk and business resilience committee report continued

Enterprise risk management

The committee tested the robustness of Exxaro's risk process and its effectiveness in identifying and assessing risks that would affect the company's ability to achieve its strategic objectives. Following the board strategy review in June 2024, the risk register was reassessed for alignment with the theme of positioning Exxaro to win. The key risk areas were themed in line with the strategic focus areas, and the energy business's strategic risk profile was included.

The committee is satisfied that the company's strategic risk profile is robust and reflects relevant risks that apply to Exxaro's industry peers. The committee is also satisfied that the Exxaro strategic risk profile reflects the group's material risks.



Our risks and opportunities ([integrated report](#), page 28)

The committee reviewed and recommended to the board the group ERM framework. The purpose of the review was to:

- 1 Ensure alignment with the current business objectives and operating context
- 2 Benchmark against key governance best practices
- 3 Update roles and responsibilities concerning the risk governance structure
- 4 Review key components within the framework, including the updated risk appetite framework and the new risk principle regarding the interconnectivity of risk

Strategic policies guide operational policies. A revised group policy framework was developed and is being enhanced to serve as an overarching structure for the arrangement, development and review of the group's statements, frameworks, policies, procedures, standard operating procedures and guidelines.

Key compliance risks related to Exxaro's licence to operate

Regulatory compliance

An external maturity/benchmark assessment was conducted to assess the ability of the strategic resilience and governance department to provide effective risk and compliance management. The committee reviewed the results of the assessment and proposed action plan to deliver on the strategic resilience and governance strategy for effective risk and compliance management. A roadmap was created to attain a level four risk and compliance maturity by December 2025.

Management of environmental impacts

The committee considers Exxaro's sustainable impact targets and the KPI assessment report.

In 2024, an external service provider was appointed to conduct a water security risk assessment to understand the likelihood of Exxaro's operations, the environment and communities suffering due to physical climate change risks to their water management systems, ecosystems, and livelihoods. The project of commissioning the water treatment plant at Durnacol commenced at the end of October 2024.

A senior biodiversity specialist was appointed as part of the operational effectiveness process. This specialist reports to the sustainable impact department in the integrated environmental management function. The role's purpose is to provide strategic and technical support regarding the management and improvement of biodiversity for current and future operations.

The four inactive sites with the highest safety and environmental risks were prioritised, and a budget was allocated in 2024 to address these risks.

Other licence to operate compliance matters

During the year, Exxaro's Mafube mining complex was granted a renewed WUL which authorised the mine residue stockpile. The Matla mine WUL was issued by December 2024.

On 22 May 2024, Exxaro received the amended WUL for the Mokolo Crocodile Water Augmentation Project. This licence ensures that Grootegeluk's usage is aligned with the water services agreement between Exxaro, the DWS, and the Trans Caledon Tunnel Authority. The licence assists to ensure that Exxaro has adequate long-term water allocation and security.

The committee also discussed the rehabilitation strategy.

Predictive and proactive reporting and engagement with key stakeholders based on key risks

We apply predictive and proactive reporting in Exxaro's analysis and reporting.

Coal Resources and Reserves are estimated on an operational or project basis, in line with the SAMREC (2016) and SANS (10320):2020 edition codes for the South African assets, and the JORC code (2012) for the Australian coal property. Exxaro's annual estimation and reporting process is managed through Exxaro geosciences, LoM policies, and associated reporting and estimation procedures, which are reviewed annually and updated if required. The committee reviews and recommends the Coal Resource and Reserve statement annually.

Information technology governance to ensure the incorporation of relevant risks in enabling strategy delivery and business resilience

Management provides in-depth reports to the committee on information management strategy, operational excellence, information management governance, the information management portfolio and enterprise architecture, information management risk management, and the enterprise resources planning journey.

Exxaro adopted the National Institute of Standards and Technology cybersecurity framework to guide its approach to cybersecurity risk to systems, people, assets, data, and capabilities. This framework is supported by the ISO 27001 standard, which was embraced to outline the controls and procedures needed to drive a robust cybersecurity programme.

Cybersecurity training is ongoing, and consequence management is enforced when users are in breach.



Intellectual capital ([integrated report](#), page 110)

Business resilience and business strategy compliance

The ESG policy, developed by the ESG PMO, was reviewed by management as instructed by the executive committee and finalised during the fourth quarter of 2024.

The committee was briefed on the draft decarbonisation roadmap, which is undergoing an external peer review to ensure credibility, the feasibility of assumptions, gap analysis, risk management, and the correct application of decarbonisation roadmap development principles.

The committee was satisfied with an update on the implementation and enforcement of the insider dealing policy, which was recommended to the board.

The committee oversaw the directors' and officers' liability programme and reviewed the insurance renewal programme during the year. This included stress testing for worst case scenario by the International Mining Industry Underwriters.

The committee recommended the 2024 integrated report matters to the board for approval. The materiality review research process identified 24 material matters grouped into seven overarching themes. The identified material matters were consistent with the risk register.

The class action legal strategy was presented and discussed at the board meeting in November 2024.



Other key matters in review

Strategic security

The committee receives reports detailing the crime landscape, causative factors, and impact on the company and the country.

Safety

Exxaro's safety improvement initiatives monitored by and reported to the committee included the following:

The sustainability summit held on 15 April 2024 aimed to bring together stakeholders to demonstrate Exxaro's commitment to our employees' health, safety and wellbeing.

Any HPI places Exxaro's strategic goal of zero fatalities at risk and impacts the achievement of zero harm. All HPIs are presented to the committee, investigated by management, and solutions are shared across the group for implementation and to test their effectiveness in eliminating repeat incidents.

As part of an initiative to empower Exxaro's health and safety representatives to be key safety, health and environmental drivers in their lines of work, the mines ran several training programmes, which included coaching and mentoring.

Leadership interventions included executive committee members communicating risk awareness messages to the broader workforce on the identified safety risks as part of demonstrating incredible leadership.

Future focus



Key focus areas 2025

Monitor the class action served on Exxaro in November 2023 and its impacts on the group as a responsible corporate citizen, as well as ensuring occupational disease preventive measures are well implemented

Oversee the implementation of the water management plan at all Exxaro mines, including closed mines, and review any mitigating plans such as the groundwater analysis model to address the impact of climate change on operations and water sources

Ensure effective plans are in place based on the impact of business disruption (plans are up to date and no significant incidents occurred that led to business disruption)

Ensure a strategic review of Exxaro's mineral asset portfolio

Review Exxaro's risk appetite

Review Exxaro's key compliance risks related to licence to operate

Recommend appropriate predictive and proactive reporting and engagement with stakeholders (including the integrated report) based on key risks

Oversee the implementation of the revised governance of technology and information to ensure incorporation of technology and information risks to enable strategy delivery and ensure business resilience

Confirmation

The committee is satisfied that it has discharged its responsibilities and fulfilled its mandate in accordance with its terms of reference, the Companies Act and King IV.

On behalf of the RBR committee

Peet Snyders

RBR committee chairperson

15 April 2025

Social, ethics and responsibility committee report

Dear shareholders,

I am pleased to present the SERC report for the year ended 31 December 2024. The committee executed its statutory and board mandates by overseeing Exxaro's impact and ethical performance, focusing on sustainable value creation and entrenching responsible corporate citizenship in the group.



Geraldine Fraser-Moleketi
SERC chairperson

Committee overview

Composition

In terms of the company's Mol, committee members are elected annually at the AGM by shareholders on recommendation from the board.

The committee is chaired by the lead independent non-executive director, enhancing the importance and relevance of the shareholder-entrusted, social, ethical and corporate responsibilities.

The following changes were made to the committee:

- Nosipho Molope was appointed as member on 3 January 2024
- Likhapha Mbatha, non-executive director and committee member, retired at the AGM held on 23 May 2024
- Effective 1 February 2025, the CEO and FD are no longer members of the SERC but retain standing invitations



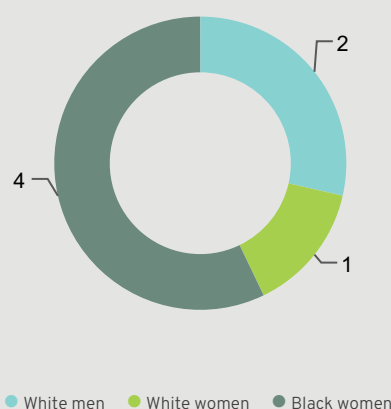
Refer to [board of directors](#) (page 126) for members' qualifications and experience.

The committee comprised a majority of independent non-executive directors in 2024, as per King IV recommendations, which facilitated the application of independent judgement on committee deliberations and decisions.

As per the standard committee terms, the chairperson of the board and all board members are welcome to attend all meetings as observers.

The chief people and performance officer and chief sustainable impact officer are standing invitees to meetings. Other individuals with specific skills and expertise are also invited to report and assist members in their deliberations, including the chief strategic resilience and governance officer, managing director: energy and head: internal audit. The group company secretary attends each meeting and is the committee secretary.

Gender and racial diversity as at 31 December 2024



Meetings

Four committee meetings were held in 2024. The table below provides an overview of member designations and attendance:

Members	Designation	Attendance at quarterly meetings
Geraldine Fraser-Moleketi	Lead independent non-executive director and SERC chairperson	4/4
Karin Ireton	Independent non-executive director	4/4
Likhapha Mbatha	Non-executive director	1/1*
Dr Phumla Mnganga	Independent non-executive director	4/4
Nosipho Molope	Independent non-executive director	4/4
Peet Snyders	Independent non-executive director	4/4
Dr Nombasa Tsengwa	Executive director and CEO	4/4**
Riaan Koppeschaar	Executive director and FD	4/4**

* Likhapha Mbatha retired at the 2024 AGM.

** Effective 1 February 2025, executive directors are not members of the SERC but hold standing invitations.



Role and purpose

The committee mandate derives from Exxaro's commitment to proactively manage its economic, environmental and social impacts, and public interest, in addition to section 72(4) of the Companies Act, read with regulation 43, the Mol and King IV.

The company recognises that Exxaro forms part of an interrelated community and, as such, may have positive and negative impacts on public interest and the global goal of sustainable development. The board has primarily entrusted the committee to oversee the company's impact on public interest and its ethical performance. It ensures compliance with Exxaro's statutory duties and oversees that the core purpose and values, strategy and conduct are aligned with the group's responsible corporate citizenship.

The committee oversees the company's ethics regarding business practices and its relationships with employees, other stakeholders and the natural environment. It also assists the board by monitoring the group's achievement of its shared sustainability goals and has oversight of stakeholder management and ethics management.

As part of its responsibility mandate, the committee has oversight of how the company impacts planet, people and prosperity.



[ESG oversight by board committees](#) (page 115)

2024 in review

Key highlights

- Monitored the coal mine dust class action litigation launched against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen
- Oversaw the integration of the historic Exxaro social vehicle structures and continued to monitor performance against the Social Impact strategy
- Monitored Exxaro's human rights practices, including reporting on Exxaro's impact on air and water quality, and relocation of people
- Oversaw progress against Exxaro's employment equity targets with a focus on Exxaro's key considerations on proposed EEA amendments
- Oversaw the prioritisation of improving safety performance through the development of a safety improvement plan to maintain responsible corporate citizenship. Exxaro's continued posture towards safety contributed to Exxaro being recognised in 2024 for being fatality-free in 2023

Material themes



The committee has a statutory and board mandate to oversee the company's impact on the public interest and its ethical performance, to assist in sustainably creating value, considering the economy, society and natural environment, and to entrench responsible corporate citizenship within the group.

Social impact, which is part of Exxaro's strategy, seeks to address material social and compliance matters, which require an integrated and long-term perspective, leveraging resources and collaboration. Exxaro's Social Impact strategy aims to provide a proactive response to step up Exxaro's community engagement and development efforts in line with Exxaro's purpose.

Governance of ESG beyond compliance

The SERC oversaw ESG governance.

ESG imperatives increasingly shape the future of mining and energy industries. As such, the SERC oversees management's plans to take advantage of opportunities identified for the minerals and energy businesses, including resource transition, linking ESG outcomes to value creation, unlocking new sources of value such as reskilling employees beyond mining services, mining responsibly and strategically for the future and decarbonising our business.

Terms of reference

The committee's terms of reference are reviewed annually. The review took place in the first quarter of 2025 and revised terms of reference were subsequently approved by the board. The review ensured the terms of reference remain aligned to relevant legislation, regulations and King IV.

Performance evaluation

Although there is no regulatory requirement to conduct an annual committee performance evaluation, Exxaro evaluates committee performance every third year, in line with King IV's recommendation regarding regular performance evaluations for board committees.

At the beginning of 2025, we conducted an internal evaluation of the committee's performance and effectiveness in accordance with King IV recommendations. The evaluation aimed to identify and record areas needing strengthening or refinement while considering internal and external dynamics and factors that may positively or negatively impact the committee's ability to enhance its performance and effectiveness in these areas. The assessment concluded that the committee functions effectively.

Engagements with various ESG rating agencies such as FTSE Russell ensure that Exxaro continues to improve its disclosure and implementation of ESG-related initiatives. An ESG PMO was established and capacitated to further ensure success and optimal operation.

Environmental

The board is invested in a low-carbon transition and supports the path to sustainability in an era of climate change. Demonstrated commitments to a low-carbon transition include Exxaro's investment in wind and solar power and preparation for a response to various global climate scenarios. The committee confirms that the company aims to be carbon neutral by 2050.



[Climate change position statement](#) (sustainability tab)

The committee was informed of the Durnacol underground water decant incident and its impact. Exxaro conducted reviews of the completeness of current procedures in place to address the mines in closure and similar incidents. Subsequently, Exxaro rolled out enhanced groundwater management procedures at relevant operations.

Social, ethics and responsibility committee report continued

Exxaro manages biodiversity as part of our environmental strategy, which is under review. Each mine has a biodiversity plan aligned with the group biodiversity management standard. The plan guides how inspections, audits and biomonitoring programmes should be conducted, including mitigation or management of any impacts identified through monitoring.

All environmental incidents and mitigation measures are reported to and monitored by the SERC. The committee monitored the development of the 2050 decarbonisation roadmap that reflects short, medium and long-term targets. Priority actions are essential to the success of the journey, therefore further efforts went into refining actions. The decarbonisation plan was approved in the first quarter of 2025.

 [Environmental incidents](#) (page 27)

Social

The SERC oversaw the integration of the Exxaro social vehicle structures and continued to monitor performance against the Social Impact strategy.

The committee oversees the implementation of the Social Impact strategy, an integrated socio-economic development strategy in response to the dual challenges of social inequality and the systemic impacts of climate change.

The Social Impact strategy is based on three pillars:

- Education (ECD and whole school development)
- MSP (land use management)
- SMME development

The committee and management continue ensuring delivery of the group's SLP commitments and ESD programmes, leading to impactful contributions towards long-term community sustainability. The committee continues to engage robustly with the sustainable impact function to ensure successful performance.

Human rights

The SERC monitored Exxaro's human rights practices and the need to consider new elements, such as air and water pollution and relocation of people.

Exxaro attended an engagement with the Human Rights Commission in Limpopo and the Limpopo mining sector regarding concerns about practices that were possibly in violation of human rights. Exxaro made a presentation on its work within the areas it operates, highlighting its economic development strategy as part of the Social Impact strategy.

Human rights have evolved over time and this necessitated that Exxaro consider exposure to air pollution, water pollution and relocation of people as elements that fall within human rights for reporting purposes.

Health and safety

The SERC oversaw the prioritisation of improving safety performance by approving a safety improvement plan to maintain responsible corporate citizenship. We received recognition for being fatality-free in 2023 and 2024 due to our continued focus on safety.


The committee was informed of the development of a safety improvement plan, which included reviewing the five key safety focus areas and strategy in 2024. Various safety initiatives to educate and create awareness took place in pursuit of improved safety throughout the business.

In response to a rise in lifestyle diseases, Exxaro introduced health education, advanced monitoring technologies and personalised guidance on wellness initiatives with the aim of promoting health and reducing the risk of related illnesses.

Exxaro's integrated wellness approach continues to improve, and is designed to support employees holistically. Management makes concerted efforts to support the emotional, financial and occupational dimensions of wellness for all employees. The committee is pleased with this approach's outcomes, impact and demonstrated results.

Coal mine dust class action certification process

The committee monitors progress of the coal mine dust class action certification process, and noted that Exxaro served and filed an answering affidavit in the coal lung disease class action on 6 December 2024.

 [Prioritising safety](#) (page 67) outlines our approach and performance, and page 113 includes more information about the [class action](#).

DEI strategy

The SERC continued to oversee the implementation of the DEI strategy in support of the overarching Exxaro strategy as a key business value driver.

Leadership's pledge to DEI is based on the following principles:

- Promote an environment of respect for all
- Build an environment of trust
- Establish processes free from prejudices
- Zero tolerance for discrimination and harassment
- Promote DEI

Overseeing the challenges and solutions brought about by this ideal is part of the committee's joint accountability model.

 [Maintaining sound employee relations](#) (page 74)

Exxaro launched an employee engagement and culture survey early in 2023 as part of the DEI journey. The survey included employee engagement, leadership, DEI and culture. The survey results were independently managed and indicated employee sentiments which will set the baseline for tracking progress, including the Exxaro strategic dashboard.

Following the survey, the results per BU and function were unpacked and bespoke action plans were developed, aligned with the specific results for that business area. The committee is monitoring the execution against these action plans to ensure that continuous progress is made in addressing the key matters highlighted by the survey as needing attention.


The committee is pleased with the progress made to date, but this will remain a priority area for 2025. The employee engagement and culture survey will be run again during 2025.

 [Culture and engagement survey](#) (page 77)

DEI strategic priorities

Our strategic priorities continue to drive the group's DEI-enabling initiatives. Key objectives include:

- Promoting an aspirational vision for the Exxaro brand on national and international platforms through strategic partnerships that advance diversity and inclusion to stakeholders
- Promoting a diverse and inclusive workforce through our actions, practices and behaviours, contributing to a racism-free workplace. This is supported by the launch of our anti-racism charter
- Remaining committed to our goal of being a catalyst in accelerating our focus on enhancing Exxaro's business purpose and stakeholder value creation
- Emphasising that an inclusive culture is crucial for the success of our DEI strategy. To support this, we started capability-building workshops to equip leaders with the skills needed to promote an inclusive culture, including creating psychologically safe spaces
- Increasing women's representation in management and specialist roles. We made noticeable progress, with representation at 38% (2023: 36%) against the 2025 target of 50%
- Creating an accessible environment for all, supported by the implementation of a workplace accessibility plan from an environmental assessment audit that identifies potential barriers for people living with disabilities

 See our [website](#) under careers for more on our DEI journey.



Recognition

Exxaro is a signatory to the UN's Women Empowerment Principles, which prioritise gender equality, full and productive employment and decent work for all.

People and performance

The committee scrutinised the people strategy and human capital levers in support of the five strategic objectives.

Achieving the Sustainable Growth and Impact strategy relies on properly executing the people strategy. The committee is therefore responsible for assuring the company's standing regarding the ILO Protocol on decent work and working conditions and the educational development of employees.

The SERC recommended the approval of a revised human rights policy towards the end of 2022, which continues to be implemented.

The policy confirms the group's commitment to promoting human rights as set out in the ILO's declaration on fundamental principles and rights at work.

The committee oversaw progress against employment equity targets, with a focus on key Exxaro considerations flowing from the amendments to the EEA.

The committee was informed of the changes to the EEA and reviewed the key considerations for Exxaro in view of the amendments.

Stakeholder engagement

The committee continued to engage the eight key stakeholder groupings in terms of the key account management approach.

Exxaro has an approved stakeholder management policy in which establishing and maintaining strong, trusting and collaborative

stakeholder relationships is equally beneficial for all stakeholders. The policy confirms Exxaro's key account management approach to stakeholder management.

The committee supports the principle that managing social and ethics risks requires meaningful engagement with key stakeholders, as identified in the committee's terms of reference.

Management conducted various stakeholder engagement initiatives in line with the Sustainable Growth and Impact strategy.

Relationship building remains a key outcome of the stakeholder engagement strategy in redressing the plight of poor people in communities surrounding Exxaro's operations.



[Stakeholder-inclusive approach](#) (page 16)

The committee reviewed the ongoing anti-bribery and anti-corruption programme implementation, including rolling out the conflicts of interest programme and ensuring an ethical culture.

As guided by OECD recommendations, the company has an anti-bribery and anti-corruption policy and adopted adequate internal controls, ethics and compliance programmes and measures to prevent and detect bribery.

Based on the board-approved statement of strategic ethical intent, the committee oversees implementation of the ethics management strategy and plan. Throughout the year and through the management ethics committee, measures were assessed and adapted for continued effectiveness, and to mitigate the risk of becoming complicit in bribery, bribe solicitation, small facilitation payments and extortion.



Building an [ethical culture](#) under this committee's oversight is captured in more detail on page 118.

Future focus



Key focus areas 2024/2025

Monitor the coal mine dust class action litigation launched against Exxaro in November 2023 to ensure our conduct aligns with being a responsible corporate citizen

Monitor the implementation of mitigation measures as reflected in Exxaro's decarbonisation roadmap to support Exxaro's strategy to be carbon neutral by 2050 and build resilience to the impacts of climate change

Monitor and review ongoing anti-bribery and anti-corruption programme implementation, ensuring an ethical culture and respect for human rights, including the whistleblowing mechanisms for effectiveness

Oversee the implementation of the DEI strategy, including the ESD programme, in support of the overall Exxaro strategy as a key business value driver

Oversee sustainability-related disclosures in line with IFRS Sustainability Disclosure Standards

Oversee the implementation of employment equity plans

Oversee the refresh of Exxaro's culture transformation journey and continue embedding the action plans from the 2023 culture and engagement survey

Confirmation

The SERC is pleased to confirm that, in carrying out its duties, it regarded King IV principles and recommended practices, and discharged its responsibilities in accordance with its terms of reference and the Companies Act. Beyond mere compliance, the committee is also satisfied that it has fulfilled its non-statutory mandate and that there are no material instances of non-compliance to disclose. If any material non-compliance existed, it was duly considered during the year in review.

On behalf of the committee

Geraldine Fraser-Moleketi
SERC chairperson

15 April 2025

Remuneration report

In an ever-evolving business landscape, Exxaro remains steadfast in its commitment to foster a performance-driven culture that aligns with our strategic priorities and stakeholder expectations.

The remuneration committee's role is pivotal to ensure that our reward practices attract, engage and retain talent and drive sustainable value creation for our shareholders and broader stakeholders.

We unpack our approach and performance in this report through the following lenses:

Remuneration at a glance

Page 161 and 162

This section describes our approach to remuneration and some of our remuneration policy principles.

1

Section 1: Message from the remuneration committee chairperson

Page 163 to 167

Dr Phumla Mnganga's message outlines key focus areas and shareholder engagement for the year under review.

2

Section 2: Remuneration policy

Page 168 to 176

We unpack our remuneration policy, including our approach to fair and responsible remuneration, guaranteed pay, benefits, variable pay and recognition and addressing the wage gap.

3

Section 3: Implementation report

Page 177 to 184

This section reflects the remuneration policy's implementation and remuneration paid to executive directors and prescribed officers, including STI and LTI payments, vesting outcomes and single-figure remuneration.



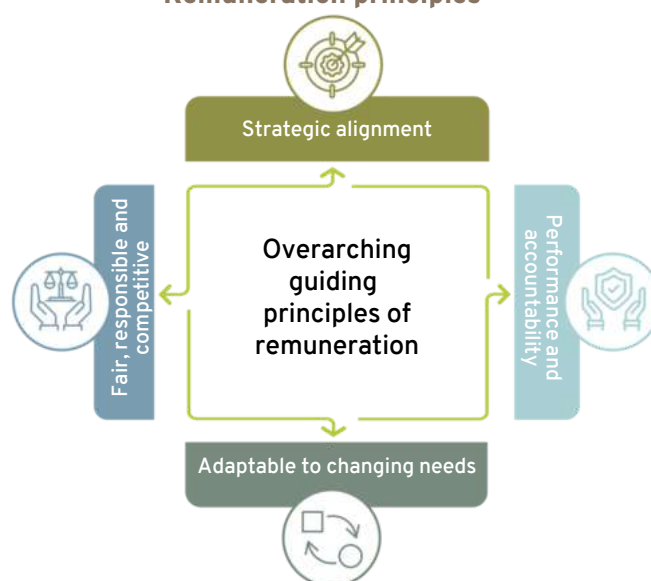


Remuneration at a glance

Remuneration philosophy statement

We strive to attract, inspire and retain the best talent to achieve our Sustainable Growth and Impact strategy and create sustainable stakeholder value.

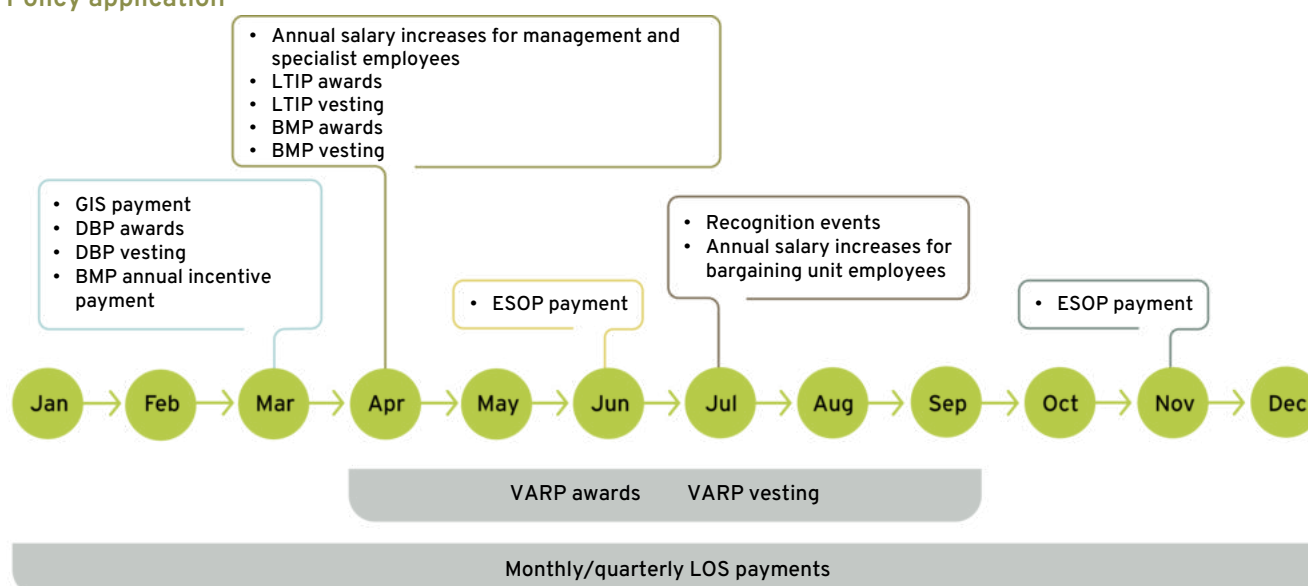
Remuneration principles



Remuneration framework

Element	Purpose	Who benefits	How it is applied
Guaranteed pay	Ensures market competitiveness and fairness and facilitates the attraction and retention of talent	All employees	Benchmarked against peers using a lead-lag approach
Benefits	Provide for future security, protection and wellness	All employees	Include retirement planning, risk benefits, medical aid and wellness programmes, etc
STI	Supports annual performance objectives delivery	All employees	Based on business (financial and ESG) targets and individual performance
LTI	Supports the longer-term delivery of the group's key strategic objectives and ensures the alignment of management and shareholder interests	Middle management and above employees	<u>Exxaro LTI</u> Based on business performance (ROCE, TSR and ESG) over a three-year period <u>Cennergi LTI</u> Based on business performance conditions
ESOP	Fosters a sense of participation in the company's success by aligning employee and shareholder interests	Junior management and below employees	Paid twice a year as an amount equivalent to the dividend paid on 560 Exxaro shares
Recognition	Celebrates exceptional contributions, fosters a culture of appreciation and honours loyalty	All employees	Formal recognition events and long-service awards

Policy application



Remuneration at a glance continued

Policy changes

We made further changes to our remuneration policy in 2024. The committee approved the following policy changes with effect from January 2025:

The inclusion of notice periods applicable at various levels

Purpose:

To formally record existing notice periods, which ensure adequate time for business continuity

The treatment of LTI schemes for employees promoted from DL to DM level

Purpose:

To ensure a seamless transition between incentive schemes, while maintaining alignment with Exxaro's reward framework

Remuneration committee discretion

Purpose:

To formally record existing remuneration committee discretion in line with King IV principle 14, practice 26

Shareholder feedback on the remuneration report

Votes in favour of the remuneration report:

Remuneration policy → 93.34%

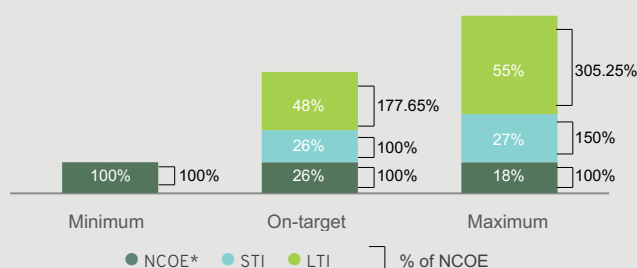
Implementation report → 93.30%

Non-executive director fees → 96.89%

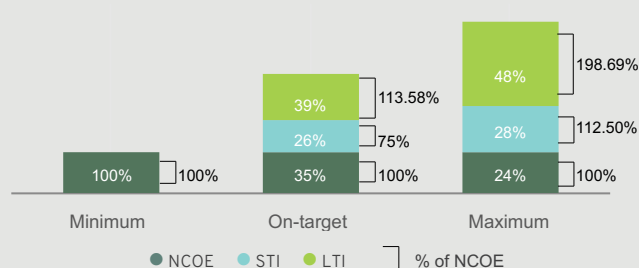
Pay outcomes

Range and composition of total remuneration scenarios for CEO and FD

CEO pay mix (%)



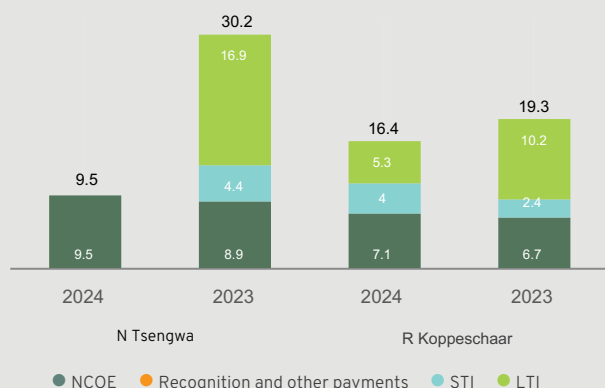
FD pay mix (%)



* Notional cost of employment.

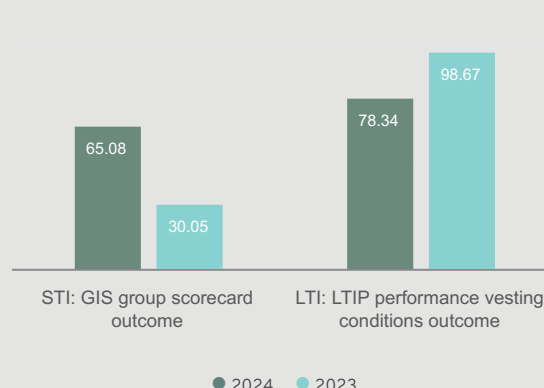
Executive director remuneration in 2024 and 2023

Single-figure history (Rm)



Incentive scheme outcomes

Incentive scheme outcomes in 2024 and 2023 (%)



In terms of the STI: GIS outcome, our 2024 financial performance improved on the group EBITDA targets compared to 2023, despite underachieving on the cash cost per tonne and saleable tonnes targets in 2024 compared to 2023.

In terms of the LTI: LTIP, we maintained our high achievement of vesting targets on the ROCE and ESG performance conditions compared to 2023. However, we were not able to achieve the full vesting target on the TSR performance condition compared to 2023.



Section 1: Message from the remuneration committee chairperson

Dear stakeholders

The South African mining industry faced a challenging operating environment in 2024, marked by fluctuating commodity prices, geopolitical tensions, inflation, and shifting demand for transition minerals. Operational risks were heightened by logistical inefficiencies and increased regulatory requirements.

Despite these headwinds, demand for energy transition minerals essential to renewable technologies continues to grow. This affirms the strategic importance of our diversification into these minerals to future-proof our business and support the global energy transition.

Coal revenue rose by 6%, but this was offset by inflationary pressures, higher distribution costs, and increased operational expenses, mainly due to greater overburden volumes. Our energy solutions business remained stable, with 80% operational EBITDA margins, though equity-accounted investments declined by 47%, largely due to lower iron ore prices and volumes from SIOC.

This report includes our remuneration policy, applicable to our employees and non-executive directors. It describes how the company implemented the policy and discloses payments made to non-executive directors, executive directors and prescribed officers during the year. We aim to ensure that our reward strategies are equitable and aligned with the principles of good governance, as outlined in King IV and other applicable guidelines.

At Exxaro, we acknowledge that fair pay is an ongoing journey, and we are dedicated to continuously evaluating and improving our approach to remuneration. We understand that competitive, transparent and equitable pay practices are fundamental in attracting, retaining and motivating top talent. Accordingly, we regularly review our pay structures to ensure they are aligned with both market standards and the evolving needs of our diverse workforce. Our commitment to fair pay extends beyond compliance, as we work to foster a culture where our reward practices are experienced as both fair and motivating across all levels of the organisation.

A key aspect of this commitment is ensuring that there is alignment between executive pay and the earnings of employees across the company. By assessing the ratio between executive remuneration and average employee earnings, we strive to create a sustainable and transparent framework that reinforces our values of fairness and equity. We recognise the importance of maintaining a fair and responsible reward system that reflects the contributions of all employees, and this approach helps underscore our ongoing commitment to responsible remuneration practices.

In line with our commitment to fair and responsible pay, we regularly assess pay equity and income disparity across different levels of the organisation. Our latest analysis reflects a positive trend, showing year-on-year improvement and alignment with market benchmarks.



On behalf of the board, I am pleased to present **Exxaro's FY2024 remuneration report**.

Dr Phumla Mnganga – Remuneration committee chairperson

Our horizontal wage gap analysis, which examines employees within the same job family, job grade, performance band and tenure in role, also indicates progress. Notably, our gender pay gap and race-based pay disparities have narrowed, reinforcing our ongoing efforts to drive equitable pay practices.

These improvements reflect our dedication to ensuring fairness, fostering inclusion and maintaining competitive and responsible remuneration structures.

We remain confident that our remuneration practices support our Sustainable Growth and Impact strategy.

Remuneration committee governance



Please see our [remuneration committee report](#) on page 149.

Remuneration report: section 1 continued

Shareholder engagement

At our AGM in May 2024, shareholders strongly supported our remuneration policy and implementation report.

The board and committee prioritise shareholder engagement, and we take the engagement and feedback from shareholders seriously. We continuously pursue enhancements to our remuneration framework and consider shareholder input.

Remuneration policy (%)			Implementation report (%)		
2019	95.37	4.63	2019	95.53	4.47
2020	94.66	5.34	2020	93.15	6.85
2021	94.00	6.00	2021	94.00	6.00
2022	93.55	6.45	2022	82.51	17.49
2023	93.34	6.66	2023	93.30	6.70

During the 2024 governance roadshow, investors raised discussion points regarding governance, strategy and ESG.

Shareholder concern	Our response
Challenges experienced with the integration of Cennergi's LTIs and STIs with Exxaro	<p>While the design of the Cennergi incentive schemes is different to our standard Exxaro schemes, we have made concerted efforts to ensure alignment with the overall organisation's remuneration philosophy and principles. As part of the work undertaken to embed the Cennergi schemes, we conducted comprehensive consultations with affected employees to clearly explain the rationale for the design of the Cennergi incentives and our attempts to take account of the unique attributes/circumstances of the energy business.</p> <p>We have made good progress in integrating the Cennergi incentive schemes. However, our LTI review highlighted that there are potential enhancements that can be made to the Cennergi schemes to further improve the robustness and fairness of the schemes for both participants and Exxaro.</p>
The FTSE Russell Index as an ESG measure on our LTIP	<p>We acknowledge shareholder feedback on our ESG performance measure of the LTIP. As part of a comprehensive review of our LTI schemes in 2024, we concluded that certain changes were necessary to ensure ongoing alignment with shareholder expectations and business priorities. We have identified specific alternative LTIP ESG measures linked to our decarbonisation roadmap, and while the redesign of all our LTI schemes is underway, we revised the weightings as follows:</p> <ul style="list-style-type: none"> • ROCE increased from 33.33% to 40% • TSR increased from 33.33% to 40% • ESG decreased from 33.34% to 20% (based on the FTSE Russell Index) <p>This is an interim measure for 2025 and will be removed from 2026 onwards. We look forward to engaging with our shareholders on the proposed forward-looking ESG measures during our 2025 roadshow.</p>
Progress on the horizontal and vertical wage gap	<p>Following the promulgation of the Companies Amendment Act, which outlines clear disclosure requirements, we assess and report on key remuneration trends in alignment with section 30B of the Act.</p> <p>Our approach to pay equity remains guided by Exxaro's wage gap statement of intent, ensuring that we actively monitor and address disparities in remuneration. This includes ongoing efforts to narrow pay gaps across employee groups and uphold fair and responsible pay practices that support sustainable workforce equity.</p> <p>These efforts reflect our broader commitment to transparency, fairness and continuous improvement in remuneration governance. The remuneration committee has once again decided to delay wage gap disclosure until mandated by legislation.</p>
The growth team incentives and any application of clawback	<p>The growth team, led by the chief growth officer, is a dedicated group responsible for driving M&A activity linked to Exxaro's growth strategy. This team plays a critical role in identifying and capitalising on opportunities for diversification and sustainability across our portfolio. Their work aligns with Exxaro's strategic objectives to expand into minerals and renewable energy while delivering long-term value for stakeholders. The team's performance is measured against defined KPIs linked to strategic growth initiatives, ensuring alignment with shareholder interests and broader organisational goals.</p> <p>The chief growth officer and the growth team participate in the group-wide STI scheme (the GIS). Therefore they are not part of a separate or bespoke incentive scheme. The GIS rewards both company and individual performance. For employees, including the growth team, 20% of the GIS payment is based on individual performance, with the remaining 80% linked to financial and ESG performance conditions. The growth team's KPIs are detailed in their performance contracts and are structured to drive measurable outcomes in areas such as M&A, portfolio diversification and stakeholder engagement.</p> <p>Our malus and clawback provisions allow Exxaro to address any detrimental activities should they occur in particular circumstances. Clawback will be applicable for a period of up to 36 (thirty-six) months from the vesting date of an award made in terms of the LTI schemes or after payment of the GIS. We plan to review our malus and clawback policy in 2025.</p>



Shareholder concern	Our response
Accountability in the event of an acquisition subsequently regarded as unsuccessful	<p>Exxaro's approach to acquisitions includes the following key considerations:</p> <p>1. Decision-making accountability</p> <p>While the growth team conducts the scouting, due diligence and groundwork for potential acquisitions, they are not solely responsible for an acquisition outcome. Exxaro has a rigorous governance framework and the ultimate decision regarding M&A activity rests with the board.</p> <p>2. Factors influencing acquisition outcomes</p> <p>The success of an acquisition depends on multiple factors, such as:</p> <ul style="list-style-type: none"> • Integration effectiveness (operational alignment, cultural fit and value realisation) • External influences (market shifts, regulatory changes, commodity pricing or unforeseen risks) • Execution by other teams (post-acquisition management and operational teams) <p>These factors may fall outside the direct scope of the growth team's responsibilities, further underscoring the need for balanced accountability.</p> <p>3. Proposed enhancements to KPIs</p> <p>To ensure clear accountability and drive cross-functional success, we intend to incorporate integration and acquisition-related KPIs into executive performance contracts post-acquisition. For example:</p> <ul style="list-style-type: none"> • Integration KPIs: measure progress in achieving synergy targets, stakeholder satisfaction and operational alignment • Acquisition effectiveness KPIs: track the realisation of strategic objectives and financial returns against the acquisition's original business case <p>These measures hold the appropriate leaders accountable for the post-acquisition phase and ensure incentives are tied to the long-term success of the acquisition.</p> <p>4. Balanced approach to the growth team's accountability</p> <p>The growth team's performance KPIs remain focused on delivering executable opportunities that align with Exxaro's strategic criteria. They are assessed on the quality and viability of opportunities presented, their ability to manage stakeholder relationships, and the robustness of due diligence processes. This ensures they are held accountable for their contributions, without being unfairly penalised for outcomes beyond their control.</p> <p>Exxaro's governance structures and performance management frameworks are designed to promote accountability at every stage of the acquisition process, from opportunity identification to integration and value realisation. By incorporating appropriate post-acquisition measures in executive performance contracts as discussed above, we further ensure alignment between strategic objectives, shareholder interests and individual accountability.</p>

Changes in executive leadership

This section provides an overview of key employment-related changes affecting the group's executive directors and prescribed officers during the reporting period. It covers new appointments, contract terms, resignations, retirements and any suspensions or terminations. These movements are considered within the broader context of the group's governance and succession planning framework, ensuring continuity, stability and alignment with our long-term strategic objectives.

The group's approach to termination benefits is governed by contractual agreements, regulatory requirements and incentive scheme rules. This ensures fair and responsible treatment of executives while safeguarding shareholder interests. Termination benefits, where applicable, are aligned with market practices and company policy.

The following changes in executive leadership were made:

- Dr Nombasa Tsengwa resigned as CEO with immediate effect on 5 February 2025, bringing her tenure to an end
- Riaan Koppeschaar served as acting CEO until 31 March 2025
- Kgabi Masia was placed on precautionary suspension pending the outcome of an ongoing investigation, with his contractual terms and conditions remaining in effect during this period, in accordance with company policies and labour laws
- Mervin Govender is currently acting as the chief coal operations officer
- Andiswa Ndoni tendered her resignation and left the organisation on 30 November 2024
- Tsheko Ratsheko is acting in the role of chief strategic resilience and governance officer
- Michelle Nana joined the company as the group company secretary on 1 May 2024

Variable pay exit arrangements

The treatment of variable pay upon termination depends on the nature of the departure:

- Resignation or dismissal for cause: unvested STIs and LTIs are forfeited
- Retrenchment or mutually agreed separation: STIs may be pro-rated based on the period worked, subject to performance conditions, while LTIs vest in accordance with the scheme rules and performance conditions
- Retirement, death or disability: STIs are typically pro-rated, whereas LTIs may vest in accordance with the plan rules and performance conditions, with provisions for pro rata vesting where applicable

Remuneration report: section 1 continued

2024 key focus areas

Continued our wage gap journey

We continued our work to address the wage gap in line with our roadmap shared last year. We are tracking our wage gap and fair pay, and implementing changes where required. We commissioned a bespoke survey within the mining industry to gain insights into benefits and financial wellness initiatives offered within the industry. The survey results indicate that Exxaro matches the most common market practice or leads the market. Going forward, we will consider actions and interventions for worker remuneration and reward that enhance financial wellness, while remaining economically sustainable (including the consideration of foundation benefits).

The wage gap analysis for the 2024 financial year assessed Exxaro's vertical and horizontal pay gaps. The analysis found that Exxaro's wage gap ratios have improved from 2023 and compare favourably with industry benchmarks. No material instances of unfair pay discrimination were identified.

We will update our wage gap roadmap by setting specific wage gap targets, baselining an Exxaro living wage and ensuring ongoing progress towards fair and sustainable remuneration practices.

Reviewed Exxaro's LTI schemes

Over recent years, shareholders have raised concerns about Exxaro's incentive schemes. In response, we reviewed our LTI schemes to ensure alignment with our strategy and industry benchmarks.

The review included all LTIs, namely:

- Exxaro LTIP
- Exxaro DBP
- Cennergi VARP
- Cennergi BMP
- ESOP, known as GreenShare

The review showed that while Exxaro has a higher weighting for pay at risk at senior levels, the overall remuneration mix of STI and LTI is appropriate. The structure of our LTIP is somewhat aligned to the market, and we will look at how this can be enhanced in 2025. The DBP has been in place for many years and is due to be revised. We intend to replace it in 2026.

The review of our MSR policy highlighted that, while the policy aligns with best practice, there are opportunities to enhance it based on a redesign of the DBP. Similarly, there are opportunities to enhance our malus and clawback policies, which will be done in 2025.

While Cennergi's VARP and BMP was recently implemented, the review showed that this scheme can be enhanced.

The current GreenShare scheme does not lead to capital vesting, and this is not favoured by our trade unions. An alternative design option that will optimise B-BBEE compliance and help with employee engagement at lower levels will be looked into.

Embedded and operationalised Cennergi's STI and LTI schemes

We successfully embedded the schemes with the participants in Cennergi Holdings and Cennergi Proprietary Limited. This included innovative individualised playbooks on the BMP and VARP, which served as detailed guides to enable participants to fully understand the mechanics, milestones and benefits that drive desired behaviours.

Reviewed benefits and allowances

Reviewing our benefits and allowances helps to identify further opportunities to enhance our reward offering and ensure benefits remain fit for purpose and competitive. Employee benefits are integral to our remuneration offering and our employee value proposition. During the period under review, we participated in a comprehensive benefits survey to benchmark our employee benefits against industry standards.

Through this process, we gained valuable insights into the competitiveness of our benefits package, which will help us identify areas where we are excelling and opportunities for enhancement. This analysis is critical in ensuring that our employee value proposition remains strong, supports talent retention and continues to attract top talent.

Reviewed the non-executive directors' remuneration framework

We reviewed the market benchmarks for non-executive director fees, which included the following:

- Determination of an appropriate chosen peer group
- Analysis of the positioning of current Exxaro non-executive director fees against the chosen peer group
- Proposal of differentiated increases based on positioning relative to the peer group analysis

A size-based analysis was performed using Exxaro's market capitalisation. This was ranked relative to the companies within the chosen peer group to assess our position within that group. Exxaro's size, complexity, and geographical spread indicate that the market positioning should be at the median of the chosen peer group.

We tested larger and smaller peer groups to analyse the sensitivity of results to the number of peers and found that the following 12 peer group companies were appropriate:



Benchmarking against the chosen peer group was done on the basis of equivalent annual retainer-only fees for board (chairperson, lead independent director and member) fees as well as chairperson and member fees for each committee. The board chairperson benchmarking was done on an all-inclusive basis. The Exxaro fees used in the benchmark were those approved at the AGM in 2024.

The benchmarking results highlighted that the board chairperson all-inclusive fee and the audit committee chairperson fees appear well aligned to the chosen peer group. However, the chairperson fees for all other committees appear high relative to the peer group. Also, the market premium for the audit committee chairperson relative to other committee chairpersons is low. As such, a larger increase will be applied to the audit committee chairperson over the next two years, while the fees for the chairpersons of the RBR, remuneration, SERC and investment committees will be kept flat for 2025 and reviewed annually going forward.

The lead independent director fee and the board member fees appear well aligned to the peer group. The member fees for the audit committee, remuneration committee and SERC also appear well aligned. Average increases aligned to annual increases for management and specialist category employees are proposed for these roles going forward.



No comparable committees were identified in the peer groups to draw any conclusions regarding the market comparability of the logistics committee chairperson or member fees.

The nomination committee was previously part of a combined remuneration and nomination committee and has subsequently been split out. Our analysis indicates that the fees for the nomination committee are materially misaligned with the market, being at around one-fifth of market benchmarks. We are proposing normalising the fees over a four-year period so that they align to the market.

All companies in the peer group pay for board and committee meetings held beyond the standard or prescribed number of meetings. In line with market practice, we decided to implement per meeting fees for non-standard board and committee meetings. In order to qualify for payment, these meetings will need to be substantive enough in both nature and length and be approved in advance by the board chairperson. Fees of R40 000 for the chairperson and R25 000 for members per meeting (both board and committee meetings) are proposed.

It is intended that any fees paid for any additional meetings will be disclosed separately from the standard fee payments.

Reviewed the recognition policy and programme

Recognition continues to be integral to Exxaro's total reward offering and our recognition events once again brought teams together at both functional and group level to celebrate the exceptional contributions made and achievements realised. While recognition is working well, the policy and programme review were done to ensure that recognition aligns with the evolving needs of Exxaro, with the aim of continuing to foster a culture of appreciation and engagement.


Two-pot retirement system

In line with regulatory changes, we successfully implemented the two-pot retirement system across all our retirement funds. Since its implementation on 1 September 2024, the relevant pension funds have processed 2 975 withdrawals from Exxaro employees. Exxaro remains committed to supporting employees' financial wellbeing through innovative and compliant retirement solutions. We will continue to engage with employees and reiterate the fact that these withdrawals are intended for emergencies.

2024 wage negotiations

Despite a challenging negotiating context, Exxaro concluded three-year wage agreements with five employers across the group where unions have bargaining rights. All the agreements were concluded without industrial action and within the approved wage mandate.

2025 focus areas



Our 2025 focus areas will be to:

- Revise LTIP ESG measures
- Redesign LTI schemes
- Review our MSR policy
- Review the malus and clawback policy
- Continue addressing the wage gap
- Review STI performance measures

Independent remuneration advisers

Exxaro continues to seek independent and professional advice on remuneration matters from consultants regarded by the committee as fully independent. During 2024, advisers included Vasdex Associates, Remchannel, Bowmans, 21st Century and Kornferry.

Conclusion

Through these efforts, we continue to ensure that our remuneration framework supports Exxaro's vision of powering a clean world while delivering sustainable returns to our shareholders.

I wish to express my gratitude for the ongoing support and insights from the remuneration committee members, executive leadership and the remuneration team.

Dr Phumla Mnganga

Remuneration committee chairperson

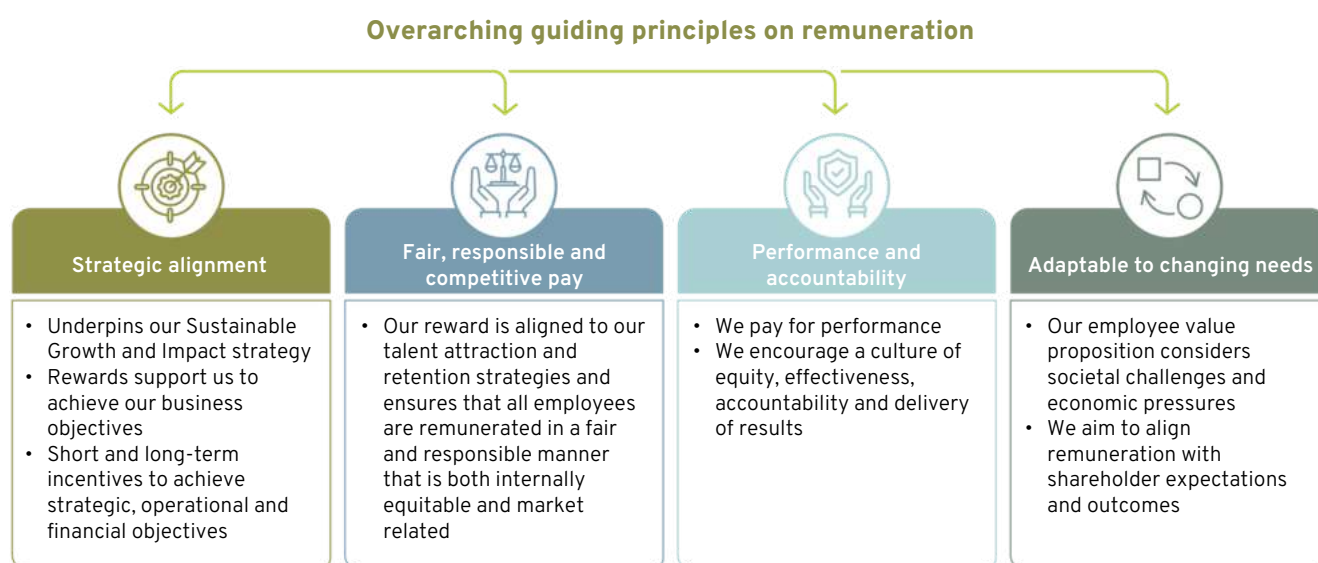
15 April 2025

Section 2: Remuneration policy

Our remuneration policy is underpinned by our philosophy of fostering a high-performance culture while ensuring fairness and competitiveness. The policy aims to attract, motivate and retain talent by aligning employee rewards with our strategic objectives, core values and commitment to creating lasting value for all stakeholders.

The policy is rooted in robust governance practices and reflects our dedication to ethical business conduct. It integrates ESG priorities to drive sustainable impact. By balancing guaranteed pay, benefits, variable pay and recognition, the policy ensures that individual contributions directly support Exxaro's Sustainable Growth and Impact strategy, advancing diversity and inclusion, and achieving operational excellence.

Remuneration strategy and philosophy



Total reward

We recognise that people's value is more than monetary reward. Our approach integrates all reward elements to create a total reward. The cornerstones of our approach are competitive reward and pay for performance. These are set out in detail on the next page.

We also emphasise recognition through the Evergreen Awards, acknowledging individual and team efforts in meeting business goals and reinforcing behaviours aligned with Exxaro's values, culture and leadership principles.

Total reward includes guaranteed pay and variable pay, comprising STIs, LTIs and recognition schemes. Other integrated intangible reward and benefit elements include:

- A diverse, inclusive and engaging culture enabled by deep connections, which enables a sense of belonging that helps our people thrive
- Support for our people's professional and personal growth through personalised, meaningful experiences and career mobility within and beyond Exxaro
- A great workplace where the day-to-day lived experience aligns with our intent and supports our people's holistic wellbeing





Fair and responsible remuneration

Fair pay principles

We pay competitive salaries, rewarding individuals based on their skills, performance and external market positioning.

Our total reward framework is underpinned by our commitment to fair, equitable and responsible pay. By applying the principle of equal remuneration for work of equal value, we seek to eliminate discriminatory remuneration – whether direct or indirect – based on race, gender, age, disability, gender identity and expression, sexual orientation, ethnicity, cultural heritage, religion or belief.

Approach

We review our internal pay ranges annually and apply them consistently throughout the organisation. Our commitment to fair pay is consistent with our DEI strategy, culture and desire to support, motivate and engage employees across the group.

We annually review our fair pay principles and their application.

During the annual salary review process, we review each employee's ideal comparative ratio and adjust this in line with our principles. The fair pay analysis focuses on market competitiveness, non-discrimination and performance over a three-year period. The outcome of the fair pay analysis for the 2024 financial year shows that all Exxaro employees' remuneration is aligned with our fair pay principles.

Addressing the wage gap

Wage gap principles

The wage gap is a crucial issue in South Africa, which is characterised by extreme inequality, poverty and unemployment. Our wage gap and fair pay principles aim to address this issue and are rooted in our values and group remuneration principles: consistent, fair, equitable and market-related remuneration.

Fair pay is foundational and an enabler for DEI, which is a strategic priority at Exxaro. It is our ethical responsibility to address inequality and wage gaps horizontally between race and gender and vertically between lower-paid employees and executives.

The following principles reflect our priorities:

- We will implement equitable and replicable pay practices across different business areas, underpinned by a strong performance culture
- We will attract and retain the scarce and critical skillsets required to support the delivery of our strategy and ensure equitable pay across the group
- We aspire to pay a living wage to all our employees – the remuneration required for an individual and their family to attain a dignified standard of living
- The wage gap will be addressed in a sustainable and economically viable manner, maintaining a competitive employee value proposition at all levels

Wage gap statement of intent

Exxaro is committed to our purpose of powering better lives in Africa and beyond. Guided by our DEI objectives, we strive to deliver on our commitment to fair and responsible pay and effective remuneration practices, which ensure Exxaro's sustainability for all our stakeholders.

In line with our values – empowered to grow and contribute, teamwork, commitment to excellence, and honest responsibility – we will demonstrate our commitment by disclosing the wage gap between our highest and lowest paid employees in the prescribed manner. To do this, we review and develop measures to ensure fair and responsible pay and comply with regulatory requirements and generally accepted remuneration practices while considering the needs and legitimate expectations of all stakeholders.

We aim to integrate stakeholder input and align with responsible industry movements as we continue on our fair pay for performance journey.

Future commitments

Our initiatives for 2025 include:

- Setting meaningful and realistic wage gap targets by analysing our wage gap metrics and setting short, medium and long-term targets
- Introducing medical aid as a condition of employment for employees in the bargaining units at Coastal Coal Proprietary Limited and Ferroland Grondtrust Proprietary Limited, as an employer-funded benefit
- Implementing funeral cover and gap cover for employees who do not currently qualify for these benefits:
 - As a voluntary benefit for management and specialist employees, at the employees' expense
 - As a mandatory benefit for employees in the bargaining unit and non-management and specialist employees, at the employer's cost

Governance

We remain dedicated to reducing the wage gap through our targeted projects and remuneration adjustments. We also strive to adhere to industry best practices and relevant governance codes, such as King IV.

Remuneration report: section 2 continued

Remuneration elements

Remuneration element	Objective	Eligibility	Application
Total guaranteed pay includes all guaranteed items, such as basic salary, medical aid, pension fund and guaranteed allowances	To attract and retain the right mix of talent with market-related pay, reflecting the size, scope and complexity of individual roles and responsibilities	All permanent employees	<ul style="list-style-type: none"> Market-related, informed by robust and regular remuneration benchmarking Targeted at the market median, except for roles identified as scarce, critical, or strategic Reviews of guaranteed pay are subject to affordability and appropriate consideration of the sustainability of the group's remuneration practices Remuneration for employees in the bargaining unit is governed by wage agreements
Employee benefits and allowances	To provide relevant benefits to meet employees' needs and aspirations and improve our overall employee value proposition	All permanent employees	<ul style="list-style-type: none"> To provide market-related and/or market-leading employee benefits and allowances The provision of employee benefits and allowances is appropriately and prudently managed Benefits typically include retirement funds, medical aid, group life cover and leave Allowances are job related to ensure employees can perform their jobs effectively
STIs	To drive a high-performance culture that motivates and rewards substantial achievement of short-term business and individual targets	All employees with payout levels differentiated by job grade and performance contribution	<ul style="list-style-type: none"> The GIS drives financial, operational, ESG and individual performance. It is calculated as a percentage of NCOE, with threshold, target and stretch goals designed to incentivise high performance. Senior managers can defer a portion of their STI to participate in the DBP The LOS scheme drives the delivery of safe, quality production volumes aligned to monthly and quarterly performance targets The Cennergi STI allocation is based on achievement against the annual scorecard and individual performance Payment time frame typically one year or less, except where a portion of variable remuneration may be deferred to a later period
LTI	To drive sustainable, longer-term performance, and encourage ownership and retention by aligning the interests of senior employees and executives to those of Exxaro and its shareholders	Middle management employees and above	<p>The Exxaro LTI scheme is made up of two components, the LTIP and DBP. The LTI scheme:</p> <ul style="list-style-type: none"> Makes annual awards Vesting is over a three-year period LTIP is contingent on achieving performance conditions on key metrics – ROCE, TSR and ESG <p>For Cennergi, the LTI scheme is made up of two components:</p> <ul style="list-style-type: none"> Matching incentive, known as the BMP – following calculation of the STI, a predetermined percentage of the STI is applied to the STI outcome to determine the value of the matching shares awarded. The bonus matching shares vest in equal tranches after 12 and 24 months. The BMP award will be settled in Exxaro shares in order to give participants exposure to Exxaro shares and is linked to the principle of group alignment VARP – A once-off VARP allocation is made to participants. The vesting of the VARP allocation is subject to the achievement of predetermined performance conditions. The rights vest in tranches after years three, four and five, and participants have four years to exercise their rights after they have vested. The value settled is determined with reference to the growth in equity value of Cennergi between the allocation date and the exercise date
ESOP	To foster a sense of participation in the company's success by aligning with shareholder outcomes	Junior management and below	Paid twice a year as an amount equivalent to the dividend paid on 560 Exxaro shares
Recognition	To celebrate exceptional contributions, foster a culture of appreciation and honour loyalty	All employees	For formal recognition, employees are encouraged to nominate themselves or their colleagues for acknowledgement at various levels for an award. For informal or day-to-day recognition, line managers and peers are encouraged to recognise discretionary effort without waiting for a formal recognition opportunity

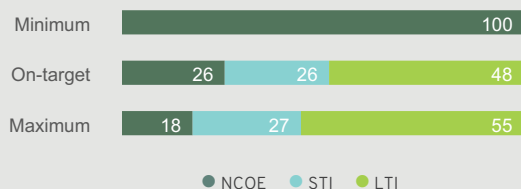


Remuneration mix

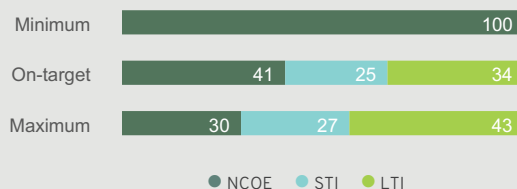
The remuneration mix reflects the relative proportions of pay, represented by guaranteed and variable remuneration, meaningfully linked to job type, level of work and expected outcomes.

Remuneration mix for CEO, finance director and prescribed officers by Paterson grade

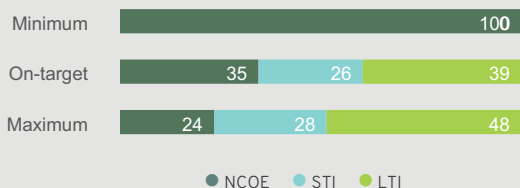
CEO pay mix (%)



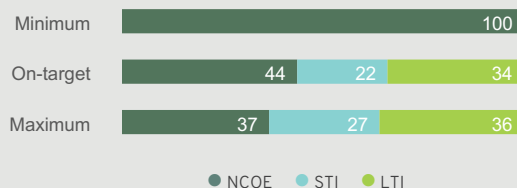
Prescribed officer (on Paterson band E – upper) pay mix (%)



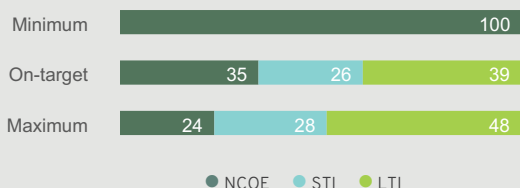
FD pay mix (%)



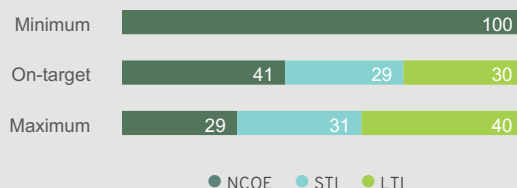
Prescribed officer (on Paterson band E – middle) pay mix (%)



Prescribed officer (on Paterson band F – lower) pay mix (%)



MD energy (on Paterson band F – lower) pay mix (%)



Guaranteed remuneration

Our policy on fixed pay is to benchmark annually using established industry remuneration surveys to the median for all employees except the strategic, scarce and critical skills, which may be benchmarked to the 75th percentile.

We consider individual performance when setting fixed pay through the annual NCOE salary review process – a “meets expectations” warrants positioning around the median of the benchmark for the job.

Basic salary

All bargaining unit employees receive a market-related basic salary, complemented by guaranteed allowances (housing and commuting), variable allowances (shift and standby) and benefits (listed alongside).

Benefits

All employees are entitled to the same benefits appropriate to their role and specific circumstances. Management and specialist employees can structure their remuneration within company and legislative limitations. During the year, the medical, health and other benefits policies did not change. Medical aid scheme details are described alongside.

Retirement fund

All employees are members of one of Exxaro's accredited retirement funds. Retirement fund contributions are determined by specific conditions of employment and for different employee levels and categories.

Medical aid schemes

Employees may annually choose to belong to any employer-accredited and applicable medical schemes. The employer and employee make contributions. Exxaro does not provide post-retirement medical benefits. The post-retirement benefit obligation, disclosed in the annual financial statements, recognises past practice by Eyesizwe, which was discontinued with the creation of Exxaro in November 2006.

Group personal accident cover

Employees are beneficiaries of a policy that provides additional cover for death, disability and dread disease through group personal cover taken out by Exxaro.

Employee assistance programme (EAP)

As part of our wellness offering, the EAP offers wide-ranging support, including legal, financial and substance abuse assistance, among others.

Remuneration report: section 2 continued

Variable pay

Exxaro STI schemes

Our STI schemes focus on annually contributing to strategic goals and delivering on our operational and financial objectives in the shorter term. We have two STI scheme structures: the GIS for management and specialist category employees and the LOS for other permanent employees, which are specific production schemes relevant to employees' positions.

GIS salient features

Participants	<ul style="list-style-type: none"> All executive to middle management level employees in group or operations Employees in group functions or specific operations Applicable to employees employed for the last six months of the relevant financial year and in service on payout date
Scheme metrics and frequency of payment	<ul style="list-style-type: none"> Formulaically calculated cash STI Paid annually Based on target STI quantum per grade Adjusted for personal and business performance
Apportionment	<ul style="list-style-type: none"> 80% to business performance (75% apportioned to financial, operational and strategic goals, and 25% to ESG goals) 20% to individual performance (based on individual performance achievement process) rated on a five-point rating scale (excluding bargaining unit category) Individual performance rating translates to the portion allocated to individual performance
Maximum achievable	150% of targeted STI quantum
Gatekeepers	When the personal score is below a 3.0 rating, the percentage score modifies respective business performance outcomes, further reducing the STI portion from business performance
Business scorecard	Detailed below

The business scorecards embed priorities appropriately at group and operational levels. The table below provides an overview of the goals and relative impact on the potential outcome of each business scorecard.

GIS business scorecard goals and weight

	Weight (%)	Drivers	Group (%)	Operation (%)
Overall structure	75	EBITDA	50	0 to 50
		Cash cost per tonne	15	15 to 45
		Saleable tonnes	10	10 to 30
	25	Safety	10	10
		Water intensity	7.5	7.5
		Energy intensity	7.5	7.5
	Overall scorecard total		100	100

Cennergi STI scheme

The Cennergi STI scheme is the BMP, which focuses on annually contributing to strategic goals and delivering on our operational and financial objectives in the shorter term.

BMP salient features

Participants	<ul style="list-style-type: none"> All Cennergi employees Applicable to employees employed for the last six months of the relevant financial year and in service on payout date
Scheme metrics and frequency of payment	<ul style="list-style-type: none"> Formulaically calculated cash STI Paid annually Based on target STI quantum per grade Adjusted for business performance, measured against approved Cennergi scorecard, and personal performance, the outcome of which will modify the STI by 0% to 150%
Apportionment	<ul style="list-style-type: none"> Varies by level
Maximum achievable	<ul style="list-style-type: none"> 150% of targeted STI quantum
Business scorecard	<ul style="list-style-type: none"> Detailed below



BMP business scorecard goals and weight

KPIs	Weight (%)
Strategic growth and financial performance	50
Business transformation operational excellence	15
Leading people change and social impact	15
Health, safety and environment	7.5
Cost management and internal control	12.5
Scorecard total	100

Exxaro LTI scheme

Our LTI schemes comprise the LTIP and DBP, which align remuneration with longer-term shareholder expectations and outcomes.

We provide general share awards to participants (middle management and above) during the year in terms of the LTIP and the DBP. We introduced the ESOP (GreenShare) in July 2020, which applies to employees not participating in the LTI scheme.

LTIP

The remuneration committee makes LTIP awards, subject to performance conditions and a three-year vesting period.

The face value of allocations depends on the employee's NCOE and a grade-specific percentage. The committee evaluates the achievement of performance conditions biannually. The awards vest after three years.

We undertook a review of our LTIP last year. Results indicated that specific and appropriate ESG measures are preferable, rather than using an index, such as the FTSE Russell Index. The construction of the revised metric(s) will be done in 2025 with a view to potentially implement the revised metric(s) as part of the 2026 awards. In the meantime, the FTSE Russell Index as the ESG performance condition measure is retained but its weighting is reduced while the financial metrics are increased.

ROCE condition (40%)

The ROCE calculation is based on net operating profit plus income from non-equity-accounted investments plus income from equity-accounted investments as a percentage of average capital employed.

A sliding scale, based on a percentage ROCE achievement, applies as follows:

- 17% ROCE achievement = 50% vesting (threshold)
- 19% ROCE achievement = 90% vesting (target)
- 22% ROCE achievement = 100% vesting (stretch)

ROCE is calculated as the average of the three years' results constituting the performance period.

LTIP performance vesting conditions

Performance conditions	Weight (%)	Vesting of awards (after year three)
ROCE	40	17% ROCE achievement = 50% vesting (threshold)
		19% ROCE achievement = 90% vesting (target)
		22% ROCE achievement = 100% vesting (stretched)
TSR – RESI 10 peer group	28	Median TSR peer group position = 50% vesting
		Top three TSR peer group position = 100% vesting
TSR – energy peer group and Thungela	12	Equal to average TSR = 50% vesting
		Equal or above average TSR times 125% = 100% vesting
ESG as per FTSE Russell ESG Index	20	Below 50 percentile ranking = 0% vesting
		50 percentile ranking = 50% vesting
		50 to 75 percentile ranking = sliding scale between 50% and 100%
		Above 75 percentile ranking = 100% vesting

TSR condition (40%)

Exxaro's TSR is compared to performance against the TSR peer group. The peer group components and weighting of each are as follows:

TSR peer group entities	Weighting (%)
RESI 10	70
Energy peer group	15
Thungela	15
Total	100

Exxaro's TSR, for the purposes of this plan, is defined as the compound annual growth rate on a portfolio of Exxaro's ordinary shares purchased on 31 December preceding the grant, holding the shares and reinvesting the dividends received from the portfolio in Exxaro shares until the end of the performance period and selling the portfolio on that day.

The compound annual growth rate is further calculated in the same way for each of the six months before the award date, to ensure that the TSR is not unduly skewed for fluctuations at the start or end date of the measurement period.

The final computed growth rate (smoothed TSR) is the average of six three-year periods commencing six months before the award date and ending on the final date of the three-year performance period.

A 70% portion of the TSR depends on Exxaro's smoothed TSR performance compared to the RESI 10 peer group and for the remaining 30%, Exxaro's smoothed TSR performance is compared to an average TSR calculated between the energy peer group and Thungela.

ESG condition (20%)

The ESG targets are measured as per the FTSE Russell ESG Index, which provides benchmarking of international resource peer companies based on the performance of their ESG practices. A vesting sliding scale applies for an annual ESG rating between the median percentile ranking of 50 (50% vesting) and the upper quartile percentile ranking of 75 (100% vesting). Below 50 percentile ranking results in 0% vesting. The average performance over the three-year period is calculated and measured.

The table below summarises the performance vesting conditions applicable to the awards that will be granted in 2025.

Remuneration report: section 2 continued

DBP

The DBP encourages share ownership at executive management and senior management levels while reinforcing retention.

Participants can elect to voluntarily use a portion (50% or 90%) of their post-tax STI payments to acquire Exxaro shares at the prevailing market price.

Participants are entitled to all rights attached to the pledged shares purchased with their post-tax STI portion, including dividends. If the pledged shares are held for the three-year pledged period and participants remain in service for this period, Exxaro provides a matching award on a one-for-one basis.

No performance vesting conditions apply to the matching award.

ESOP (GreenShare)

Our ESOP scheme, GreenShare, was implemented in 2020. It is broadly based on the principles of Mining Charter III and is an evergreen scheme that provides non-transferable carried interest (dividends) to qualifying employees. It is open to all permanent South African employees not participating in any management share scheme, and it does not carry risks for employees.

When dividends are declared, employees in service receive an amount equivalent to the dividend paid on 560 Exxaro shares, minus dividend withholding tax.

Employees remain in the scheme for the duration of their employment and do not have capital appreciation rights.

Cennergi's LTI scheme

The Cennergi LTI offering comprises two schemes: the matching incentive component of the BMP and the VARP.

Matching incentive

Cennergi middle management and above employees receive an award of rights to Exxaro shares calculated as a predetermined percentage of the annual incentive. 50% of the award vests after 12 months and the remaining 50% after 24 months. Participants are not entitled to rights in respect of the shares until vesting takes place. No performance vesting conditions apply to the matching award.

VARP

The VARP is a cash-based LTI. Participants are awarded a once-off bullet award at the start of the performance period. The award is calculated as a percentage of the participant's NCOE multiplied by an award multiple linked to the duration of the award. The award vests in three equal tranches (in years three, four and five) subject to achieving predetermined milestones. After vesting, participants have four years to exercise the award.

$$\begin{array}{c}
 \text{VARP award value} \quad \times \quad \text{performance outcome} \quad \times \quad \text{VARP value multiple at exercise date} \\
 \\
 \text{The settlement value of the VARP award is calculated as:} \\
 \\
 \text{The value multiple is calculated as:} \\
 \frac{\text{The equity value of the company on the VARP exercise date}}{\text{The equity value of the company on the VARP award date}}
 \end{array}$$

VARP milestones

The 2025 milestones are made up as follows:

- 50% of the tranche vests if the LSP is at least equivalent to a P90 scenario in relation to the months post commercial operation
- 50% of the tranche vests if the financial close is achieved on a new build project of 30MW or a new merger and acquisition project of 50MW

From 2026, the milestones will focus on achieving a targeted cumulative net MW generating capacity.

Vesting profile (MW)	2026	2027	2028	2029	2030
Threshold (30% vesting)	326	406	475	567	692
Stretch (100% vesting)	413	612	840	1 148	1 563

MSR

In line with global best practice and shareholder expectations, we adopted an MSR policy in 2021. The policy aims to encourage all executive directors and prescribed officers to acquire and hold company shares and to reinforce alignment between executive and shareholder interests. Executive directors and prescribed officers are expected to build and maintain a company shareholding in direct proportion to their NCOE to align their interests with those of shareholders.

The target minimum shareholding may be satisfied as follows:

- The pre-tax deferral of a percentage of potential unvested LTIP award for the holding period
- The pre-tax deferral of matching shares received through participation in the DBP held in escrow until the determination date
- The option to purchase MSR shares with a percentage of pre-tax annual STI payments
- Personal investment shares, not subject to the holding period, acquired with post-tax income or through a variable pay scheme operated by the company

The following conditions apply:

Role	MSR	Compliance period
CEO	2 x annual NCOE	Five years from the date of policy implementation (or from appointment as a prescribed officer if later)
FD	1.5 x annual NCOE	
Other prescribed officers	1 x annual NCOE	



Malus and clawback

Overview

Malus* and clawback** remain essential features of our remuneration policy. These processes allow for risk adjustment of awards already made and, in the case of clawback, awards already vested or paid out.

Rationale for implementation

- Misbehaviour or material error by a participating employee
- An employee's actions resulting in reputational damage to the business
- The business suffering a material downturn in financial performance or material failure in risk management
- Awards being based on material misstatements of financial results or information arising that would have caused benefits to lapse or the board or remuneration committee to exercise discretion differently if the information was disclosed at the time
- The business suffering a material financial loss because of actions or circumstances attributable directly to an employee or that could have been avoided by reasonable actions of an employee
- The board or remuneration committee, in their discretion, deeming it necessary to apply malus or clawback

Applicability

The GIS and share-based awards, including the LTIP and DBP, are subject to malus and clawback provisions, enabling the remuneration committee to reduce the vesting level or recover amounts already paid if necessary. Clawback will be applicable for up to 36 months from the vesting date of an award made in terms of the LTIP scheme and DBP scheme or after payment of the STI.

There were no events of malus or clawback during the 2024 remuneration period.

* The ability to reduce, including to zero, an award not yet accrued or vested to an individual.

** The ability to recover or seek repayment of awards already paid or vested to the individual.

Executive contracts

The remuneration committee maintains robust governance and oversight mechanisms for executive appointments and contracts, ensuring alignment with the company's strategic priorities and governance principles.

Executive employment contracts are generally valid until the normal retirement age of 63. The notice period for the CEO is six calendar months. The notice period for the FD and prescribed officers is three calendar months. Current executive employment contracts do not have a restraint-of-trade clause but include confidentiality undertakings.

Any shares due in terms of participating in the LTIP and DBP are paid in line with the schemes' rules.

Good leaver provisions are triggered in the event of terminations due to:

- Personal events such as retirement, ill health, disability or death in service (pro-rated vesting of awards)
- Company events such as retrenchments, voluntary severance packages and divestment of business (normal vesting of awards)

Sign-on bonuses are used to buy out a potential liability, to make good for variable pay potentially being forfeited, or one of the reasons detailed below:

- Required to bridge the gap between the salary sought and the offer presented by Exxaro
- The employee has a retention agreement with their current employer
- The employee has a service obligation with their current employer

Sign-on shares may be offered to a prospective employee. The format and terms of the award depend on the reason for the award, which could include:

- Replacement awards
- Enticement awards

All these awards would be made for strategic purposes on an exception basis and are considered a strategic tool that the committee can use if the circumstances require, rather than being part of standard or expected practice.

The committee also ensures that with these awards, it applies performance conditions and malus and clawback provisions.

Remuneration report: section 2 continued

Remuneration committee discretion

The committee retains the discretion to exercise judgement in interpreting, applying and implementing the remuneration policy to ensure fairness, alignment with business objectives and adherence to good governance principles. Discretion may be applied in exceptional circumstances or where strict adherence to the policy would result in outcomes that are misaligned with the company's values, strategy, or stakeholder expectations.

Key principles guiding the exercise of the remuneration committee's discretion include:

Fairness and equity	Ensuring that decisions are fair, consistent and equitable for all employees
Alignment with strategic objectives	Maintaining alignment between remuneration outcomes and achieving Exxaro's strategic priorities
Governance and compliance	Upholding high standards of corporate governance and compliance with applicable laws and regulations

The remuneration committee's discretionary authority may include, among others:

- Adjusting incentive payouts (short or long term) to reflect extraordinary circumstances or market conditions
- Approving deviations from policy for retention, recruitment, or other critical business needs
- Reviewing and amending performance targets or measures in response to unforeseen events

All the committee's discretionary decisions will be transparently documented and disclosed, where appropriate, to relevant stakeholders to ensure accountability and trust.

Non-executive directors' remuneration

We conduct a comprehensive review of non-executive director fees on a three-year cycle, benchmarking against a chosen peer group. This ensures that our remuneration framework remains competitive and aligned with best practices.

Our approach positions non-executive director fees at the median of the chosen peer group, reflecting Exxaro's scale, complexity and industry standing. In years where an external benchmarking exercise is not undertaken, adjustments to non-executive director fees are aligned with the approved annual increases for management and specialist category employees.

The remuneration committee carefully evaluates and recommends non-executive director fees, which are subsequently reviewed by the board. Final approval is sought through a special resolution at the company's AGM, with implementation effective from June.





Section 3: Implementation report

Our implementation report discloses remuneration outcomes for non-executive directors, executive directors and prescribed officers. It includes total remuneration received and a single figure for remuneration receivable (as per King IV) for the period and all constituent remuneration elements.

This section reflects the remuneration policy's implementation and details remuneration paid to executive directors and prescribed officers for the year ended 31 December 2024. It details STI and LTI payments and vesting outcomes, with single-figure remuneration.

The approved increase for the FD is 7% and average increases for executive level and employees below are 6%. The effective date will be 1 April 2025. Implementation complied with the remuneration policy.

Performance contract and rating of the CEO in 2024

Following the resignation of the CEO, her performance contract was excluded from this report as it is no longer applicable. With the CEO transition, the board and remuneration committee remain focused on ensuring a smooth changeover and continued alignment of the CEO's performance contract with Exxaro's Sustainable Growth and Impact strategy.

Performance contract and rating of the finance director in 2024

Individual key objectives	KPIs	Rating
Strategic growth and financial performance	Support to the growth and energy team to build sustainable core businesses in minerals and energy aligned with investment criteria as well as support for board-approved disposals (corporate finance support for financial modelling, affordability analysis, financial impact, deal structuring, financial due diligence inclusive of funding model/capital raise) taking account of value accretion versus affordability in context of risk exposure.	
	Achieve ROCE target of 20%.	
	Ensure sufficient funding is available to grow the new energy and minerals business(es) aligned to the Exxaro capital allocation framework.	
	Maintain Exxaro's S&P Global ratings.	
Business transformation and operational excellence	Deliver group consolidated financial statements, budgets and forecasting aligned with required timelines, regulations and standards.	
	Ensure project plan is in place for unwind and/or replacement BEE structure.	
	Update and drive the implementation of the Exxaro Insurance Company strategy to secure adequate insurance cover for Exxaro group's insurable risk at reasonable cost.	
Leading people change	Achieve employment equity and gender representation targets across all Exxaro group employers in core and in management levels aligned to the approved employment equity plan and mechanisms as per DEI metrics and plan.	
Safety and business sustainability	Consolidate social spend vehicles under the Exxaro Aga Setshaba Trust. Spend on the trust and ESD programme is aligned to ensure at least a level 3 dtic rating.	
Cost management and prudence	Departmental budget spend.	
	Identify areas of cost reduction and other cost savings across the Exxaro group.	
	No overdue and or repeat level 1 and 2 audit findings in area of responsibility.	
Performance rating		3.33/5

Remuneration report: section 3 continued

STI group scorecard outcomes

The table below discloses business and individual performance outcomes used in determining the STI for each executive director and prescribed officer. All payments are due as per policy, and there were no deviations during the year.

Group scorecard targets and actuals for 2024

				0%	100%	150%			
Broad goals	Broad weight	Measurement (KPI)	KPI weight	Threshold	Target	Stretch	Actual	Outcome	
Financial + operational + strategic	75%	EBITDA	50%	90%	104.9%	115.2%	102.20%	82%	
		Cash cost per tonne	15%	115%	100%	95%	112.60%	16%	
		Saleable tonnes	10%	90%	100%	102%	90.40%	4%	
ESG	Safety	25%	LTIFR and zero fatalities	10%	0.050	0.050	0.025	0.061	0%
	Climate change		Water intensity	7.5%	0.215	0.180	0.125	0.142	135%
			Energy intensity	7.5%	33.137	32.329	30.713	27.688	150%
		100%		100%					65.08%

STI payments for executive directors and prescribed officers in 2024

Executive directors and prescribed officers	NCOE (R)	Business performance score (80%)	Individual performance/ (20%) rating factor (%)	STI target (%)	Total actual STI (R)
Dr N Tsengwa ¹	9 547 386			100	
PA Koppeschaar ²	7 123 788	65.08	115	75	4 010 572
S Govender ³	3 499 371	65.08	115	50	1 313 392
L Groenewald ⁴	5 607 514	115		70	4 514 049
RE Lilleike	4 838 830	65.08	115	75	2 724 180
PK Masia ⁵	5 702 361			75	
JG Meyer	5 119 638	65.08	115	60	2 305 816
MH Nana ⁶	2 233 336	65.08	150	50	916 388
AT Ndoni ⁷	3 398 885			60	
TT Ratsheko ³	2 768 085	65.08	100	50	997 402
JA Rock	4 610 592	65.08	115	60	2 076 548
M Vetu	4 723 314	65.08	100	60	2 042 298
Total prescribed officers' remuneration	59 173 100				20 900 645

¹ Resigned on 5 February 2025; STI forfeited due to resignation.

² Acting CEO (until 31 March 2025) and FD.

³ Acting allowance not included in NCOE for STI purposes.

⁴ Participant in BMP; 80% company, 20% Individual – weighted scorecard performance outcome.

⁵ Precautionary suspension; STI withheld due to suspension.

⁶ Appointed on 1 May 2024.

⁷ Resigned on 30 November 2024; STI forfeited due to resignation.

Awards under the LTIP scheme

The table below discloses the outcomes of the 2022 and 2021 conditional LTIP awards that vest in April 2025 and vested in April 2024.

Of the awards made in April 2022, 78.34% vest in April 2025. A summary of the vesting percentages by vesting condition is below.

Performance vesting conditions outcome	Weight (%)	2024 (%)	2023 (%)
ROCE	33.33	100	100.00
TSR	33.33	35	100.00
ESG	33.34	100	96.00
Overall vesting		78.34	98.67



For 2024		For 2023
ROCE	ROCE achievement was 100% based on a calculated result exceeding the 22% stretch target as the arithmetic average of the three-year performance period.	ROCE achievement was 100% based on a calculated result exceeding the 22% stretch target as the arithmetic average of the three-year performance period.
TSR	<p>TSR achievement was 35% based on a result of 15.18% for Exxaro.</p> <p>JSE Capped Resources 10 Index (RESI 10) component:</p> <ul style="list-style-type: none"> Exxaro was placed fifth (first: Harmony (45.32%); second: Goldfields (26.50%); third: AngloGold (20.32%); fourth: Glencore (18.48%); sixth: BHP Billiton (12.84%); seventh: Anglo (2.63%); eighth: Sasol (-18.90%); ninth: Implats (-20.73%); 10th: Anglo Platinum (-20.80%); and 11th: Sibanye Stillwater (-27.48%)) Therefore, 50% achieved for this component <p>Energy peer group and Thungela component:</p> <ul style="list-style-type: none"> Energy peer group: Exxaro was first (second: Brookfield (0.56%); third: Acciona (-2.02%); and fourth: Atlantica (-6.38%)) Thungela: Exxaro was placed second (first: Thungela 51.01%) <p>This amounts to an average TSR of 24.2% and 0% achievement for the energy peer group and Thungela component.</p>	<p>TSR achievement was 100% based on a result of 32.5%, which positioned Exxaro second compared to the RESI 10 (first: Glencore (48.9%); third: Sasol (28.0%); fourth: BHP Billiton (24.8%); fifth: Goldfields (18.2%); sixth: Anglo (13.4%); seventh: AngloPlats (-1.9%); eighth: AngloGold (-3.9%); ninth: Implats (-4.2%); 10th: Northern Platinum (-6%); and 11th: Sibanye Stillwater (-10.5%)).</p>
Governance	The governance component of ESG, as per the FTSE Russell ESG Index, met the lower and higher target which resulted in a 100% achievement for the 2024 portion of the awards.	The governance component of ESG, as per the FTSE Russell ESG Index, met the lower target, which resulted in a 96% achievement for the 2023 portion of the awards.

Table of unvested awards: LTIP

The table below illustrates the rights held by each participant, vested shares and shares forfeited due to performance conditions not being met in the review period, and shares forfeited as a result of resignation in the review period.

LTIP details for executive directors and prescribed officers in 2024.

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited ¹ (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end ² (R)	MSR election (Number)	Closing balance 31 Dec 2024 (Number)
Executive directors											
Dr N Tsengwa ³	80 115		01/04/2021	01/04/2024	79 047	1 068	168.78	13 341 553			
	14 224		01/04/2022	01/04/2025		14 224					
	78 093		01/04/2022	01/04/2025		78 093					
	112 157		01/04/2023	01/04/2026		112 157					
		132 640	01/04/2024	01/04/2027		132 640					
	284 589	132 640			79 047	338 182		13 341 553			
PA Koppeschaar ⁴	49 954		01/04/2021	01/04/2024	49 288	666	168.78	8 318 829			
	41 816		01/04/2022	01/04/2025					6 604 837		41 816
	51 829		01/04/2023	01/04/2026					8 186 391		51 829
		61 258	01/04/2024	01/04/2027					9 675 701		61 258
	143 599	61 258			49 288	666		8 318 829	24 466 929		154 903
Prescribed officers											
S Govender ⁵	12 947		01/04/2021	01/04/2024	12 775	172	168.78	2 156 165			
	10 838		01/04/2022	01/04/2025					1 711 862		10 838
	13 531		01/04/2023	01/04/2026					2 137 221		13 531
		15 993	01/04/2024	01/04/2027					2 526 094		15 993
	37 316	15 993			12 775	172		2 156 165	6 375 177		40 362
L Groenewald	19 175		01/04/2021	01/04/2024	18 920	255	168.78	3 193 318			
	16 832		01/04/2022	01/04/2025					2 658 614		16 832
	36 007				18 920	255		3 193 318	2 658 614		16 832
RE Lilleike	38 223		01/10/2023	01/10/2026					6 037 323		38 223
		41 604	01/04/2024	01/04/2027					6 571 352		41 604
	38 223	41 604							12 608 675		79 827

Remuneration report: section 3 continued

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited ¹ (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end ² (R)	MSR election (Number)	Closing balance 31 Dec 2024 (Number)
PK Masia ⁶	34 170		01/04/2022	01/04/2025					5 397 152		34 170
	34 170		01/04/2022	01/04/2025					5 397 152		34 170
	42 264		01/04/2023	01/04/2026					6 675 599		42 264
		49 954	01/04/2024	01/04/2027					7 890 234		49 954
	110 604	49 954							25 360 137		160 558
JG Meyer	25 214		01/04/2021	01/04/2024	24 878	336	168.78	4 198 909			
	21 107		01/04/2022	01/04/2025					3 333 851		21 107
	26 308		01/04/2023	01/04/2026					4 155 349		26 308
		31 094	01/04/2024	01/04/2027					4 911 297		31 094
	72 629	31 094			24 878	336		4 198 909	12 400 497		78 509
MH Nana ⁷		12 417	01/05/2024	01/05/2027					1 961 265		12 417
		12 417							1 961 265		12 417
AT Ndoni ⁸	12 165		01/11/2021	01/11/2024	12 003	162	167.09	2 005 581			
	9 296		01/04/2022	01/04/2025		9 296					
	11 499		01/04/2023	01/04/2026		11 499					
	8 481		01/09/2023	01/09/2026		8 481					
		22 551	01/04/2024	01/04/2027		22 551					
	41 441	22 551			12 003	51 989		2 005 581			
TT Ratsheko ⁵	10 254		01/04/2021	01/04/2024	10 118	136	168.78	1 707 716			
	8 583		01/04/2022	01/04/2025					1 355 685		8 583
	10 708		01/04/2023	01/04/2026					1 691 329		10 708
		12 649	01/04/2024	01/04/2027					1 997 910		12 649
	29 545	12 649			10 118	136		1 707 716	5 044 924		31 940
JA Rock	24 928		16/10/2023	16/10/2026					3 937 378		24 928
		27 591	01/04/2024	01/04/2027					4 357 998		27 591
	24 928	27 591							8 295 376		52 519
M Vetu	23 442		01/04/2021	01/04/2024	23 130	312	168.78	3 903 881			
	19 623		01/04/2022	01/04/2025					3 099 453		19 623
	24 271		01/04/2023	01/04/2026					3 833 604		24 271
		28 687	01/04/2024	01/04/2027					4 531 112		28 687
	67 336	28 687			23 130	312		3 903 881	11 464 169		72 581

¹ Shares forfeited due to performance conditions not being fully met and/or shares forfeited due to resignation in the year.

² Based on a share price of R157.95 which prevailed on 31 December 2024 and assumes 100% vesting.

³ Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, we reviewed the current status at the time of publication and have reflected it as forfeited.

⁴ Acting CEO (until 31 March 2025) and FD.

⁵ Acting.

⁶ Precautionary suspension: LTIP due to vest in 2025 is currently suspended.

⁷ Appointed on 1 May 2024.

⁸ Resigned on 30 November 2024. Due to being on the insider register, shares (awarded 1 November 2021) became exercisable on 1 December 2024.

VARP details for Leon Groenewald in 2024

Leon Groenewald's employment contract stipulates a term of four years. Therefore, his award multiple is four. The VARP multiple for all other permanent employees is limited to five. The managing director: energy's VARP will vest in equal tranches of 50% each on 1 April 2026 and 1 April 2027, subject to achieving the performance milestones. After vesting, his awards will continue as usual with exercise windows of four years. Awards will not be accelerated.

The table below illustrates the rights held by the participant in terms of VARP tranches and vesting dates.

	Tranche	Value at grant date (R)	Vesting date	Exercisable date	Fair value of award at year end ¹ (R)
Prescribed officer (L Groenewald)	Tranche 1	6 354 115	01/04/2026	01/04/2030	10 371 141
	Tranche 2	6 354 115	01/04/2027	01/04/2031	14 547 912

¹ The fair value at year end is determined as award value x likelihood of milestone being met x value multiple at year end (assumed 100% vesting).



Table of unvested awards: BMP

The table below illustrates the rights held by the participant. BMP details for Leon Groenewald in 2024:

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end ¹ (R)	Closing balance 31 Dec 2024 (Number)
Prescribed officer (L Groenewald)		1 149	01/04/2024	01/04/2025					181 485	1 149
		1 149	01/04/2024	01/04/2026					181 485	1 149
		2 298							362 970	2 298

¹ Based on the prevailing share price of R157.95 on 31 December 2024.

Table of unvested awards: DBP

The table below illustrates the rights held by each participant and the movements in these rights during the year. DBP details for executive directors and prescribed officers in 2024:

	Opening balance 1 Jan 2024 (Number)	Awarded during the year (Number)	Award date	Vesting date	Shares vested during the year (Number)	Shares forfeited ¹ (Number)	Sale price/ market price (R)	Pre-tax gain (R)	Value at year end ² (R)	MSR election (Number)	Closing balance 31 Dec 2024 (Number)
Executive directors											
Dr N Tsengwa ³	589		19/03/2021	19/03/2024	589		171.54	101 037			
	2 770		31/03/2021	31/03/2024	2 770		168.78	467 521			
		6 401	31/03/2024	31/03/2027		6 401					
	3 359	6 401			3 359	6 401		568 558			
PA Koppeschaar ^{4, 7}	750		21/09/2021	21/09/2024					118 463		750
	1 024		04/03/2022	04/03/2025					161 741		1 024
		6 249	31/03/2024	31/03/2027					987 030		6 249
	1 774	6 249							1 267 234		8 023
Prescribed officers											
S Govender ⁵	179		19/03/2021	19/03/2024	179		171.54	30 706			
	202		31/08/2021	31/08/2024	202		160.12	32 344			
	735		31/03/2022	31/03/2025					116 093		735
	1 116				381			63 050	116 093		735
L Groenewald	200		19/03/2021	19/03/2024	200		171.54	34 308			
	1 275		31/03/2021	31/03/2024	1 275		168.78	215 195			
	409		21/09/2021	21/09/2024	409		157.20	64 295			
	1 004		04/03/2022	04/03/2025					158 582		1 004
	1 845		31/03/2022	31/03/2025					291 418		1 845
	4 733				1 884			313 798	450 000		2 849
PK Masia ⁶		5 098	31/03/2024	31/03/2027					805 229		5 098
		5 098							805 229		5 098
JG Meyer ⁷	301		21/09/2021	21/09/2024					47 543		301
	301								47 543		301
AT Ndoni ⁸	96		04/03/2022	04/03/2025		96					
	1 676		31/03/2023	31/03/2026		1 676					
		1 170	31/03/2024	31/03/2027		1 170					
	1 772	1 170				2 942					
TT Ratsheko ⁵	144		19/03/2021	19/03/2024	144		171.54	24 702			
	820		31/03/2021	31/03/2024	820		168.78	138 400			
	161		31/08/2021	31/08/2024	161		160.12	25 779			
	391		04/03/2022	04/03/2025					61 758		391
	583		31/03/2022	31/03/2025					92 085		583
	2 099				1 125			188 881	153 843		974
M Vet ⁷	449		19/03/2021	19/03/2024	449		171.54	77 021			
	3 180		31/03/2021	31/03/2024	3 180		168.78	536 720			
	278		21/09/2021	21/09/2024					43 910		278
	7 230		31/03/2023	31/03/2026					1 141 979		7 230
		3 316	31/03/2024	31/03/2027					523 762		3 316
	11 137	3 316			3 629			613 741	1 709 651		10 824

¹ Matching shares forfeited due to termination of services.

² Based on the prevailing share price of R157.95 on 31 December 2024.

³ Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, we reviewed the current status at the time of publication and have reflected it as forfeited.

⁴ Acting CEO (until 31 March 2025) and FD.

⁵ Acting.

⁶ Precautionary suspension.

⁷ Will be allowed to exercise the September 2024 tranche once removed from the insider register.

⁸ Resigned on 30 November 2024.

Remuneration report: section 3 continued

DBP income for executive directors and prescribed officers

Executive directors and prescribed officers	DBP shares held as a percentage of NCOE at 31 December 2024	DBP shares held at 31 December 2024		DBP shares pledged in 2021 – matched and vested in 2024	
	(%)	(R)	(Number)	(R)	(Number)
Dr N Tsengwa ¹				568 558	3 359
PA Koppeschaar ^{2,7}	18	1 267 234	8 023		
S Govender ³	3	116 093	735	63 050	381
L Groenewald	8	450 000	2 849	313 798	1 884
RE Lilleike					
PK Masia ⁴	14	805 229	5 098		
JG Meyer ⁷	1	47 543	301		
MH Nana ⁵					
AT Ndoni ⁶					
TT Ratsheko ³	5	153 843	974	188 881	1 125
JA Rock					
M Vet ⁷	36	1 709 651	10 824	613 741	3 629

¹ Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, we have reflected the current position at the time of publication and indicate the shares as forfeited.

² Acting CEO (until 31 March 2025) and FD.

³ Acting.

⁴ Precautionary suspension.

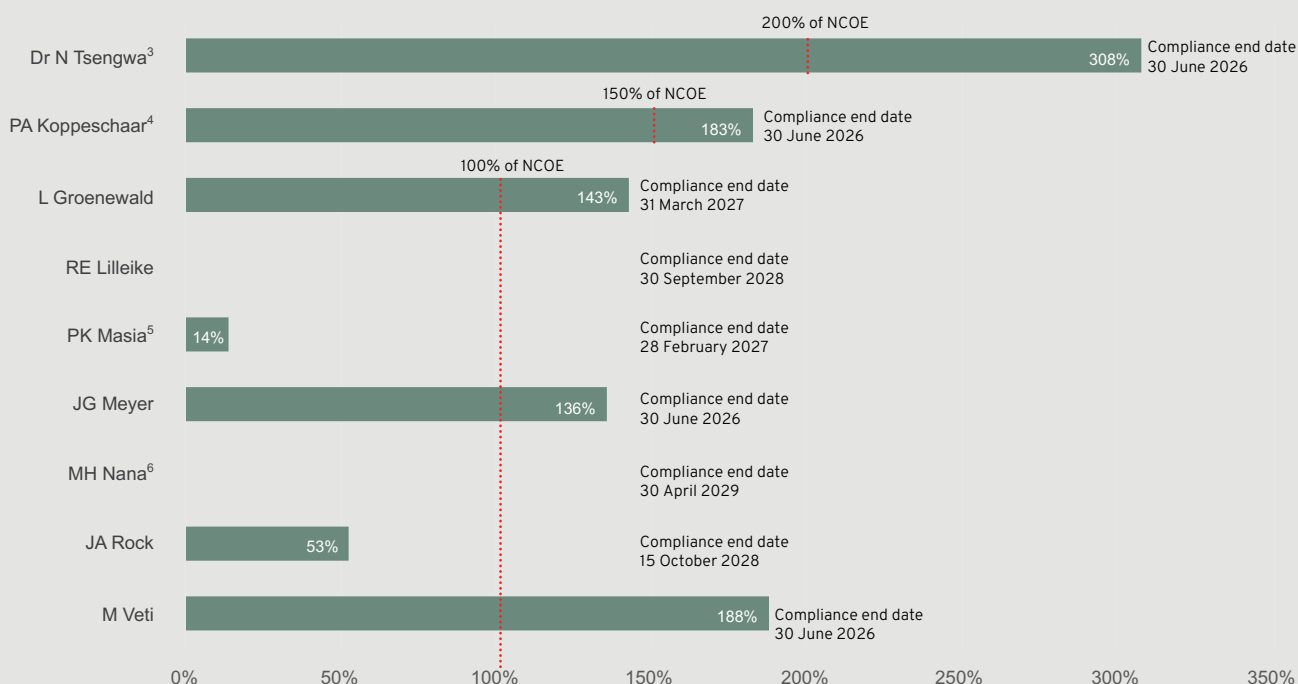
⁵ Appointed on 1 May 2024.

⁶ Resigned on 30 November 2024.

⁷ Shares that vested in September 2024 but not yet exercised – as the participant is included on the insider register – are part of the calculations in DBP shares held at 31 December 2024 columns.

MSR

Achievement against MSR target for executive directors and prescribed officers as at 31 December 2024^{1,2}



¹ Based on a volume weighted average share price of R157.95 that prevailed on 31 December 2024.

² MSR shares held on a pre-tax basis in an MSR account until the determination date.

³ Resigned on 5 February 2025.

⁴ Acting CEO (until 31 March 2025) and FD.

⁵ Precautionary suspension.

⁶ Appointed on 1 May 2024 (for the purposes of the MSR calculation, the NCOE was annualised).



Total executive management remuneration

The total single-figure remuneration for executive directors and prescribed officers is stated in the table below to align with King IV. The 2024 LTIP granted on 1 April 2022 will vest on 1 April 2025 due to 2024 performance conditions. As the portion of the DBP voluntary deferral is included under the STIs, proceeds from the matched portion of the DBPs are reflected under LTIs.

Single-figure remuneration as per King IV for 2024 and 2023

	Year	NCOE ¹ (R)	Recognition and other payments ¹ (R)	STIs (R)	LTIs (R)	Total remuneration (R)
Executive directors						
Dr N Tsengwa ²	2024	9 547 386	20 139			9 567 525
	2023	8 890 630	63 460	4 359 964	16 850 885	30 164 939
PA Koppeschaar ³	2024	7 123 788	4 260	4 010 572	5 335 970	16 474 590
	2023	6 702 393	2 760	2 364 604	10 232 100	19 301 857
Prescribed officers						
S Govender ⁴	2024	3 524 329	82 060	1 313 392	1 457 166	6 376 947
	2023					
L Groenewald ⁵	2024	5 659 748	4 260	4 514 049	3 125 453	13 303 510
	2023	5 070 915	2 760	3 203 299	4 641 575	12 918 549
RE Lilleike ⁶	2024	4 838 830		2 724 180		7 563 010
	2023	1 156 038	1 200 000			2 356 038
PK Masia ⁷	2024	5 702 361	4 260			5 706 621
	2023	5 468 238	2 314	1 929 194		7 399 746
JG Meyer	2024	5 119 638	4 260	2 305 816	2 611 739	10 041 453
	2023	4 810 353	2 760	1 357 674	5 148 735	11 319 522
MH Nana ⁸	2024	2 233 336	2 420 000	916 388		5 569 724
	2023					
AT Ndoni ⁹	2024	3 398 885	4 002 702			7 401 587
	2023	3 093 366	725 050	797 073	2 454 415	7 069 904
TT Ratsheko ¹⁰	2024	2 816 339	4 260	997 402	1 215 887	5 033 888
	2023					
JA Rock ¹¹	2024	4 610 592	1 383 179	2 076 548		8 070 319
	2023	939 059	2 766 357			3 705 416
M Vetri	2024	4 723 314	4 260	2 042 298	2 428 111	9 197 983
	2023	4 446 111	63 460	1 254 870	5 528 571	11 293 012

¹ See table below for details on NCOE and recognition and other payments.

² Resigned on 5 February 2025. Although shares were unvested at 31 December 2024, at the time of publication, STIs and LTIs are forfeited.

³ Acting CEO (until 31 March 2025) and FD.

⁴ Appointed as acting chief coal operations officer on 15 November 2024. Remuneration information relates to the full year.

⁵ 2024 LTIs comprises of LTIP 2022 award: R2 082 758, DBP 2022 matching shares: R450 000 and BMP 2024 matching incentive: R592 695. Remuneration information relates to the full year for 2023. 2023 LTIs comprises of LTIP 2021 award: R3 868 756, DBP 2021 matching shares: R385 240 and BMP 2023 matching incentive: R387 579.

⁶ Appointed as chief growth officer on 1 October 2023.

⁷ Precautionary suspension; The LTIP that would vest in 2025 is currently suspended and not reflecting under LTIs.

⁸ Appointed as group company secretary on 1 May 2024.

⁹ Resigned on 30 November 2024.

¹⁰ Appointed as acting chief strategic resilience and governance officer on 25 September 2024. Remuneration information relates to the full year.

¹¹ Appointed as chief people and performance officer on 16 October 2023.

All incentive schemes are performance related and approved by the board of directors.

The STIs include the voluntary individual deferral for 2024.

The LTIP reflects 78.34% of the April 2022 award that will vest on 1 April 2025, based on the prevailing share price of R157.95 on 31 December 2024.

Remuneration report: section 3 continued

For 2024 ¹		For 2023 ¹
NCOE	NCOE includes leave days purchased as well as travel and acting allowances	NCOE includes leave days purchased as well as travel and acting allowances
Recognition and other payments		
LTIFR/fatality-free	R2 760 for LTIFR and R1 500 for fatality-free	R2 760/R2 314 for LTIFR is based on the functional area
Mutual separation and notice pay	For AT Ndoni mutual separation included R1 884 174 and notice pay of R942 087	
Long-service awards	Long-service award included for S Govender: R77 800	Long-service awards are included for Dr N Tsengwa: R60 700 and M Vet: R60 700
Leave encashment	Leave encashment amounts are included for Dr N Tsengwa of R15 879 and AT Ndoni of R209 127	
Sign-on bonuses	Sign-on bonus included for MH Nana: R2 420 000	Sign-on bonuses are included for RE Lilleike: R1 200 000 and JA Rock: R2 766 357
Retention allowance	Retention allowance included for: <ul style="list-style-type: none"> AT Ndoni: R963 054; had to be in service on 31 October 2024 to qualify for payment JA Rock: R1 383 179; had to be in service on 30 September 2024 to qualify for payment 	Retention allowance is included for AT Ndoni: R722 290; had to be in service on 31 October 2023 to qualify for payment

Non-executive directors' remuneration

	2024				2023			
	Fees for services (R)	Benefits and allowances ¹ (R)	Fees for services rendered to subsidiaries ² (R)	Total (R)	Fees for services (R)	Benefits and allowances ¹ (R)	Fees for services rendered to subsidiaries ² (R)	Total (R)
Non-executive directors								
GJ Fraser-Moleketi	1 495 520			1 495 520	1 423 075			1 423 075
KM Ireton	891 534			891 534	800 011			800 011
B Magara	1 100 503			1 100 503	897 586			897 586
B Mawasha	917 671			917 671	885 625			885 625
IN Malevu	707 165			707 165	685 337			685 337
L Mbatha ³	282 759		123 785	406 544	681 040		70 068	751 108
N Medupi ⁴	1 147 289			1 147 289	829 565			829 565
Dr P Mnganga	1 121 908			1 121 908	1 001 950			1 001 950
VZ Mntambo	768 756		218 535	987 291	684 262			684 262
N Molope ⁵	913 632			913 632				
MLB Msimang	895 573			895 573	851 536			851 536
CJ Nxumalo	1 106 079			1 106 079	1 072 369			1 072 369
	2 397 450			2 397 450	2 301 119			2 301 119
MG Qhena (chairman)								
PCCH Snyders	1 311 845			1 311 845	1 238 558	8 541		1 247 099
Total non-executive directors' remuneration	15 057 684		342 320	15 400 004	13 352 033	8 541	70 068	13 430 642

¹ Travel reimbursements for visiting various company operations during the year.

² Directors' fees paid by Eyesizwe RF Proprietary Limited.

³ Retired on 23 May 2024.

⁴ Appointed on 3 January 2023.

⁵ Appointed on 3 January 2024.