

# CORPORATE GOVERNANCE OVERVIEW

The Pan African board is committed to upholding corporate governance practices and promoting responsible corporate citizenship as an integral part of the Group’s strategic framework.

## CORPORATE GOVERNANCE FRAMEWORK

The board is the custodian of the Group’s corporate governance framework and is supported by its five committees. The board recognises its responsibility to lead the Group ethically and sustainably through the application of King IV™.

The Group’s corporate governance framework forms the foundation of how business is conducted and is guided by:

### Our purpose

We are committed to optimally and consistently extracting gold from mineral deposits while creating sustainable value for all our stakeholders through responsible mining.

### Our vision

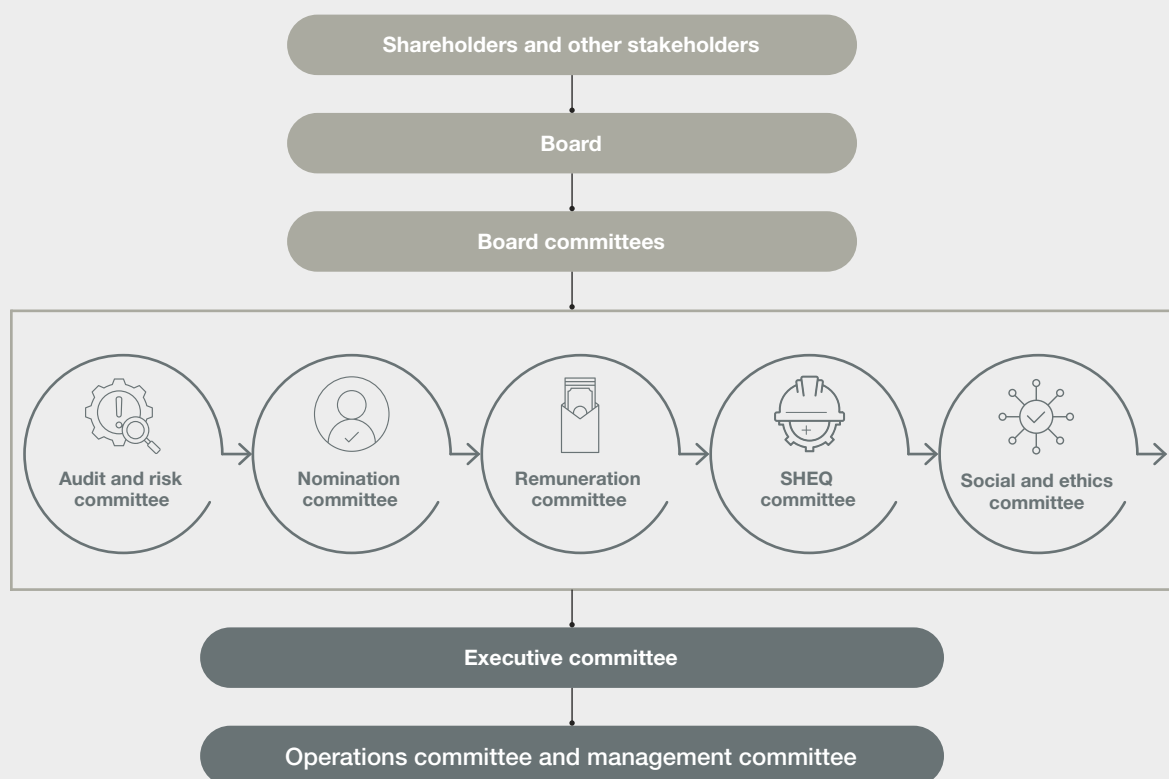
We aspire to further develop Pan African as a leading mid-tier gold producer that upholds its purpose.

## Our sustainability commitment

Our commitment to sustainability extends beyond compliance. We collaborate with experts in community engagement, conservation and sustainability initiatives to benefit all stakeholders. Our approach prioritises ESG considerations, including the use of renewable energy and water recycling.

### Our values

- Action and delivery
- Excellence
- Resilience
- Courageous conversations
- Innovation
- Teamwork
- Ownership
- Integrity
- Care
- Attitude



## CORPORATE GOVERNANCE OVERVIEW continued

The board assumes ultimate responsibility for ensuring that the Group adheres to sound corporate governance standards and makes business decisions with the appropriate diligence, expertise and focus to maximise sustainable value for all stakeholders.

The board comprises a diverse group of directors who possess the requisite knowledge, expertise, technical experience and business acumen to govern the Group responsibly, ethically, honestly and transparently. We recognise that we operate in an ever-shifting environment shaped by evolving social and political dynamics, and we are committed to maintaining effective and responsible governance structures that safeguard our reputation and social licence to operate.

The board delegates certain powers to its committees, which assist it in fulfilling its corporate governance responsibilities per their board-approved charters. Each committee charter outlines the delegated roles and responsibilities of the committee and is subject to periodic review by the board. Refer to **page 146** for more information on the composition and role of the board committees. For an overview of board members' credentials and their committee membership, please refer to **pages 144 and 145**. The corporate governance framework, which was reviewed in June 2024, is depicted on **page 139**.

### STAKEHOLDER CONCERNS, STRATEGIC AREAS OF FOCUS AND ISSUES DISCUSSED AND ACTIONED

Our directors are acutely aware of their responsibility to act in the best interests of the Company and its members as a whole, taking into consideration the short-, medium- and long-term success of the Company, as outlined in section 172 of the UK Companies Act 2006.

The board assumes responsibility for establishing the strategic direction of the Group, overseeing its overall business conduct and culture and ensuring alignment with the Group's purpose and values. Meetings are convened by the board at least four times a year, with additional meetings scheduled as deemed necessary. In 2024, the board convened on seven occasions, reflecting its commitment to diligent governance.

Stakeholder relations are a fundamental component of the Group's governance structure and are managed through various channels. The social and ethics committee is responsible for oversight of stakeholder relationships. The chief executive officer, financial director and head of investor relations ensure an inclusive approach to achieving optimal outcomes for all stakeholders in the execution of the Group's strategy. At an operational level, stakeholder engagement is the responsibility of the general manager, human resources manager and ESG manager.

The board prioritises transparency and accountability by ensuring clear and timely communication with shareholders and other stakeholders about the Group's performance and strategic direction. Inclusivity is central to its approach, with the board reporting annually on ESG performance and maintaining guidelines such as stakeholder relationship and engagement, whistle-blowing and SHEQ policies, which are available on the Group's website. Refer to our key stakeholder relationships on **pages 57 to 65** also, refer to **pages 136 and 137** for more information related to our suppliers.



### PROVIDERS OF CAPITAL | Investors, shareholders, fund managers, analysts and financial institutions

#### Strategic objective

#### FINANCIAL CAPITAL

Ensure adequate, competitively priced and flexible financial resources for the funding of our operations and disciplined capital allocation for sustainable long-term value creation

#### Key stakeholder concerns during the year

- Consistent financial and operational performance which enables sustainable shareholder returns
- Increasing debt levels
- Growth opportunities
- Distributions made in contravention of the UK Companies Act 2006
- Power curtailment
- Share liquidity and valuation

#### Governance responsibility

- Board
- Audit and risk committee
- Exco

#### Governance activities in 2024

- The board monitored the Group's capital structure, cash flow projections, debt covenant compliance and ongoing operational performance relative to budgets and operational forecasts. The board is confident that the Group's capital structure and its management of liquidity risk are appropriate and effective
- The board, through the audit and risk committee, monitored the Group's capital reduction process which took effect on 18 July 2024
- The board monitored the Group's solar funding strategy and approved the funding package for the construction of Barberton Mines' solar plant and the extension of Evander Mines' solar plant funding facility which was established during June 2024
- The board monitored the progress of the power purchase agreement entered into with Sturdee Energy
- The board reviewed several investment proposals and approved the strategic acquisition of an equity interest in TCMG
- The board, through the audit and risk committee, monitored the upgrade of the Group's ERP system
- The board reviewed the status of the Group's strategic capital projects, ensuring that these projects are being progressed consistent with projected timelines and within the allocated budget
- The board discussed the MTR project's execution risk and mitigating actions, specifically those related to social unrest and illegal mining in the area
- The board, through the social and ethics committee, monitored the Group's progress in meeting the KPIs associated with the sustainability-linked bond
- Taking into consideration the Group's strategic objectives, capital structure and liquidity, the board will recommend the proposed dividend for the year ended 30 June 2024 to shareholders for their approval at the November 2024 AGM

#### Looking ahead

- Monitor the Group's operational optimisation and restructuring initiatives intended to increase production and reduce costs
- Execute capital projects intended to sustain and increase gold production into the future
- Monitor debt levels as the MTR project's construction progresses
- Maintain the focus on generating sustainable shareholder returns
- Advance organic growth projects within our mining rights, and further progress the exploration programme in north-eastern Sudan once the in-country political situation stabilises

For more information refer to **pages 58 and 59**.



Refrigeration plant at Fairview Mine's 11 Level adit

## CORPORATE GOVERNANCE OVERVIEW continued

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**Employees and unions**

<p><b>Strategic objective</b></p> <p> <b>HUMAN CAPITAL</b></p> <p>Attract, cultivate and retain exceptional talent while fostering a culture of safety, respect and continuous learning</p>	<p><b>Governance activities in 2024</b></p> <ul style="list-style-type: none"> <li>The board, assisted by the SHEQ committee, had oversight of the Group's compliance with safety standards. It monitored the implementation of health and safety measures across operations, with a particular focus on reinforcing fundamental safety behaviours and cultivating a robust safety culture</li> <li>The board monitored the Group's response to the fatal accident that occurred at Elikhulu in February 2024</li> <li>Executive directors ensured that employee safety was a consistent and prominent agenda item in every Exco meeting</li> <li>The board discussed and approved initiatives to enhance the safety and risk management of the Group's TSFs</li> <li>The board, assisted by Remco:             <ul style="list-style-type: none"> <li>deliberated succession plans, retention and remuneration schemes and identified future leaders within the Group and the development of these leaders</li> <li>reviewed, monitored and ensured compliance in terms of stipulated employment equity targets and other regulatory requirements</li> </ul> </li> <li>The board monitored wage negotiations at Barberton Mines and Evander Mines. In June 2024, Barberton Mines successfully concluded a five-year wage agreement with the NUM. Similarly, a five-year wage agreement was reached with the UASA in July 2021, which is set to expire in June 2026</li> </ul>
<p><b>Key stakeholder concerns during the year</b></p> <ul style="list-style-type: none"> <li>Employee safety</li> <li>Wage negotiations</li> <li>Maturation of Barberton Mines' ESOP</li> <li>Diversity and transformation</li> </ul>	<p><b>Governance responsibility</b></p> <ul style="list-style-type: none"> <li>Board</li> <li>SHEQ committee</li> <li>Social and ethics committee</li> <li>Exco</li> </ul>
<p><b>Looking ahead</b></p> <ul style="list-style-type: none"> <li>Continue to drive year-on-year improvements in safety performance</li> <li>Implement improved safety initiatives at all operations</li> <li>Continue to maintain a strong focus on talent management, skills development and succession planning</li> </ul>	

For more information refer to **pages 60 and 61**.

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**Communities**

<p><b>Strategic objective</b></p> <p> <b>SOCIAL AND RELATIONSHIP CAPITAL</b></p> <p>Engage stakeholders to build positive relationships, maintain our social licence to operate and create sustainable value</p>	<p><b>Governance activities in 2024</b></p> <ul style="list-style-type: none"> <li>The executive directors managed stakeholder relationships on behalf of the Group, and the chief executive officer updated the board on the status of stakeholder engagements</li> <li>Feedback from external stakeholders such as host communities, financiers, the South African government and shareholders was discussed by the board</li> <li>The board, through the SHEQ committee and the social and ethics committee, monitored the progress of the Group's CSI and local LED projects and was satisfied with the progress made by the Group on these projects</li> </ul>
<p><b>Key stakeholder concern during the year</b></p> <ul style="list-style-type: none"> <li>Socio-economic support and opportunities through job creation and infrastructure development</li> </ul>	<p><b>Governance responsibility</b></p> <ul style="list-style-type: none"> <li>Board</li> <li>SHEQ committee</li> <li>Social and ethics committee</li> <li>Exco</li> </ul>
<p><b>Looking ahead</b></p> <ul style="list-style-type: none"> <li>Continue to engage with communities and stakeholders surrounding our operations</li> <li>Continue investing in local community socio-economic development projects through Barberton Mines' and Evander Mines' SLPs, CSI and our 'beyond compliance' ESG projects</li> <li>Continue with small enterprise development assistance for local historically disadvantaged South African (HDSA) companies through business incubation centres that provide training, mentoring and support infrastructure</li> </ul>	

For more information refer to **pages 62 and 63**.

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**Governments and regulatory bodies** | The governments of South Africa, the UK and Sudan, the JSE, A2X, AIM, OTCQX and other regulatory authorities

<p><b>Strategic objective</b></p> <p> <b>SOCIAL AND RELATIONSHIP CAPITAL</b></p> <p>Engage stakeholders to build positive relationships, maintain our social licence to operate and create sustainable value</p>	<p><b>Governance activities in 2024</b></p> <ul style="list-style-type: none"> <li>The board, through the audit and risk committee:             <ul style="list-style-type: none"> <li>reviewed ongoing compliance with King IV™, the listings requirements (JSE and AIM) and other relevant regulations applicable to the Group. The board is satisfied with the extent of the Group's compliance with the King IV™ principles and the listings requirements</li> <li>monitored investigations emanating from the Group's whistle-blowing hotline</li> </ul> </li> <li>The board, through the social and ethics committee and SHEQ committee, monitored compliance with SLP commitments</li> <li>The board monitored progress on the DMRE engagement regarding the MTR project's SLPs</li> <li>The board monitored the implementation of risk management initiatives aimed at enhancing the safety and operational management of the Group's TSFs while striving for GISTM compliance as far as reasonably practicable</li> <li>The board monitored the construction of phase 2 of Elikhulu's TSF extension on the Kinross footprint</li> <li>The board monitored the registration and transfer of mining rights associated with the MTR project</li> <li>The board, through the audit and risk committee, approved the share trading policy, the IT governance policy and the internal irregularities investigation protocols in November 2023 and reviewed other key policies and charters to ensure their relevance, effectiveness and alignment with best practices</li> </ul>
<p><b>Key stakeholder concern during the year</b></p> <ul style="list-style-type: none"> <li>Compliance with regulatory requirements</li> </ul>	<p><b>Governance responsibility</b></p> <ul style="list-style-type: none"> <li>Board</li> <li>Audit and risk committee</li> <li>Social and ethics committee</li> <li>Exco</li> </ul>
<p><b>Looking ahead</b></p> <ul style="list-style-type: none"> <li>Through ethical awareness campaigns, further promote and enhance awareness of ethical behaviour</li> <li>Continued compliance with the Group's SLPs</li> <li>Continue with our strategy of adopting a 'beyond compliance' ESG approach</li> <li>Continue to progress the implementation of TSF audit recommendations and compliance with the GISTM to ensure that the Group's TSFs are compliant, to the extent possible</li> </ul>	

For more information refer to **pages 62 and 63**.

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**The environment** | Represented by civil society groups whose primary areas of interest include environmental-related issues

<p><b>Strategic objective</b></p> <p> <b>NATURAL CAPITAL</b></p> <p>Manage our operations with climate-conscious practices that preserve and protect natural resources and promote sustainability</p>	<p><b>Governance activities in 2024</b></p> <ul style="list-style-type: none"> <li>The board monitored land rehabilitation progress linked to the MTR project ensuring alignment with the sustainability-linked bond KPI</li> <li>The board, through the social and ethics committee, monitored:             <ul style="list-style-type: none"> <li>the Group's progress in meeting the KPIs associated with the sustainability-linked bond</li> <li>the operational performance of Evander Mines' solar plant</li> <li>the construction progress of Barberton Mines' 8.75MW solar plant</li> <li>biodiversity and conservation collaboration partnerships between Barberton Nature Reserve and Barberton Mines</li> <li>the sponsorship of the Care for Wild Rhino Sanctuary</li> </ul> </li> <li>The board monitored the Group's ESG performance including:             <ul style="list-style-type: none"> <li>the progress of its renewable energy and climate change strategy</li> <li>the operational performance of Evander Mines' water treatment plant</li> <li>the Barberton Blueberries project, tracking the extent of employment opportunities created, remuneration paid to employees and blueberries harvested and sold</li> <li>the implementation of phase 1 of a health and wellness programme at Barberton Mines</li> <li>the assurance of ESG disclosures in the 2024 sustainable development report</li> </ul> </li> <li>No reportable environmental incidents were reported</li> <li>The board, through the SHEQ committee, monitored:             <ul style="list-style-type: none"> <li>the Group's carbon footprint and GHG emissions and reviewed initiatives to reduce baseline GHG emissions</li> <li>the progress of the Group's rehabilitation initiatives</li> </ul> </li> </ul>
<p><b>Key stakeholder concerns during the year</b></p> <ul style="list-style-type: none"> <li>Sustainability performance and reporting</li> <li>Tailings management</li> </ul>	<p><b>Governance responsibility</b></p> <ul style="list-style-type: none"> <li>Board</li> <li>SHEQ committee</li> <li>Social and ethics committee</li> <li>Exco</li> </ul>
<p><b>Looking ahead</b></p> <ul style="list-style-type: none"> <li>Continue to monitor and improve regulatory compliance</li> <li>Continue to assess and respond to any negative impacts that the Group's operations may have had on the environment and communities surrounding our operations</li> </ul>	

For more information refer to **pages 64 and 65** as well as the sustainable development report and the climate change report published on our website. <https://www.panafricanresources.com/investors/gri-and-sustainability/>