

Corporate governance overview

Good corporate governance supports the achievement of Pan African's vision to create sustainable value for all our stakeholders.

The implementation of our corporate governance framework enhances our reputation, supports our licence to operate and ensures compliance with legislation and industry standards.

For the long-term sustainability of our business, given the long-term capital-intensive nature of mining projects and the often challenging socio-economic and political contexts in which we operate, it is important that we integrate responsible corporate citizenship into the Group's strategy.

We review our corporate governance practices regularly and have adopted King IV™ as the recognised corporate governance code to ensure that we act in the best interests of our stakeholders, comply with the applicable laws and regulations and adapt to changes in our regulatory environment. The application of King IV™ within the Company can be found in the full governance report at

<https://www.panafricanresources.com/about/corporate-governance/>

STRATEGIC KEY FOCUS AREAS AND ISSUES DISCUSSED AND ACTIONED

Strategic initiative

Ensuring adequate financial resources for the efficient operation of our mines and disciplined capital allocation for sustainable value creation

Issues discussed and actioned

- Hedging a portion of production to enhance the Group's ability to service senior debt
- Investigating options to access international and local funding to increase share liquidity (ADR)
- Optimising the Group's capital structure, debt:equity ratio and appropriate debt tenures

Strategic outcome

- Reducing Group senior debt and improving liquidity and funding flexibility
- Establish level 1 ADR programme sponsored by the Bank of New York Mellon

Strategic initiative

Effectively develop and complement our Mineral Resources and Mineral Reserves for a sustainable future

Issues discussed and actioned

- Progressing the Egoli project to feasibility study phase and commencing project execution planning
- Progressing the Royal Sheba project
- Progressing Fairview's sub-vertical project
- Commenced the extraction of New Consort's shaft pillar

Strategic outcome

- Successfully deliver on capital projects for sustainable future gold production

Strategic initiative

Use technology in a meaningful and relevant way to improve our operational efficiency and sustainability

Issues discussed and actioned

- Upgrading of Barberton Mines' geological software to Datamine software package
- Improving electronic financial reporting efficiency through continued development and integration of reporting software
- Implementing new pseudo pillar technology to support the areas being mined around the shaft pillar at 8 Shaft

Strategic outcome

- Use of technology to improve mine production, safety and efficiency

Strategic initiative

Employ, retain and develop the right people while keeping them safe and healthy

Issues discussed and actioned

- Succession plans
- Retention and remuneration schemes
- Identification of future leaders and the development of these individuals
- Ongoing new health and safety initiatives

Strategic outcome

- Improve our safety performance and continue to improve our levels of ESG compliance across all operations
- Succession plans and remuneration schemes that are appropriate and effectively align management and stakeholder objectives

Strategic initiative
Being considerate to the communities within which we operate as a responsible corporate citizen

Issues discussed and actioned

- Employing labour from host communities
- Assisting clinics and schools in host communities
- Supplying potable water to host communities
- Alleviating hardships due to COVID-19 through community relief and assistance programmes such as the provision of food and hygiene hampers
- Closure of shafts and enhancing the security function to combat illegal mining
- Approval has been obtained from the board for the development of phase 1 of the 45ha Barberton Blueberries project
- Investigating agri-business at Barberton Mines using surplus land and water resources and creating sustainable employment outside of mining

Strategic outcome

- Successfully meeting our stakeholders' expectations

Strategic initiative
Conduct our business operations in a way that results in minimal harm to the environment

Issues discussed and actioned

- Finalised a feasibility study and board approval of a solar photovoltaic plant at Evander Mines
- Constructing new TSFs with improved environmental features as per government regulations
- Limiting our carbon footprint
- Ongoing rehabilitation and closure of old shafts and infrastructure

Strategic outcome

- Cultivating a culture of environmental care and positive behaviour when dealing with environmental issues
- Compliance with our mining licence requirements

