



HARMONY GOLD MINING COMPANY LIMITED

("the Company")

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION AND INTRODUCTION

- 1.1. The Remuneration Committee ("the **Committee**") is constituted in terms of principle 8 of the King IV Report on Corporate Governance for South Africa, 2016 ("**King IV**") as a committee of the board of directors of the Company ("**Board**") in respect of all duties that the Board has delegated to it in terms of these Committee terms of reference ("these **Terms of Reference**") and the Board's approved delegation of authority policy, with the Board remaining ultimately accountable for such delegated responsibilities.
- 1.2. The Committee's activities, responsibilities and duties are subject to –
 - 1.2.1. these Terms of Reference; and
 - 1.2.2. the Board's approved delegation of authority policy, it hereby being recorded that an extract of the current delegation of authority, in so far as it pertains to the Committee is attached hereto as **Annexure A**.
- 1.3. The scope of the Committee's activities, responsibilities and duties extends to all relevant operations of (i) the Company; and (ii) any company or companies that are subsidiaries of the Company, as defined in the Companies Act, 2008 ("**the Act**") (collectively, "**the Group**").
- 1.4. The Committee has an independent role with accountability to the Board. The Committee does not assume the functions of management of the Company, which functions remain the responsibility of the Company's executive directors, executive management and senior managers.
- 1.5. These Terms of Reference are subject to the provisions of the Act read with the Companies Regulations, 2011 ("**the Regulations**"), the Company's Memorandum of Incorporation ("**the Memorandum of Incorporation**") and any other applicable laws and regulations.

2. PURPOSE OF THESE TERMS OF REFERENCE

[King IV, principle 8, RP 43]

2.1. The purpose of these Terms of Reference is to set out, among other things -

2.1.1. the functions, responsibilities and duties of the Committee;

2.1.2. the requirements for membership of the Committee; and

2.1.3. the meeting procedures of the Committee.

3. FUNCTIONS, RESPONSIBILITIES AND DUTIES

[King IV, principle 8, RP 43(b)]

The functions, responsibilities and duties of the Committee shall be to:

3.1. ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term *[King IV, principle 14]*;

3.2. having regard to what is set out in paragraph 3.1, make recommendations to the Board on how remuneration should be approached and addressed on a Company-wide basis; *[King IV, principle 14, RP 26]*

3.3. develop and determine, for approval by the Board, a remuneration policy that –

3.3.1. articulates and gives effect to the Board's direction on fair, responsible and transparent remuneration, in line with the Company's business strategy; *[King IV, principle 14, RP 27]*

3.3.2. is designed (i) to attract, motivate, reward and retain human capital; (ii) to promote the achievement of strategic objectives within the Company's risk appetite; (iii) to promote positive outcomes; and (iv) to promote an ethical culture and responsible corporate citizenship; *[King IV, principle 14, RP 28]*

3.3.3. addresses Company-wide remuneration and includes provision for the following specifically: (i) arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the Company; (ii) the use of performance measures that support positive outcomes across the economic, social and environmental context in which

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- the Company operates; and/or all the capitals that the Company uses or affects;
- (iii) the voting by shareholders on the remuneration policy and implementation report, and for the implementation of related responding measures as outlined in King IV, principle 14, recommended practices 36 to 39 (inclusive); and [*King IV, principle 14, RP 29*]
- 3.3.4. provides for all elements of remuneration that are offered in the Company and the mix of these, including: (i) base salary (including financial or non-financial elements); (ii) variable remuneration, including short and long-term incentives and deferrals; (iii) payments on termination of employment or office; (iv) sign-on, retention and restraint payments; (v) the provisions, if any, for pre-vesting forfeiture and post-vesting forfeiture of remuneration; (vi) any commissions or allowances; and (vii) fees of non - executive directors, to meet the Company's needs and further its strategic objectives. [*King IV, principle 14 RP 30(a) - (g)*]
- 3.4. implementing, administering, monitoring and reviewing such remuneration policy; [*King IV, principle 14, RP 27*]
- 3.5. disclosing remuneration by means of a remuneration report in the following three parts:
- 3.5.1. a background statement, which should briefly provide context for remuneration considerations and decisions, with reference to those matters set out in King IV, principle 14, recommended practice 33; [*King IV, principle 14, RP 33*]
- 3.5.2. an overview of the main provisions of the remuneration policy, which should: (i) address the objectives of the policy and the manner in which policy seeks to accomplish these; and (ii) include those items set out in King IV, principle 14, recommended practice 34; [*King IV, principle 14, RP 34*] and
- 3.5.3. an implementation report which should contain the remuneration disclosure in terms of the Act, with reference to those matters set out in King IV, principle 14, recommended practice 35 [*King IV, principle 14, RP 35*].
- 3.6. ensuring that the remuneration policy, together with the implementation report is tabled before shareholders for a non-binding advisory vote at each annual general meeting, every year; [*JSE Listings Requirements, section 3.84(j); King IV, principle 14 RP 37*];
- 3.7. ensuring that, in addition to what is contained in paragraph 3.3, the remuneration policy records the measures that the Board commits to take in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised, which measures should provide for taking steps in good faith and with best reasonable effort towards the following at a minimum:

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- 3.7.1. an engagement process to ascertain the reasons for the dissenting votes;
 - 3.7.2. appropriately addressing legitimate and reasonable objections and concerns raised, which may include amending the remuneration policy, or clarifying or adjusting remuneration governance and/or processes;

[JSE Listings Requirements, section 3.84(j); King IV, principle 14 RP 38]

- 3.8. ensuring that, in the event that either the remuneration policy or the implementation report, or both have been voted against by 25% or more of the voting rights exercised, the following is disclosed in the background statement of the remuneration report succeeding the voting:
 - 3.8.1. with whom the Company engaged, and the manner and form of engagement to ascertain the reasons for dissenting votes; and
 - 3.8.2. the nature of steps taken to address legitimate and reasonable objections and concerns;

[King IV, principle 14, RP 38]

- 3.9. review annually and make recommendations to the Board (based on an independent benchmark) on the remuneration of non-executive directors (for approval by the Company's shareholders for a period of two years from the date of the general meeting where the remuneration is approved or until such time as the non-executive directors' remuneration is amended by way of special resolution of shareholders, whichever comes first); *[Section 66(9) of the Act and King IV, principle 14, RP 30(f) – (g) and 36]*
- 3.10. review and, to the extent required, make recommendations to the Board on the remuneration packages needed to attract, retain and motivate high performing executive management, which will be as far as possible in proportion to their assessed value to the Group;
- 3.11. review annually and make recommendations to the Board on the executive directors' and executive management's annual salary increases, in order to ensure that such increases are reasonable, fair and responsible, taking into account the measurement of performance against pre-determined and agreed criteria, the annual performance assessments of the Board as well as industry benchmarks;
- 3.12. annually note and report to the Board the annual overall salary percentage increases of senior managers and lower level employees;
- 3.13. review and approve the remuneration and annual salary increase of the Group Company Secretary of the Company ("**Company Secretary**"), in order to ensure that it is reasonable,

fair and responsible, taking into account the measurement of performance against pre-determined and agreed criteria, the annual assessment of the Company Secretary in terms of section 3.84(h) of the JSE Listings Requirements as well as industry benchmarks; [*King IV, principle 10, RP 94*]

- 3.14. review and approve the remuneration and annual salary increase of the Head of Internal Audit, in order to ensure that it is reasonable, fair and responsible, taking into account the measurement of performance against pre-determined and agreed criteria as well as industry benchmarks; [*King IV, principle 15, RP 52*]
- 3.15. conduct risk-based monitoring and regularly (at least every second year) review the Group's incentive schemes (including any bonus, share, option and/or participation schemes) to ensure their continued contribution to shareholder value and to ensure that such incentives do not encourage behaviour contrary to the Company's risk management strategy, and make the necessary recommendations to the Board; [*King IV, principle 11*];
- 3.16. review six monthly and make recommendations to the Board regarding the executive short term incentive scheme Key Performance Indicators (KPIs) against which qualification for short-term incentive awards/payments will be measured. The committee may consider and recommend the ad hoc payment of special bonuses to the Board for approval;
- 3.17. review six monthly and make recommendations to the Board regarding the executive short term incentives to be paid based on the agreed KPIs for that period;
- 3.18. scrutinise all benefits including pensions, benefits in kind and other financial arrangements to ensure they are justified, correctly valued and suitably disclosed and make the necessary recommendations to the Board;
- 3.19. review current industry and general best practice in remuneration, including, among other things:
 - 3.19.1. professional executive recruitment organisations' publications;
 - 3.19.2. evolving and changing methods of remunerating executive management and directors;
 - 3.19.3. existing and developing concepts in fringe benefits and share plan architectures; and
 - 3.19.4. retirement and/or pension fund and termination payments;

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- 3.20. monitor and consider risks in relation to the matters that fall within the Committee's mandate;
[*King IV, principle 11*]
- 3.21. at all times give due consideration to the relevant provisions of the Act read with the Regulations, the JSE Listings Requirements, the Board's approved delegation of authority policy, the Memorandum of Incorporation, the constitutional documents of Group companies, and King IV.

4. POWERS

- 4.1. The Committee is accountable to the Board. To this end the Committee must make recommendations for approval by the Board, unless otherwise mandated by the Board in these Terms of Reference and the Board's approved delegation of authority policy.
- 4.2. The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment. The Committee acts in accordance with its delegated authority of the Board as recorded in these Terms of Reference.
- 4.3. The Board has an oversight responsibility and the Committee assists the Board in fulfilling this responsibility.
- 4.4. The Committee is authorised by the Board to:
- 4.4.1. investigate any matters or activities falling within the scope of these Terms of Reference;
 - 4.4.2. access outside legal or other independent professional advice in order to provide (i) professional and independent guidance on corporate governance and its legal duties; and (ii) support to co-ordinate its functioning, at the Company's expense, in accordance with a procedure developed by the Board for this purpose; [*King IV, principle 6, RP3, and principle 10, RP 90*]
 - 4.4.3. secure the attendance, at Committee meetings, of non-Committee members with the relevant experience and expertise where necessary, at the Company's expense, in accordance with any protocol or procedure developed by the Board for this purpose;
 - 4.4.4. seek any information it requires from any employee, the Chairman of Board or statutory committees of the Company, any of the Company's executive directors, Company officers or the Company Secretary, and all these parties are required to co-operate with any reasonable requests made by the Committee, to provide it with

information or explanations necessary for the performance of its functions; [*King IV, principle 6, RP4*]

4.4.5. form and delegate its duties to a sub-committee, sub-committees or to any one or more designated members of the Committee; and

4.4.6. perform any other function or exercise any other authority which the Board may from time to time assign or delegate to the Committee, as the case may be.

5. MEMBERSHIP

[*King IV, principle 8, RP 43(a)*]

5.1. Composition

5.1.1. The members of the Committee shall be appointed by the Board and shall comply with the following membership composition criteria:

5.1.1.1. the Committee shall consist of at least (3) three members, which members must be non-executive directors of the Company, of which the majority shall be independent non-executive directors; [*King IV, principle 8, RP 46 and 66*]

5.1.1.2. the Chairman of the Committee shall be an independent non-executive director; [*King IV, principle 8, RP 67*]

5.1.1.3. the Chairman of the Board may be a member of the Committee but shall not be the Chairman of the Committee; [*King IV, principle 7, RP 36(b)*]

5.1.1.4. The Chief Executive Officer of the Company may not be a member of the Committee but should attend by invitation any meeting, or part thereof, if needed to contribute pertinent insights and information. [*King IV, principle 10, RP 79*]

5.1.2. The members of the Committee must ensure that they meet the requirements in paragraph 7 (*Member Skills and Training*) below, and as a whole must have sufficient qualifications, knowledge, skills, experience and capacity to execute their duties effectively. [*King IV, principle 8, RP 45*]

5.2. Appointment

- 5.2.1. On recommendation by the Nomination Committee, the Board shall appoint the members of the Committee and fill any vacancy as and when required.
- 5.2.2. The Board shall elect the Chairman of the Committee and shall determine the period for which the Chairman shall hold such office. The Chairman of the Committee shall be required to attend the Company's Annual General Meeting ("**AGM**") to answer relevant questions posed by shareholders. [*King IV, principle 16, RP 6*]

5.3. Duration of membership

Members of the Committee shall be appointed for such period of time as the Board requires.

5.4. Termination

- 5.4.1. The Board may terminate the membership of any member of the Committee.
- 5.4.2. Members of the Committee may resign by giving written notice thereof to the Committee Chairman, with a copy to the Company Secretary who will notify the Board of any such resignations as soon as reasonably possible.

6. MEETINGS

[King IV, principle 8, RP 43(g)]

6.1. Frequency

- 6.1.1. The Committee must hold sufficient scheduled meetings in order to discharge all of its duties and will meet at least 4 (four) times a year, or more frequently as circumstances dictate.
- 6.1.2. Meetings in addition to those scheduled may be held with approval of the Chairman of the Committee or at the request of the Chairman of the Board.

6.2. Notice and Agenda

- 6.2.1. The Company Secretary shall, in consultation with the Chairman of the Committee, draft an agenda for the forthcoming Committee meeting, which shall be circulated, with supporting documentation and a notice of the Committee meeting, to the members of the Committee (and where applicable to anyone invited to attend the

meeting) at least five days prior to forthcoming meeting, so as to provide members of the Committee (and where applicable to anyone invited to attend the meeting) with reasonable notice of the meeting and of the business to be conducted at the meeting. The members of the Committee shall be entitled to make such agenda proposals as they may consider necessary.

- 6.2.2. The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual work plan must ensure proper coverage of the matters laid out in these Terms of Reference.

6.3. Attendance

- 6.3.1. The Chief Executive Officer [*King IV, principle 10, RP 79*], the Financial Director and the Head of Human Resources shall attend all meetings of the Committee as invitees. The Committee may (via the Committee Chairman) invite any other member of the Board, senior managers and/or professional advisors to attend Committee meetings. Such persons, to the extent that they are not Committee members, shall not be entitled to vote at Committee meetings.
- 6.3.2. Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the Committee Chairman; does not have a vote; and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and has been approved by the Company's shareholders in accordance with the Act; [*King IV, principle 8, RP 48*]
- 6.3.3. Members of the Committee must attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless they have, prior to the relevant meeting, submitted to the Committee Chairman, or in Chairman's absence, the Company Secretary, an apology for their absence at the meeting.
- 6.3.4. Where the Committee Chairman is not present within fifteen minutes of the time stipulated for a Committee meeting, the Committee members present at the meeting must elect one of them to act as Chairman of that meeting.
- 6.3.5. The Committee may, if deemed fit, confer by telephone, closed circuit television, webinar or video conferencing ("Conference"). Notwithstanding that the members of the Committee are not present together in one place at the time of the Conference, a resolution passed by members constituting a quorum at such a Conference shall, provided such resolution is recorded in writing and confirmed at

the next meeting of the Committee, be deemed to have been passed at a meeting of the Committee held on the day on which and at the time at which the Conference was held. The provisions of these Terms of Reference relating to proceedings of the Committee apply so far as they are capable of application *mutatis mutandis* to such Conferences.

6.3.6. The Company Secretary shall be the secretary of the Committee.

6.4. Quorum

6.4.1. A quorum for meetings of the Committee shall be a majority of members present in person or via Conference.

6.4.2. Persons who are in attendance at Committee meetings by invitation do not form part of the quorum for Committee meetings.

6.5. Committee Resolutions

6.5.1. Each member of the Committee has 1 (one) vote on a matter before the Committee and a majority of the votes cast on a resolution at a Committee meeting is sufficient to approve that resolution.

6.5.2. A resolution in writing ("**round robin resolution**") signed by a majority of the members of the Committee at the time when such resolution is released for signature, shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Committee, provided that each member of the Committee shall have received notice of the matter to be decided and, thereby, have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

6.5.3. Any round robin resolution:

6.5.3.1. may be signed or accepted in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document; and

6.5.3.2. may, in signed or unsigned form, be conveyed or transmitted by telefax, e-mail or any other form of electronic means,

subject to any conditions decided upon by the Committee.

6.5.4. The passing of round robin resolutions of the Committee must not detract from the requirements for frequency of Committee meetings as set out in these Terms of Reference.

6.5.5. All round robin resolutions should be tabled at the next Committee meeting for noting.

6.6. Minutes and reporting procedure

[King IV, principle 8, RP 43(e)]

6.6.1. The Company Secretary shall attend and minute all Committee meetings. In his/her absence, the Committee Chairman may appoint any person to act as the secretary of the Committee at a meeting of the Committee.

6.6.2. The minutes of the Committee meetings shall be completed as soon as possible, but in any event within fourteen days of such meeting, and shall be given to the Committee Chairman for review prior to circulation thereof to all members of the Committee for their review thereof. The minutes must be formally approved by the Committee at the next meeting thereof.

6.6.3. The Company Secretary shall incorporate the minutes of meetings of the Committee in the meeting files prepared for meetings of the Board for noting purposes. In addition, the Chairman of the Committee will provide feedback at the meetings of the Board on the Committee's recent activities.

7. MEMBER SKILLS AND TRAINING

7.1. All members of the Committee shall have a working familiarity with remuneration and accounting practices, and at least one member of the Committee should have experience in settling reward packages for executive management, to ensure that, as a whole, the Committee has the necessary knowledge, skills, experience and capacity to execute its duties effectively. *[King IV, principle 8, RP 45]*

7.2. The members of the Committee shall be knowledgeable about the affairs of the Group and the Group governance framework that articulates and gives effect to the Board's direction on the relationships and the exercise of authority across the Group. *[King IV, principle 16, RP12]*

7.3. New members should receive a complete orientation and induction that allows them to function effectively from the start.

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- 7.4. All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee.
- 7.5. Opportunities for continuous education and training on technical issues should be actively pursued by each member.

8. REMUNERATION

- 8.1. In addition to fees payable to them as non-executive directors of the Company from time to time (if applicable), Committee members shall be remunerated for their services as members of the Committee, as approved by the shareholders of the Company to the extent required by the Act. The Chairman of the Committee shall be paid an additional fee for services as Chairman. [*Section 66(9) of the Act*]
- 8.2. The Committee shall recommend the remuneration to be paid to the Committee members for approval by the Board, and, to the extent required by the Act, approval by shareholders of the Company via special resolution. Such remuneration shall be fair, responsible and transparent so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term [*Section 66(9) of the Act, King IV, principle 14*]

9. COMMITTEE EXPENSES

All expenses reasonably incurred by the Committee shall be paid by the Company.

10. COMMITTEE EVALUATION

[*King IV, principle 8, RP 43(h)*]

- 10.1. The Committee should annually conduct a performance evaluation, including an evaluation of the Committee's compliance with, and fulfilment of its responsibilities under, these Terms of Reference. [*King IV, principle 8, RP 43(h), King IV, principle 9*]
- 10.2. After completing its evaluation, the Committee should review the results with the Board, to enable the Board to ensure that such evaluation supports continued improvement in the Committee's performance and effectiveness [*King IV, principle 9*] and so that appropriate action can be taken on any recommendations resulting from the review.
- 10.3. The Committee must review and reassess the adequacy of these Terms of Reference annually and must recommend to the Board any improvements to these Terms of Reference that the Committee considers necessary. [*King IV, principle 8, RP 42*]

11. GENERAL

- 11.1. The Committee members are obliged to disclose in writing any personal financial interest in terms of section 75 of the Act and any other interests they have within or outside the Company and the Group that may be of interest to the Company or that may interfere or conflict with the performance of their duties, and to disclose at the commencement of each meeting of the Committee if they have any conflict of interest in respect of any matter on the agenda, in which case the member shall be required to recuse themselves from the meeting if so determined by the remaining members of the Committee.
- 11.2. All Company and Group related information that becomes known to directors in the performance of their duties must at all times be kept confidential.
- 11.3. Except to the extent of legal or regulatory provisions to the contrary, Committee members, being non-executive directors, are entitled to rely on the executives of the Company and those of other entities within the Group in relation to matters within their area of expertise and may assume the accuracy of information provided by such persons, provided that the Committee member is not aware of any reasonable grounds upon which reliance or assumption may be inappropriate.



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OF AUTHORITY

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Annexure A – EXTRACT OF DELEGATION OF AUTHORITY FRAMEWORK AS APPROVED BY THE BOARD IN AUGUST 2022

DELEGATION OF AUTHORITY MATRIX FOR THE REMUNERATION COMMITTEE

		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
7.	PERSONNEL					
2.1.	Remuneration, bonuses and allowances					
	<ul style="list-style-type: none"> Non-executive directors 	No		REMCO – Agree	Recommend	Approve
	<ul style="list-style-type: none"> Prescribed officers 	No	CEO - Agree	REMCO – Recommend	Approve	
	<ul style="list-style-type: none"> Executive management 	No	CEO - Recommend	REMCO – Approve	Notify	
	<ul style="list-style-type: none"> Company secretary 	No	CEO – Recommend	REMCO – Approve	Notify	
	<ul style="list-style-type: none"> Chief audit executive 	No	CEO – Recommend	REMCO – Approve	Notify	
	<ul style="list-style-type: none"> Management and below 	Yes	CEO – Approve	REMCO - Notify		
	<ul style="list-style-type: none"> Annual overall salary percentage increase (excluding non-executive directors, executive management, company secretary and head of internal audit) 	Yes	CEO – Approve	REMCO - Notify		
2.2.	Amendment to general conditions of employment (ie. leave allowances, retirement benefits, maternity etc) within parameters of the remuneration policy	Yes	CEO – Approve			
2.3.	Remuneration policy	No	CEO – Recommend	REMCO - Agree	Recommend	Non-binding advisory vote



		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
2.4.	Incentive schemes other than salaries, bonuses and allowances					
	<ul style="list-style-type: none"> Make or amend rules or plans or share incentive scheme trusts subject to Schedule 14 of JSE Listings Requirements 	No	CEO – Recommend	REMCO – Agree	Recommend	Approve
	<ul style="list-style-type: none"> Make or amend rules or plans or share incentive scheme trusts not subject to Schedule 14 of JSE Listings Requirements 	No	CEO – Recommend	REMCO – Recommend	Approve	
	<ul style="list-style-type: none"> Allotment, issue and listing of ordinary shares in the authorised but unissued share capital of the company in terms and as a result of the shareholder approved share incentive schemes 	No	CEO or FD and Company Secretary - Approve			
	<ul style="list-style-type: none"> Offers, allocations and vesting of shares and share appreciation rights 	No	CEO - Agree	REMCO – Recommend	Approve , subject to Trust Deed or rules or plan	