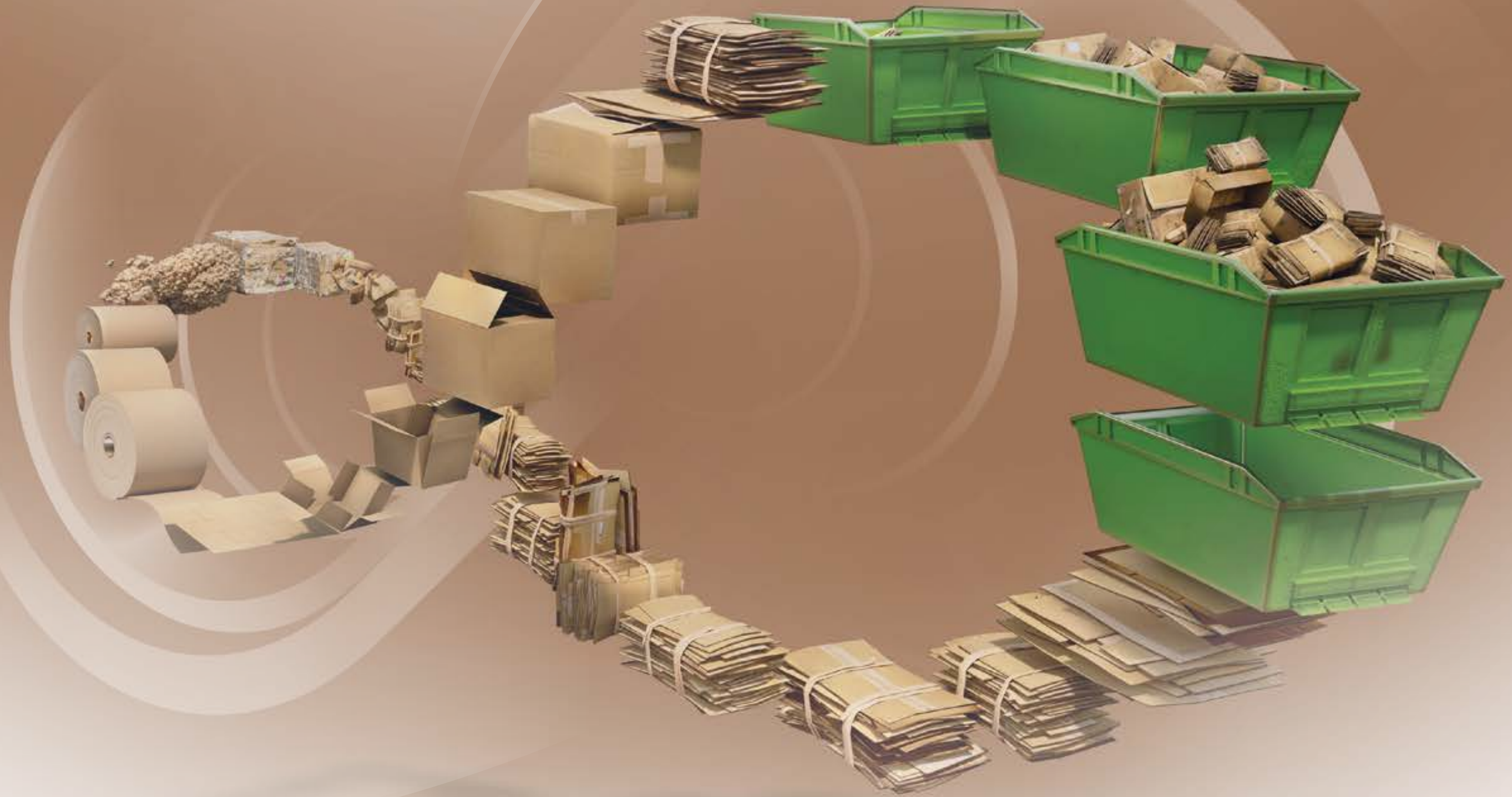
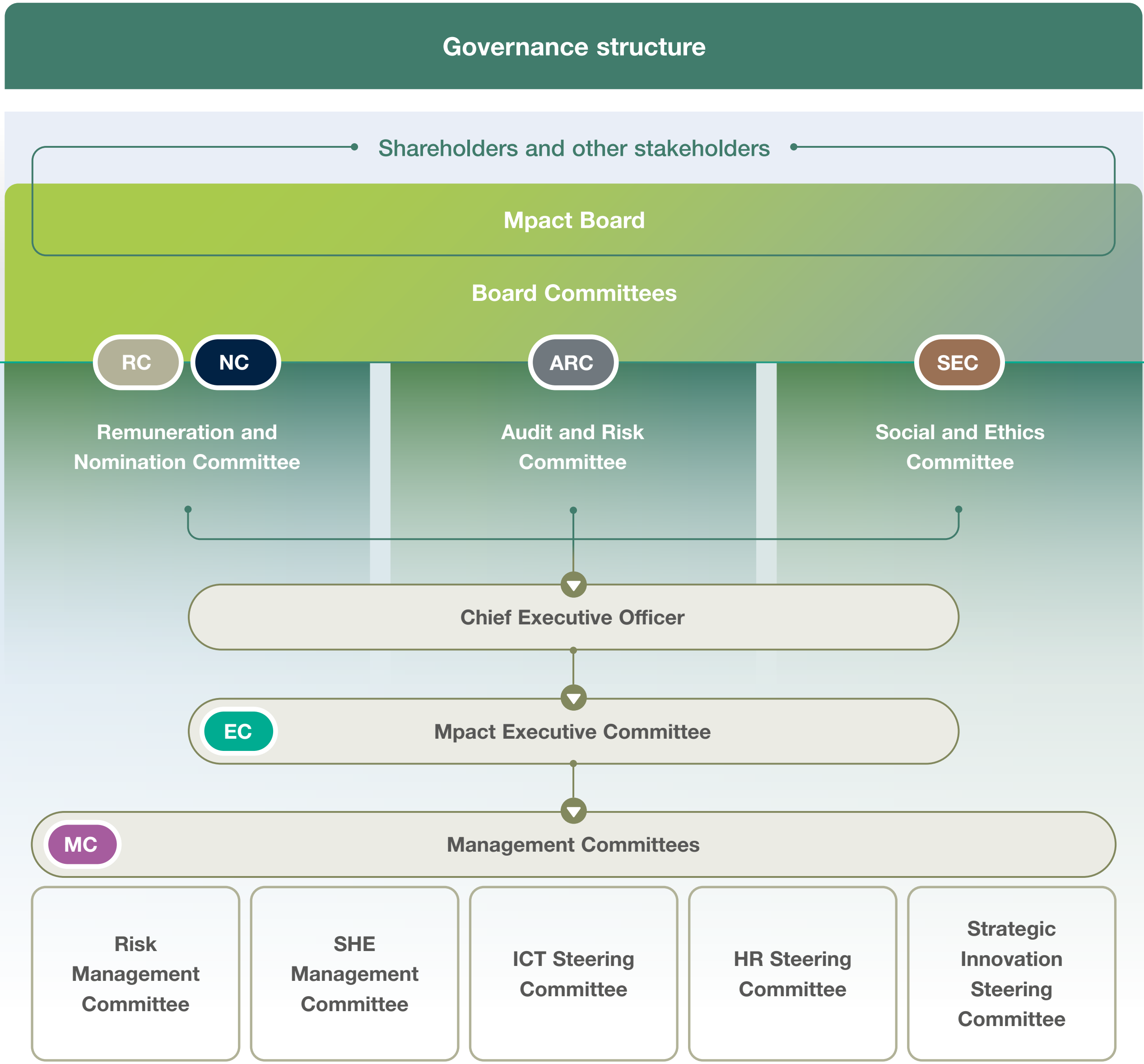


05

GOVERNANCE

Corporate Governance Report



Commitment and approach to corporate governance

The Board embraces its responsibility to ensure that the principles of sound corporate governance are observed and incorporated into the leadership and management of the Group. The Board confirms that the Group has complied with all its statutory obligations as prescribed by the Company's MOI, the Companies Act, the JSE Listings Requirements, A2X rules and all other regulatory requirements. The Group, under the stewardship of the Board accepts responsibility for the application of good corporate practices to ensure that business is managed ethically and within acceptable risk parameters. In discharging this responsibility, the Group is guided by its Terms of Reference and Policies and further ensures that effective corporate governance is practiced consistently throughout the Group.

Ethical leadership and corporate citizenship

The Board has set values to which the Group adheres, and these are incorporated into the Group's Code of Ethics. The Code of Ethics includes our ethical values and our behavioural standards. This foundation remains the Board's platform to lead Mpact sincerely and honestly.

The Group's standards of integrity and ethics in dealing with its stakeholders at large are included in the Code of Ethics. Integrity is fundamental to how the Group conducts its business and is expressed in its values and principles and guides interactions with stakeholders. Every employee is expected to adhere to these principles and values to deliver exceptional value to our stakeholders by cultivating the habits of being resolute, trustworthy and responsible. This is not merely a matter of knowing the "rules", but of repeatedly exercising moral thinking and applying the guidelines outlined in the Group's Code of Ethics. The Code of Ethics is reviewed

Corporate Governance Report *(continued)*

by the Board periodically to ensure that Mpact has the requisite values and principles to remain differentiated by people who are resolute, trustworthy and responsible.

The Social and Ethics Committee assists the Board to monitor the Group's corporate citizenship responsibilities. The committee monitors progress against transformation targets and the Group's employment equity plan, fair remuneration, health and safety, as well as the external verification of the Group's empowerment activities.

King IV™ application

The Board is committed to achieving the highest standards of governance, business integrity and ethical conduct across all its activities. This is achieved by effective and ethical leadership through continuously reassessing the Group's internal controls, policies, Terms of Reference, procedures and processes, while considering the recommendations contained in King IV™ and making relevant changes when appropriate. The Group remains committed to managing its operations in accordance with the highest ethical standards.

The Group conducts qualitative assessments of the level of application of King IV™ principles to fully achieve the four governance outcomes of:

- ethical culture;
- good performance;
- effective control; and
- legitimacy.

The Board is satisfied that every effort has been made to apply material aspects of King IV™.

Governance framework

The power and authority to lead, control, manage and conduct business, including the power and authority to delegate, is vested with the Board to ensure that Mpact remains a sustainable and viable business. This responsibility is facilitated by a well-developed governance structure. The Governance Framework of the Group defines reporting lines between the divisional level and the Board to ensure that the divisions' approach to corporate governance remains in line with Mpact's policies.

The Board determines, prioritises and provides guidance for achieving Group objectives. The ultimate responsibility for ensuring full and effective control of the Group's businesses rests with the Board. In discharging its responsibilities, the Board is supported by Board sub-committees and senior management. The Board has several sub-committees in which Non-executive Directors play a pivotal role. With guidance from the Board, the day-to-day responsibility for ensuring that the Group's businesses are managed appropriately, rests with the CEO. The CEO may delegate day-to-day duties to divisional management as and when required.

The responsibilities delegated to the committees of the Board are formally documented in the Terms of Reference for each committee, which have been approved by the Board and are reviewed annually to keep abreast of developments in law and best practices in governance. Recommendations and feedback on key activities addressed by the committees are provided at Board meetings, ensuring transparency and full disclosure of the committees' activities.

Each Board committee meets at least four times a year. The composition and responsibilities of each Board committee are further elaborated on in this report. The Board has, through an approved delegation of authority, delegated the implementation and execution of the approved strategy to executive leadership via the CEO.

Role and function of the Board

The Board is a unitary body that is effective in leading and controlling the Group. Its mission is to ensure Mpact's continued success and sustainability by collectively directing the Group's affairs with effective and responsible leadership within the industries and markets in which Mpact operates, while meeting the appropriate interests of its relevant stakeholders.

Role and function of the Executive Committee (Exco)

The Exco is responsible for making recommendations to the Board regarding the Group's policies and strategies and for monitoring their implementation in accordance with the Board's directives. The Exco meets at least four times a year and is responsible for the Group's operational activities, developing strategy and policy proposals for consideration by the Board, and implementing the Board's directives. The committee has a properly constituted mandate and Terms of Reference.

Other responsibilities include:

- leading the executive, management and staff of the Group;
- developing the annual budget and business plans for approval by the Board;

- developing, implementing and monitoring policies and procedures, internal controls, governance, risk management, ethics and authority levels;
- monitoring and enforcing good corporate governance practices and the application of the Code of Ethics, as defined and adopted by the Board;
- guiding and controlling the overall direction and control of Mpact, and acting as a medium of communication between business units, subsidiaries and the Board;
- ensuring appropriate coordination between Mpact, its subsidiaries and the various business units; and
- ensuring the adequacy of the Group's reporting arrangements.

The Exco has specific key performance areas and targets which are set in line with the approved strategy and monitored by the Board with the assistance of the Remuneration and Nomination Committee.

Responsibilities of the Board

The Board serves as the focal point and custodian of corporate governance of the Group and acknowledges its responsibility for ensuring that the principles of sound corporate governance are observed and incorporated into the leadership of the organisation. Sound governance practices based on accountability, responsibility, transparency, ethical management and fairness, are entrenched across the business. The Board recognises that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy can create sustainable value and enhance long-term equity performance.

The Directors, collectively and individually, acknowledge their responsibilities in terms of King IV™, the Companies Act and the JSE Listings Requirements.

The Board's Terms of Reference requires each Director to regularly attend meetings of the Board and its committees. The purpose of these Terms of Reference is to set out the mission, duties and responsibilities of the Board, as well as the requirements for its composition and meeting procedures.

A summary of the duties of the Board as outlined in the Board's Terms of Reference include:

- providing leadership based on an ethical foundation and ensuring that the Group's ethics are effectively managed;
- recognising that strategy, risk, performance and sustainability are inseparable;
- acting as the focal point for, and custodian of, corporate governance;
- having a responsibility to all stakeholders, which includes present and potential beneficiaries of the Group's products and services, clients and employees, to achieve continuing prosperity for the Group;
- reviewing and approving financial objectives, plans and actions, including cost allocations and expenditures;
- ensuring that the Group is a responsible citizen by having regard to not only the financial aspects of the business, but also the impact that the business operations may have socially and environmentally;
- ensuring that the Group complies with applicable laws and considers adherence to non-binding rules and standards; and
- being responsible for the governance of risk, including Artificial Intelligence and Technology.

Board practices

The Board is ultimately responsible for the Group's business, approval of the strategy and key policies and is the focal point and custodian of corporate governance at Mpact. It is also responsible for approving the Group's strategy, financial objectives and targets. The roles of the Chairman and CEO are separate and not held by the same person.

The Board is led by an Independent Non-executive Chairman elected by the Board, while the operational management of the Group is the responsibility of the CEO. The CEO is appointed by the Board. The Board recognises the necessity for Directors to occasionally seek independent professional advice at the Group's expense. In this regard, the Board has adopted a Board Policy on the procedure for taking professional advice.

A minimum of four Board meetings are scheduled per financial year, while additional meetings may be convened when necessary. A strategy session is held annually.

Well-structured Board agendas and comprehensive papers are circulated electronically to Board members on a timely basis, ensuring that the members are well informed, and that debate and decisions are constructive and robust at the Board meetings.

Board composition

The Board comprised nine Directors, two of whom are Executive Directors, for the financial year ended 31 December 2025. The remaining seven Directors, three of whom are women, are all Independent Non-executive Directors. The two Executive Directors include the CEO and CFO in accordance with the JSE Listings Requirements, to ensure, among others, that the Board has more than one point of direct interaction with management.

The Non-executive Directors are not involved in the day-to-day management of the business and are not full-time salaried employees of the company and/or any of its subsidiaries. Non-executive Directors bring an independent view to the Board's decision-making and have a significant influence at Board meetings.

Corporate Governance Report *(continued)*

As a collective, the Board is well-balanced with a wide range of knowledge, skills and industry experience. This diversity of skills and other attributes allows the collective, and each individual Director, to bring significant influence to bear on Board and committee deliberations, while the large component of Independent Non-executive Directors on the Board ensures unbiased decision-making.

There is a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision-making.

Independent Non-Executive Directors

The independence of Directors is determined holistically, and on a substance-over-form basis in accordance with the indicators provided in section 94(4)(a) and (b) of the Companies Act and the King Code.

The Nomination Committee reviews the independence of all Non-executive Directors using the guidelines recommended by the King Code, JSE Listings Requirements and the Companies Act and further undertakes a vigorous process to assess the independence of the Non-executive Directors who have served on the Board for a period longer than nine years. As at the date of this Report, the only Non-executive Director on the Board who has served in an independent capacity for longer than nine years is M Makanjee. The knowledge, competencies and capabilities of M Makanjee has contributed to the history and affairs of the Group and has assisted the Board in shaping the Group's growth and strategy.

The Nomination Committee found that all of the Independent Directors, through their actual conduct at Board and committee meetings, have displayed an independence of mind in their decision-making, that they are independent in character and judgement and that there are no relationships or circumstances which have affected, or could appear to affect, their independence.

The Board remains satisfied that all Board members demonstrate independence of mind and that there are no interests, positions, associations or relationships which are likely to unduly influence or cause a bias in decision-making. The Board is satisfied that all Directors continue to act in the best interest of Mpact and continue to perform their duties impartially and with the highest integrity.

Board meeting attendance

The Board held four scheduled meetings during the financial year as well as a two-day strategy session. Meetings are conducted according to a formal agenda, ensuring that the Board properly addresses and follows up on all substantive matters and, over a 12-month period, covers all the agenda items on the Board's forward plan. The table below sets out the attendance by the Directors:

Director	6 March 2025	5 June 2025	31 July 2025	8 September 2025*	14 October 2025[2]	15 October 2025[2]	5 November 2025
PCS Luthuli[1]	✓	✓	✓	✓	✓	✓	✓
ABA Conrad[1]	✓	✓	✓	✓	✓	✓	✓
M Makanjee[1]	✓	✓	✓	✓	✓	✓	✓
DG Wilson[1]	✓	✓	✓	✓	✓	✓	✓
FC Futwa[1]	✓	✓	✓	✓	✓	✓	✓
S Mayet[1,3]	–	✓	✓	✓	✓	✓	✓
CD Raphiri[1,4]	–	–	–	–	✓	✓	×
BW Strong	✓	✓	✓	✓	✓	✓	✓
JJ Snyman	✓	✓	✓	✓	✓	✓	✓
AJ Phillips[5]	✓	–	–	–	–	–	–

1. *Independent Non-executive Directors.*
2. *Strategy session.*
3. *S Mayet was appointed effective 10 April 2025.*
4. *CD Raphiri was appointed effective 15 September 2025.*
5. *AJ Phillips retired effective 29 May 2025.*

* *There was only one special meeting held in addition to the scheduled meetings. Board fees were paid to the Board members for the special meeting.*
✓ *Attended.*
× *Apology.*
– *Not appointed as a director (either resigned or still to be appointed).*

Committees

The Board has delegated some of its responsibilities to its committees to assist in the execution of its duties. The Board has established three committees to assist it in fulfilling its duties and responsibilities more effectively.

In accordance with the recommended practice of King IV™, several Directors serve on multiple committees. The Board is satisfied that there is appropriate cross-membership among its committees to promote effective communication between committees, to minimise fragmented functioning and to ensure a balanced distribution of power across committees, so that no single individual has unfettered control or the ability to dominate decision-making, and that no undue reliance is placed on any single individual.

1. Audit and Risk Committee

The Audit and Risk Committee consists of entirely Independent Non-executive Directors as envisaged in the Companies Act, King IV™ and the JSE Listings Requirements. The members of the Audit and Risk Committee are appointed at each AGM of the company, in accordance with and subject to the requirements and criteria as set out in section 94(2). All the members of the Audit and Risk Committee have the prescribed academic qualifications and experience. The committee is adequately structured in accordance with these requirements as follows:

S Mayet	**Chair, Independent Non-executive Director**	CA(SA)
DG Wilson	**Member, Independent Non-executive Director**	CA(SA)
FC Futwa	**Member, Independent Non-executive Director**	CA(SA)

The Chairman of the Board is not a member of the committee and attends only via invitation.

The Audit and Risk Committee held four structured, formal committee meetings during the financial year. The table below sets out the attendance by the committee members:

Director	4 March 2025	3 June 2025	29 July 2025	3 November 2025
S Mayet[1]	–	–	✓	✓
PCS Luthuli[2]	✓	✓	–	–
DG Wilson	✓	✓	✓	✓
FC Futwa	✓	✓	✓	✓

1. *S Mayet was appointed at the AGM held on 5 June 2025.*
2. *PCS Luthuli stepped down as chair and member at the AGM on 5 June 2025.*

2. Social and Ethics Committee

The Social and Ethics Committee is a statutory committee of the Board appointed in terms of the Companies Amendment Act, King IV™ and JSE requirements. The members of the Social and Ethics Committee are appointed at each AGM of the company in accordance with section 72(9A) of the Companies Act, 2004. The role of the Social and Ethics Committee is to assist the Board with the oversight of social and ethical matters relating to the Group. The composition of the committee satisfies the requirements of section 72(7A) of the Companies Amendment Act and, in addition, meets the requirements of King IV™, namely that the majority of members must be directors who are not involved in the day-to-day management of the business of the company and must not have been so involved at any time during the previous three financial years. The committee is adequately structured in accordance with these requirements as follows:

M Makanjee	Chair	**Independent Non-executive Director**
ABA Conrad	Member	**Independent Non-executive Director**
FC Futwa	Member	**Independent Non-executive Director**
BW Strong	Member	**Executive Director**

The Social and Ethics Committee met four times during the financial year. The table below sets out the attendance by the committee members:

Director	4 March 2025	3 June 2025	29 July 2025	3 November 2025
M Makanjee	✓	✓	✓	✓
ABA Conrad	✓	✓	✓	✓
FC Futwa[1]	–	–	✓	✓
BW Strong	✓	✓	✓	✓

1. *FC Futwa was appointed as a member at the AGM held on 5 June 2025.*

Corporate Governance Report *(continued)*

3. Remuneration and Nomination Committee

The Remuneration and Nomination Committee consists entirely of Independent Non-executive Directors as shown below.

DG Wilson	Chair (Remuneration)	**Independent Non-executive Director**
PCS Luthuli	Chair (Nomination)	**Independent Non-executive Director**
M Makanjee	Member	**Independent Non-executive Director**
ABA Conrad	Member	**Independent Non-executive Director**

Remuneration and Nomination Committee

The Remuneration and Nomination Committee held four formal, structured meetings during the financial year. The table below sets out the attendance by the committee members:

Director	4 March 2025	3 June 2025	29 July 2025	3 November 2025
DG Wilson	✓	✓	✓	✓
PCS Luthuli	✓	✓	✓	✓
M Makanjee	✓	✓	✓	✓
ABA Conrad[1]	–	–	✓	✓
AJ Phillips[2]	✓	–	–	–

1. *ABA Conrad was appointed as a member at the AGM held on 5 June 2025.*
2. *AJ Phillips retired on 29 May 2025.*

Appointments to the Board

Directors are appointed through a formal and transparent process, which includes the screening and identification of suitable candidates as well as performance and background checks, interviews and fit and proper assessments. Directors are nominated based on their calibre, knowledge, experience and the impact they are expected to have, as well as the time and attention they can devote to their roles. Proposals for election/re-election to the Board are recommended by the Nomination Committee and are considered by the Board as a whole, subject to the approval/ratification thereof by the shareholders at the first subsequent general meeting or the AGM following their appointment to the Board. Director appointments are formalised through an agreed contract of service between the company and the Director. The Nomination Committee regularly reviews the balance of skills and experience of the Board and its committees.

New Directors are taken through a formal induction programme and are provided with all the necessary background and information to familiarise them with issues affecting the Board and the Group. Non-executive Directors are invited to visit Mpact facilities to assist in fast-tracking their orientation process. Non-executive Directors are required to dedicate sufficient time to Mpact Board matters. They may serve on other boards, provided that such other appointments do not create a conflict of interest or interfere with their duties to the Mpact Board, but rather afford the ability to add value by bringing a broader perspective to Board deliberations.

Board diversity

The Board recognises the benefits arising from diversifying, including a broader pool of high-quality Directors and accessing different perspectives and ideas from all available talent. In accordance with the JSE Listings Requirements, the Board approved a Diversity and Inclusivity Policy available on the company's website: **www.mpact.co.za**, which proclaims the Board's values and principles, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. A breakdown of these diversity attributes is depicted on **page 11**. Accordingly, when Board vacancies arise, potential candidates are considered on merit against objective criteria and with due regard for the benefits of gender and race diversity, as well as levels of skill, acumen, qualifications, age, culture, experience, ethical behaviours and actual or potential contributions to the Group to ensure that the composition of the Board and its committees are appropriately balanced and diverse.

The Board has maintained its objective of one-third women on the Board and increased its race representation of Black people on the Board to 67%. The Board remains committed to promoting and maintaining diversity in its membership. The Nomination Committee will continue to monitor performance in relation to this target and will recommend any changes to this target to the Board for approval, as and when required.

Succession planning

The Nomination Committee reviews the succession plan for the CEO, Exco and other senior managers during the year and reports its recommendations to the Board. The Board further reviews the status of the Non-executive Directors' succession plan to ensure that it considers the challenges of a constantly evolving business environment.

Rotation of Directors

In terms of the MOI, at least one-third of the Directors (other than the Executive Directors) retire by rotation and, if eligible, their names are submitted for re-election at the AGM, accompanied by appropriate biographical details set out in the report to shareholders. Each director due to retire by rotation complies with the fit and proper assessment requirements and is accordingly eligible for nomination for re-election at the AGM.

The Board upon the recommendation from the Nomination Committee, considered the independence and performance of each Director due for election and re-election at the AGM and makes an appropriate recommendation to shareholders in this regard.

Board and committee effectiveness evaluation

An external evaluation of the Board and its sub-committees was completed in March 2025. Drivers of Board effectiveness include Board composition, Board dynamics and culture, Board Chairman effectiveness and efficiency of core Board processes, as well as the performance of the Board committees and the Group Company Secretary.

All areas of improvement were incorporated in the Board's and committees' forward plans.

The Executive Directors' performance, in relation to key performance areas, are assessed annually in accordance with the Group's standard performance assessment.

Strategic planning

The Executive Directors who are also members of the Exco, namely BW Strong and JJ Snyman, are involved in the day-to-day business activities of the Group. The Board defines the Group's level of authority, reserving powers for the Board while delegating others to management. The Exco formulates a strategy, which is reviewed and approved by the Board. The Board monitors the implementation of the strategy and is responsible to the shareholders and other stakeholders for setting the strategic direction of the Group. The Board meets with management at least annually to debate and agree on the proposed strategy and to consider long-term issues facing the Group as well as the changing environment in which it operates.

Conflict of interest

The Board, subsidiary Directors and Prescribed Officers are required to disclose their personal financial interests and interests in contracts in terms of section 75(4) of the Companies Act. The Group ensures that Directors and Prescribed Officers are free of any conflicts between the obligations they have to the company and their private interests. Directors are required to disclose any potential conflicts at quarterly meetings and as and when necessary to the Group Company Secretary. Directors do not vote on any matter in which they have an interest, and they are recused from any meeting and/or decision when such matters are discussed.

Share dealings

The Group has adopted a share dealing policy requiring all Directors, management and the Group Company Secretary to obtain prior written clearance through the Group Company Secretary from either the Chairman or the CEO to deal in the company's shares. Closed periods (as defined in the JSE Listings Requirements) are observed as required. During these periods, the Directors, management and employees are not permitted to deal in the company's securities. Additional closed periods are enforced when the Group commences with a corporate activity and where a cautionary announcement (as defined in the JSE Listings Requirements) is published.

Legal compliance

The Board oversees compliance with its approved framework to support an effective control environment, in accordance with good governance. The compliance framework has been incorporated into Mpact's Enterprise Risk Management Framework. The Audit and Risk Committee is responsible for continual monitoring of the regulatory environment and appropriate responses to changes and developments that impact the Group and reporting on any significant changes to the Board. The Group Company Secretary, together with the internal audit function, the Group Legal Advisor and the risk management function, assist the Board in ensuring that there are appropriate processes in place with respect to legal compliance.

The Group subscribes to various legal registers which cover all essential components of applicable laws, adopted industry rules, codes and standards. Significant legal and corporate governance developments affecting Mpact are monitored and reviewed by the Audit and Risk Committee and the Board. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of statutory obligations in the 2025 financial year.

Taxation

Mpact aims to manage its tax affairs in accordance with applicable national legislative provisions and within the guidelines set out by the Organisation for Economic Co-operation and Development (OECD).

The business structures its operations tax efficiently and takes advantage of available incentives provided by governments for eligible capital investments, R&D and similar expenditure.

We have a dedicated and centralised Group Tax function that takes day-to-day responsibility for management of the Group's tax affairs. In addition, we seek regular professional advice to ensure compliance with tax legislation, disclosure requirements and best practice.

Tax risks are monitored on a continuous basis and are formally reviewed on a half-yearly basis by the Audit and Risk Committee as part of our half-yearly reporting process. The Board formally reviews tax management activities on an annual basis.

Corporate Governance Report *(continued)*

The Group is subject to routine tax audits and reviews. Where necessary, provision is made for known issues and the expected outcomes of any negotiations or settlements.

Company Secretary

The Directors have access to the professional advice and services of the Company Secretary. The Company Secretary provides the Directors of Mpact, both collectively and individually, with guidance on their duties, responsibilities and powers, and provides guidance and advice to the Board on matters of ethics and good corporate governance. The Company Secretary plays a pivotal role in ensuring that Board procedures are both followed and regularly reviewed, and ensures that, in accordance with pertinent laws, the proceedings and affairs of the Board and the company are properly administered. The Chairman and the Board look to the Company Secretary for guidance on what their responsibilities are under the rules and regulations to which they are subject, and how these responsibilities should be discharged. Donna Maree Dickson resigned as the Company Secretary with effect from 31 January 2026. Following her resignation, CorpStat Governance Services Proprietary Limited was appointed Acting Company Secretary until a permanent candidate is identified and appointed.

The Company Secretary is independent, has unrestricted access to the Board, and maintains an arm's-length relationship at all times. The Board is satisfied that the Company Secretary is fit and proper, and has the necessary qualifications, skills and level of competence for the effective discharge of the required responsibilities.

Internal control systems

Mpact's internal controls encompass a set of rules, policies and procedures that are implemented to provide reliable financial and operational reports and to ensure that the Group's activities comply with applicable laws and regulations. The control environment sets the foundation and provides the discipline and structure upon which Mpact operates.

These controls are designed to address significant risks and material matters effectively. Internal Audit supports the Mpact Board and management to execute their mandate by providing independent objective assurance of these controls to enhance governance processes. The Audit and Risk Committee receives regular reports on any identified control weaknesses.

The Chief Audit Executive of the internal audit function provided an assessment of the internal controls for the financial year ending 31 December 2025 based on the reviews completed for 2025. The following was considered in the assessment of the internal control environment:

- the extent of the approved coverage within the ambit of the organisation's entire assurance universe;
- the scope of work, the approach followed, representations and information provided by management and the results reported, subject to the limitations of coverage and sampling; and
- the actions taken by management to address findings reported.

Based on the results of the Internal Audit work performed, subject to the limitations of coverage, scope areas and sampling, Internal Audit concluded that overall, the internal controls are acceptable.

Stakeholders

Mpact promotes an inclusive approach to governance and takes account of the impact of the company's operations on internal and external stakeholders. The Group's approach to corporate governance is based on good communication and is integrated into every aspect of the business. Mpact's primary stakeholders as well as the engagement with them are detailed on @ **pages 33 to 35** of the Sustainability Report.

Sustainability

The Group's approach to sustainability and assessing its influence and impact on the environment, and the communities in which it operates, are foremost in mind when conducting business and considering and making investments. Managing a sustainable business requires the integration of the business capitals. Mpact's operating and business model, together with the inputs and outputs of each of the capitals, are illustrated on @ **pages 8 and 9** of this Integrated Report.

The Group remains committed to sustainable development in each of its businesses and adopts leading industry health and safety standards; obtains responsibly sourced raw materials; and ensures the businesses constantly seek to reduce their environmental impact. Safety, Health and Environmental performance targets have been set as described in the Sustainability Report.

Mpact's Sustainability Report is available on the website: **www.mpact.co.za**.

Fraud and illegal acts

The Group does not tolerate fraudulent behaviour and illegal acts. An anonymous whistle-blowing facility administered by Deloitte is in place. The Audit and Risk Committee records, monitors and investigates incidents reported on the facility on a confidential basis and all material matters are escalated. The Code of Ethics, as well as the Supplier Code of Conduct, outline Mpact's norms and expected behaviours when dealing with fraud. The Group and its employees are committed to the highest ethical standards of conduct. The code is available on the company's website.

Information and communication technology governance

The Board has approved an ICT governance policy and ensures adherence to the King IV™ ICT governance principles. The ICT Steering Committee, chaired by the CEO, provides assurance to the Board on ICT governance-related matters. The committee is governed by an effective charter, which gives guidance to the ICT management team and ensures effective and efficient management of all ICT resources. Furthermore, a quarterly report is submitted to the Audit and Risk Committee on all key ICT-related matters.

The ICT governance framework, with all relevant structures, processes and mechanisms, enable ICT to deliver value to the business and mitigate ICT risks. ICT risks have been identified and incorporated into the organisational risk register.

An external ICT advisor provides the Board with assurance on the effectiveness of ICT internal controls including outsourced ICT services. In addition, the ICT advisor is required to attend the ICT Steering Committee to give guidance on the alignment of the ICT strategy with the business strategy.

This includes but is not limited to, expressing an opinion on emerging technology trends and their rate of adoption and implementation by various business sectors. ICT maturity assessments are concluded by the advisor periodically to determine improvement and opportunities for further development in ICT. This is reported on by the advisor to the Audit and Risk Committee.

The ICT Steering Committee is satisfied that the resources within the ICT function are adequate to provide the necessary support to Mpact. In making these assessments, the committee has obtained feedback from the external and internal auditors.

Key actions in place to mitigate the risks include:

- an increased focus on information and technology risk management;
- the Group ICT department working closely alongside our business clusters to deliver on our technology journey;
- strengthening our second line of defence oversight on ICT risks and performing Group internal audits as a third line of defence; and
- performing reviews and monitoring to ensure appropriate frameworks, procedures, structures and governance are in place for the consolidation, monitoring, management and reporting of ICT risks and exposures on a Group basis (e.g., cyber threats, and other regulatory risks).

AGM

All the necessary information and facilities are made available to shareholders to enable them to attend the AGM, submit forms of proxy and receive announcements and circulars in accordance with the JSE Listings Requirements. The Chairman of the Board, Chairs of the committees and the external auditor are available to answer questions at the AGM, which will be held on 4 June 2026.

Paper Converting

Risk Management

Risk management is crucial for our governance framework and supports the continued ability of the Group to create value and sustainable benefits for all stakeholders. The Board considers the material business risks when approving strategies and budgets. The Risk Management Committee identifies and evaluates strategic and operational risks faced by the business.

Mpact has policies and procedures in place to manage its governance, operations and information systems regarding the:

- reliability, security and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of people and assets;
- reduction of our environmental footprint; and
- compliance with laws, regulations and contracts.

In these, ESG considerations, including climate change, are addressed in the risk register.

Risk assurance is considered at managerial (level 1), corporate function (level 2) and external (level 3) levels by both the Risk Management Committee and the Audit and Risk Committee for reporting to the Board. Risks are reviewed and updated regularly, with our principal risks outlined in the table on @ pages 70 to 73.

Enterprise Risk Management Policy and Framework

Mpact has a well-defined Risk Management Framework accompanied by the Risk Management Guideline that sets out the approach to risk and aligns with the principles of King IV™ and the ISO35000 Risk Management Standard. This structure is also addressed in the Governance section of the Integrated Report on @ pages 59 to 62. This provides a structured and systematic approach to managing our most material risks and addressing the material interests of our stakeholders.

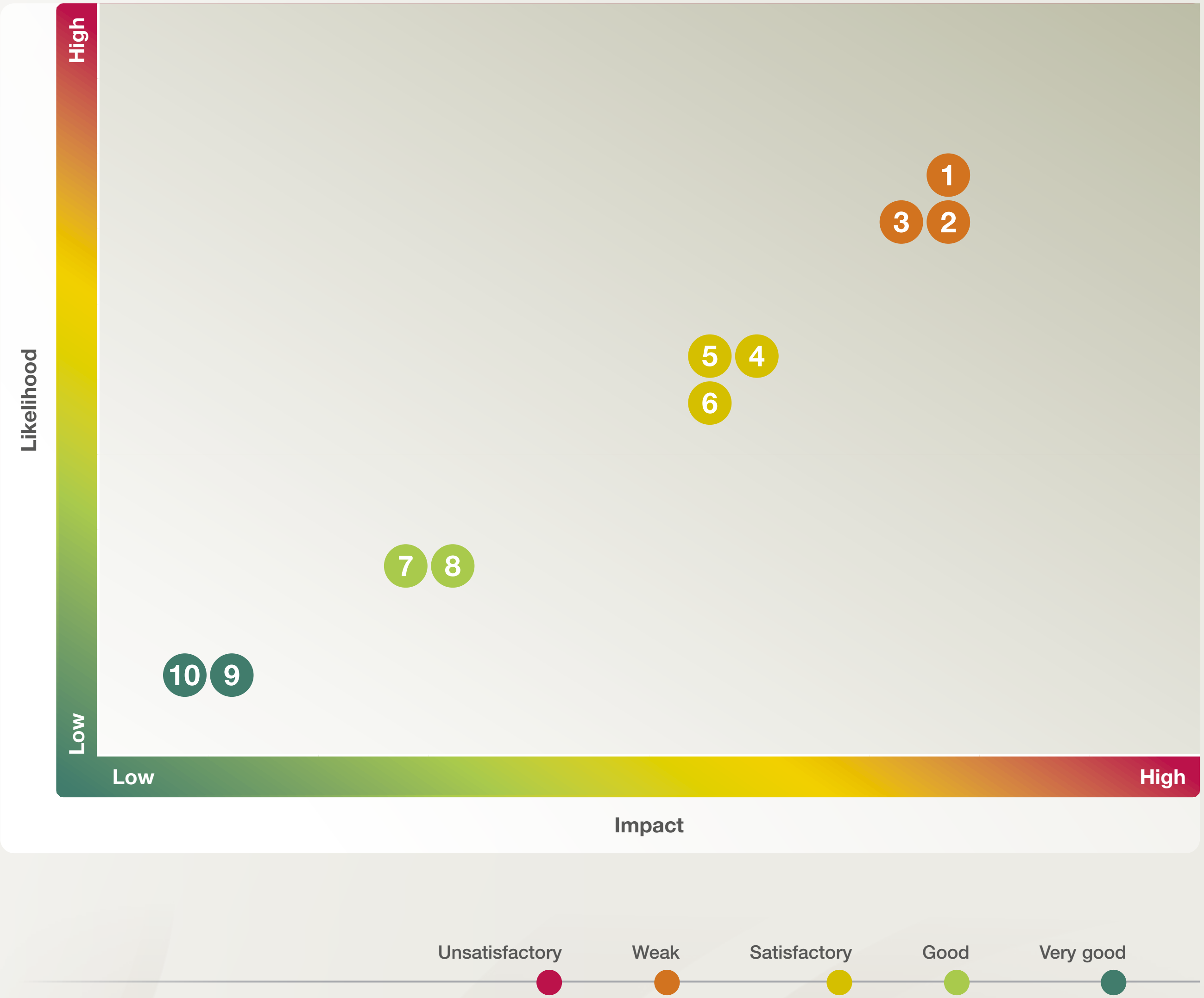
In line with our decentralised structures, risk assessment and management processes enable each business within the Group to take responsibility for managing its own risks – this also encourages proactive action by the business units when faced with risks and opportunities. Divisional Risk Registers have been developed, and the risk parameters are escalated to the Group Risk Register as appropriate considering the Group appetite and tolerance levels.

The Executive Committee, through the Risk Management Committee, is accountable to the Audit and Risk Committee for risk management. The Audit and Risk Committee advises the Board, which retains fiduciary oversight of risk management.

Our principal risks

Ten principal risks, and their mitigation plans, have been identified by the Group. These risks were considered by the Audit and Risk Committee on 3 March 2026. Opportunities arising from risks, as well as emerging risks are also discussed below.

Risks, including opportunities, relating specifically to the Paper and Plastics businesses are discussed on @ pages 38, 39, 43 and 44 of this Report.



Risk heat map of material residual risks

1. Trading environment
2. Service delivery interruptions
3. Social polarity leading to unrest
4. Workforce cost and stability
5. Compliance with increasing legislation
6. Public resistance to the use of plastics
7. Safety in the workplace
8. System failures
9. Climate change risks
10. Reputational damage

Risk Management *(continued)*

#	Rating	Risk	Mitigation
1.		**Trading environment** Subdued economic growth and increasing competition as well as prolonged shortages, and increased costs, of key raw materials could lead to loss of production, changes to product offerings and/or higher costs. Ongoing conflict in the Middle East is increasingly affecting global supply chains, with significant upward pressure already evident in polymer prices, as well as higher logistics and shipping costs and extended transit times. These developments place increased pressure on margins and supply continuity.	• Maintaining our leading market position by supplying quality products and services through: – Process and product innovations improve efficiencies, reduce manufacturing costs, such that we offer our markets better, lower cost and impactful product. – Long-term agreements with key customers and suppliers supported by active customer service. – Proactive management of costs. – Product assurance, against international standards for quality, environment and food safety. • The Group actively manages supply chain logistics to contain costs and service delivery standards. • Mpact has retained its market position as the leading paper recycler in South Africa. • The Group engages with national and local Government to influence policy and secure access to recyclable paper and plastic. • Mpact has rolled out solar PV and generator capacity and pursues other alternative energy and water sources to reduce the impact of energy and water costs and supply uncertainties. • Mpact is responding proactively to the effects of the current Middle East conflict through pricing discipline, active supplier engagement and supply-chain management initiatives, with a clear focus on protecting margins and ensuring continuity of supply to customers.
		Significant overcapacity in the global cartonboard market, and the current value of the rand, has led to a decline in demand for Springs mill's products and in January 2026, the mill's largest customer notified Mpact that it will no longer procure its cartonboard requirements through the mill and will instead procure through imports going forward.	• Rationalisation of operations such as the contemplated discontinuation of the BM6 and BM3 cartonboard machines at the Springs paper mill.
2.		**Service delivery interruptions** Unreliable supply and higher costs of energy, as experienced through load shedding and municipal infrastructure failure, leading to a loss of production and increased costs. Sasol has announced that natural gas supplies will end in July 2027 with a possible deferment to July 2028. Unreliable supply and deteriorating quality of water could lead to a loss of production and disease outbreaks.	• Mpact has installed 17.7MWp of solar PV with a further 4.5MWp in the development pipeline. • Mpact wheels 27MWh of green electricity from a sugar mill and is in the process of finalising an agreement to wheel solar energy to Mpact plants that is expected to come online in 2027. • Mpact continues to monitor the impact of the ongoing international conflicts on energy prices and supply. • Mpact is engaging with various bodies to find alternative natural gas supplies. • There is ongoing communication with Eskom and municipalities to keep abreast of electricity distribution issues. • A national electricity blackout response plan is in place. • Mpact can recover increased energy costs except for products competing with international suppliers. • Reduction in water consumption and electricity usage are key performance indicators and investment drivers in our manufacturing operations.

Increased risk | Stable risk | Decreasing risk

Unsatisfactory | Weak | Satisfactory | Good | Very good

#	Rating	Risk	Mitigation
		Service delivery interruptions *(continued)* Logistics interruptions due to rail, harbour and trucking inefficiencies and disruptions resulting in increasing business interruptions and costs. Protest action interfering with service provision.	• Mpact liaises closely with the trucking industry and monitors the railways and harbours. • Moves by Transnet to create private partnerships in rail and port operations is welcomed.
3.		**Social polarity leading to unrest** High unemployment rates, socio-political and economic uncertainty, as well as service delivery protests that have led to outbreaks of violence that pose a threat to the business both physically and economically. As the country approaches municipal election in late 2026 or early 2027, Mpact will monitor the risk of politically motivated unrest closely.	• Mpact has implemented various policies such as the Group Transformation Policy, Diversity and Inclusivity Policy, Code of Ethics, Fair Employment Policy and Promotions Philosophy to ensure equitable and transparent employment practices. • Other activities include community engagement, CSI programmes, and small business and entrepreneurship development. • Mpact actively engages with unions, traditional leaders, community forums and the communities in which we operate. • Mpact has security and emergency response standards in place. • Mpact has both SASRIA and Riot Wrap insurance to cover damages and business interruption losses due to unrest.
4.		**Workforce cost and stability** Strikes and labour cost increases above inflation could lead to a loss of productivity and competitiveness. Loss of key skills and institutional knowledge due to emigration and employees seeking better prospects elsewhere.	• Mpact upholds fair labour practices for employment equity, recruitment, labour interactions, training, bursaries for employees and their children, skills retention and succession planning, as well as adherence to excellent health and safety standards. • Incentive programmes are in place to retain key staff. • Internships are offered in various fields across the business to attract young talent.
5.		**Compliance with increasing legislation** The business is subject to a broad range of ever-evolving legislation resulting in increased costs and complexity of compliance and risk of fines and penalties. Mpact operates several industrial sites across the country, some of which have been in operation for many decades and include landfill sites, effluent disposal facilities and storage dams. Evolving legislation may impose additional requirements, process modifications and related costs.	• A legal compliance framework is in place that sets out the governance structures that pertain to regulatory compliance matters in Mpact. • Mpact also retains experts in, and legal registers of, relevant disciplines supported by rigorous audits. • The Group contributes to the development of legislation by engaging with the Government via industry bodies. • International management standards such as ISO14001 (environmental) and FSC (wood fibre) are implemented and, for material operations, certificated with the backing of rigorous external environmental legal audits. • Mpact Operations achieved a Level 1 B-BBEE certification. • The impact of the EPR regulation, Sugar Tax and Carbon Tax are understood, compliance standards and mitigations are in place.

Risk Management *(continued)*

#	Rating	Risk	Mitigation
6.	● ▷ ●	**Public resistance to the use of plastics** There is public concern related to food safety and plastic pollution posing a risk to our FMCG businesses.	• Mpact is actively generating customer and public awareness through demonstrating circular economy principles by recycling both paper and plastic materials. • Our Paper Converting business manufactures a variety of paper products such as shopping bags, disposable cup lids, grape bags and cardboard trays products to replace plastic products.
7.	● ▷ ●	**Safety in the workplace** Injuries from workplace accidents could affect the well-being of employees and contractors leading to loss of skills, reduced production, lower morale and reputational damage.	• Senior management demonstrates a primary focus on safety through the CEO's Safety Philosophy and the SHE Policy and gives direction through the annual Safety Plan and quarterly SHE Management Committee meetings. • Operational management reinforces this by ensuring effective safety standards and procedures are in place and through adherence to the Safety Plan. • The Safety Culture Leadership programme, and Leading Indicator metrics, emphasise a leadership-driven, people-centric approach to safety. • A 24/7 call centre Employee Wellness Programme assists employees dealing with high-stress factors in their lives.
8.	● ▷ ●	**System failures** Catastrophic systems failure, fires, floods, bad debts, ICT system failure, and breaches of ICT security or plant perimeter security could lead to prolonged production and distribution interruptions, as well as increased costs of working and capital replacement costs.	• The Mpact Risk Control Standards provide guidelines on safety, fire protection, security, emergency preparedness and environmental management. • Mpact is improving security with measures such as camera systems with artificial intelligence features including facial recognition and perimeter monitoring. • The Group adopts the best appropriate ICT security standards guided by a cyber-security consultant. • Business continuity plans are in place at various levels across the Group. • Debtors and bad debt, loan facility provisions, working capital and cash flow are managed and reviewed proactively. • Mpact has a comprehensive suite of insurance to cover plant damages and business interruption due to fire and other catastrophic events. • A project risk management process is in place and includes consideration of: exchange rate fluctuations, market demand and price, local community engagement, legislative requirements such as EIAs, and technical risks.
		Major failure/breakdown of critical equipment could cause prolonged loss of production and increased costs.	• Operations have formal planned maintenance programmes. • A programme of plant and equipment upgrades has improved the overall reliability of operations. • Machinery breakdown insurance cover on critical plant and equipment is in place. • Independent machinery maintenance audits now form part of our suite of insurance-related reviews.

Increased risk | Stable risk | Decreasing risk

Unsatisfactory | Weak | Satisfactory | Good | Very good

#	Rating	Risk	Mitigation
9.	Very good, stable risk, Very good	**Climate change risks** Climate change leading to extreme weather events and changing temperature and rainfall patterns could affect Mpact's operations directly and impact our customers, mainly in the agricultural sector, and supply chains.	• Mpact has an active programme in place to reduce energy consumption and thereby Scope 1 and Scope 2 CO_2e emissions, and has started monitoring Scope 3 emissions in our supply chain. • Business continuity plans are in place at various levels across the Group. • Mpact liaises closely with customers and industry bodies regarding the impact of climate on agriculture and the adaptations farmers require to prepare for climate change. • Mpact has developed innovation capacity to adapt quickly to meet customers' changing needs and seek access to alternative markets. • Mpact has also prepared for new growth in the Eastern Cape and Mpumalanga fruit markets through rebuilds at Paper Converting Gqeberha and Mbombela plants, as well as the Mkhondo paper mill.
10.	Very good, stable risk, Very good	**Reputational damage** Damage to Mpact's reputation could arise from public perceptions regarding certain products, false news, or ethical issues arising within the Group.	• Mpact monitors public opinion regarding its products, and responds with accurate information. • Mpact has focused on incorporating circular economy principles in its business model and is the largest recycler in South Africa. • A comprehensive Code of Ethics guides ethical standards in Mpact. • Sites that supply food contact packaging are certificated to international food safety standards. Mpact also operates a highly skilled and equipped food safety research laboratory. • Mpact works closely with industry bodies to align with best practices. • Mpact has developed a legal Compliance Risk Control Framework.

Risk Management *(continued)*

Risks arising from other matters

As disclosed in prior years, given the impasse with Mpact's major shareholder, Mpact Limited's Non-executive Directors were appointed to the Board of Mpact Operations to ensure that they were remunerated for services legitimately rendered to Mpact Operations, whilst receiving no remuneration in respect of their services to Mpact.

The company is pleased to report that this arrangement is no longer necessary. At the AGM held on 5 June 2025, all remuneration resolutions were passed, including the Companies Act special resolution relating to Non-executive Directors' fees, each having received the requisite level of shareholder approval. As a consequence, the Non-executive Directors are remunerated directly by Mpact for their services rendered to the company, and the Non-executive Directors accordingly resigned from the Board of Mpact Operations with effect from 1 July 2025.

The Board considers this a constructive resolution of the previous impasse and represents a return to a simplified governance structure in which the Non-executive Directors serve on the Board of Mpact and are able to be remunerated by Mpact in respect of their services to Mpact. The Board is satisfied that sound governance and the interests of all shareholders of Mpact continue to be appropriately protected.

Emerging risks

Mpact, faced a complex and evolving risk landscape in 2025. Key risks stem from geopolitical tensions, domestic economic instability, policy changes, and operational challenges in logistics and energy supply. Most of these risks are captured in the risk register while emerging risks that could impact Mpact's operations and strategic outlook are being monitored. These include:

1. Geopolitical and Trade Risks

a. The escalation of the Iran conflict presents external risks to Mpact, primarily through elevated energy, logistics and input-cost pressures rather than immediate operational disruption.

b. US Trade Policy, AGOA uncertainty and risk of increased tariffs: The US administration's review of AGOA puts South African exports at risk. If South Africa is excluded, Mpact's packaging products serving export-oriented industries (e.g., agriculture and automotive) could face decreased demand. Furthermore, increased tariffs from the US on South Africa may risk straining trade relations and reducing export competitiveness.

c. US-China trade tensions: Increased tariffs on Chinese imports could impact global trade flows, indirectly affecting raw material costs and market access for South African manufacturers.

d. Regional instability in Africa: Increased protests and coups in Africa could disrupt cross-border trade and increase operational risks in export markets.

2. Domestic Economic and Political Risks

a. Expropriation Act and Property Rights: The recently signed Expropriation Act introduces uncertainty regarding property rights, which could deter long-term investments in Mpact's facilities and infrastructure.

b. Government of National Unity (GNU) uncertainty: Internal conflicts within the ANC and potential GNU instability may lead to unpredictable regulatory and economic policies.

c. Upcoming local government elections: May lead to service delivery issues.

3. Logistics and Infrastructure Risks

a. Transnet's performance issues: Despite some improvements, inefficiencies in South Africa's rail and port networks continue to hamper supply chain reliability. This impacts Mpact's ability to receive raw materials and export finished goods.

b. Steel industry decline: The closure of ArcelorMittal South Africa's long steel plants may affect the cost of capital investment projects.

With these challenges in 2025, Mpact is committed to proactive risk management, strategic adaptation, and investment in resilience-building initiatives that are critical to sustaining long-term growth and operational stability.

Remuneration Committee Report

"Last November, Board members engaged with shareholders on inter alia the Remuneration Policy and the Implementation Report. These engagements were fruitful and resulted in an improved understanding of shareholders' views. Further interaction prior to the AGM would be of great value to both parties."

Don Wilson
Chair, Remuneration Committee

In accordance with the requirements of King IV™, the Remuneration Report is divided into three parts consisting of:

Part 1: Background Statement

This section provides insight around how remuneration decisions were influenced by the performance of the Group.

Part 2: The Remuneration Policy

This section is forward-looking, providing an overview of our remuneration philosophy and the Remuneration Policy that will be applicable for 2026.

Part 3: The Implementation Policy

This section is backward-looking, focusing on executive remuneration and performance outcomes based on the Remuneration Policy for 2025.

Remuneration Committee Report *(continued)*

Part 1: Background Statement

Mpact's Remuneration Policy has a direct impact on operational expenditure, company culture, employee behaviour and, with the correct strategic alignment, the company's sustainability. As such it is clearly defined, monitored and managed to ensure sustained validity and effectiveness. Remuneration is a business issue, not only a human resources issue. In addition, given the growth potential of our business, we also need to ensure our reward practices are aligned with the delivery of desired results and value creation over time.

Responsibility for the Remuneration Policy rests with the Remuneration Committee appointed annually by the Mpact Board of Directors.

	Remuneration Committee
Chairman	Donald Wilson[1]
Members	Anthony Phillips[2], Sibusiso Luthuli, Maya Makanjee, and Alethea Conrad[3]
Independence	All committee members are Independent Non-executive Directors
Role and function	The committee considers the Remuneration Policy of the Group with the assistance and guidance of independent experts, if required, and makes recommendations to the Board on all aspects and levels of remuneration. The committee further ensures that the Executive Directors, Prescribed Officers and senior managers are fairly rewarded for their individual contributions to the Group's overall performance. The committee also considers bonuses, which are discretionary and based upon general economic variables, the performance of the Group and the individual's performance, share awards and certain other employee benefits and schemes. No remuneration of any nature shall be paid, increased or varied to any Director without the prior approval of the members of the committee.
Responsibilities	• Assisting the Board by setting and administering remuneration policies in the Group's long-term interests, and ensuring, through an ongoing review of the Remuneration Policy for both appropriateness and relevance, the Group remunerates fairly and responsibly. • Being especially concerned with and providing recommendations regarding the remuneration of both Executive and Non-executive Directors, with due regard to applicable legal and regulatory requirements. • Determining, within the terms of the agreed policy, the total individual remuneration package of the Executive Directors, Prescribed Officers and senior managers and any other executive whose total remuneration is comparable to, or higher than, that of an Exco member. • Ensuring that individuals are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to Mpact's success. • Review and recommend salary and wage mandates on an annual basis. • Approving the design of and determining targets for any performance-related pay schemes in which the Executive Directors, Prescribed Officers and senior managers and other members of the senior management population participate. • Determining the design of and targets for such schemes by taking into account all factors it deems necessary, including performance-related pay schemes, and regularly reviewing incentive schemes to ensure the continued contribution to shareholder value. • Reviewing the design of all executive and all employee share plans for approval by the Board and shareholders, if required. • Being responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee. • Ensuring, in determining Remuneration Policy, specifically the contractual terms on termination of Executive Directors, Prescribed Officers and senior managers, and any payments made, are fair to the individual and Mpact.
Assurance	The committee is governed by formal Terms of Reference. The committee confirmed that they diligently exercised their duties of care and skill and they have taken reasonable steps to ensure that their duties were performed in accordance with their mandate.

1. *Appointed on 5 June 2025.*
2. *Retired on 29 May 2025.*
3. *Appointed on 5 June 2025.*

Meetings held during 2025

Committee members	4 March 2025	3 June 2025	29 July 2025	3 November 2025
Sibusiso Luthuli	✓	✓	✓	✓
Maya Makanjee	✓	✓	✓	✓
Donald Wilson	✓	✓	✓	✓
Alethea Conrad[1]	–	–	✓	✓
Anthony Phillips[2]	✓	–	–	–

1. *Appointed on 5 June 2025.*
2. *Retired on 29 May 2025.*

The CEO, CFO, Group HR Manager, Group Financial Controller and external remuneration experts were invited to committee meetings only in the event they were requested by the committee to present specific items, and were excused thereafter.

Activities undertaken by the committee during the year

The committee reviewed and approved:

- the remuneration packages and structure of Executive Directors, Prescribed Officers and senior management to ensure that they are competitive in the relevant market and are aligned with shareholders' interest as well as with the Group's strategy;
- the introduction of the 2025 Share Plan, including the use of forfeitable shares;
- the Exco's achievement against agreed key performance areas (KPAs) and STI targets for 2024;
- the Exco's KPAs and STI targets for 2025, considering prevailing market conditions and the company's strategic objectives, among other factors;
- the 2025 LTI awards and related conditions for vesting in March 2028;
- the vesting of the conditional 2022 LTI awards which vested in qualifying participants on 31 March 2025;
- mandates for wage negotiations and salary increases, taking the prevailing economic conditions and Group performance into consideration. Both mandates were recommended to and approved by the Board;
- the unwinding of the dual board structure after the 2025 AGM; and
- the Non-executive Directors' fees tabled for approval at the 2025 AGM.

RemChannel benchmarked the Total Guaranteed Cost of Employment (TGCOE) packages in 2021 in respect of Mpact's Executive Directors, Prescribed Officers and senior management. The conclusion of the exercise was that the Executive Directors, Prescribed Officers and senior management team of Mpact are positioned fairly, with a few exceptions due primarily to length of service. BDO Corporate Finance (Pty) Ltd verified that the correct number of shares vested in March 2025 in respect of the LTI awards granted in 2022 in terms of Mpact's Bonus Share Plan (BSP) and Performance Share Plan (PSP).

Other key activities undertaken during the year included:

- implementation of the revised Remuneration Policy which includes several updates in respect of variable pay. Details are included in the Remuneration Policy section of this report;
- addressed the issues arising from the review of the Mpact Incentive Scheme by Bowmans, who are external remuneration experts, with a view to aligning with industry best practice and addressing shareholder concerns. The committee is of the opinion that the remuneration advice was independent and objective;
- oversight of the activities of the Mpact Incentive Scheme Trust on behalf of the Board and the implementation of the Standard Bank share scheme escrow arrangement;
- reviewing the senior leadership development programme which aims to empower executives with management expertise and cross-functional perspective to drive performance across domains, industries and borders;
- ensuring employees have opportunities to develop themselves through a combination of structured development centres, accredited management development programmes, access to study assistance as well as in-house and external training programmes; and
- continued focus on the results of the gender and pay parity review, considering reporting standards, appropriate ratios and co-efficients, current disclosure, and national and global best practice.

The committee is satisfied that the Remuneration Policy achieved its objectives in 2025.

Remuneration Committee Report *(continued)*

Part 1: Background Statement *(continued)*

The Remuneration Policy and Implementation Report were tabled for separate non-binding advisory votes by shareholders at the company's AGM held on 5 June 2025, at which both were approved by shareholders. The voting results for the past two years are indicated in the table below:

Percentage of "Yes" votes	5 June 2025	6 June 2024
Non-binding advisory vote on Remuneration Policy	86.90%	48.82%
Non-binding vote on implementation of Remuneration Policy	86.90%	48.82%

Shareholder consultations

The Board invited shareholders to engage in-person, on virtual platforms, or via email with the Board on the Remuneration Policy and the Implementation Report both prior to and post the AGM, and these engagements resulted in a positive outcome, as illustrated by the passing of the non-binding advisory votes.

Key areas of focus for the coming year

The committee has identified the following areas of focus for the coming year:

- remuneration packages and structure of Executive Directors, Prescribed Officers and senior management to ensure they are competitive in the relevant market and are aligned with shareholders' interest as well as with the Group's strategy;
- implementation of the recommendations by the external consultants relating to the Incentive Scheme in order to achieve best practice and address shareholder concerns;
- Exco's 2026 KPAs and STI targets as well as the performance conditions for new LTI awards, considering prevailing market conditions and the company's strategic objectives, among other factors. KPAs will include specific reference to ESG matters;
- continued review of progress achieved toward correcting verified anomalies identified in the pay parity review in 2023;
- align the Remuneration Policy with King V™ principles;
- continue to monitor developments around the promulgation of the Companies Act amendments and incorporate legislated requirements as and when these come into effect;
- review the comparator group of companies used for remuneration benchmarking; and
- monitor and review of progress towards compliance with the Minimum Shareholding Requirement policy for Executive Directors and Prescribed Officers introduced in 2024.

Part 2: The Remuneration Policy

Objectives of the policy

The objectives of the Remuneration Policy are to enable the business to:

- Provide a framework to fairly and responsibly reward all employees based on their experience, skillset and company contribution;
- Within reasonable parameters and based on the company's operational requirements:
  - retain competent employees who enhance business performance;
  - reward, recognise and confer appreciation for superior performance; and
  - recruit high-performing, skilled individuals from a shrinking pool of talent.
- Establish a remuneration philosophy that:
  - directs employees' energies and activities towards key business goals; and
  - achieves the most effective returns (employee productivity) for total employee spend.

To achieve this, Mpact rewards its employees in a way that reflects the dynamics of the market and the context in which it operates. All components of this Remuneration Policy, including the fixed pay and variable pay for performance, are aligned to the strategic direction of the business and business-specific value drivers.

The Remuneration Policy is reviewed periodically by the committee considering, among other factors, the business strategy, latest trends, best practice and feedback from shareholders.

The Remuneration Policy will be subject to a non-binding advisory vote by shareholders at the AGM on 4 June 2026.

Key principles

The Remuneration Policy has been set with the objective of attracting, motivating and retaining experienced and high calibre directors, managers and employees in a manner that is consistent with best practice and aligned with the interests of Mpact's shareholders.

The Remuneration Policy for employees is framed around the following key principles:

- remuneration packages should be set at levels that are competitive in the relevant market and address unjustified pay differentials;
- the structure of remuneration packages and, in particular, the design of performance-based remuneration schemes, should be aligned with shareholders' interests and should support the achievement of the Group's business strategy and the management of risk;
- a significant proportion of the remuneration of Exco members should be performance-based;
- the performance-based element of remuneration should be appropriately balanced between the achievement of short-term objectives and longer-term objectives;
- the remuneration of Exco members and other employees should be set taking appropriate account of remuneration and employment conditions at all levels in the Group;
- appropriate measures may be utilised to attract and retain employees with scarce skills;
- compliance with, and due regard to, relevant collective bargaining processes and agreements.

Total remuneration of executive management

The total remuneration of the executive management comprises the following:

- guaranteed pay; and
- variable pay for performance comprising:
  - short-term incentives (STI); and
  - long-term incentives (LTI).

The company's targeted pay mix aims to align the incentives of employees with the interests of shareholders. The targeted pay mix is set out on @ page 81.

Guaranteed pay

Mpact aims to establish and maintain a logical pay scale with pay levels that ensure that the company is able to remain competitive, while managing costs.

Guaranteed pay is expressed in terms of total guaranteed cost of employment (TGCOE), which consists of basic salary, travel allowance, medical scheme contributions, and retirement funding contributions.

Remuneration Committee Report *(continued)*

Part 2: The Remuneration Policy *(continued)*

Annual TGCOE review

The TGCOE for employees is reviewed annually, normally with effect from 1 January. Factors taken into consideration during the review include business performance and the individual's performance, contribution and experience in the role. General affordability and the company's general financial position and operational requirements will play an important role in salary reviews:

- Salaries are reviewed annually and are targeted broadly at the median position in the relevant market. Due regard is also given to bargaining arrangements within industries or sectors, and collective bargaining agreements applicable to bargaining unit employees, as negotiated at national or enterprise level.
- In respect of management employees, the company periodically benchmarks its remuneration practices and policy using reputable management reward surveys conducted independently. The benchmark used is the median total guaranteed cost of employment for similar positions in similarly sized listed companies.
- The committee has regard principally to companies in the South African market which have a similar size, complexity and scope to the company. The committee also considers business performance, salary practices prevailing for other employees in the company and, when setting individual salaries, the individual's performance, contribution and experience in the role. Salary practices prevailing for other employees in the Group are taken into account through the consideration of data provided to the committee annually.

In respect of Executive Directors, Prescribed Officers and senior management, the company periodically benchmarks its remuneration practices and policy using reputable management reward surveys conducted independently. The benchmark used is the median total guaranteed cost of employment for similar positions in similarly sized listed companies.

A benchmarking exercise of the TGCOE packages of Mpact's Executive Directors, Prescribed Officers and senior management was conducted by RemChannel in 2021. The conclusion of the exercise was that the Executive Directors, Prescribed Officers and senior management of Mpact are positioned fairly, with a few exceptions due primarily to length of service.

Mpact had an average company-ratio of 105.8% against the 50th percentile of the national all-industries market, and 98.3% against the manufacturing industry, when benchmarked against the RemChannel matched jobs in 2021.

Medical aid

Medical aid benefits are offered through the Anglo Medical Scheme (AMS), administered by Discovery. AMS is a restricted medical scheme. The scheme offers three plans aimed at addressing the healthcare needs of its members. The plans include: Managed Care, a top tier plan comprising comprehensive unlimited cover for hospitalisation and most non-discretionary healthcare services; Standard Care, a traditional medical plan with defined benefits; and Value Care, an option which provides primary healthcare through a national network of Prime Cure facilities and providers.

Retirement fund

Retirement and risk benefits are provided through the Mondi Mpact Group Fund (MMGF). The employer and the employee both contribute towards the Fund and contributions are applied towards retirement saving, risk benefits and administration costs respectively. The MMGF has three investment categories, being Moderate, Dynamic and Conservative portfolios.

Variable pay

Short-term incentives (STI)

The annual STI award is based on a combination of financial and non-financial performance criteria for the year ended 31 December and comprises a cash portion, usually paid in full in March the following year, and for a limited number of key employees, a deferred portion.

The deferred portion is awarded in order to retain, motivate and reward key personnel, such as those who are vital to the Group's success and/or have scarce skills. The deferred portion is in the form of either deferred share awards or a Deferred Cash Plan (DCP). Both vest after three years subject to continued employment.

In respect of DCP awards, interest accrues monthly at the JIBAR rate and is paid out with the deferred cash bonus at the time of vesting. Deferred share awards prior to 2025 were made in terms of the Bonus Share Plan (BSP). On BSP vesting, all dividends declared between the award date and the vesting date are paid out to the employee as a dividend equivalent bonus. From 2025, the deferred portion is awarded as Deferred Share Awards (DSA). DSAs can be delivered in the form of either forfeitable or conditional shares. Forfeitable shares are similar to conditional shares, except that they are acquired as soon as possible after the award date and are held by an escrow agent for the benefit of the participant until they vest. They are restricted and may not be disposed of until they vest or are forfeited in the case that applicable performance conditions are not met. From the award date, participants are entitled to all dividends declared on DSAs and to exercise full voting rights in respect of those awards. As was the case in 2025, the committee will use forfeitable shares for the 2026 DSAs.

The maximum achievable STI awards for Executive Directors and Prescribed Officers are detailed below as values on the award date:

Level	Cash portion as % of TGCOE	Deferred portion (DSA) as % of TGCOE
CEO	80%	45%
CFO	80%	45%
PO	80%	45%

2026 STI key performance indicator (KPI) weighting

The determination of the STI award is based on the assessment of various KPIs. For the 2026 financial year, these metrics and their relative weightings are indicated in the table below. Increased focus has been given on reducing the level of net debt in the Group. Non-financial key performance areas include the following:

- Leadership competencies: grow the business; deliver results; build partnerships and self-management;
- ESG safety; and
- ESG other, including items such as water usage, carbon emission reduction and B-BBEE targets.

	Weighting (% of max)	
STI key performance indicator	**CEO and CFO**	**PO**
Financial	**70%**	**70%**
ROCE	10%	10%
Net debt	25%	25%
HEPS	15%	15%
EBITDA	20%	20%
Non-financial	**30%**	**30%**
ESG safety	10%	10%
ESG other	5%	5%
Individual KPAs and leadership competencies	15%	15%
Total	**100%**	**100%**

Long-term incentives (LTI) for the 2026 financial year

Long-term incentives, in the form of Performance Shares may be awarded annually to selected employees ("eligible employees"), in Mpact's sole discretion. The combined, weighted implementation of the STIs and LTIs allows Mpact to be competitive in annual and share-based incentives, reward long-term sustainable company performance aligned with shareholder interests, act as a retention tool, and ensure that Executive Committee members share a significant level of personal risk with the company's shareholders.

Performance Share Awards (PSA) prior to 2025 were made in terms of the Performance Share Plan (PSP). From 2025, PSA are made as detailed below.

Performance shares will vest on the third anniversary of their award, to the extent that the company has met specified performance criteria over the intervening period. Dividends declared between the award date and the vesting date will accrue to participants, but will only be settled when and to the extent that the underlying award vests.

Performance conditions for PSA are weighted 90% towards financial performance and 10% towards non-financial performance. PSAs can be delivered in the form of either forfeitable or conditional shares. As was the case in 2025, the committee will use conditional shares for the 2026 PSAs.

The face value of PSAs is determined as a proportion of an employee's TGCOE. The number of shares conditionally awarded is based on the face value of the award divided by the volume weighted average share price (VWAP) of Mpact Limited for the 20 trading days prior to the date on which the award is made. The proportion of shares ultimately vesting is dependent on the level of achievement of the performance criteria over the vesting period which can range from 0% to 100%. The value at vesting will be the number of shares vested multiplied by the share price at vesting and may be higher than the award values below due to share price movements.

Remuneration Committee Report *(continued)*

Part 2: The Remuneration Policy *(continued)*

The maximum achievable LTI awards for Executive Directors and Prescribed Officers are detailed below as values on the award date:

Level	Maximum value of awards as % of TGCOE
CEO	133%
CFO	100%
PO	100%

Share award policy updates from the 2025 financial year

Following the review of the remuneration policy as described in the 2024 Integrated Report, the share award policy was updated and duly implemented in 2025 to optimise its effectiveness as a competitive remuneration element, to align with best practice, legal and regulatory requirements, shareholder returns and other stakeholder requirements. Please refer to page 86 of the 2024 Integrated Report for a more comprehensive summary of the changes implemented.

Maximum achievable variable pay as % TGCOE

The following tables summarise the weighting of key performance indicators and maximum potential awards for all incentives for Executive Directors and Prescribed Officers:

Chief Executive Officer

	Total for all incentives		Short-term incentive				Long-term incentive	
			Cash portion		Deferred portion		Performance shares (PSA)	
			Paid in cash annually		Issued as deferred shares (DSA) from 2025, vesting after three years subject to continued employment		Vesting after three years subject to performance conditions	
Key performance indicator	**Weighting**	**% TGCOE**	Weighting	% TGCOE	Weighting	% TGCOE	Weighting	% TGCOE
Financial	**80%**	**207%**	70%	56%	70%	32%	90%	120%
ROCE	**31%**	**79%**	10%	8%	10%	5%	50%	67%
Net debt	**12%**	**31%**	25%	20%	25%	11%	0%	0%
HEPS	**28%**	**72%**	15%	12%	15%	7%	40%	53%
EBITDA	**10%**	**25%**	20%	16%	20%	9%	0%	0%
Non-financial	**20%**	**51%**	30%	24%	30%	14%	10%	13%
ESG – safety	**5%**	**13%**	10%	8%	10%	5%	0%	0%
ESG – other	**8%**	**20%**	5%	4%	5%	2%	10%	13%
Individual KPAs and leadership competencies	**7%**	**19%**	15%	12%	15%	7%	0%	0%
Total	**100%**	**258%**	100%	80%	100%	45%	100%	133%

Chief Financial Officer

	Total for all incentives		Short-term incentive				Long-term incentive	
			Cash portion		Deferred portion		Performance shares (PSA)	
			Paid in cash annually		Issued as deferred shares (DSA) from 2025, vesting after three years subject to continued employment		Vesting after three years subject to performance conditions	
Key performance indicator	**Weighting**	**% TGCOE**	Weighting	% TGCOE	Weighting	% TGCOE	Weighting	% TGCOE
Financial	**79%**	**178%**	70%	56%	70%	32%	90%	90%
ROCE	**28%**	**63%**	10%	8%	10%	5%	50%	50%
Net debt	**14%**	**31%**	25%	20%	25%	11%	0%	0%
HEPS	**26%**	**59%**	15%	12%	15%	7%	40%	40%
EBITDA	**11%**	**25%**	20%	16%	20%	9%	0%	0%
Non-financial	**21%**	**48%**	30%	24%	30%	14%	10%	10%
ESG – safety	**6%**	**13%**	10%	8%	10%	5%	0%	0%
ESG – other	**7%**	**16%**	5%	4%	5%	2%	10%	10%
Individual KPAs and leadership competencies	**8%**	**19%**	15%	12%	15%	7%	0%	0%
Total	**100%**	**225%**	100%	80%	100%	45%	100%	100%

Remuneration Committee Report *(continued)*

Part 2: The Remuneration Policy *(continued)*

Prescribed Officers

	Total for all incentives		Short-term incentive				Long-term incentive	
			Cash portion		Deferred portion		Performance shares (PSA)	
			Paid in cash annually		Issued as deferred shares (DSA) from 2025, vesting after three years subject to continued employment		Vesting after three years subject to performance conditions	
Key performance indicator	**Weighting**	**% TGCOE**	Weighting	% TGCOE	Weighting	% TGCOE	Weighting	% TGCOE
Financial	**79%**	**178%**	70%	56%	70%	32%	90%	90%
ROCE	**28%**	**63%**	10%	8%	10%	5%	50%	50%
Net debt	**14%**	**31%**	25%	20%	25%	11%	0%	0%
HEPS	**26%**	**59%**	15%	12%	15%	7%	40%	40%
EBITDA	**11%**	**25%**	20%	16%	20%	9%	0%	0%
Non-financial	**21%**	**48%**	30%	24%	30%	14%	10%	10%
ESG – safety	**6%**	**13%**	10%	8%	10%	5%	0%	0%
ESG – other	**7%**	**16%**	5%	4%	5%	2%	10%	10%
Individual KPAs and leadership competencies	**8%**	**19%**	15%	12%	15%	7%	0%	0%
Total	**100%**	**225%**	100%	80%	100%	45%	100%	100%

The KPI measurement period for STIs is the financial year, and for LTIs, the three financial years from the beginning of the year of the award to the end of the year before vesting.

Measurement and period	Short-term incentive (STI) Cash and Deferred shares	Long-term incentive (LTI) Performance shares
Financial		
ROCE	Actual at period end, calculated as the underlying EBIT plus the share of profit from associates over the performance period, divided by the average capital employed. Capital employed is Mpact's total invested capital minus expansion capital work-in-progress plus net debt minus specific categories of debt	Calculated as per the STI, but using averages over the three-year vesting period
HEPS	Actual for the year	Actual over three-year vesting period
EBITDA	Actual underlying EBITDA for the year	n/a
Net debt	Actual at period-end	n/a
Non-financial		
ESG – safety	Actual for the year	n/a
ESG – other	Actual for the year	Actual over three-year vesting period
Individual/ leadership	Actual for the year	n/a

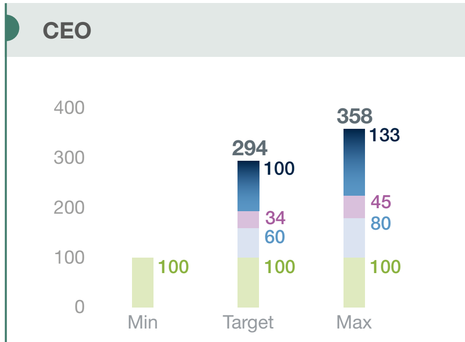
Pay mix

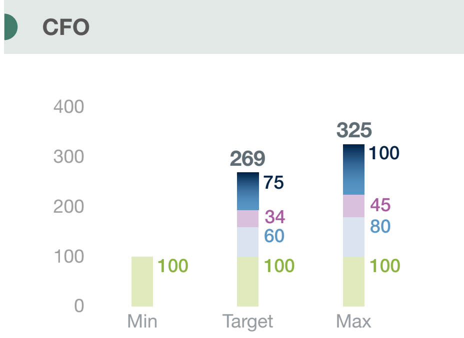
Using the components of total remuneration described previously, the following graphs illustrate the potential outcomes between minimum and maximum remuneration for the CEO, CFO and Prescribed Officers.

The pay-mix indicated in the charts below depicts the Minimum, Maximum and Target remuneration expressed as a percentage of TGCOE. The Target pay mix assumes that participants achieve 75% of the maximum STI, DSA and PSA respectively.

The charts show PSA and DSA separately. Dividends received on shares awarded are, however, not indicated since the actual dividends received vary based on actual dividend declarations in each year.

When comparing the pay-mix range shown to actual remuneration outcomes in the single figure reporting under Part 3, it should be noted that these figures are based on the face value at the award date, whereas the single figure reporting on remuneration paid to Executive Directors and Prescribed Officers in respect of the current and preceding years, includes actual value at vesting for the share awards, which reflects the share price at that time.





Remuneration Committee Report *(continued)*

Part 2: The Remuneration Policy *(continued)*

Executive Directors' and Prescribed Officers' policy on loss of office and existing service contracts

Service contracts for new appointments

Executive Directors' service contracts provide for a maximum of six months' notice by either party. Employment contracts for Prescribed Officers provide for a maximum of three months' notice by either party. Service contracts for senior executives contain pay in lieu of notice provisions which may be invoked at the discretion of the committee if the company terminates the service contract. No discretionary incentives are paid to any employees where such employees are at fault/bad leavers.

Where appropriate, new appointments will be required to sign restraint of trade agreements on engagement.

Existing service contracts

Notice periods for executive management currently in office are indicated in the table below:

Role	Notice period
CEO	**Twelve months**
CFO	**Three months**
PO	**Between three and six months**

In the event of termination of employment, no executive managers have special termination benefits or balloon payment provisions in their employment contracts.

Upon termination of employment, the company may elect to make payment in lieu of notice.

Where a member of executive management has acquired an unconditional contractual right to remuneration and/or a specific incentive, it will be paid out on termination of employment. The payment of discretionary benefits will be considered on a case-by-case basis, in Mpact's discretion and in accordance with the rules applicable to the incentive concerned. Furthermore, it is noted that no discretionary incentives are paid to any employees where such employees are designated as ineligible employees.

Malus and clawback

Malus and clawback provisions apply to both the cash and share-based elements of both short-term and long-term incentive awards, for a period of three years from the date of settlement of an award in the case of clawback and at any time prior to vesting or settlement, in the case of malus.

The malus provisions may be applied by the Board where any of the following trigger events have occurred: material misstatement of financial results; information or the assessment of any performance condition(s) used to determine an award was based on a materially erroneous or inaccurate or fraudulent information; misstatement of performance; serious reputational damage; censure of Mpact by a regulatory authority; gross or serious misconduct; or a material failure of risk management. The clawback provisions may be applied where any of the following trigger events have occurred: material misstatement of financial results; or where information or the assessment of any performance condition(s) used to determine an award was based on materially erroneous or inaccurate or fraudulent information.

Minimum shareholding requirements (MSR)

The members of the Executive Committee are subject to a minimum shareholding requirements (MSR) policy, where they are required to build up unencumbered holdings of company shares to the value of:

CEO	**2 x TGCOE**
Executive Directors and Prescribed Officers	**1.5 x TGCOE**
All other members of Exco	**1 x TGCOE**

Executives to whom this policy applies will have five years from the later of (i) 1 January 2024, or (ii) the appointment date to the Executive Committee, in order to achieve compliance. Provided that in the case of (ii) compliance will be required by 31 December in the 6th (sixth) year following appointment to the Exco. The compliance period may be extended at the discretion of the RemCom should circumstances warrant such extension.

The executives may build up these MSR holdings from shares held personally or for their sole economic benefit, or from share awards that they commit to hold for a further period after plan vesting. Unvested performance shares, that have not been committed nor performance measured, are not considered for this purpose. The share price used to assess the value of the holdings will be the closing price on 31 December of the measurement year. The annual TGCOE on 31 December will also be used to assess compliance with the policy.

Non-executive Directors' fees

The fee structure for Non-executive Directors was designed to ensure that we attract, retain and appropriately compensate a diverse and experienced Board of Non-executive Directors.

Mpact engaged Vasdex Associates (Pty) Ltd in the first quarter of 2024 to conduct a benchmarking exercise to inform a review of its Non-executive Directors' fees in 2024. The benchmarking was conducted by means of a peer group comparison, with 14 companies selected based on organisation size and nature of operation (similarity of industry).

The benchmarking exercise indicated that Mpact's Non-executive Directors were fairly remunerated and generally aligned to the median of the market for companies of comparative size, industry sector and market capitalisation.

Fair and responsible remuneration

King IV™ emphasises executive remuneration which is fair and responsible "in context of the overall employee remuneration" and part of this responsibility is addressing the gap between the remuneration of executives and the employees at the lower end of the pay scale. The committee regards this as an important objective. Steps taken include:

- Lower mandated increase for executives compared to employees at the lower end of the pay scale.
- Ensuring total remuneration for executives comprises a higher variable pay based on performance.

Voting statements (non-binding advisory vote on the Remuneration Policy)

This Remuneration Policy is subject to an advisory vote by shareholders at the AGM on 4 June 2026. Shareholders are requested to cast a non-binding advisory vote on Part 2 of this Remuneration Report, as it appears above.

Remuneration Committee Report *(continued)*

Part 3: The Implementation Policy

Guaranteed package approved

The approved annual TGCOE increase for the executive management was between 4% and 5% effective 1 January 2025. This is to be compared to the mandated increase granted to other employees of up to 5% on average (2024: 6.13% on average).

TGCOE approved	2025	2024	% increase
Executive Directors			
BW Strong	**7,124,059**	6,850,057	4.00%
JJ Snyman[1]	**4,682,496**	3,576,208	30.9%
Prescribed Officers			
HM Thompson	**5,850,140**	5,625,135	4.00%
JW Hunt	**4,441,156**	4,229,672	5.00%
CM Botha	**4,727,508**	4,502,388	5.00%

1. *Appointed on 1 June 2024. Of the total 2024 TGCOE amount, R2,626,400 was paid as Director of Mpact Limited and R949,808 was paid as a Divisional Commercial Manager of Recycling Consolidated Holdings Proprietary Limited.*

Short-term incentive bonus achievements

For the year ended 31 December 2025, the annual bonus performance outcome for the Executive Directors was as follows:

	Weighting	Threshold at 25%	Maximum at 100%	Actual	% achieved	Weighting outcome
Financial	**70%**				**0%**	**0**
EBITDA	**25%**	**R1,625 million**	**R2,050 million**	**R1,519 million**	**0%**	**0**
HEPS (cps)	**15%**	**370 cents**	**469 cents**	**307 cents**	**0%**	**0**
ROCE, excluding CWIP	**30%**	**16.0%**	**18.0%**	**11.3%**	**0%**	**0**

	Weighting	Threshold at 0%	Maximum at 100%	Actual	% achieved	Weighting outcome
Non-financial						
SIFR	**5%**	**0,75**	**0,55**	**0,38**	**100%**	**5.0**
Leading safety indicators	**5%**	**80%**	**95%**	**90%**	**70%**	**3.5**
ESG – Other						
CO_2e	**3.0%**	**1.72%**	**2.20%**	**3.19%**	**100%**	**3.0**
Water reduction	**2.0%**	**0.5%**	**1.68%**	**3.14%**	**100%**	**2.0**
Fatality penalty		**1 fatality occurred at an operation**				**(2.5)**
Leader competencies and other non-financial KPAs	**15%**	**Average actual outcome of 90.0%**				**13.5**
Total	**100%**	**Average total weighting outcome**				**24.5**

Long-term incentives outcomes

Awards and grants made on 1 April 2023 vested on 31 March 2026. The vesting outcome applicable to both the BSP and the PSP is calculated as set out below:

Bonus share plan

Bonus shares granted in 2023 were released to participants still employed by Mpact at the vesting date which was 31 March 2026. There are no other performance conditions linked to the BSP.

Performance share plan

The level of achievement against the performance criteria for the performance shares awarded in 2023 and vested in March 2026, based on three years' financial performance to the year ended 31 December 2025, was 0% determined as follows:

	Weighting	0%	Threshold 30% vesting	Maximum 100% vesting	Actual	% achieved
ROCE %	50%	<14%	14%	19%	13.0%	0%
	ROCE % calculation is based on an average three-year achievement for the financial years ended 31 December 2023, 2024 and 2025					
HEPS growth	50%	No vesting below 30%	Mpact HEPS for the final year of the performance period (Final HEPS) exceeds Reference HEPS by a factor of CPI plus GDP growth over the performance period	Mpact Final HEPS must be higher than the Reference HEPS by a factor of CPI plus GDP growth over the performance period plus 5%	For the performance period 1 January 2023 to 31 December 2025, Mpact's Final HEPS for the year ended 31 December 2025 was 306.6 cents per share, compared to the Reference HEPS of 430.1 cents per share. Therefore 0% of the award based on HEPS growth will vest	0%

Remuneration Committee Report *(continued)*

Part 3: The Implementation Policy *(continued)*

Executive Directors' five-year remuneration, STI and LTI

	CEO		CFO[1]		% of face value of share awards realised at date of vesting		
Year	TGCOE	Actual STI score as % of maximum possible	TGCOE	Actual STI score as % of maximum possible	BSP	PSP	
2021	5,851,018	94%	4,447,508	93%	69%	44%	63% of the PSP shares awarded in 2018 vested. Share price depreciated from R28.89 per share at date of award to R20.03 at date of vesting.
2022	6,198,445	91%	4,711,596	90%	141%	116%	82% of the PSP shares awarded in 2019 vested. Share price appreciated from R23.45 per share at date of award to R33.00 at date of vesting.
2023	6,508,365	67%	4,947,176	60%	278%	266%	96% of the PSP shares awarded in 2020 vested. Share price appreciated from R10.52 per share at date of award to R29.20 at date of vesting.
2024	6,850,057	31.2%	2,626,400	32.1%	132%	132%	100% of the PSP shares awarded in 2021 vested. Share price appreciated from R20.44 per share at date of award to R27.00 at date of vesting.
2025	**7,124,059**	**24.4%**	**4,682,496**	**24.6%**	**86.11%**	**34.37%**	**39.91% of the PSP shares awarded in 2022 vested. Share price depreciated from R31.89 per share at date of award to R27.46 at date of vesting.**

1. Values for 2020 to 2023 are in respect of BDV Clark who retired as CFO on 31 May 2024. The 2024 values are in respect of JJ Snyman, who was appointed from 1 June 2024.

Remuneration of Executive Directors and Prescribed Officers
31 December 2025

R's	Guaranteed package (TGCOE)[1]	Short-term incentive – cash portion[2]	Other[3]	Sub-total cash-based remuneration	Short-term incentive – deferred portion (grant value)[4]	Long-term incentive – intrinsic value[5]	Total remuneration
2025							
Executive Directors							
BW Strong	7,124,059	1,390,616	256,915	8,771,590	782,222	–	9,553,812
JJ Snyman	4,682,496	921,515	–	5,604,011	518,352	–	6,122,364
Total	11,806,555	2,312,132	256,915	14,375,602	1,300,574	–	15,676,176
Prescribed Officers							
C Botha	4,727,508	1,667,865	159,113	6,554,486	938,174	–	7,492,660
JW Hunt	4,441,156	1,652,110	151,015	6,244,281	929,312	–	7,173,593
HM Thompson	5,850,140	2,180,932	201,528	8,232,600	1,226,774	–	9,459,375
Total	15,018,804	5,500,907	511,656	21,031,367	3,094,260	–	24,125,628

1. *Guaranteed package (TGCOE) paid for the 12 months of the financial year.*
2. *Short-term incentive (STI) earned on performance for the 2025 financial year, to be paid in March 2026.*
3. *Other cash benefits include dividend equivalent bonus based on actual bonus shares that vested in March 2025 and other cash benefits.*
4. *Value of the bonus shares to be granted (56.25% of STI) in 2026, based on 2025 short-term incentive performance and vesting in March 2028.*
5. *Intrinsic value is calculated by taking the number of performance shares expected to vest in March 2026, based on performance over the three-year period ended 31 December 2025, multiplied by the closing Mpact share price at 31 December 2025.*

Remuneration Committee Report *(continued)*

Part 3: The Implementation Policy *(continued)*

Remuneration of Executive Directors and Prescribed Officers
31 December 2024

R's	Guaranteed package (TGCOE)[1]	Short-term incentive – cash portion bonus[2]	Other[3]	Cash-based remuneration	Short-term deferred portion (grant value)[4]	Long-term incentive – intrinsic value[5]	Total remuneration
Executive Directors							
BW Strong	6,850,057	1,709,774	178,902	8,738,733	961,748	3,055,474	12,755,955
JJ Snyman[6]	3,576,208	750,682	1,818	4,328,708	455,606	0	4,784,314
BDV Clark[7]	2,169,543	348,863	142,483	2,606,889	0	1,741,945	4,402,834
Total	12,595,808	2,809,319	323,203	15,728,330	1,417,354	4,797,419	21,943,103
Prescribed Officers							
CM Botha	4,502,388	1,505,599	82,051	6,090,038	846,899	1,481,481	8,418,418
JW Hunt	4,229,672	1,387,332	119,445	5,736,449	780,374	1,391,752	7,908,575
HM Thompson	5,625,135	1,980,048	164,252	7,769,435	1,113,777	1,881,862	10,765,074
Total	14,357,195	4,872,979	365,748	19,595,922	2,741,050	4,755,095	27,092,067

1. *Guaranteed package (TGCOE) paid for the 12 months of the financial year.*
2. *Short-term incentive (STI) cash portion earned on 2024 performance, paid in March 2025.*
3. *Other cash benefits include dividend equivalent bonus based on actual bonus shares that vested in March 2024 and other cash benefits.*
4. *Value of the deferred shares to be granted (56.25% of STI) in 2025 based on 2024 performance and vesting in March 2028.*
5. *Intrinsic value is calculated by taking the number of PSP shares expected to vest in March 2025 based on performance over the three-year period ended 31 December 2024, multiplied by the closing Mpact share price of R29.54 at 31 December 2024.*
6. *Appointed on 1 June 2024. Of the total TGCOE amount, R2,626,400 was paid as Director of Mpact and R949,808 was paid as a Divisional Commercial Manager of Recycling Consolidated Holdings Proprietary Limited.*
7. *Retired on 31 May 2024.*

Number and market value of share awards granted to Executive Directors and Prescribed Officers

The following tables set out the number and market value of share awards granted, exercised and lapsed to the Executive Directors and Prescribed Officers during the year:

2025 – Executive Directors

BW Strong

Type of award	Date of award/grant	Release date	Number of shares awarded/ granted in prior years	Number of shares awarded/ granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025
BSP	Apr 22	Mar 25	77,532	–	77,532	–	–
PSP	Apr 22	Mar 25	259,171	–	103,435	155,736	–
BSP	Apr 23	Mar 26	86,392	–	–	–	86,392
PSP	Apr 23	Mar 26	296,328	–	–	296,328	–
BSP	Apr 24	Mar 27	73,256	–	–	–	73,256
PSP	Apr 24	Mar 27	333,013	–	–	333,013	–
DSA	Jun 25	Mar 28	–	37,028	–	–	37,028
PSA	Jun 25	Mar 28	–	365,703	–	241,364	124,339
Total number of shares			**1,125,692**	**402,731**	**180,967**	**1,026,441**	**321,015**

Remuneration Committee Report *(continued)*

Part 3: The Implementation Policy *(continued)*

R's Type of award	Date of award/grant	Award/ grant price (Rand)[7]	Face value of shares awarded/ granted in prior years[1]	Face value of shares awarded/ granted during the year[2]	Cumulative effects of share price movement gain/(loss)[3]	Value of shares vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025[5]
BSP	Apr 22	31.89	2,472,317	–	(343,273)	2,129,044	–	–
PSP	Apr 22	31.89	8,264,367	–	(1,147,480)	2,840,346	4,276,541	–
BSP	Apr 23	29.28	2,529,886	–	(586,066)	–	–	1,943,820
PSP[6]	Apr 23	29.28	8,677,610	–	(2,010,230)	–	6,667,380	–
BSP	Apr 24	27.43	2,009,104	–	(360,844)	–	–	1,648,260
PSP[6]	Apr 24	27.43	9,133,148	–	(1,640,355)	–	7,492,793	–
DSA	Jun 25	25.97	–	961,739	(128,609)	–	–	833,130
PSA	Jun 25	25.97	–	9,498,514	(1,270,196)	–	5,430,690	2,797,628
Total market value of shares			33,086,432	10,460,253	(7,487,053)	4,969,390	23,867,404	7,222,838

Part 3: The Implementation Policy *(continued)*

Executive Director

JJ Snyman

Type of award	Date of award/grant	Release date	Number of shares awarded/ granted in prior years	Number of shares awarded/ granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025
BSP	Apr 23	Mar 26	13,521	–	–	–	13,521
BSP	Apr 24	Mar 27	16,193	–	–	–	16,193
PSP	Jun 24	Mar 27	164,166	–	–	164,166	–
DSA	Jun 25	Mar 28	–	17,541	–	–	17,541
PSA	Jun 25	Mar 28	–	180,281	–	118,985	61,296
			193,880	197,822	–	283,151	108,551

R's Type of award	Date of award/grant	Award/ grant price (Rand)[7]	Face value of shares awarded/ granted in prior years[1]	Face value of shares awarded/ granted during the year[2]	Cumulative effects of share price movement gain/(loss)[3]	Value of shares vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025[5]
BSP	Apr 23	29.28	395,946	–	(91,724)	–	–	304,222
BSP	Apr 24	27.43	444,106	–	(79,763)	–	–	364,343
PSP[6]	Jun 24	27.43	4,502,384	–	(808,649)	–	3,693,735	–
DSA	Jun 25	25.97	–	455,598	(60,925)	–	–	394,673
PSA	Jun 25	25.97	–	4,682,492	(626,170)	–	2,677,173	1,379,149
			5,342,436	5,138,090	(1,667,231)	–	6,370,908	2,442,387

Remuneration Committee Report *(continued)*

Part 3: The Implementation Policy *(continued)*

Prescribed Officer

JW Hunt

Type of award	Date of award/grant	Release date	Number of shares awarded/ granted in prior years	Number of shares awarded/ granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025
BSP	Apr 22	Mar 25	46,523	–	46,523	–	–
PSP	Apr 22	Mar 25	118,051	–	47,114	70,937	–
BSP	Apr 23	Mar 26	42,922	–	–	–	42,922
PSP	Apr 23	Mar 26	136,261	–	–	136,261	–
BSP	Apr 24	Mar 27	43,473	–	–	–	43,473
PSP	Apr 24	Mar 27	154,222	–	–	154,222	–
DSA	Jun 25	Mar 28	–	30,045	–	–	30,045
PSA	Jun 25	Mar 28	–	170,989	–	112,853	58,136
Total number of shares			**541,452**	**201,034**	**93,637**	**474,273**	**174,576**

R's Type of award	Date of award/grant	Award/ grant price (Rand)[7]	Face value of shares awarded/ granted in prior years[1]	Face value of shares awarded/ granted during the year[2]	Cumulative effects of share price movement gain/(loss)[3]	Value of shares vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025[5]
BSP	Apr 22	31.89	1,483,511	–	(205,981)	1,277,530	–	–
PSP	Apr 22	31.89	3,764,375	–	(522,671)	1,293,760	1,947,944	–
BSP	Apr 23	29.28	1,256,919	–	(291,174)	–	–	965,745
PSP[6]	Apr 23	29.28	3,990,240	–	(924,367)	–	3,065,873	–
BSP	Apr 24	27.43	1,192,282	–	(214,139)	–	–	978,143
PSP[6]	Apr 24	27.43	4,229,662	–	(759,667)	–	3,469,995	–
BSP	Jun 25	25.97	–	780,368	(104,355)	–	–	676,013
PSP	Jun 25	25.97	–	4,441,149	(593,896)	–	2,539,187	1,308,066
Total market value of shares			**15,916,989**	**5,221,517**	**(3,616,250)**	**2,571,290**	**11,022,999**	**3,927,967**

Prescribed Officer

C Botha

Type of award	Date of award/grant	Release date	Number of shares awarded/ granted in prior years	Number of shares awarded/ granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025
BSP	Apr 22	Mar 25	50,108	–	50,108	–	–
PSP	Apr 22	Mar 25	125,662	–	50,152	75,510	–
BSP	Apr 23	Mar 26	45,874	–	–	–	45,874
PSP	Apr 23	Mar 26	145,047	–	–	145,047	–
BSP	Apr 24	Mar 27	45,648	–	–	–	45,648
PSP	Apr 24	Mar 27	164,165	–	–	164,165	–
DSA	Jun 25	Mar 28	–	32,607	–	–	32,607
PSA	Jun 25	Mar 28	–	182,014	–	120,129	61,885
			576,504	214,621	100,260	504,851	186,014

R's Type of award	Date of award/grant	Award/ grant price (Rand)[7]	Face value of shares awarded/ granted in prior years[1]	Face value of shares awarded/ granted during the year[2]	Cumulative effects of share price movement gain/(loss)[3]	Value of shares vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025[5]
BSP	Apr 22	31.89	1,597,829	–	(221,853)	1,375,976	–	–
PSP	Apr 22	31.89	4,007,072	–	(556,369)	1,377,184	2,073,519	–
BSP	Apr 23	29.28	1,343,365	–	(311,200)	–	–	1,032,165
PSP[6]	Apr 23	29.28	4,247,527	–	(983,970)	–	3,263,557	–
BSP	Apr 24	27.43	1,251,933	–	(224,853)	–	–	1,027,080
PSP[6]	Apr 24	27.43	4,502,356	–	(808,644)	–	3,693,712	–
DSA	Jun 25	25.97	–	846,911	(113,254)	–	–	733,657
PSA	Jun 25	25.97	–	4,727,504	(632,189)	–	2,702,908	1,392,407
			16,950,082	5,574,415	(3,852,332)	2,753,160	11,733,696	4,185,309

Part 3: The Implementation Policy (continued)

Prescribed Officer

HM Thompson

Type of award	Date of award/grant	Release date	Number of shares awarded/ granted in prior years	Number of shares awarded/ granted during the year	Number of shares vested during the year	Number of shares lapsed or expected to lapse at vesting date	Number of shares held as at 31 December 2025
BSP	Apr 22	Mar 25	63,939	–	63,939	–	–
PSP	Apr 22	Mar 25	159,623	–	63,706	95,917	–
BSP	Apr 23	Mar 26	60,540	–	–	–	60,540
PSP	Apr 23	Mar 26	182,508	–	–	182,508	–
BSP	Apr 24	Mar 27	60,771	–	–	–	60,771
PSP	Apr 24	Mar 27	205,103	–	–	205,103	–
DSA	Jun 25	Mar 28	–	42,882	–	–	42,882
PSA	Jun 25	Mar 28	–	225,237	–	148,656	76,581
Total number of shares			732,484	268,119	127,645	632,184	240,774

R's Type of award	Date of award/grant	Award/ grant price (Rand)[7]	Face value of shares awarded/ granted in prior years[1]	Face value of shares awarded/ granted during the year[2]	Cumulative effects of share price movement gain/(loss)[3]	Value of shares vested during the year[4]	Value of shares lapsed or expected to lapse at vesting date	Market value of shares at 31 December 2025[5]
BSP	Apr 22	31.89	2,038,868	–	(283,090)	1,755,778	–	–
PSP	Apr 22	31.89	5,090,010	–	(706,731)	1,749,380	2,633,899	–
BSP	Apr 23	29.28	1,772,841	–	(410,691)	–	–	1,362,150
PSP	Apr 23	29.28	5,344,528	–	(1,238,098)	–	4,106,430	–
BSP	Apr 24	27.43	1,666,693	–	(299,346)	–	–	1,367,347
PSP	Apr 24	27.43	5,625,114	–	(1,010,296)	–	4,614,818	–
BSP	Jun 25	25.97	–	1,113,787	(148,942)	–	–	964,845
PSP	Jun 25	25.97	–	5,850,148	(782,316)	–	3,344,769	1,723,063
Total market value of shares			**21,538,054**	**6,963,935**	**(4,879,510)**	**3,505,158**	**14,699,916**	**5,417,405**

1. *Face value at award/grant date is the number of shares awarded/granted at the award/grant price.*
2. *During the year share grants and awards were made at R25.97 per share.*
3. *Cumulative effects of share price gains and losses represent the difference between the face value at the award/grant date and the sum of the value at vesting, the value lapsed or expected to lapse and the market value at 31 December 2025.*
4. *During the year share awards were vested at a share price of R27.46 per share.*
5. *Market value on 31 December 2025 is the closing share price which was R22.50 per share.*
6. *Assumed a 0% achievement of PSP awarded in 2023, and 0% for awards made in 2024.*
7. *Award/grant price is the VWAP of Mpact for the twenty trading days prior to the date on which the award is made.*

Remuneration Committee Report *(continued)*

Part 3: The Implementation Policy *(continued)*

Non-executive Directors' fees[1]

	Paid by Mpact			Paid by Mpact Operations[2]			Total paid by Group
R's	Fees paid as Non-executive Director[1]	Fees paid as Trustee to the Mpact Foundation Trust[1]	Total	Fees paid as Non-executive Director[1]	Professional fees	Total	Total
2025							
S Luthuli	666,488	–	666,488	352,116	–	352,116	1,018,604
AJ Phillips[3]	–	–	–	445,119	–	445,119	445,119
ABA Conrad	426,235	169,659	595,894	199,699	–	199,699	795,593
C Raphiri[4]	158,594	–	158,594	–	–	–	158,594
F Futwa	445,874	–	445,874	248,615	–	248,615	694,489
M Makanjee	486,756	85,138	571,894	327,614	–	327,614	899,508
S Mayet[5]	466,544	–	466,544	55,492	–	55,492	522,036
DG Wilson	506,395	–	506,395	310,995	–	310,995	817,390
Total	**3,156,886**	**254,797**	**3,411,683**	**1,939,650**	**–**	**1,939,650**	**5,351,333**
2024							
AJ Phillips	–	–	–	990,457	58,645	1,049,102	1,049,102
ABA Conrad	–	161,580	161,580	543,371	–	543,371	704,951
F Futwa[6]	–	–	–	438,030	–	438,030	438,030
S Luthuli	–	–	–	1,090,277	–	1,090,277	1,090,277
M Makanjee	–	81,084	81,084	828,683	–	828,683	909,767
TDA Ross[7]	–	–	–	513,397	–	513,397	513,397
DG Wilson	–	–	–	790,095	–	790,095	790,095
Total	–	242,664	242,664	5,194,310	58,645	5,252,955	5,495,619

1. *The above amounts exclude VAT.*
2. *The Non-executive Directors appointed to Mpact Operations. Board resigned on 1 July 2025.*
3. *Retired on 29 May 2025 from Mpact and Mpact Operations.*
4. *Appointed on 15 September 2025.*
5. *Appointed 10 April 2025.*
6. *Appointed on 17 May 2024.*
7. *Retired on 6 June 2024 from Mpact and Mpact Operations.*

Part 3: The Implementation Policy *(continued)*

Directors' interest in shares

As at 31 December 2025, the Directors' interest in Mpact was:

	2025 Direct number of shares	2025 Indirect number of shares	2025 Restricted number of shares	2024 Direct number of shares	2024 Indirect number of shares
Executive Directors					
BW Strong	**1,332,164**	**–**	**37,028**	1,254,632	–
JJ Snyman	**–**	**7,350**	**17,541**	–	7,350
Non-executive Director					
AJ Phillips (retired on 29 May 2025)	**–**	**–**	**–**	8,914	1,516
Prescribed Officers					
JW Hunt	**594,979**	**–**	**30,045**	594,979	–
HM Thompson	**669,017**	**–**	**42,882**	719,017	–
CM Botha	**159,904**	**–**	**32,607**	159,904	–
Total	**2,756,064**	**7,350**	**160,103**	2,737,446	8,866

There are no associate interests for the above Directors and Prescribed Officers. The restricted shares relate to the forfeitable Deferred Share Awards which are still subject to a vesting performance condition.

The Implementation Report will be subject to a non-binding advisory vote by shareholders at the AGM on 4 June 2026.

Don Wilson
Chair, Remuneration Committee

24 April 2026