



Master Drilling Group Limited

Board of Directors Terms of Reference

1. INTRODUCTION, STATUS AND INTERPRETATION

- 1.1 Master Drilling Group Limited (“the Company”) shall be headed by an effective Board of Directors (“the Board”) to lead and control the Company. The Board is the focal point and custodian of corporate governance and is accountable to the Company and, ultimately, its shareholders for the performance and governance of the Company.
- 1.2 References to “the Group” shall include all companies in the Master Drilling group of companies, where applicable and unless the context indicates otherwise.
- 1.3 The Board is committed to the Constitution of the Republic of South Africa and strives to ensure compliance with all applicable legislation, regulation and governance standards. The Board further strives to cultivate and embody integrity, competence, responsibility, accountability, transparency and fairness, and to exhibit such principles in its conduct, with the aim of enhancing sustainable value creation and shareholder value over the long term.
- 1.4 These Terms of Reference are to be interpreted and applied in a manner consistent with the Company’s memorandum of incorporation (“MOI”), the Companies Act, 71 of 2008 (“Companies Act”), the JSE Listings Requirements (“JSE LRs”), King V Report on Corporate Governance for South Africa (“King V / King 5”), and any other applicable laws, regulations and codes of best practice (collectively, “the Statutes”).
- 1.5 The Board structure is that of a unitary Board consisting of executive directors (with intimate knowledge of the business) and non-executive directors (bringing independent and objective oversight and a broader view of the Company’s activities). Management of business risk and the exercise of commercial judgement are enhanced by the association and exchange of experience and knowledge between executive and non-executive directors.

2. ROLE AND MANDATE OF THE BOARD

- 2.1 The Board has a collective responsibility to ensure effective governance, which involves a set of relationships between the Company’s management, its Board, its shareholders and other relevant stakeholders.
- 2.2 The Board shall, as a minimum:
 - 2.2.1 determine the Company’s purpose and values;
 - 2.2.2 determine and approve the strategy to achieve its purpose and implement its values (including organisational behaviour and norms) to ensure the Company survives and thrives;
 - 2.2.3 exercise leadership, enterprise, integrity and judgement in directing the Company so as to achieve continuing prosperity;
 - 2.2.4 ensure procedures and practices are in place that protect the Company’s assets and reputation;
 - 2.2.5 monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans;
 - 2.2.6 ensure compliance with all relevant laws, regulations and codes of best business practice;
 - 2.2.7 ensure that technology, systems and information governance are adequate for proper conduct and competitiveness of the business;
 - 2.2.8 identify key risk areas and key performance indicators to enhance long-term shareholder value while recognising the legitimate interests of society and stakeholders;

2.2.9 assess its performance and effectiveness, and that of individual directors, including the Chief Executive Officer (“CEO”); and

2.2.10 ensure an appropriate succession plan for executive directors and senior management.

2.3 The Board shall focus on performance in directing the commercial and economic fortunes of the Company, whilst ensuring conformance to the Statutes. The Board must be constituted to provide an appropriate balance between enterprise and control.

2.4 The Board shall ensure the Company identifies, develops and maintains reciprocal relationships with stakeholders who have an interest in the Company’s activities, and that stakeholder considerations are integrated into the governance of the Company.

2.5 The Board recognises that the Company does not function independently from the societies and environments in which it operates and shall oversee, on an ongoing basis, how the consequences of the Company’s activities and outputs affect its standing as a responsible corporate citizen.

3. RESERVED MATTERS AND DELEGATION

3.1 The Board shall define its own levels of materiality and reserve specified powers to itself. The Board shall approve matters reserved for it in terms of the MOI, the Statutes, and any Board-approved delegation of authority.

3.2 The Board may delegate authority to management and/or committees to enhance operational effectiveness and efficiencies; however, delegation shall not mitigate or diminish the Board’s statutory and fiduciary responsibilities. The Board remains accountable for the governance outcomes of the Company.

3.3 The Board may rely on information and advice provided by management, committees, internal specialists and external advisers to the extent contemplated in section 76 of the Companies Act, provided each director applies an enquiring mind, brings independent judgement to bear, and does not blindly rely on advice.

4. COMPOSITION OF THE BOARD

4.1 The Board shall comprise a balance of executive and non-executive directors, preferably with a majority of non-executive directors, of whom a sufficient number shall be independent. The majority of directors on the Board shall be non-executive directors, the majority of whom shall be independent non-executive directors.

4.2 The Board shall be composed of individuals of integrity who collectively bring a blend of knowledge, skills, experience, diversity and objective leadership, under the guidance of the Chairperson.

4.3 Chairperson and CEO separation. No director shall be entitled to hold simultaneously the positions of Chairperson of the Board and CEO of the Company.

4.4 No director may be appointed for life.

4.5 The Chief Financial Officer (“CFO”) of the Company shall be appointed in a full-time capacity, unless the Board determines otherwise in accordance with the Statutes and the needs of the Company.

4.6 Appointments to the Board and/or Board committees shall be effected by the Board as a whole, taking due cognisance of recommendations of the nominations committee, and subject always to compliance with the MOI, the Companies Act, the JSE LRs, King V and other applicable Statutes.

4.7 Appointments shall follow a formal and transparent procedure as per the Board “Procedure for selection and appointment of Directors policy”.

5. CHAIRPERSON AND LEAD INDEPENDENT DIRECTOR

5.1 The Chairperson shall be elected by the Board from its own ranks as soon as reasonably practicable.

5.2 The Chairperson should preferably be an independent non-executive director. The Chairperson may not be an executive director.

5.3 If the Chairperson is not an independent non-executive director, and preferably in any case, a lead independent director shall be appointed who is an independent non-executive director, to provide leadership where independence considerations require it and to act as a conduit where appropriate.

5.4 The Chairperson shall, inter alia:

5.4.1 provide leadership to the Board and set the pace for effective governance;

5.4.2 ensure a culture of constructive challenge, robust deliberation and ethical conduct;

5.4.3 ensure Board agendas are appropriately structured and that sufficient time is allocated to strategic and governance matters; and

5.4.4 ensure directors receive adequate, accurate and timeous information to discharge their duties.

6. FEES AND REMUNERATION OF NON-EXECUTIVE DIRECTORS

6.1 Forward-looking fees payable to non-executive directors for their services must be approved by special resolution of shareholders at a general meeting or annual general meeting and may be paid only in accordance with section 66(8) and section 66(9) of the Companies Act.

6.2 The material terms of approved fees shall be disclosed in the integrated report (or such report as the Company is required to publish).

6.3 Such fees shall be set annually through the appropriate internal process (including recommendation by the Remuneration Committee) and recommended to the Board for endorsement and onward recommendation to shareholders.

7. DUTIES AND KEY RESPONSIBILITIES OF THE BOARD

7.1 Strategic direction and oversight. In addition to the responsibilities set out elsewhere herein, it is the collective responsibility of the Board to:

7.1.1 approve the strategic direction of the Group and any subsequent material changes thereto, appreciating that purpose, risks and opportunities, strategy, business model and sustainable development form inseparable elements of the value-creation process;

7.1.2 approve budgets necessary for implementation of strategy and oversee material deviations in business plans;

7.1.3 ensure adequacy and effectiveness of internal control systems and procedures;

7.1.4 report (through appropriate disclosures) on the efficacy of the system of internal controls;

- 7.1.5 ensure appropriate governance of information technology and information systems;
- 7.1.6 govern risk in a manner that supports the achievement of strategic goals and objectives;
- 7.1.7 ensure there is an appropriate and effective risk-based internal audit capability (whether in-house or co-sourced/out-sourced) as determined by the Board;
- 7.1.8 serve as the focal point and custodian of corporate governance for the Company, subsidiaries and divisions and ensure an appropriate governance framework is adopted and applied across the Group;
- 7.1.9 define materiality levels and reserve matters for Board decision;
- 7.1.10 approve the annual financial statements and interim reports and ensure integrity of the Company's integrated report;
- 7.1.11 consider and, if appropriate, declare distributions in accordance with the Companies Act and any distributions policy adopted by the Company;
- 7.1.12 ensure the business is conducted in accordance with principles of fairness, accountability, transparency, responsibility, competence and integrity;
- 7.1.13 provide effective leadership based on an ethical foundation and assume responsibility for the governance of ethics, setting the tone for ethical leadership;
- 7.1.14 ensure adoption of a code of ethics and delegate to management responsibility for implementation and application thereof, subject to oversight;
- 7.1.15 ensure the Company and Group act, and are seen to act, as responsible corporate citizens;
- 7.1.16 communicate and maintain relations with shareholders and other stakeholders transparently and timeously; and
- 7.1.17 ensure regular performance and effectiveness assessments of the Board, its committees, the Chairperson and individual directors, with oversight of remedial actions and continuous improvement.

7.2 The Board shall strive to ensure that:

- 7.2.1 there is a balance of power and authority at Board level;
- 7.2.2 no single director has unfettered powers and there is no undue over-reliance on a single director or group;
- 7.2.3 materiality thresholds governing referral of matters to the Board are set and maintained;
- 7.2.4 robust governance processes (including risk and audit governance) are established and maintained;
- 7.2.5 director selection, remuneration and human capital matters are appropriately addressed through Board committees;
- 7.2.6 reasonable procedures to secure compliance with all material legislation and regulation are adopted; and
- 7.2.7 an effective and sustainable succession plan is in place.

8. DIRECTORS' OBLIGATIONS, PERSONAL FINANCIAL INTERESTS, CONFIDENTIALITY AND PRICE-SENSITIVE INFORMATION

8.1 Conflicts of Interest and Personal Financial Interests

8.1.1 Conflicts of Interest (General)

Where a director has a conflict of interest in respect of a matter before the Board, such director shall disclose the nature of the conflict and shall act in accordance with his or her fiduciary duties. After disclosure, the Board shall determine the appropriate course of action, which may include permitting the director to participate and vote, unless otherwise restricted by law or these Terms of Reference. All disclosures shall be recorded in the minutes.

8.1.2 Personal Financial Interests (Section 75 of the Companies Act)

Where a director has a personal financial interest in a matter to be considered by the Board, or knows that a related person has such an interest, the director shall comply strictly with section 75 of the Companies Act. The director shall:

- 8.1.2.1 disclose the nature and extent of the personal financial interest prior to deliberation;
- 8.1.2.2 provide any material information relating to the matter known to the director; and
- 8.1.2.3 thereafter recuse himself or herself from the meeting for the duration of the deliberation and decision on that matter, and shall not participate in the discussion or vote, save as may be permitted in terms of the Companies Act. Such disclosure and recusal shall be properly recorded in the minutes.

8.2 Directors must at least annually, and whenever changes occur, declare their interests in writing to the Secretariat, which shall keep a record and disseminate relevant information to directors prior to Board meetings in accordance with Company policy and applicable requirements.

8.3 All information concerning the Company, its business and affairs learned in the capacity of a director must be treated as confidential. Disclosure of unpublished price-sensitive and/or confidential information is strictly prohibited.

8.4 Trading by directors in the Company's securities is subject to compliance with the Statutes and Company policies on price-sensitive information and insider trading. Dealing while in possession of price-sensitive information is strictly prohibited. Closed periods and clearance requirements shall be communicated and administered in accordance with Company policy and the JSE LRs. Any dealing shall be disclosed without delay in accordance with the JSE LRs.

9. BOARD MEETINGS AND PROCEDURES

9.1 The Board will meet at least four times per year. Additional meetings will be held as necessary.

9.2 The Chairperson (or delegate) may conduct meetings as deemed appropriate, provided reasonable procedures are adopted to ensure compliance with all material laws and regulations.

9.3 Directors shall be furnished timeously with all material documentation reasonably required to prepare for meetings. Directors are expected to peruse Board packs and participate on an informed basis.

9.4 Minutes of Board meetings shall be produced by the Company Secretary, who shall record proceedings and decisions taken. A record shall be kept of attendance.

- 9.5 Unless varied herein, meetings and proceedings shall be governed by the MOI and the Companies Act.
- 9.6 Decisions that could be taken at a meeting may be adopted by written consent by the required majority, given in person or by electronic communication, in accordance with the Companies Act and the MOI.

10. ATTENDANCE AND INVITEES

- 10.1 Directors are expected to attend all scheduled and *ad hoc* meetings as well as the annual general meeting, save for circumstances beyond reasonable control.
- 10.2 Directors shall set aside sufficient time to consider meeting papers and actively contribute to deliberations. Non-executive directors are expected to bring balance, objectivity, unbiased clarity and constructive challenge.
- 10.3 Professional advisers, officers or employees whose input may be required may be invited at the Chairperson's discretion, including for capacity-building purposes.
- 10.4 No invitee shall have voting rights at Board meetings.

11. MANAGEMENT, REPORTING AND INFORMATION FLOW

- 11.1 Management of day-to-day affairs. The day-to-day business and affairs of the Company are conducted by management under the leadership of the CEO and executive management.
- 11.2 Management generally, and executive directors specifically, remain duty bound to continuously inform non-executive directors comprehensively and intelligibly of matters material to the Company's business and affairs, including circumstances affecting the going concern status of the Company.
- 11.3 The Board shall receive information and reports from the CEO and the CFO on behalf of management, and advice and reports from Board committees. These reports (including their basis and assumptions) shall be considered at Board meetings.
- 11.4 In view of the diversity and spread of the Group's businesses, the CEO, CFO and executives may rely on information from subsidiary and associate management but shall ensure that reporting lines and governance processes enable the Board to exercise effective oversight.

12. GOING CONCERN, SOLVENCY AND BUSINESS RESCUE

- 12.1 The Board shall record the facts and assumptions on which it relies to conclude the business will be a going concern in the year ahead, or, if not, the steps being taken to ensure sustainability.
- 12.2 The Board shall consider and, if appropriate, declare distributions in accordance with the Companies Act and the Company's policies, with due regard to solvency and liquidity requirements.
- 12.3 Should circumstances so require, the Board may take steps necessary to file a resolution for business rescue as contemplated in the Companies Act and appoint a business rescue practitioner, where this is in the best interests of the Company and stakeholders, and compliant with the Statutes.

13. EXTERNAL AND INDEPENDENT PROFESSIONAL ADVICE

- 13.1 The Board may obtain, at the expense of the Company, external legal or other independent professional advice as it considers necessary to carry out its functions and duties.

- 13.2 Subject to prior approval of the Chairperson (via a process facilitated by the Company Secretary), which approval shall not be unreasonably withheld, any director may seek independent professional advice on a material matter relating to their duties and obligations at the reasonable cost of the Company.

14. COMPANY SECRETARY

- 14.1 The Company shall appoint a properly experienced and/or qualified Company Secretary in accordance with the Companies Act. The Board is responsible for selection and appointment.
- 14.2 The Board recognises the pivotal governance role of the Company Secretary and shall empower the Company Secretary to provide detailed guidance to the Board and individual directors regarding their duties, responsibilities and powers, and to ensure compliance with the MOI, Companies Act and JSE LRs.
- 14.3 The Company Secretary (or representative) shall attend all Board meetings. The Board shall maintain an arm's length relationship with the Company Secretary.
- 14.4 The Board shall annually evaluate the suitability and effectiveness of the Company Secretary, and a high-level overview of the results may be disclosed in the corporate governance report, in line with applicable best practice and disclosure requirements.

15. BOARD COMMITTEES: GOVERNANCE, COMPOSITION AND PROCEEDINGS

15.1 Establishment and Authority:

15.1.1 The Board may establish committees to investigate, consider, provide advise, make recommendations and/or make decisions within delegated authority, as set out in written terms of reference approved by the Board.

15.1.2 The Board shall establish the following standing committees (and such other committees as may be required by law or as the Board deems necessary from time to time):

15.1.3 Audit Committee;

15.1.4 Risk Committee;

15.1.5 Remuneration Committee;

15.1.6 Nominations Committee;

15.1.7 Social, Ethics and Sustainability Committee (Sescom);

15.1.8 Corporate Governance Committee; and

15.1.9 any other standing or ad hoc committee considered appropriate.

15.1.3 Committees act with delegated authority and remain accountable to the Board. The delegation of authority to a committee does not absolve the Board or any director of their statutory or fiduciary responsibilities.

15.1.4 Where permitted by the Companies Act and applicable governance frameworks, Board committees may perform functions on behalf of subsidiaries within the Group, subject to compliance with applicable statutory requirements and Group governance arrangements.

15.2 Appointment and Composition of Committees

15.1.1 General Committees

Members of Board committees shall be appointed by the Board from among its members, having regard to applicable statutory and regulatory requirements, the skills and experience required for the relevant committee, and the recommendations of the Nominations Committee (where applicable). The Board may

rotate, reappoint or remove members as it considers appropriate, subject to governance requirements and the provisions of these Terms of Reference.

15.1.2 **Audit Committee**

The Board shall establish the Audit Committee in accordance with the Companies Act and applicable regulatory requirements. Members of the Audit Committee shall be nominated by the Board and elected by shareholders at the Company's Annual General Meeting. The Board shall recommend suitable candidates to shareholders for election, taking into account the statutory independence, qualification and experience requirements applicable to Audit Committee members.

15.1.3 **Sescom**

The Board shall establish the Sescom in accordance with the Companies Act and applicable regulatory requirements. Members of the Sescom shall be nominated by the Board and elected by shareholders at the Company's Annual General Meeting. The Board shall recommend suitable candidates to shareholders for election, taking into account the statutory independence, qualification and experience requirements applicable to Sescom members.

- 15.2 The Board may terminate or extend appointments to Board committees, having regard to governance needs and the recommendations of the nominations committee.
- 15.3 The chairman of each committee shall be elected from among its members as soon as reasonably practicable, provided the Board may appoint the Chairman of the Board and the chairman of the audit, risk and social, ethics and sustainability committees where appropriate.
- 15.4 A quorum for each committee shall be a majority of its members unless the committee charter provides otherwise.
- 15.5 The Company Secretary shall act ex officio as secretary for the Board and all Board committees.
- 15.6 The chairman of a committee may invite executives, employees or independent professionals to attend. Any director who is not a member of a committee may attend as an observer, without a vote.
- 15.7 Meetings and proceedings of committees shall be governed mutatis mutandis by the provisions applicable to Board meetings, unless varied by the relevant committee charter or mandate, subject always to the Statutes.

16 REVIEW, DISCLOSURE AND CONTINUOUS IMPROVEMENT

- 16.1 The Board shall ensure that an evaluation of the Board, its committees, the Chairman and individual directors is undertaken at intervals determined by the Board, and that outcomes and remedial actions are tracked for continuous improvement.
- 16.2 Disclosure of the number of Board and committee meetings held and attendance, and such further governance disclosures as are required, shall be made in the integrated report or corporate governance report (as applicable).
- 16.3 These Terms of Reference shall be reviewed biennially (and at least as governance developments require) to ensure ongoing alignment with King V / King 5 and the Statutes.

Reviewed and approved by the Board of Directors on 23 March 2026