

**COPPER 360 LIMITED**

**Rules of the  
Share Incentive Scheme**

**2 December 2022**

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## 1 INTRODUCTION

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This document serves as the Rules of the Share Incentive Scheme (“**SIS**” or “**Scheme**”). Should any situation arise which is not covered by or is unclear in the Rules, the Remuneration Committee (“**Remco**”) of the board of directors of the Company will interpret and apply these Rules, subject to all applicable law and regulation (including, without limitation, the JSE listings requirements.)

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## 2 OBJECTIVES OF THE SCHEME

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The SIS has the following objectives:

- Drive the longer term strategic and sustainable performance of Copper 360 Limited (“**Copper 360**”) and its subsidiaries from time to time (collectively “**Copper 360 Group**”);
- Motivate participants to achieve the strategic objectives, thereby aligning Shareholder and management interests;
- Reward the directors, employees and strategic managers of the Copper 360 Group for their contribution to the delivery of strategic objectives;
- Attract future key talent and expertise;
- Retain key talent to ensure sustainable performance of the Copper 360 Group;
- Facilitate succession planning; and
- Align the adopted practices of the Copper 360 Group with current market practice and the King Code on Corporate Governance for South Africa.

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## 3 COMMENCEMENT AND TERM OF THE SCHEME

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The SIS shall commence upon approval by the Shareholders in a General Meeting, scheduled for 2 December 2022. The first awards are scheduled to be made thereafter, with the first allotment and issue (collectively “**issue**”) of shares, as determined by the terms of the SIS, are expected to be made in December 2023. The Scheme shall continue for a period of 3 years from the date of its adoption, whereafter it will terminate.

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## 4 ELIGIBILITY TO PARTICIPATE IN THE SCHEME

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Eligibility is restricted to directors of the Company and employees who will have entered into written contracts of employment with the relevant company within the Copper 360 Group, whose retention is important for the sustained longer term strategic performance. The persons described herein are collectively referred to as “**participants**”. It is recorded for clarity that participants may be both directors of the Company and employees of the Copper 360 Group.

LR 14.1(A)



Retention requirements will be determined by, for example:

- Business-critical skills;
- Scarce skills;
- Succession planning; and
- Performance.

Remco, which shall at all times consist of only non-executive directors and shall apply the rules of the SIS as recorded herein, subject to all applicable law and regulation (including, without limitation, the JSE listings requirements.)

LR 14.4 and 14.5

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## 5 OVERVIEW OF THE SCHEME

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The Company, in terms of the SIS, will award shares to participants by issuing award letters as described herein; and will, on the conclusion of the 12-month award period as described in the award letters, issue shares to the participants, provided that the issue conditions (as set out herein) will have been met. For the avoidance of doubt, it is recorded that no participant will have any right in or to any share, including (without limitation) any dividend right and/or voting right, unless and until the shares will have been issued to him/her.

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## 6 AWARD OF SHARES

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Each year Remco will, during or about December, authorise an award of Shares in terms of the SIS, and will communicate such award to the participants.

LR 14.1(f)

The number of Shares to be awarded to directors and members of management (as more fully described hereunder) by Remco in terms of the SIS will be made by reference to and in accordance with the schedule attached hereto, marked **Schedule A**; and the number of shares to be awarded to each employee (as described hereunder) will be 6 600 shares per year.

LR 14.1(f)

Each year, when making awards, Remco will determine the allocation of shares to each participant in terms of the SIS.

LR 14.1(f)

The awards will be made in writing to each participant. An amount, if any, as determined by Remco from time to time and which will not exceed R0.01 per share, will be payable by the participant in respect of the award on the issue of shares to him/her on the entitlement date as described in section 8 of the SIS. A written document ("**award letter**") confirming the award of shares and setting out the terms and conditions of the award, in accordance with the rules of the Scheme, will be delivered to each participant. The participant is required to sign acceptance of the award letter in order for the award to be made. Failure to sign the award letter will result in the award lapsing and having no further effect.

Any issue of shares to participants which does not fall within the rules of the Scheme will be treated as a specific issue of shares for cash. Rolling over (including the arrangement assuming that shares which have

already been issued in terms of the Scheme will revert to the Scheme to be awarded and/or issued to participants) is prohibited.

Back-dating of share awards is not permitted. The date upon which the decision to award shares and the basis on which so to award shares are determined must be the date upon which all components relating to the Scheme are determined.

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## 7 ISSUE OF SHARES

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Each annual award of shares will mature, subject to the issue conditions specified in section 8 of the SIS and in terms of the award letter, 12 months from the date of the award. For the avoidance of doubt, it is recorded that the Company will not issue any shares to any participant, unless and until the issue conditions will have been met. When the issue conditions will have been met and the participant is entitled to receive the shares, the Company will issue the shares to the participant who will thereupon become the unrestricted owner of the shares.

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## 8 VESTING CONDITIONS

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Participants will be entitled to receive shares ("**award shares**") that are subject to an award, on the date ("**entitlement date**") being on the date of termination of the period of 12 months ("**award period**") commencing on the date of the award letter:

LR 14.1(f)

- In the case of directors of the Company ("**Directors**"), subject to their being and remaining directors of Copper 360 in good standing (as more fully described herein) as at the entitlement date;
- In the case of members of management ("**CCOC Management**") of Cape Copper Oxide (Proprietary) Limited, a subsidiary of Copper 360 ("**CCOC**"), but excluding any member of CCOC Management who is also a director of the Company, subject to their being and remaining employees of CCOC in good standing (as more fully described herein) as at the entitlement date, and further subject to CCOC having achieved the specified annual production target as communicated to CCOC Management in the relevant award letter; and
- In the case of employees ("**employees**") of the Copper 360 Group, other than Directors and CCOC Management, subject to their being and remaining employees of CCOC in good standing (as more fully described herein) as at the entitlement date.

The Company will issue shares to the participants who are entitled to receive them as at the entitlement date.

In the event that an annual award of shares will have been made, but before the relevant entitlement date:



- A Director will cease being a director of Copper 360 by reason of ill-health, death or voluntary retirement (“**retirement event**”), such Director will be, for the purposes hereof, a Director in good standing and a portion (“**entitlement portion**”) of the award shares that would have been issued to him/her on the relevant entitlement date, pro-rated to the portion of the award period determined and expressed as the number of weeks as will have expired at the date of the retirement event, will vest and the Director will be entitled to be issued with same. The entitlement portion will be issued by the Company to the Director at the conclusion of the award period. In all other cases the Director shall have no entitlement in respect of any shares that will have been awarded but will not have vested at the time of his/her ceasing to be a director of Copper 360. Further, for the avoidance of doubt, it is recorded that the Director will receive shares issued to him/her subject to all laws, regulations and/or restrictions as apply to the shares of the Company and their tradability, including (without limitation) in view of the position of and appointments held by the Director;
- a member of the CCOC Management (“**manager**”) will cease to be in the employ of the Copper 360 Group by reason of retirement, ill-health or death (“**involuntary termination**”) and, after the involuntary termination CCOC will have achieved the specified annual production target as communicated to CCOC Management in the relevant award letter for the relevant award period, and further provided that the manager will, at the time of the involuntary termination, not be subject to any disciplinary enquiry and/or suspension from his/her duties which would have (but for the involuntary termination) have resulted in the termination of his/her employment, such manager will be, for the purposes hereof, a manager in good standing and a portion (“**entitlement portion**”) of the award shares that would have been issued to him/her on the relevant entitlement date, determined and expressed as the number of weeks as will have expired at the date of the involuntary termination, will vest and the manager will be entitled to be issued with same. The entitlement portion will be issued by the Company to the manager at the conclusion of the award period. In all other cases the manager shall have no entitlement in respect of any shares which will have been awarded but which will not have vested at the time of his/her ceasing to be a manager; and
- an employee, who is neither a Director nor a manager, will cease to be in the employ of the Copper 360 Group by reason of retirement, ill-health or death (“**involuntary termination**”) and provided that the employee will, at the time of the involuntary termination, not be subject to any disciplinary enquiry and/or suspension from his/her duties which would have (but for the involuntary termination) have resulted in the termination of his/her employment, such employee will be, for the purposes hereof, an employee in good standing and a portion (“**entitlement portion**”) of the award shares that would have been issued to him/her on the relevant entitlement date, determined and expressed as the number of weeks as will have expired at the date of the involuntary termination will vest and the employee will be entitled to be issued with same. The entitlement portion will be issued by the Company to the employee at the conclusion of the award period. In all other cases the employee shall have no



entitlement in respect of any shares which will have been awarded but which will not have vested at the time of his/her ceasing to be an employee.

When annual awards are made, performance conditions attached to the vesting of the shares will be communicated by Remco to the participants.

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## 9 ISSUE OF SHARES

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Shares shall be issued to participants, subject to compliance with the requirements of the SIS as recorded herein, by not later than 7 days after the termination of the Award Period. LR 14.1(c)

The value of the shares issued to participants forms part of the participant's taxable income and will be included, where appropriate, in the payroll of the month following the issue of the shares to the participant.

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## 10 NUMBER OF SHARES SUBJECT TO THE SCHEME

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The number of shares that may be awarded under the SIS during the life of the Scheme are as follows:

- A. Maximum overall number of shares to be awarded during any year of operation: 13,500,000 ordinary shares; and LR 14.1(b)
- B. Maximum number of shares to be awarded to any one participant during any year of operation: 1,000,000 shares. LR 14.1(c)

In the event that:

1. The ordinary shares of the Company will, at any time, be consolidated or subdivided; or
2. In the event of a capitalisation issue by the Company, a special dividend, a rights issue or reduction of capital,

a pro rata adjustment will be made to the numbers of shares specified herein and in Schedule A hereto, so that, after such event, the specified shares shall bear the same proportion in relation to the issued share capital of Copper 360 as before such event. The issue of equity securities by the Company as consideration for an acquisition, the issue of securities for cash and the issue of equity securities for a vendor consideration placing will not be regarded as an event requiring such adjustment.

The Company's auditor, or other independent adviser acceptable to the JSE, shall confirm to the JSE, in writing, that any adjustment made in terms of this section are in accordance with the provisions of the Scheme. Such written confirmation shall be provided to the JSE at the time that any such adjustment is finalised. Any adjustment made in accordance with this section shall be reported in the Company's annual financial statements in the year during which such adjustment will have been made.



The annual financial statements of Copper 360 shall summarise the number of shares that may be utilised for purposes of the Scheme at the beginning of the financial year, changes in such number during the accounting period and the balance of shares available for award purposes of the Scheme at the end of the financial year. Any shares reserved for the award and/or issue in terms of the Scheme which are not awarded and/or issued to participants shall be available to the Scheme for award and issue until the Scheme shall terminate by the effluxion of time.

LR 14.8

The Scheme will not at any stage hold any shares and will have no voting, dividend and/or other rights in respect of any shares, including (without limitation, those arising on liquidation of the Company. The Scheme will at all times comply with the JSE Listings Requirements. Shares that may be awarded to participants in terms of the Scheme shall, unless and until they will have been issued to participants, not be taken into account for purposes of determining categorisations as detailed in Section 9 of the JSE Listings Requirements.

LR 14.9

LR 14.10

Shares to be awarded in terms of the SIS, will be issued by Copper 360 subject to and on the fulfilment of the terms and requirements of the award letters issued to the participants.

LR 14.9(a)

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## 11 GOVERNANCE AND ADMINISTRATION

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Remco shall administer the SIS in terms of and in accordance with the rules of the Scheme as recorded herein.

The Scheme does not form part of the terms of appointment of the directors, or of the conditions of employment for employees. Any benefit deriving from the Scheme will constitute variable pay on top of guaranteed pay and may change substantially from award period to award period.

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## 12 AUTHORITIES UNDER THE SCHEME

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12.1 Subject to any changes in any regulatory requirements (e.g. Companies Act, JSE Listing Requirements, King Codes), no amendment of the SIS will be allowed unless such amendment will have received the approval of Copper 360 in general meeting and with 75% of the shareholders voting in favour of the resolution ("75% resolution"). For the avoidance of doubt, it is specifically recorded that the Scheme and/or any participant, in respect of shares awarded but not yet issued to participants, will not be entitled to participate and/or vote in respect of and/or in connection with the 75% resolution. Amendments in respect of which a 75% resolution is required include, but are not limited to:

LR 14.2

- the persons who may become participants under the SIS;
- the total number of the shares that may be utilised for purposes of the SIS;
- a fixed maximum entitlement for any one participant;
- the amount, if any, payable on application or acceptance;

LR 14.2

LR 14.2

LR 14.2





- the basis to determine the purchase or subscription price, if any;
- the basis upon which awards are made; and
- the treatment of shares that will have been awarded but not issued in instances of mergers, takeovers or corporate actions.

LR 14.2

LR 14.2



**SCHEDULE A**

<b>3 year allocation</b>					
<b>Position</b>	<b>Allocation</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Chief Operating Officer	3 500 000	9,63%	1 166 666,67	1 166 666,67	1 166 666,67
Chief Legal Officer	600 000	1,65%	200 000,00	200 000,00	200 000,00
Chief Planning Officer	750 000	2,06%	250 000,00	250 000,00	250 000,00
Chief Technical Officer	900 000	2,48%	300 000,00	300 000,00	300 000,00
Engineer   Electrical & mechanical	500 000	1,38%	166 666,67	166 666,67	166 666,67
Mining Engineer	850 000	2,34%	283 333,33	283 333,33	283 333,33
Mine Planner	450 000	1,24%	150 000,00	150 000,00	150 000,00
Chief Sustainability Officer	400 000	1,10%	133 333,33	133 333,33	133 333,33
Chief IT Officer	500 000	1,38%	166 666,67	166 666,67	166 666,67
CG	600 000	1,65%	200 000,00	200 000,00	200 000,00
Chief Executive Officer	2 500 000	6,88%	833 333,33	833 333,33	833 333,33
Intrumentation Engineer	300 000	0,83%	100 000,00	100 000,00	100 000,00
Chief Financial Officer	2 500 002	6,88%	833 334,00	833 334,00	833 334,00
Workers	8 500 000	23,38%	2 833 333,33	2 833 333,33	2 833 333,33
Management	10 000 000	27,51%	3 333 333,33	3 333 333,33	3 333 333,33
Deputy Chairman	2 000 000	5,50%	666 666,67	666 666,67	666 666,67
Chairman	1 500 000	4,13%	500 000,00	500 000,00	500 000,00
	<b>36 350 002,00</b>	<b>100,00%</b>	<b>12 116 667,33</b>	<b>12 116 667,33</b>	<b>12 116 667,33</b>
Shares after listing	425 000 000				
% Allocation	8,55%				
% as function of 3 years	2,85%				

