ITALTILE LIMITED

Registration No. 1955/000558/06

("Italtile" or "the Company")

NON-EXECUTIVE DIRECTOR REMUNERATION POLICY

Version 1.0

Version Control

Version	Date	Change Description
1.0	2026	Initial Version

Document Governance

Implementation	Detail
Submission to Committee for Approval	19 August 2026
Adopted by Committee on	19 August 2026
Update Frequency	Annually, as necessary
Next Review Deadline	May 2027

PART A: CONTEXT & PURPOSE

A1. Purpose of this Policy

This Non-Executive Director (NED) Remuneration Policy ("the Policy") has been developed to:

- Govern All Non-Executive Directors of Italtile Limited
- Ensure full alignment with King IV, with the intention of formally adopting King V principles for the FY2027 period as the framework is gazette-enacted and guidance is finalised
- Comply with the JSE Listings Requirements, the Companies Act, No 71 of 2008 (as amended by the Companies Amendment Act 16 of 2024), and all other applicable legislation

A2. Regulatory Compliance Foundation

Regulatory Instrument	Relevant Requirement
Companies Act, s66(8) & s66(9)	NED fees require shareholder approval via Special Resolution within preceding 24 months
Companies Amendment Act 16 of 2024	Enhanced disclosure and pay gap reporting obligations
JSE Listings Requirements	Remuneration policy and implementation report subject to shareholder vote annually
King IV, Principle 14	Remuneration should be fair, responsible, and transparent

Regulatory Instrument	Relevant Requirement
King IV, Principle 8	Governing body should ensure effective controls and risk oversight
King IV, Principle 7	Governing body composition, delegation and structure, including recognition of the Lead Independent Director role
King V *(anticipated adoption FY2027)*	Enhanced sustainability-linked governance, pay equity reporting, and stakeholder inclusivity
Employment Equity Act	No discrimination in remuneration on prohibited grounds

A3. Scope of Application

This Policy applies to:

- All Non-Executive Directors of Italtile Limited
- The Non-Executive Chairperson of the Board
- The Lead Independent Director
- Committee Chairpersons and Committee Members who are non-executive
- Any director appointed in an advisory or observer capacity by Board resolution

This Policy explicitly excludes:

- Executive Directors (governed by the separate Executive Remuneration Policy)
- Prescribed Officers
- Any individual in the full-time salaried employment of Italtile or its subsidiaries

PART B: REMUNERATION PHILOSOPHY

B1. Core Principles

Italtile's NED remuneration philosophy is governed by the following principles:

Principle	Application to NEDs
Independence	Fees are fixed and not linked to share price, profit, or short-term performance metrics, in order to preserve objectivity and independence of judgment
Competitiveness	Fees benchmarked annually against JSE-listed peers of comparable market capitalisation
Fairness & Equity	No differentiation in base fees on grounds of race, gender, or any other prohibited ground
Transparency	Full disclosure of all fee components in the Integrated Annual Report
Proportionality	Fee levels reflect time commitment, complexity, risk, and expertise required for each role
Non-Participation	NEDs do not participate in short-term incentives, long-term incentives, profit share, or any equity-linked schemes

B2. Rationale for Fixed Fee Structure

Non-Executive Directors are appointed to exercise independent, objective judgment on behalf of all stakeholders. Linking NED remuneration to performance metrics or share price creates a real or perceived conflict of interest, undermining the independence central to their governance role. Accordingly:

- All NED fees are fixed and structured
- Fees vary only by role, committee membership, and meeting attendance
- No discretionary or performance-linked component applies to NED remuneration

PART C: FEE STRUCTURE

C1. Standard Non-Executive Director Fee Components

The following fee components constitute the NED remuneration structure. Specific fee amounts are reviewed annually by the Remuneration Committee and approved by shareholders via Special Resolution at the Annual General Meeting. Approved fee amounts are disclosed in the Implementation Report forming part of the Remuneration Report in the Integrated Annual Report.

The fee components applicable to Non-Executive Directors are:

Fee Component	**Basis of Payment**
Basic Annual Retainer	Fixed; paid annually; reflects baseline directorial responsibility
Board Meeting Fee	Per meeting attended; reflects active participation in Board oversight
Strategy Session Fee	Per session attended; reflects additional time commitment for strategic planning
Committee Meeting Fee (Member)	Per Committee meeting attended
Committee Meeting Fee (Chairperson)	Per Committee meeting chaired; set at a premium to member fee to reflect additional leadership responsibility
Additional Official Meeting Fee	Payable for attendance at an additional formal Board or Committee meeting convened by the Board Chairperson or relevant Committee Chairperson where the ordinary scheduled meeting allocation is insufficient. The applicable approved Board or Committee meeting fee shall apply. Informal working sessions, preparatory discussions and discussion forums do not qualify as additional official meetings and, where separately remunerable, shall be treated as ad hoc work at the approved hourly rate
Ad Hoc Hourly Rate	Payable for additional work undertaken at the formal request of the Board, the Board Chairperson or the relevant Committee Chairperson, including participation in informal working sessions or discussion forums that do not constitute official Board or Committee meetings

Fee Component	Basis of Payment
	, subject to an annual maximum hour limit as approved by the Remuneration Committee

Note: All fees are quoted and approved exclusive of VAT where applicable.

C1.1 Additional Official Meetings

Where the time allocated to a scheduled Board or Committee meeting is insufficient to conclude the formal business of that meeting, the Board Chairperson or relevant Committee Chairperson may convene an additional official meeting.

An additional official meeting must:

- be formally convened by the Board Chairperson or relevant Committee Chairperson;
- have a defined agenda and be attended by the Company Secretary or their nominee;
- be formally minuted; and
- be recorded as an additional Board or Committee meeting.

Attendance at an additional official meeting shall attract the applicable Board or Committee meeting fee approved by shareholders.

Informal working sessions, preparatory discussions, briefing sessions and discussion forums do not constitute official Board or Committee meetings and shall not attract a meeting attendance fee. Where participation in such a session involves additional work formally requested by the Board, the Board Chairperson or the relevant Committee Chairperson, the time incurred may be remunerated at the approved ad hoc hourly rate, subject to the limits and approval requirements in section C1.2.

C1.2 Ad Hoc Work — Annual Hour Limit & Approval Process

Ad hoc work performed by a Non-Executive Director at the request of the Board is subject to the following limit and approval process:

Annual Hour Limit

The maximum number of ad hoc hours claimable by any Non-Executive Director in any one financial year is 144 hours. Hours exceeding this limit will not be remunerated without prior written approval of the Remuneration Committee.

Approval Process

The following process shall apply for all ad hoc hours claimed:

Step	Action	Responsible Party
1	Upon completion of ad hoc work, the relevant Non-Executive Director submits a written record of hours incurred to the Company Secretary.	Non-Executive Director
2	The submission must include: (a) the number of hours incurred; (b) the nature and reason for the work	Non-Executive Director

Step	Action	Responsible Party
	undertaken; and (c) confirmation that the work was undertaken at the request of the Board.	
3	The Company Secretary is copied on all submissions and is responsible for maintaining a cumulative record of ad hoc hours per director against the 144-hour annual limit.	Company Secretary (Acorim Proprietary Limited)
4	The Chief Financial Officer (CFO) is copied on all submissions for financial oversight and budgetary awareness purposes.	CFO
5	The Company Secretary shall notify the relevant director and the CFO when a director reaches or is approaching the 144-hour annual threshold.	Company Secretary
6	Any request to exceed the 144-hour annual limit must be referred to the Remuneration Committee for prior written approval before additional hours are incurred.	Non-Executive Director / Company Secretary

Cumulative Tracking & Disclosure

- The Company Secretary shall maintain a running register of ad hoc hours per director, updated upon receipt of each submission.
- Ad hoc hours incurred and fees paid shall be included in the annual NED fee disclosure in the Integrated Annual Report.
- The Remuneration Committee shall review the ad hoc hours register at least annually as part of its cumulative fee monitoring obligations under Part D2 of this Policy.

C2. Chairperson of the Board — Fee Structure

The Chairperson of the Board occupies a distinct and demanding role, carrying significantly greater responsibility, time commitment, and accountability than other Non-Executive Directors. The Chairperson's remuneration structure shall reflect this distinction.

The Chairperson's fee structure comprises:

- A fixed annual retainer, set at a level commensurate with the role's responsibilities and time demands
- Per-meeting attendance fees, consistent with the standard NED Board meeting fee, applicable for each Board meeting attended
- Strategy session fees, consistent with the standard NED rate, applicable for each strategy session attended
- Committee fees, where applicable, consistent with the standard NED committee fee schedule

The specific quantum of the Chairperson's annual retainer and associated fees shall be reviewed annually by the Remuneration Committee, recommended to the Board, and approved by shareholders via Special Resolution.

Independence note: The Chairperson shall not participate in any discussion or vote pertaining to their own remuneration.

C3. Lead Independent Director

In accordance with King IV (Principle 7), the Board designates a Lead Independent Director (LID) where the Chairperson is not independent. The LID performs a distinct governance role which includes, but is not limited to:

- Serving as a sounding board for the Chairperson on governance matters
- Leading the annual performance evaluation of the Chairperson
- Being available to shareholders and stakeholders who have concerns that cannot be appropriately addressed through the Chairperson or executive management
- Presiding at Board meetings or portions thereof where the Chairperson has a conflict of interest or is otherwise unable to preside

The LID does not currently receive a supplementary fee in recognition of this role. Time spent on this role is billed in accordance with the hourly rate for non-executive directors. The Remuneration Committee shall keep this position under annual review and may recommend a supplementary fee to the Board should the scope or demands of the role materially increase.

Conflict Note: The LID shall not participate in any discussion or vote pertaining to their own remuneration.

C4. Escalation Provision

The Remuneration Committee is authorised, within the validity period of the applicable Special Resolution, to escalate approved fee amounts by up to a maximum percentage per annum as approved by shareholders in that resolution, per fee line item, without returning to shareholders for a further Special Resolution, provided such escalation does not exceed the approved maximum.

Any escalation applied shall be disclosed in the subsequent Integrated Annual Report.

PART D: COMMITTEE MEMBERSHIP & FEE APPLICABILITY

D1. Committee Fee Eligibility

Fees are payable to Non-Executive Directors for membership of and attendance at the following Board Committees:

Committee	**Chairperson Fee Applicable**	**Member Fee Applicable**
Audit and Risk Committee	Yes	Yes
Remuneration Committee	Yes	Yes
Nominations Committee	Yes	Yes

Committee	Chairperson Fee Applicable	Member Fee Applicable
Social and Ethics Committee	Yes	Yes

Fees are payable per meeting attended and are not payable for meetings not attended, except where the Remuneration Committee, in exceptional circumstances, determines otherwise.

D2. Cumulative Fee Monitoring

The Remuneration Committee shall monitor cumulative fees per director on an annual basis to ensure:

- Total remuneration remains proportionate to the director's role and contribution
- No single director's cumulative fee level creates a financial dependency that could compromise their independence
- Full and accurate disclosure is maintained in the Integrated Annual Report

PART E: GOVERNANCE, INDEPENDENCE & CONFLICT OF INTEREST

E1. Independence Assessment

In accordance with King IV and JSE Listings Requirements, the following triggers require action:

Trigger	Required Action
Director serves longer than 9 years on the Board	Annual independence assessment by the Nominations Committee
Director holds a material equity interest in Italtile	Disclose and assess independence annually
Director has a material business relationship with Italtile	Disclose; Nominations Committee to assess objectivity
Director receives fees above the approved quantum	Not permissible without a further Special Resolution

E2. Conflict of Interest Protocol

- No NED may participate in any discussion, deliberation, or vote concerning their own remuneration
- The Company Secretary shall maintain a register of directors' interests, updated at each Board meeting
- Any NED with a conflict of interest in respect of a remuneration matter must recuse themselves; this must be recorded in the meeting minutes

E3. Non-Participation in Incentive Schemes

Non-Executive Directors are explicitly excluded from participation in all incentive schemes operated by the Italtile Group, including but not limited to:

Scheme	NED Eligible?
Share Appreciation Rights Scheme (SARS)	No
Italtile Retention Scheme	No
Staff Share Scheme	No
Executive Profit Share Pool	No
Any other Profit Share Pool	No

This exclusion is a fundamental component of preserving NED independence and is consistent with King principles and JSE Listings Requirements.

PART F: TRAVEL, ACCOMMODATION & EXPENSE REIMBURSEMENT

F1. Principle

Travel, accommodation, and associated expenses reasonably incurred by Non-Executive Directors in the performance of their duties as directors of Italtile are reimbursable by the Company. Such reimbursements constitute expense recovery and not remuneration and accordingly do not form part of the NED fee structure subject to shareholder approval under section 66(9) of the Companies Act.

F2. Eligibility

Expense reimbursement under this section applies to Non-Executive Directors who are required to travel to attend:

- Board meetings
- Board Committee meetings
- Strategy sessions
- Any other meeting or engagement attended at the formal request of the Board or the Chairperson

Expenses incurred in connection with ad hoc work approved under C1.1 of this Policy are similarly reimbursable.

F3. Travel Standards

Travel Type	Standard
Domestic flights (within South Africa)	Economy class as a default; business class permissible for flights of 2 hours or longer, or where the director's schedule requires same-day travel to and from a meeting
International flights	Business class

Travel Type	Standard
Ground transport	Reasonable and appropriate to the circumstances; preferential use of Company-arranged transport where available

The Remuneration Committee may, at its discretion, approve exceptions to the above travel standards in exceptional circumstances, provided such exceptions are documented.

F4. Accommodation Standards

- Accommodation shall be at a standard appropriate to the professional standing of a director, consistent with Italtile's general corporate travel policy
- The Company will book and pay for accommodation directly where possible, or reimburse reasonable costs upon submission of receipts
- Accommodation for an additional night may be approved where travel logistics or early morning meeting starts reasonably require it

F5. Submission & Approval Process

Step	Action	Responsible Party
1	Director submits a reimbursement claim to the Company Secretary, supported by original receipts or invoices	Non-Executive Director
2	The submission must identify: (a) the meeting or engagement attended; (b) the date(s) of travel; and (c) the nature of expenses claimed	Non-Executive Director
3	The Company Secretary reviews the claim for compliance with this Policy and forwards to the CFO for payment authorisation	Company Secretary
4	The CFO authorises payment within a reasonable processing period	CFO

F6. Non-Reimbursable Expenses

The following are not reimbursable under this Policy:

- Personal travel expenses unrelated to director duties
- Expenses incurred by a director's spouse, partner, or family members, unless prior written approval has been obtained from the Chairperson and CFO
- Expenses not supported by receipts or invoices
- Expenses incurred in excess of the standards set out in F3 and F4 without prior approval

PART G: BENCHMARKING & MARKET POSITIONING

G1. Benchmarking Methodology

NED fees shall be benchmarked annually against available market remuneration surveys and reports published by recognised remuneration advisory firms, as well as governance bodies active in the South African market. The Remuneration Committee shall determine, at the time of its annual review, which surveys are most current, relevant, and comparable, having regard to:

- JSE-listed peer companies of comparable market capitalisation and sector
- The complexity and risk profile of the Italtile Group
- The time commitment and expertise required of directors

The Institute of Directors in South Africa (IoDSA) guidance on director remuneration shall be considered where applicable and available.

G2. Market Positioning Target

Italtile seeks to position NED fees within the range of its JSE mid-cap peer group, rather than targeting a specific market percentile, sufficient to:

- Attract Non-Executive Directors with the calibre, diversity, and expertise required to support the Board's strategic objectives
- Avoid fees at a level that creates financial dependence, which could compromise a director's independence
- Remain proportionate and defensible to shareholders at the Annual General Meeting

PART H: SHAREHOLDER ENGAGEMENT & DISCLOSURE

H1. Annual Approval Process

Step	Action	Responsible Party	Timing
1	Remuneration Committee reviews proposed NED fees, confirms alignment with the approved Remuneration Policy, and considers Companies Act remuneration disclosure requirements and King V disclosure expectations	Remuneration Committee	August / September annually
2	Board endorses the Remuneration Committee recommendation and confirms that any material amendment to the Remuneration Policy is submitted for shareholder approval before implementation	Full Board	September annually
3	Remuneration Report is prepared to include the background statement, approved Remuneration Policy, Implementation Report, individual director and prescribed officer	Remuneration Committee / CFO	IAR preparation

Step	Action	Responsible Party	Timing
	remuneration disclosure, and required pay-gap metrics		
4	King V disclosure framework alignment is completed, including clear explanation of governance practices, stakeholder engagement and remuneration governance outcomes	Remuneration Committee / CFO	IAR preparation
5	Special Resolution tabled at AGM for shareholder approval of NED fees in accordance with sections 66(8) and 66(9) of the Companies Act	Company Secretary	AGM
6	Ordinary resolution tabled at AGM for shareholder approval of the Remuneration Policy; once approved, the policy remains in force for three years, subject to shareholder approval of material amendments	Shareholders	AGM / every three years or on material amendment
7	Ordinary resolution tabled at AGM for shareholder approval of the annual Remuneration Report, including the Implementation Report and statutory remuneration disclosures	Shareholders	AGM annually
8	If the annual Remuneration Report is not approved, the two-strike consequence process is assessed and the Remuneration Committee records the required shareholder engagement and governance response	Remuneration Committee / Company Secretary	Post-AGM, where applicable

PART I: POLICY GOVERNANCE

I1. Policy Review

This Policy shall be reviewed annually by the Remuneration Committee and updated as required to reflect:

- Changes in applicable legislation, JSE Listings Requirements, or King IV/V principles
- Material changes in the Group's size, complexity, or strategic direction
- Feedback received from shareholders at the Annual General Meeting
- Findings from annual benchmarking reviews

I2. Policy Approval

This Policy is approved by the Board of Directors of Italtile Limited on the recommendation of the Remuneration Committee. Any material amendments to this Policy require Board approval and, where applicable, shareholder approval via Special Resolution.