

Section B: Key functions of the Human Resources and Compensation Committee

Human Resources and Compensation Committee

The purpose of the committee is to oversee remuneration matters for all controlled subsidiaries of Sappi Limited. Its key objectives are to:

- Make recommendations on remuneration policies and practices, including Sappi's employee share schemes
- Ensure effective executive succession planning
- Review compliance with all statutory and best practice requirements on labour and industrial relations management.

The committee consisted of five Independent Non-executive Directors:

Mr MA Fallon – Chairman
Mr BR Beamish
Mr JM Lopez
Mr RJAM Renders
Mr LL von Zeuner

The Chairman of the company, Mr Nkululeko Sowazi, attends committee meetings ex officio while the Group CEO, Mr SR Binnie together with Group Head Human Resources, Mr Fergus Marupen attend meetings by invitation.

Mrs A Mahendranath, Company Secretary, attends the meeting as secretary to the committee.

The Human Resources and Compensation Committee met four times during the year and held one telephone conference.

Attendance at meetings by individual members is detailed on page 155.

The Chairman of the Human Resources and Compensation Committee, Mr Mike Fallon, Mr Steve Binnie Group CEO, Ms Tracy Wessels Group Head Sustainability and Investor Relations and Mr Fergus Marupen, Group Head of Human Resources met with key shareholders in August 2024 to discuss the remuneration policy.

None of the committee members has any significant personal financial interest, or conflict of interest, or any form of cross-directorship, or day-to-day involvement in the running of the business.

Executive Directors and managers are not present during committee discussions relating to their own compensation.

The Human Resources and Compensation Committee ensures that the policy governing compensation practices and structures within the group supports the group's strategy and performance goals. The policy also enables the attraction, retention and motivation of executives and all employees.

Key decisions regarding directors' remuneration are summarised as follows:

Recommended and approved

- The allocation of 2024 performance share awards to Executive Directors and all other eligible participants
- Salary increases and bonus payments for Executive Directors and other key senior managers for 2024
- Fee levels for Non-executive Directors of the Sappi Limited board for consideration and recommendation to shareholders for approval
- The allocation model and the comparator peer group for the 2024 PSP
- Design of the 2025 Sappi Management Plan
- The CFRONA
- Design of a sustainability measure for inclusion in the PSPs
- Fees for the board
- Discontinuation of the executive bonus scheme.

Reviewed

- The 2023 remuneration report, including the content of the company compensation policy and practices, which was put to shareholders for a non-binding vote at the AGM in February 2024
- Development of the 2024 remuneration report for shareholder approval in February 2025
- The succession, retirement and development plans for key management positions
- The group's industrial relations policy and implementation
- The group's training and development policy and implementation
- The investor feedback on the 2023 remuneration report
- The status of all benefits funds.

Independent advice

Management engaged the services from the following organisations to assist in compensation work during the year:

Consultancy	Engagement
Mercer	Recommendations in relation to the PSP with reference to: • Allocations and calculation of the TSR performance condition • Peer group additions • Long and short-term incentive measures for the future • Recommendation on appointment fee levels for the Chairman.
KPMG	Verification and sign-off on the MIS measures, ie EBITDA and ROCE. Verification and auditing of the CFRONA performance condition of the PSPs.
PricewaterhouseCoopers Tax Services, South Africa	Tax advice to Non-executive Directors

Areas of focus for 2025

Key activities for the committee in 2025 will be, inter alia, the approval of the remuneration and bonuses for Executive Directors and senior management. Reviewing and approval of measures for both long and short-term incentives.

After the visits to some key shareholders at the end of August 2024, the committee will also focus on the following:

- Implementation of the Sappi Management Plan
- Implementation of the new measures for both the long-term and short-term incentive plans
- Gender representativity across all Sappi operations
- Implementation of the changes as recommended by the new Companies Act.

In addition to the annual work plan as approved by the committee, the Chairman of the committee and senior executives from Sappi will, if required, also be visiting key shareholders to discuss issues of mutual concern.