



AEP ENERGY AFRICA LIMITED

(Registration number: 2017/024904/06)

Incorporated in the Republic of South Africa
(the **Company**)

TERMS OF REFERENCE FOR THE AUDIT AND RISK COMMITTEE

(approved at a meeting of the board of directors of the Company held on 7 April 2017 and reviewed on 28 June 2018)

1. Constitution

- 1.1 The board of directors (**Board**) of the Company acknowledges the need for an audit and risk committee as required in terms of the Companies Act, No. 71 of 2008, as amended from time to time (the **Companies Act**). The audit and risk committee of the Company (the **Committee**) is constituted as a committee of the Board in accordance with the Company's memorandum of incorporation (**MOI**), section 84(4)(c) of the Companies Act and section 3.84(d) of the listings requirements of the JSE Limited, as amended from time to time (the **Listings Requirements**).
- 1.2 In the event of any conflicts between these terms of reference and the MOI, the MOI will prevail.
- 1.3 Terms used but not defined herein shall have the meaning ascribed to such terms in the MOI, Companies Act, Listings Requirements and/or the Code, as applicable.
- 1.4 It is recorded that the Committee is established as a committee of the Board, the Company and its subsidiaries, if any, (**Group**), and the Committee will act in accordance with its statutory duties and the delegated authority of the Board as recorded in these terms of reference.
- 1.5 The duties and responsibilities of the members of the Committee as set forth in this document are in addition to those duties and responsibilities that they have as members of the Board.
- 1.6 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.7 These terms of reference are subject to the provisions of the Companies Act, the MOI, the Listings Requirements, the King IV Report on Corporate Governance for South Africa (**King IV**)

or the **Code**) and any other applicable law or regulatory provision, in each case, as amended or substituted from time to time. The Committee shall also be required to conduct itself in accordance with the applicable recommendations contained in the Code.

1.8 In the execution of their duties, Committee members must apply the "Standards of conduct of directors" as set out in section 76 of the Companies Act and "Directors' personal financial interests" as set out in section 75 of the Companies Act.

1.9 The Committee will have due regard to principles of governance and codes of best practice.

2. **Purpose**

2.1 The purpose of these terms of reference is to set forth the Committee's roles and responsibilities, as well as the requirements for its composition and meeting procedures. The roles and responsibilities of the Committee are to:

2.1.1 assist the Board in discharging its duties relating to the safeguarding of assets and evaluation of internal control frameworks and to ensure that financial risks are managed;

2.1.2 evaluate and assess the adequacy and effectiveness of the established accounting, financial, compliance and other internal control systems, which are consistent with the nature and complexity of risks inherent in the on and off balance sheet activities of the Company;

2.1.3 consider the internal and external audit process and the accounting principles and policies of the Company;

2.1.4 ensure the independence and effectiveness of the internal and external audit and compliance functions of the Company;

2.1.5 ensure effective communication between internal audit, external audit, the Board, management, regulators and shareholders of the Company;

2.1.6 ensure compliance with all applicable legal, regulatory and accounting standards in the preparation of fairly presented financial statements and other required reports in respect of the Company;

2.1.7 contribute to a climate of discipline and control;

2.1.8 ensure the integrity of information in the integrated report of the Company's activities; and

2.1.9 evaluate and assist the Board with respect to the governance of risk.

3. **Composition**

3.1 The Committee must comprise of at least 3 (three) directors, all of whom shall be independent non-executive directors of the Company.

- 3.2 At each annual general meeting the Board shall present the shareholders of the Company with at least 3 (three) suitable candidates from amongst the independent non-executive directors, on recommendation by the remuneration and nomination committee, for election as Committee members. The Board shall have the power at all times to appoint, remove and replace any member from the Committee.
- 3.3 All members of the Committee must be suitably skilled and experienced independent non-executive directors, with the appropriate skills and experience to fulfil the responsibilities of the Committee as described in paragraph 3.4 below.
- 3.4 The Board or remuneration and nominations committee shall, from time to time, review and recommend revision (when appropriate) of the composition of the Committee.
- 3.4.1 At least one third of the members of the Committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources management. The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties, including an understanding of the following:
- 3.4.1.1 financial and sustainability reporting;
 - 3.4.1.2 internal financial controls;
 - 3.4.1.3 external audit process;
 - 3.4.1.4 internal audit process;
 - 3.4.1.5 corporate law;
 - 3.4.1.6 risk management;
 - 3.4.1.7 sustainability issues;
 - 3.4.1.8 information technology governance as it relates to integrated reporting; and
 - 3.4.1.9 governance processes within the Company.
- 3.5 Members of the Committee should be provided with appropriate and timely training, both in the form of induction and on an on-going basis.
- 3.6 The chairperson of the Board is not eligible to be the chairperson or a member of the Committee, but may attend Committee meetings by invitation.
- 3.7 The Board elects the chairperson of the Committee. The chairperson of the Committee should be an independent non-executive director (as contemplated in the Code).
- 3.8 Each member shall hold office until the next annual general meeting. Such member may be

re-elected by the shareholders of the Company for no more than 3 (three) additional periods, provided the member still meets the criteria for membership of the Committee. Should a member be removed from the Board such member's membership of this Committee shall automatically terminate.

- 3.9 The Board must fill vacancies on the Committee within 40 (forty) business days after the vacancy arises.
- 3.10 The Committee members must keep up-to-date with developments affecting the required skill-set.
- 3.11 The company secretary of the Company, as appointed by the Board, or such other person as the Committee may appoint, shall be the secretary to the Committee.

4. **Role**

- 4.1 The Committee has been delegated authority by the Board and is accountable to both the Board and the shareholders of the Company. In respect of the duties of the Committee delegated to it by the Board, the Committee is accountable to the Board, to this end the Committee must make recommendations for approval by the Board.
- 4.2 The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

5. **Responsibilities**

The Committee has the following specific responsibilities:

5.1 Integrated reporting.

The Committee oversees integrated reporting, and in particular the Committee must:

- 5.1.1 have regard to all factors and risks that may impact on the integrity of the integrated report, including factors that may predispose management to: (i) present a misleading picture, significant judgements and reporting decisions being made; (ii) monitoring or enforcement actions by a regulatory body, (iii) any evidence that brings into question previously published information, forward-looking statements or information;
 - 5.1.1.1 review the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive information, circulars and prospectuses, trading statements and similar documents;
 - 5.1.1.2 comment in the annual financial statements on the financial statements, the accounting practices and the effectiveness of the internal controls of the Company;
 - 5.1.1.3 review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;

- 5.1.1.4 recommend to the Board the engagement of an external assurance provider on material sustainability issues;
- 5.1.1.5 recommend the integrated report for approval by the Board;
- 5.1.1.6 consider the frequency for issuing interim results;
- 5.1.1.7 consider whether the external auditors should perform assurance procedures on the interim results;
- 5.1.1.8 review the content of the summarised information for whether it provides a balanced view; and
- 5.1.1.9 engage the external auditors to provide assurance on the summarised financial information.

5.2 Combined assurance.

The Committee will ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular the Committee should:

- 5.2.1 ensure that the combined assurance received is appropriate to address all the significant risks facing the Company via suitable mitigating controls;
- 5.2.2 provide an effective counterbalance to executive management, thereby upholding the independence of internal and external assurance providers, to enhance effectiveness; and
- 5.2.3 monitor the relationship between the external assurance providers and the Company.

5.3 Finance function and financial director.

The Committee shall review the expertise, resources and experience of the Company's finance function, and discloses the results of the review in the integrated report. The Committee shall also consider and satisfy itself as to the suitability of the expertise and experience of the financial director every year and confirm this in the integrated report.

5.4 Financial reporting and financial control.

The Committee shall:

- 5.4.1 evaluate the adequacy and effectiveness of the accounting policies adopted by the Company and all proposed changes in accounting policies and practices, and recommend such changes where these are considered appropriate in terms of IFRS, the Listings Requirements and other legal requirements;
- 5.4.2 consider also the adequacy and clarity of disclosures in the financial statements and the reasons for fluctuations in ratios reported in published documentation;

- 5.4.3 ensure that a report is included in the financial statements in respect of that financial year describing how the Committee carried out its functions and stating that the Committee is satisfied as to the expertise, resources and experience of the Company's finance division and the appropriateness of the experience and expertise of the chief financial officer, and that the external auditor was independent;
- 5.4.4 review the effectiveness of financial management and the quality of internal accounting control systems and reports produced by financial management. This includes:
 - 5.4.4.1 financial reporting risks: the Committee must oversee financial risk management and controls and ensure that they provide guidance to embed internal financial controls in the business processes and remain relevant, provide a risk based approach and that a cost-benefit analysis is performed in terms of these controls; and
 - 5.4.4.2 internal financial controls: internal audit, with the assistance of management, must conduct an annual documented review of the design, implementation and effectiveness of the Company's system of internal financial controls which will be evaluated by the Committee;
- 5.4.5 conclude and report annually to stakeholders and the Board on the effectiveness of internal financial controls. Weaknesses in financial control that resulted in actual material financial loss, fraud or material errors, should be reported to the Board and stakeholders, together with any corrective action taken;
- 5.4.6 review the impact of new financial systems, tax and litigation matters on financial reporting;
- 5.4.7 review the Company's interim and audited annual financial statements, summarised financial information interim and preliminary announcements, dividend announcements, and all financial information, including non-financial information in the integrated report, for distribution to shareholders of the Company and the general public, prior to submission to the Board or publication and confirm that the annual financial statements present a balanced and understandable assessment of the company's position, performance and prospects;
- 5.4.8 introduce such measures as in the Committee's opinion may serve to enhance the credibility and objectivity of financial statements and reports prepared with reference to the Company's affairs, including providing external assurance for the integrated report and summarised information;
- 5.4.9 review significant judgements and reporting decisions impacting the integrated report including the review of significant transactions entered into by the Company and the evaluation of materiality in relation to proposed disclosures;
- 5.4.10 review significant adjustments resulting from the audit and the appropriateness of major adjustments processed at year-end; and

5.4.11 review the basis on which the Company has been determined a going concern and make a recommendation to the Board.

5.5 Internal audit.

5.5.1 The Committee is responsible for overseeing the internal audit function, and in particular the Committee must:

5.5.1.1 be responsible for the appointment, performance assessment and/or dismissal of the head of internal audit or an outsourced service provider;

5.5.1.2 review and approve the internal audit plan;

5.5.1.3 annually review and approve the internal audit charter;

5.5.1.4 receive and deal appropriately with concerns or complaints, including those on its initiative relating to the accounting practices and internal audit of the Company; the content or auditing of the Company's financial statements; the internal controls of the Company or any related matter;

5.5.1.5 review and confirm the independence of the internal audit function on an annual basis; and

5.5.1.6 ensure that the internal audit function is subject to an independent quality review, as and when the Committee determines it appropriate.

5.6 Risk management.

5.6.1 The Committee is an integral component of the risk management process and specifically the Committee must oversee:

5.6.1.1 financial reporting risks;

5.6.1.2 internal controls;

5.6.1.3 fraud risks as it relates to financial reporting; and

5.6.1.4 IT risks as it relates to financial reporting.

5.6.2 The Committee must perform all the functions necessary to fulfil its risk management role as stated above and including the following:

5.6.2.1 ensuring the establishment of an independent risk function at a Group level, the head of which shall act as the reference point for all aspects relating to risk within the Group. The risk strategy should be executed by management in accordance with the Board approved risk appetite and risk management framework;

5.6.2.2 overseeing the development and annual review of a policy and plan for risk management to recommend for approval to the Board;

- 5.6.2.3 monitoring implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
 - 5.6.2.4 making recommendations to the Board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the Board;
 - 5.6.2.5 overseeing that the risk management plan is widely disseminated throughout the Group and integrated in the day-to-day activities of the Group;
 - 5.6.2.6 ensure that risk management assessments are performed on a continuous basis and at least once a year, and should involve comprehensive, accurate, thorough and complete processes which include the use of data analysis, business indicators, market information, loss data, scenario planning and portfolio analysis and following risk management assessments;
 - 5.6.2.7 following management assessments, ensure that risks are prioritised and ranked to focus the responses and interventions on those risks which are outside the Board's risk tolerance;
 - 5.6.2.8 ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
 - 5.6.2.9 ensure that management considers and implements appropriate risk responses;
 - 5.6.2.10 ensure that continuous risk monitoring by management takes place;
 - 5.6.2.11 express the Committee's formal opinion to the Board on the effectiveness of the system and process of risk management;
 - 5.6.2.12 review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant;
 - 5.6.2.13 ensure that undue, unexpected or unusual risk are disclosed in the integrated report; and
 - 5.6.2.14 ensure that a risk register is maintained by management and provided to the Board regularly.
- 5.7 External audit.
- 5.7.1 The Committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process and in this regard the Committee must:
 - 5.7.1.1 nominate the external auditor (a registered auditor), who in the opinion of the Committee, is independent of the Company, for appointment by the shareholders of the Company;

- 5.7.1.2 approve the terms of engagement and remuneration for the external audit engagement;
- 5.7.1.3 monitor and report on the independence of the external auditor in the annual financial statements;
- 5.7.1.4 ensure that the appointment of the auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors
- 5.7.1.5 define a policy for non-audit services provided by the external auditor;
- 5.7.1.6 pre-approve the contracts for non-audit services to be rendered by the external auditor;
- 5.7.1.7 ensure that there is a process for the Committee to be informed of any issues identified and reported by the external auditor or otherwise including Reportable Irregularities (as identified in the Auditing Profession Act, 2005)
- 5.7.1.8 review the quality and effectiveness of the external audit process;
- 5.7.1.9 consider whether the audit firm and, where appropriate, the individual auditor that will be responsible for performing the functions of auditor, are accredited as such on the JSE list of auditors and their advisors as required by the Listings Requirements; and
- 5.7.1.10 consider whether the external auditors should perform assurance procedures on the interim results and if the external auditors are mandated to do so, the Committee should review the results of such assurance procedures. The report of the external auditor should be made available to users of the interim results and should be summarised in the interim results.
- 5.7.2 The Committee shall:
 - 5.7.2.1 annually assess the qualifications, expertise and resources of the external audit firm and review the effectiveness of the external audit process and the responsiveness of management to the audit findings as well as receive a report from the external auditors on their own internal quality process; and
 - 5.7.2.2 investigate, when applicable, the issues leading to the resignation of the external auditor and decide whether any action is required.

5.8 Compliance.

The Committee shall:

- 5.8.1 review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;

- 5.8.2 review the findings of any examinations by regulatory agencies, and any auditor observations;
- 5.8.3 obtain regular updates from management responsible for compliance matters and legal counsel, including tax compliance, litigation, disputes and claims;
- 5.8.4 ensure that management demonstrates that the Company has adequate business resilience arrangements in place for disaster recovery; and
- 5.8.5 obtain reports from management, the internal auditor and the external auditor regarding compliance with all applicable legal and regulatory requirements.

5.9 Whistleblowing and fraud.

The Committee shall:

- 5.9.1 review the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and
- 5.9.2 review the Company's procedures for detecting and preventing fraud and bribery and receiving reports on non-compliance.

5.10 IT governance.

The Committee shall:

- 5.10.1 assist the Board to oversee the development and implementation of an IT governance charter and policies that are integrated with the business strategy process and which sustain and enhance the Company's strategic objectives, thereby improving the Company's performance and sustainability;
- 5.10.2 oversee the implementation of IT processes and governance mechanisms, IT frameworks, policies, procedures and standards, ensuring IT governance alignment with corporate governance;
- 5.10.3 review the information security strategy (including information security, information management and information privacy) and management's implementation of the strategy; and
- 5.10.4 ensure that there are processes in place to enable complete, timely, relevant, accurate and accessible IT reporting, firstly from management to the Board, and secondly by the Board in the integrated report.

6. **Authority**

- 6.1 The Committee has decision-making authority in regard to its statutory duties and is accountable in this respect to both the Board and the shareholders of the Company. To this end, the chairperson of the Committee must be present at all annual general meetings.
- 6.2 On all responsibilities delegated to it by the Board outside of the statutory duties, the Committee makes recommendations for approval by the Board. The Committee acts in accordance with its statutory duties and the delegated authority of the Board as recorded in these terms of reference. It has the power to investigate any activity within the scope of its terms of reference.
- 6.3 The Committee, in the fulfilment of its duties, may call upon the chairpersons of the other Board committees, any of the executive directors, officers or the company secretary to provide it with information subject to Board approved process.
- 6.4 The Committee shall have reasonable access to the Company's records, facilities, employees and any other resources necessary to discharge its duties and responsibilities.
- 6.5 The Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the Group's cost, subject to a Board approved process being followed.
- 6.6 The Committee makes the recommendations to the Board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

7. **Delegation of duties and responsibilities**

The Committee may delegate any of its duties or responsibilities, as it deems appropriate, to any of its members or a sub-committee of its members, to such other persons, subject to the Committee's direction and supervision, and with the express condition that the Committee retains full and exclusive authority over any activities of such other person or persons. Nothing contained in this paragraph shall be construed to confer upon any such person any discretion, authority or control in respect of any matter, unless expressly authorised in writing.

8. **Committee operation**

8.1 General.

The meetings and proceedings of the Committee shall be governed, *mutatis mutandis*, by the provisions of article 7.4 of the MOI of the Company which regulates the meetings and proceedings of the directors, to the extent that: (i) they are applicable; and (ii) not superseded by any of the provisions of these terms of reference.

8.2 Frequency of meetings.

- 8.2.1 The Committee must hold sufficient scheduled meetings to discharge all its duties as set forth in these terms of reference but subject to a minimum of 2 (two) meetings per year.

8.2.2 Meetings in addition to those scheduled may be held at the request of the chief executive officer, chief financial officer or other members of senior management, a Committee member, at the instance of the Board or with the approval of the chairperson of the Committee, be held at the request of the external auditor,.

8.2.3 The Committee must meet with internal and external auditors at least once a year without management being present.

8.3 Attendance of meetings.

8.3.1 The chief executive officer, chief financial officer, representatives from the external auditors, internal auditors, other assurance providers, professional advisors, Board members and any person who is entitled to attend Committee meetings as an observer may be in attendance at Committee meetings, but by invitation only and they may not vote.

8.3.2 The chairperson of the audit and risk sub-committee shall be a standing invitee to meetings of the Committee, and may not vote at such meetings.

8.3.3 Committee members must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc*-basis for special matters, unless prior apology, with reasons, has been submitted to the chairperson of the Committee or company secretary.

8.3.4 If the nominated chairperson of the Committee is not present within 15 (fifteen) minutes of the scheduled time for commencement of a meeting or is unable to attend a meeting, the members present shall elect one of the members present to act as chairperson

8.3.5 In the event that the company secretary is absent from any meeting, the Committee shall designate any member of the secretarial department or any officer or employee of the Company to act as secretary.

8.3.6 The chairperson of the Committee shall have the right to exclude from the meeting, or from any item on the agenda, any executive should in his opinion, a conflict of interest become evident.

8.4 Agenda and minutes of meetings.

8.4.1 The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

8.4.2 The annual plan must ensure proper coverage of the matters laid out in these terms of reference the more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period.

8.4.3 The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual plan.

- 8.4.4 The Committee secretary shall prepare an agenda for each meeting, for approval by the chairperson. A notice of each meeting of the Committee, confirming the venue, time and date and enclosing a detailed agenda, together with supporting documentation, must be circulated, at least 5 (five) working days prior to each meeting to the members of the Committee and other invitees.
- 8.4.5 Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.
- 8.4.6 The Committee secretary shall take minutes of meetings. Minutes of the meeting shall record the proceedings, decisions taken and declarations of personal interest made, together with how these were dealt with. All Committee documents, information and minutes of any previous meetings of the Committee must be distributed to Committee members within a reasonable time prior to the next meeting of the Committee.
- 8.4.7 Minutes of the meeting shall record the proceedings, decisions taken and declarations of personal interest made, together with how these were dealt with. The minutes must be completed as soon as possible after the meeting and circulated to the chairperson and members of the Committee for review thereof.
- 8.4.8 The minutes must be formally approved by the Committee at its next scheduled meeting.

8.5 Voting.

A decision of the Committee shall be approved by a majority of votes cast by the members of the Committee who are eligible to vote at a meeting or by a resolution in writing signed by all of the members of the Committee.

8.6 Quorum at meetings.

- 8.6.1 A representative quorum for meetings is a majority of members of the Committee.
- 8.6.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

8.7 Meetings other than in person.

Where deemed appropriate by the chairperson of the Committee, meetings and subsequent approvals and recommendations of the Committee may be conducted by electronic communication or one or more members of the Committee may participate in a meeting of the Committee by means of electronic communication. A resolution agreed by a majority (not less in number to constitute a quorum) of members of the Committee participating in such meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

8.8 Written Resolutions.

- 8.8.1 A resolution in writing signed by a majority of the members of the Committee at the time when such resolution is signed by the first of such members, shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that: (i) each member shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates; and (ii) decision making in such manner shall not detract from the requirements for frequency of meetings as set forth in these terms of reference.
- 8.8.2 Any proposed resolution referred to in the paragraph 8.8.1:
- 8.8.2.1 may be signed, in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document; and
- 8.8.2.2 may, in signed or unsigned form, be conveyed or transmitted by telefax, email or any other form of electronic means, subject to any conditions decided upon by the Committee.
- 8.8.3 Any such resolution should be tabled at the next meeting of the Committee for noting.

9. **Reporting**

- 9.1 The Committee must provide the following information in the annual report:
- 9.1.1 a summary of the role of the Committee;
- 9.1.2 a statement on whether or not the Committee has adopted formal terms of reference that have been approved by the Board and if so, whether the Committee is satisfied that it carried out its responsibilities, for the period reported on, in compliance with these terms of reference;
- 9.1.3 the names and qualifications of all members of the Committee during the period reported on and the period for which they served on the Committee;
- 9.1.4 a statement that the Committee is satisfied as to the expertise, resources and experience of the Company's finance division and the appropriateness of the experience and expertise of the chief financial officer, and that the external auditor was independent;
- 9.1.5 the number of meetings the Committee held during the period reported on and Committee members' attendance at these meetings;
- 9.1.6 a statement on whether or not the audit and risk committee considered and recommended the internal audit charter for approval by the Board;
- 9.1.7 a description of the working relationship with the chief internal audit executive, if applicable;
- 9.1.8 information about any other responsibilities assigned to the Committee by the Board;

- 9.1.9 a statement on whether the audit and risk committee complied with its legal, regulatory or other responsibilities;
 - 9.1.10 a statement on whether or not the audit and risk committee recommended the integrated report to the board for approval; and
 - 9.1.11 information about any other responsibilities assigned to the Committee by the Board.
- 9.2 The Committee must report to the Board on its activities at the Board meeting following each meeting of the Committee. Such report may include draft or approved minutes of previous meetings of the Committee.

10. **Expenses**

The Company shall pay all the expenses reasonably incurred by the Committee.

11. **Remuneration**

Members of the Committee shall be paid such remuneration in respect of their appointment as shall be recommended by the Board and approved by shareholders of the Company.

12. **Confidentiality**

12.1 Subject to the paragraph below, all information in whatever form and howsoever obtained by members of the Committee in the course of serving as members of the Committee (**Confidential Information**) must be kept confidential and members of the Committee must not disclose any of the Confidential Information within their knowledge or possession in any manner to any person, company or other entity (**Person**).

12.2 The provisions of the paragraph above shall not apply to Confidential Information:

12.2.1 which was in the public domain prior to its disclosure to the relevant member of the Committee or subsequently came to be in the public domain in any way otherwise than by the wrongful disclosure by such member of the Committee;

12.2.2 which is disclosed directly or indirectly by the relevant member of the Committee to any Person who is a director, employee, agent, consultant, adviser or contractor of or to the Company, as the case may be, whose knowledge or possession of such Confidential Information is necessary for that Person to perform their particular functions; or

12.2.3 the disclosure of which is required by any applicable law, by an order of court or by the rules of any securities exchange on which the Company's shares are listed or by any other regulatory body to which the Company is subject.

13. **Evaluation of the Committee**

13.1 The Board must perform a review and an evaluation of the effectiveness of the Committee including an evaluation of the compliance of the Committee with these terms of reference,

at least annually.

- 13.2 In addition, the Committee shall review and reassess, at least annually, the adequacy of these terms of reference and recommend any improvements that the Committee considers necessary to the Board, following recommendations to be made by the Committee secretary.
- 13.3 The Committee may conduct such evaluations and reviews in such manner as it deems appropriate.
- 13.4 The Board must annually perform an evaluation of the Committee's performance in terms of its composition, mandate and effectiveness.

14. **Approval of these terms of reference**

These terms of reference were first approved by the Board on 7 April 2017, and reviewed at any time at the instance of the Board, provided that these terms of reference must be reviewed annually.