

EXXARO RESOURCES LIMITED
(Registration number: 2000/011076/06)

(“Exxaro” or “the Company”)

AUDIT COMMITTEE
(the Committee)

TERMS OF REFERENCE

1. CONSTITUTION

- 1.1 The Committee is constituted as a Committee of the Board of Directors of the Company (the Board) in terms of section 94(7) of the Companies Act 71 of 2008, as amended (the Act), the Company’s Memorandum of Incorporation (MoI) and the King IV Report on Corporate Governance for South Africa, 2016 (King IV).
- 1.2 The duties and responsibilities of members of the Committee as set out in this document are in addition to those duties and responsibilities they have as members of the Board of the Company.
- 1.3 The Committee shall discharge its responsibilities with respect to all companies within as set out in Annexure A.
- 1.4 The deliberations of the Committee do not reduce the individual and collective responsibilities of the Board in regards to the fiduciary duties and responsibilities in terms of which Board members must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.5 These Terms of Reference are subject to the provisions of the Act, the MoI and any other applicable law or regulatory provision. Guidance is also taken from the principles and the relevant recommendations of King IV.
- 1.6 Unless otherwise indicated, the meaning ascribed in the King IV to relevant words and phrases shall equally apply in the Terms of Reference.
- 1.7 In these Terms of Reference, words importing any one gender include the other two genders; the singular include the plural and vice versa; and natural persons include created entities (corporate or non-incorporate) and vice versa.

2. PURPOSE

The purpose of this Terms of Reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition, its meeting procedures and functioning in general.

3. **ROLE**

3.1 In terms of the Act, the Committee has an independent role with accountability to both the Board and the Company's shareholders.

3.2 The role of the Committee is to fulfil the statutory functions as set out in section 94 of the Act and, in addition, has been established primarily to assist the Board in providing independent oversight of the:

- Quality and integrity of the Company's financial statements and related public announcements;
- Integrity and content of the integrated reporting process;
- Qualification and independence of the external auditor;
- Scope and effectiveness of the external audit function;
- Scope and effectiveness of the overall combined/integrated assurance process;
- Effectiveness of the Company's internal controls and internal audit function; and
- Integrity and efficacy of the risk management process relating specifically to internal controls and financial reporting risks through assurance over the system controls and policies in place.

3.3 The Committee does not assume the functions of management, which remain the responsibility of the executive directors, prescribed officers and other members of senior management, nor does it assume accountability of the functions performed by other committees of the Board.

4. **AUTHORITY OF THE COMMITTEE**

4.1 The Committee acts in accordance with the delegated authority of the Board as recorded in these Terms of Reference and the statutory requirements as stipulated in the Act.

4.2 In respect of the statutory duties of the Committee, the Committee shall be accountable to shareholders and report to shareholders as provided for in the Act. In respect of all other duties as contained in these Terms of Reference, the Committee shall be accountable and report to the Board.

4.3 The Committee shall have access to the records, facilities and employees necessary to discharge its duties and responsibilities.

4.4 The Committee is authorised by the Board, subject to the approved process or policy, to obtain outside legal or other independent professional advice and to secure the attendance at meetings of the Committee of outsiders with relevant experience and expertise if deemed necessary.

4.5 The Committee is authorised by the Board to investigate any activity within its mandate. It is authorised, in consultation with the Chief Executive Officer, to seek any information it requires from any employee in the Group and all such employees are directed to co-operate with any request made by the Committee.

- 4.6 The Committee may form and delegate authority to such subcommittees, one or more designated members of the Committee and to one or more members of the executive to perform certain tasks on its behalf. Notwithstanding such delegation, the Committee shall remain accountable for those delegated tasks.
- 4.7 The Committee shall make recommendations to the Board for approval, on any or all matters that fall within its scope and function as may be required.
- 4.8 The Committee has the right to be heard at any general or annual shareholders meeting on any part of the business that concerns the Committee's functions.
- 4.9 The Company shall meet all expenses reasonably incurred by the Committee in the fulfilling of its duties.

5. **MEMBERSHIP**

- 5.1 The Committee shall comprise at least 3 (three) members to be elected annually by shareholders at the annual general meeting of the Company (AGM) on the recommendation of the Board [via the Remuneration and Nomination Committee], all of whom shall be independent non-executive directors.
- 5.2 Members are therefore appointed or elected, as the case may be, to serve until the conclusion of the next AGM of the Company, following their appointment or election.
- 5.3 The Committee Chairperson shall be appointed annually by the Board following the AGM and shall be one of the members of the Committee as elected by shareholders at the AGM.
- 5.4 The Chairperson of the Board shall not be a member of the Committee.
- 5.5 The Board shall make appropriate recommendations to shareholders as to membership of the Committee so as to ensure that there is a balanced blend of skills and experience to enable the Committee to discharge its functions, and will furthermore consider the need for ad hoc invitees with the necessary technical experience to assist members in their technical deliberations.
- 5.6 In considering the appropriate membership, the Board shall take into account the recommendations of King IV so as to ensure effective collaboration through cross-membership between committees, where required.
- 5.7 All Committee members must be suitably skilled and experienced independent non-executive directors, with a specific focus on financial literacy. The Committee as a whole must have sufficient qualifications and experience to fulfil its duties.
- 5.8 In terms of s94(5) of the Act, read with Regulation 42, at least one-third of the members of the Committee must have academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

- 5.9 The members must collectively have sufficient qualifications and experience to fulfil their duties, including an understanding of:
- (i) Integrated reporting (including financial and sustainability reporting);
 - (ii) Internal financial controls;
 - (iii) External audit process;
 - (iv) Internal audit process;
 - (v) Combined/Integrated assurance;
 - (vi) Corporate law;
 - (vii) Risk management;
 - (viii) Ethics and whistle-blowing;
 - (ix) Financial Sustainability issues;
 - (x) Information technology and information management risk and governance; and
 - (xi) Governance processes within the Company.
- 5.10 Membership of the Committee shall automatically terminate in the event that a member ceases for whatever reason, to be a director of the Company. The Board will have the power, at any time, to remove any members of the Committee and to fill casual vacancies created by such removal, until confirmed by shareholders at the next AGM of the Company.
- 5.11 The Committee Chairperson of the Risk and Business Resilience Committee and shall regularly consult and collaborate with the Chairperson of the Committee on the areas of shared responsibility with the Committee. If he/she is not also members of the Committee, the Chairperson of the Risk and Business Resilience Committee shall be a standing invitee. A special inter-committee meeting arranged between these respective Chairpersons may be convened as the need arises.
- 5.12 The conduct and deliberations of the Committee shall be subject to the Board Etiquette and Rules of Conduct as contained in the Board Charter.
- 5.13 New members should receive a complete orientation and induction that allows them to function effectively from appointment date.
- 5.14 Members will be required to keep up to date with developments affecting the areas of responsibilities of the Committee.
- 5.15 Opportunities for continuous education and training on technical issues should be actively pursued by each member.

6. **MEETINGS**

6.1 **Quorum and notice**

- 6.1.1 The quorum necessary for transacting business will be a majority of members present in person, or linked by telephone or video conference facilities.
- 6.1.2 A duly convened meeting of the Committee at which a quorum is present will be competent to exercise any of the authorities, powers and discretions vested in or exercisable by the Committee.
- 6.1.3 In the absence of a quorum and subject to the discretion of the Committee Chairperson, the meeting may either be postponed to a later date or may proceed as

an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.

- 6.1.4 No resolutions tabled for approval by the Committee at a meeting, which is not quorate, shall be implemented or given effect until formally approved at the postponed meeting or via written resolution as contemplated in clause 6.1.3.
- 6.1.5 The written resolution circulated in terms of clause 6.1.3 requires unanimous approval of all members of the Committee, in the absence of which a special meeting of the Committee shall be convened in order for the matter to be discussed and formally approved during such special meeting.
- 6.1.6 Persons who are in attendance at Committee meetings by invitation may participate in discussion but do not form part of the quorum for Committee meetings and may not vote.
- 6.1.7 Dates and related information of scheduled meetings of the Committee during a calendar year are provided to all Committee members and updated from time to time as required. No formal notice of such meetings is provided and the meeting agenda and papers also serve as notice of the meeting. Notice will however be given of special meetings of the Committee (in addition to the scheduled meetings) arranged in consultation with the Committee Chairperson and members from time to time.

6.2 **Attendance**

- 6.2.1 In view of the dates of scheduled Committee meetings being communicated well in advance, all members are expected to be in attendance at all meetings unless the absence, in the form of an apology, with reasons was communicated to the Committee Chairperson or the Group Company Secretary (or duly authorised representative – Committee Secretary)
- 6.2.2 The Board appreciates that unexpected and urgent matters do arise but urges Committee members to ensure attendance at all scheduled meetings of the Committee for the full duration of the meeting.
- 6.2.3 Special meetings of the Committee, which are normally arranged at short notice, will be scheduled in consultation with the Committee Chairperson and members at a date and time that will, as a minimum, ensure the presence of a quorum at the meeting. As stated above, the Board appreciates the demands on the diaries of members and acknowledges that not all members of the Committee may be able to attend special meetings. Committee members are however urged to attend the special meeting, if reasonably possible to do so.
- 6.2.4 Every Board member is entitled to attend any meetings of the Committee as an observer. However, unless that member is also a member of the Committee, the member shall not be entitled to participate without the consent of the Committee Chairperson, does not have a vote and is not entitled to fees for such attendance unless otherwise approved by the Board and shareholders.
- 6.2.5 A standing invitation to meetings of this Committee will be issued to the:
- Chief Executive Officer;
 - Finance Director;
 - Chief Audit Officer;
 - Representatives from the external auditors and internal auditors; and

- Group Manager: Financial Performance
 - Chief Risk Officer
- 6.2.6 The Finance Director, Senior Audit Partner in charge of external audit and (if outsourced) the Senior Audit Partner in charge of internal audit, and/or the Chief Audit Executive will have unrestricted access to the Chairperson or any other member of the Committee.
- 6.2.7 To further facilitate the flow of information between Board Committees, the Chairperson of the Risk and Business Resilience Committee will be a permanent invitee of the Committee if not a member.
- 6.2.8 Other individuals, including members of management, external consultants and service providers may be invited to attend meetings of the Committee from time to time in consultation with the Committee Chairperson.
- 6.2.9 Persons who are in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum and may not vote.
- 6.2.10 If the Committee Chairperson of the Committee is absent from a meeting, any other member of the Committee may act as chairperson for that meeting as agreed by those present or as nominated by the Committee Chairperson .
- 6.2.11 The Committee Secretary shall be in attendance at each meeting of the Committee to act as secretary of the Committee (the Committee Secretary).
- 6.3 Frequency**
- 6.3.1 The Committee must hold sufficient meetings to discharge all its duties as set out in these Terms of Reference, but subject to a minimum of 4 (four) times per annum.
- 6.3.2 Scheduled meetings shall where possible be held prior to Board meetings, shall be scheduled in advance and no formal notice of the meeting shall be given, excluding the agenda and supporting meeting papers.
- 6.3.3 A member of the Committee, the external auditors, the CAE or the Finance Director may request a meeting if deemed necessary and a meeting shall then be arranged in consultation with the Committee Chairperson. Formal notice of such special meeting shall be given as and when required.
- 6.4 Annual Work Plan and Agenda**
- 6.4.1 An annual work plan, based on the statutory and governance duties of the Committee, shall be implemented and approved by the Committee and shall be annually reviewed together with this Terms of Reference. The annual work plan shall provide guidance on the number, timing and duration of Committee meetings in an annual cycle.
- 6.4.2 The agenda of Committee meetings is governed by the abovementioned annual work plan to ensure all relevant matters are covered.
- 6.4.3 The annual plan must ensure proper coverage of matters laid out in the Committee Terms of Reference: more critical matters will need to be attended to each year while other matters may be dealt with by rotation over a three-year period.

- 6.4.4 Meetings shall be scheduled in advance and no formal notice of the meeting shall be given, excluding the agenda and supporting meeting papers. Provision shall also be made for the Committee to meet at least bi-annually (before interim and annual financial results), or more frequently as deemed appropriate, with the internal and external auditors respectively, without management present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.
- 6.4.5 The Committee Secretary shall be required to facilitate the process of setting the agenda for each meeting as agreed with the Committee Chairperson and responsible executive. Every member of the Committee shall be entitled, in consultation with the Committee Chairperson, to add any item to the agenda for a particular meeting prior to the circulation of the agenda. In the event of the Committee Chairperson not being in agreement with the addition of the requested item, the relevant member shall be entitled to direct his request to the Committee and the matter shall be added to the agenda if supported by a majority (50 per cent plus 1) of the members.
- 6.4.6 Any member of the Committee shall, with the consent of the Committee Chairperson, be entitled to add any item to the agenda for a particular meeting of the Committee at the start or during the course of the meeting on condition that such item does not require a formal resolution to be passed by the Committee in the event of not all members of the Committee being present at the meeting. In the event of the Committee Chairperson not being in agreement with the addition of the requested item, the relevant member shall be entitled to direct his request to the meeting and the matter shall be added to the agenda if supported by a majority (50 per cent plus 1) of the members.
- 6.4.7 A detailed agenda, as prepared by the Committee Secretary and approved by the Committee Chairperson, together with supporting documentation, shall, barring exceptional circumstances, be circulated a minimum of 5 (five) working days prior to the meeting of the Committee so as to enable members to be properly prepared for the meeting. In order to ensure timeous circulation of meeting papers, submissions which are not available for circulation within the said period shall only be circulated and included in the meeting papers with the consent of the Chief Executive Officer and Committee Chairperson, which consent shall be obtained by the author of the relevant submission.

6.5 Meeting procedure

- 6.5.1 The meetings of the Committee may be held in person, or by electronic communication as circumstances may require, provided that the required quorum is met and that the members can speak and hear one another during the meeting.
- 6.5.2 To the extent possible, the Committee Chairperson shall endeavour to obtain consensus from amongst members present at meetings of the Committee on any matter requiring support and/or formal approval by the Committee. Where not possible to achieve consensus and in the discretion of the Committee Chairperson, such matters arising at any meeting will be put to a vote and decided by a majority of votes exercised on the matter. In the event of equal votes, the Committee Chairperson will not have a second or casting vote.
- 6.5.3 For urgent decisions required, the Committee Chairperson may decide that the decision will be taken by a round-robin resolution.

- 6.5.4 Each member of the Committee has one (1) vote on a matter before the Committee.
- 6.5.5 Members are expected to be well prepared for meetings and to constructively and actively participate in deliberations.
- 6.5.6 Where the Committee Chairperson is not present within 15 minutes of the time stipulated for a Committee meeting, the Committee members present must elect one of them to act as the Chairperson of that meeting.

6.6 **Minutes**

- 6.6.1 The draft minutes of the meeting and an action report, when applicable, must be completed as soon as reasonably possible and circulated for comment and proposed amendments in the manner contemplated in clause 6.6.2.
- 6.6.2 Draft minutes shall be circulated to executives within 10 (ten) working days after the meeting and to non-executive directors within 15 (fifteen) working days after the meeting. Directors and executives shall be afforded 5 (five) working days from the date of circulation of the draft minutes to them to propose to the Committee Secretary or designated person in writing, any amendments to the draft minutes, in the absence of which they shall be deemed not to have any comments, unless otherwise indicated in writing to the Committee Secretary or designated person.
- 6.6.3 The Committee Secretary or designated person shall duly consider all input received and make such amendments as deemed appropriate to the draft minutes for purposes of formal confirmation and signature. In the event of the Committee Secretary or designated person not being in agreement with a proposed amendment, he or she shall inform the relevant director or executive who suggested the amendment accordingly who shall be entitled to raise his or her concern at the next meeting of the committee where the minutes are tabled for confirmation.
- 6.6.4 The minutes shall be confirmed as a true record by the committee at its next scheduled meeting or via electronic communication, if necessary, where after it shall be signed by the Committee Chairperson or acting Committee Chairperson of the meeting. In the interest of time and considering the process of circulation as set out above, directors and executives are urged to provide the Committee Secretary or designated person with comments and proposed amendments prior to the meeting and to only raise material concerns with the draft minutes, if any, in the meeting for discussion
- 6.6.5 The Committee Secretary or designated person will attend and minute all meetings and record the proceedings and decisions taken, the details of which will remain confidential. Formal extracts, signed by the Committee Secretary, from the signed minutes of the meetings will be circulated to relevant personnel as directed and requested for specific operational requirements.
- 6.6.6 Notwithstanding the responsibility of the Committee Secretary or designated person to record proceedings and decisions taken as set out above, the Committee remains ultimately responsible for ensuring the accuracy and correctness thereof prior to signing of the minutes by the Committee Chairperson, and directors are therefore

expected to consider the content with due attention and care when receiving same for comment

6.6.7 The draft or approved minutes shall be presented to the Board for noting at its next meeting after a Committee meeting.

6.7 **Resolutions**

6.7.1 Subject to clause 6.1.3 relating to informal meetings of the Committee, a written resolution consented to in writing by 75 (seventy five) percent of the Committee members for the time being, (excluding written resolutions provided for in clause 6.1.3 which requires unanimous support), will be as valid and effective as if the same had been passed at a duly convened meeting of the Committee provided that each member of the Committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

6.7.2 Any written resolution may be signed or consented to in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document. It may further be conveyed or transmitted by email or any other form of electronic means.

6.7.3 The passing of written resolutions of the Committee must not detract from the requirements for frequency of Committee meetings as set out in these Terms of Reference.

6.8 **In-committee meetings**

6.8.1 In-committee meetings of the Committee, where only members of the Committee are present, may be held as and when deemed appropriate by the Committee Chairperson.

6.8.2 The Committee Secretary shall be in attendance at in-committee meetings for minute purposes. In the event that the Committee Secretary is also excused from the meeting, the Committee Chairperson shall nominate a member of the Committee to keep notes of the discussions and/or decisions for record purposes.

6.8.3 Separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication where after it shall be signed by the Committee Chairperson.

7. **DUTIES AND RESPONSIBILITIES**

7.1 The Committee is tasked with oversight over areas which fall within its mandate as indicated below:

Outcome/Objective	Terms of Reference	Areas of Focus
<p>The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.</p>	<p>Ensure the nomination and appointment of a registered and independent auditor.</p>	<p>The Committee shall:</p> <ul style="list-style-type: none"> • Nominate, for appointment or re-appointment as external auditor of the Company • Determine the fees to be paid to the auditor and the auditor's terms of engagement • Determine, subject to the provisions of the Act, the nature and extent of any non-audit services that the auditor may provide to the Company, or that the auditor must not provide to the Company or a related company • Pre-approve any proposed agreement with the auditor for the provision of non-audit services to the Company • Prepare a report, to be included in the annual financial statements of the Company for the relevant financial year that addresses the items as listed in the Act; • Receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, in relation to: <ul style="list-style-type: none"> - The accounting practices and internal audit of the Company; - Content or auditing of the Company's financial statements; - Internal financial controls of the Company; or - Any related matter • Make submissions to the Board on any matter concerning the Company's accounting policies, financial controls, records and reporting.
	<p>Ensure the review of policies and frameworks that direct the provision of non-audit services by an External Auditor.</p>	<ul style="list-style-type: none"> • The Committee is responsible to review and approve a policy and controls that address the provision of non-audit services by the external auditor to the Group.
	<p>Ensure the oversight of internal audit function.</p>	<p>The Committee shall:</p>

		<ul style="list-style-type: none"> • Have oversight of internal audit and approve the structure of the internal audit function – internal function or outsourced – as proposed by management; • Ensure that the arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the Company and the Group and that internal audit is supplemented as required by specialist services; • Approve the appointment of the chief audit executive • Approve the appointment dismissal and/or removal, including terms and fees, of an outside service provider to assist the CAE with the execution of the internal audit function, as and when required;
	Ensure the oversight of financial and other risks that could impact external reports.	<ul style="list-style-type: none"> • The Committee, in collaboration with the Risk and Business Resilience Committee, is an integral component of the risk management process and specifically the Committee will oversee the management of the following financial and other risks that could affect the integrity of external reports issued by the Company: Financial reporting risks, internal financial controls, fraud risks as these relate to financial reporting, and Information technology and management risks as these relate to financial reporting. • The Committee will understand risk in the context of it forming the basis of the combined assurance and audit plans to be approved by the Committee.
	Ensure oversight of financial compliance.	<p>The Committee shall:</p> <ul style="list-style-type: none"> • Ensure that the annual financial statements, as a minimum, comply with IFRS, the JSE Listing Requirements and the Act. • Review the financial regulatory universe, i.e. laws, regulations and codes of good business practice applicable to the Company. • Consider all new financial laws and regulations and their impact on the business operations of the Company.

		<ul style="list-style-type: none"> • Review levels of materiality for assessing financial compliance risk in the organisation. • Receive and review reports on managing financial compliance risk in the Company. The reports will inform the Committee of systems and processes by which financial compliance risks are identified and managed. • Ensure that financial compliance is monitored and continually reported by management, external or internal audit. It is noted that oversight of compliance in general to any non-financial related laws and regulations falls within the ambit of the Risk and Business Resilience Committee. • Review reports on material financial compliance breaches and corrective measures to prevent any breach from reoccurring.
	<p>Monitor and conduct oversight on operations of assurance functions, control processes and services.</p>	<ul style="list-style-type: none"> • The Committee will provide independent oversight and monitoring of the operation of the assurance functions and services and control processes, with particular focus on combined assurance arrangements. • The Committee will ensure a combined assurance model is applied to provide a coordinated approach to all assurance activities (both internal and external). • The Committee will consider the use of technology and related techniques to improve audit coverage and audit efficiency.
		<ul style="list-style-type: none"> • The Committee must consider and make recommendations to the Board regarding the provision, by the Company, of loans and/or other financial assistance as contemplated in section 44 and 45 of the Act. • The Committee will consider the following items, and where required, recommend same to the Board for approval: <ul style="list-style-type: none"> - Subject to the requirements of the Act, the declaration of a dividend or other distribution to shareholders; - Impairments of equity accounted investments; - Validity of deferred tax asset (DTA) recognition across the Group;

		<ul style="list-style-type: none"> - Any trading updates; - Reporting issues for the preceding 6 months; - Accounting treatment and disclosure of impairment charges, finance charges, contingent assets and liabilities provisions; - Valuation of Group carrying amounts in respect of investments; - Group hedge position and loan covenant compliance; - New international reporting standards and the effect thereof on the Group; - Strategic performance dashboard KPI's; and - Counterparty and dealer limits. • Based on a process facilitated by the Committee Secretary, annually review the expertise, resources and experience of the Company's finance function, and disclose the results in the integrated report. • Based on a process facilitated by the Committee Secretary and as required by the JSE Listings Requirements, annually consider and satisfy itself on the suitability of the expertise and experience of the Finance Director and disclose the results in the integrated report.
	Ensure adequate IT governance through delegation to the Information Management Steering	The Committee shall exercise ongoing oversight of the management of technology and annually review the policy on the employment of technology and information based on the approved Board strategy.

8. REPORTING

8.1 Internally

8.1.1 The Committee will account to the Board for its activities and make recommendations to the Board on the adoption of the annual and interim financial statements and integrated report, system of internal controls, risk management process as it relates to financial reporting risks and the Group's compliance to laws, regulations and codes of business practice as these relate to accounting policies.

8.1.2 The Committee shall provide the Board and other Board committees with reports in line with the Reporting Framework.

8.1.3 The Committee will be available at all times to advise the Chairperson of the Board on any queries regarding the financial affairs and internal controls. Such engagement will be undertaken via the Committee Chairperson.

8.1.4 The Committee Chairperson will report to the Social and Ethics Committee at the latter's bi-annual meetings on aspects in its remit over which the Social and Ethics Committee is required to have oversight.

8.1.5 The Committee Chairperson of the Committee will verbally report on its proceedings and findings at every subsequent Board meeting.

8.1.6 For the Committee to report on the effectiveness of internal controls and risk management as required by King IV and the Act, the Risk and Business Resilience Committee Chairperson will report to the Committee on its deliberations.

8.2 Externally

8.2.1 *Statutory reporting*

As required in the Act, the Committee shall prepare a report for inclusion in the annual financial statements and the integrated report for that year:

- (i) Describing how the Committee carried out its functions;
- (ii) Stating whether it is satisfied that the external auditor was independent of the Group and addressing the specific items relating to auditor independence as recommended in King IV; and
- (iii) Commenting in any way it considers appropriate on the financial statements, accounting practices and internal financial controls of the Company.

8.2.2 *Governance reporting*

In addition to that reporting as contemplated under 8.2.1 above, the Committee shall further include in the annual integrated report:

- (i) A description of the overall role and associated responsibilities and functions of the Committee; its composition, including each member's qualifications and experience; any external advisors or invitees who regularly attend committee meetings; key areas of focus during the reporting period; the number of meetings held during the reporting period and attendance at those meetings;
- (ii) Confirmation whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with this Terms of Reference during the reporting period;

- (iii) Significant matters that the Committee has considered in relation to the annual financial statements and how these were addressed by the Committee;
- (iv) The Committee's views on the:
 - quality of the external audit, with reference to the audit quality indicators such as those that may be included in inspection reports issued by external audit regulations;
 - effectiveness of the CAE and the arrangements for internal audit;
 - effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud corruption or error;
 - effectiveness of the CFO and the finance function; and
 - arrangements for and the effectiveness of the combined assurance process.

9. **EVALUATION OF THE COMMITTEE**

The performance of the Committee shall be evaluated in accordance with the methodology approved by the Board from time to time.

10. **REMUNERATION**

10.1 Members of the Committee, including the Committee Chairperson, will be paid such fees as recommended from time to time by the Remuneration and Nomination Committee to the Board, subject to shareholders' approval.

10.2 Remuneration of newly appointed Committee members will be payable in the month of first attendance as members.

11. **REVIEW OF TERMS OF REFERENCE**

These Terms of Reference shall be reviewed on an annual basis by the Committee and may be amended as required and as recommended by the Committee, subject to approval of the Board.

CHAIRPERSON OF THE BOARD

DATE

Annexure A

[Include list of subsidiaries here]