



Audit Committee Terms of Reference

Constitution

The Audit Committee (the **Committee**) is constituted as a statutory committee in respect of those statutory functions assigned to it in terms of section 94(7) of the Companies Act, 71 of 2008, as amended (**Companies Act**) (read in conjunction with regulation 42 of the Companies Regulations, 2011 (**Regulations**) and the King IV Report on Corporate Governance for South Africa, 2016 (**King Code**)). It is a Board committee in respect of all other functions assigned to it by the Board from time to time.

The Committee has an independent role with accountability to the board of directors (the **Board**) of Thungela Resources Limited (the **Company**) and to the Company.

These terms of reference are subject to the applicable provisions of the Companies Act, the Regulations, the listings requirements of the JSE and any other securities exchange on which the securities of the Company may be listed (the **Listing Requirements**), the King Code, the Company's memorandum of incorporation and any other applicable law or regulatory provision (collectively, the **Legal Requirements**).

Purpose

The purpose of the Committee is to:

- assist the Board in discharging its duties in relation to the Company and any subsidiaries in respect of which it discharged duties pursuant to section 94(2)(b) of the Companies Act (the **Group**) and to make recommendations to the Board regarding the safeguarding of assets, the operation of adequate systems, internal control and reporting processes and the preparation of accurate reporting and financial statements in compliance with the Legal Requirements and accounting standards;

- provide oversight of, *inter alia*¹:
 - the effectiveness of the Company's assurance function and services, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the financial function, in order to enable an effective control environment within the Company, and that the Company's assurance function and services support the integrity of information for internal decision-making and of the Company's external reports;²
 - the integrity of the annual financial statements and, to the extent delegated by the Board, the management of financial and other risks that affect the integrity of other external reports issued by the Company; and
 - the Company's internal audit function;
- exercise the powers and rights, perform the duties and discharge the obligations, granted or required under the Legal Requirements, and
- perform any other such functions that may be requested by the Board.

The duties and responsibilities of the members of the Committee, as set out in these terms of reference, are in addition to those duties and responsibilities that they have as members of the Board.

Consistent with the functions set out in these terms of reference, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures, and practices at all levels.

The Committee should encourage open communication with assurance providers, which include, but are not limited to, the independent external

¹ Section 94(7)(i) of the Companies Act provides that the committee must perform oversight functions as may be determined by the board.

² King Code, principle 15.



auditor, senior management, the internal audit function of the Company, the risk and compliance function and the Board. The Company's Head of Risk and Assurance and lead external audit partner(s) have a direct reporting line to the Committee and access to the Committee Chairperson (as defined below) on a regular basis.

Mandate

The Committee's authority is derived from the statutory duties as contained in section 94 of the Companies Act, as well as from the authority of the Board as contemplated in these terms of reference, in accordance with section 72(1)(b) of the Companies Act or as otherwise is delegated to it by the Board from time to time.

The Committee has ultimate decision-making authority in regard to its statutory duties as contemplated in section 94(7) of the Companies Act. The Committee has no ultimate decision-making authority in respect of the non-statutory matters within the scope of the Committee's functions as set out in these terms of reference (unless otherwise delegated to the Committee by the Board), and the Committee makes recommendations to the Board in respect of these matters for the Board's consideration and, if the Board considers it appropriate, ultimate approval.

The Committee is authorised by the Board to:

- investigate any activities within the scope of these terms of reference;
- seek any information it requires from any employee, the chairperson of the Board or any statutory committees of the Company, any of the Company's executive directors, Company officers, the Company Secretary or assurance providers, and all these parties are required to co-operate with any requests made by the Committee, to provide it with information or explanations necessary for the performance of its functions. All requests to employees will be channelled through the Company's executive directors; and
- form a sub-committee or sub-committees and, save to the extent prohibited under the Legal Requirements, to delegate all or any part of its powers,

duties or authority to such sub-committee or sub-committees, or to any one or more designated members of the Committee or other person.

Composition and Rotation of Membership

The members of the Committee shall be nominated by the Remuneration and Nomination Committee, from among the Directors and shall be independent non-executive Directors (as defined in the Companies Act), with the requisite experience, knowledge and skills set to serve on the Committee.

At every Annual General Meeting, the Company's shareholders shall appoint an Audit Committee for the following year.

The Committee shall consist of at least three members. In addition to the statutorily appointed member of the Committee, the Board may from time to time appoint and remove directors or other persons to the Committee in respect of functions and duties of the Committee other than those prescribed in the Companies Act, and any such members' powers and duties will be limited accordingly. The chairperson of the Board shall not be a member of the Committee.

The members of the Committee must collectively have sufficient qualifications and experience to fulfil their duties, including an understanding of the following:

- preparation and presentation of annual financial statements;
- integrated reporting;
- internal financial controls;
- external audit process;
- internal audit process;
- corporate law;
- information technology governance as it relates to integrated reporting; and
- corporate governance processes within the Company.

Committee members must keep up-to-date with key developments affecting their required skills set.



Vacancies on the Committee are required to be filled by the Board within 40 business days.

The Board shall from time to time review and, where appropriate, propose revisions to the composition of the Committee in accordance with recommendations received from the Remuneration and Nomination Committee taking into account the need for an adequate combination of financial and business skills and knowledge, as well as having regard to the Company's business mix and growth/focus areas.

The Board shall appoint a chairperson (**Committee Chairperson**) from among the members of the Committee. The chairperson of the Board shall not be eligible for appointment as a member of the Committee.³

The Committee Chairperson shall hold such position for the term for which the Committee is statutorily established and may offer themselves for re-election each year unless otherwise determined by the Board.

Meetings

Meetings of the Committee will be held not less than four times a year, to coincide with key dates within the financial reporting and external audit cycle. The independent external auditors and the Company audit executive may request a special meeting, should they consider one necessary.

The special meeting shall be scheduled prior to meetings of the Board, at which the Committee Chairperson will present a report on the activities of the Committee.

The Committee Chairperson may, within the framework of any relevant directives set by the Board, convene a meeting of the Committee at any time and at their discretion.

The Committee or the Committee Chairperson should meet annually, or as requested, with the external and internal auditors, the audit executive of the Company, and management, in separate sessions, to discuss any matters that

³ King Code, principle 7, para 36(b) and principle 8, para 66 and 67.

the Committee or these groups believe should be discussed privately with the Committee.

The quorum at any meeting of the Committee shall be a majority of its statutorily appointed members.

Meeting Attendees

The following individuals will normally be in attendance at Committee meetings, by invitation:

- Chief Executive Officer (**CEO**) of the Company;
- Chief Financial Officer (**CFO**) of the Company;
- Audit executive of the Company; and
- the lead partner(s) of the independent external auditors.

When required, subsidiary audit committee chairpersons (if any) will be invited to attend Committee meetings.

Invitations to attend Committee meetings will be extended to any senior executives and professional advisers, as deemed appropriate by the Committee Chairperson.

Directors of the Board have the right of attendance at Committee meetings.

The Committee may secure the attendance, at Committee meetings, of non-Committee members with the relevant experience and expertise where necessary, at the Company's expense, in accordance with any procedure developed by the Board for this purpose. Such invitees shall only be entitled to participate in the discussions of the Committee and shall not be entitled to vote on any matter where the Committee is required to pass a resolution.

The Company Secretary or their designated representative shall be the secretary of the Committee.

The Committee Chairperson may, from time to time, attend meetings of the audit committees of subsidiaries within the Company's Group.



Procedure for Meetings

Committee members who are unable to attend Committee meetings shall inform the Committee Chairperson or Company secretary at an early date.

Committee meetings may be conducted entirely or partly by electronic communication or a Committee member may participate in a meeting by electronic communication.

Each Committee member has one vote on a matter before the Committee.

A majority of the votes cast on a Committee resolution is sufficient to approve that resolution, and, in the case of a tied vote, the Committee Chairperson shall not have a casting vote and the matter being voted on fails.

The procedure to be followed for the convening of meetings, notice of meetings, and preparing agendas and minutes of meetings (to the extent not regulated in these terms of reference) will be determined from time to time and managed by the Company Secretary, in consultation with the Committee Chairperson and the Board.

In the absence of the Committee Chairperson at a meeting of the Committee, the remaining members present shall elect one member present to chair the meeting.

To the extent reasonably practicable, Committee papers will be circulated to all Committee members at least one week before the meeting and full and appropriate information will be supplied to Committee members by way of succinct position papers or reports with the Committee pack to enable Committee members to form an opinion on the issues on the agenda prior to the meeting and, if necessary, to request additional information before the meeting. Additional documentation may be circulated to Committee members prior to the Committee meeting and will, to the extent applicable and appropriate, be clearly labelled to indicate that such documentation constitutes additional reading. Failure to comply with these provisions shall not invalidate any proceedings or decisions taken thereat.

The Company Secretary shall keep appropriate records of all meetings of the Committee as well as minutes of the proceedings and all decisions made.

Minutes of the Committee meetings, signed by the Committee Chairperson, shall be sufficient evidence that the matters referred to therein have been fully discussed and agreed, whether by way of a formal meeting or otherwise.

The Company Secretary shall circulate the minutes of the meetings of the Committee to all members of the Committee and to the chairperson of the Board. Subject to such restrictions as the Board may determine from time to time to manage conflicts, any director of the Company may, upon request to the Company Secretary, obtain copies of the Committee's papers, meeting agenda and minutes.

Access to resources and information

The Committee, acting as such or through such of its members as are authorised by it from time to time, has unrestricted access to Company information falling within the Committee's mandate and will liaise with management on its information needs and the appropriate reports and information that it should receive to enable it to monitor audit-related matters and to evaluate the financial performance of the Company.

With the prior notification to the Committee Chairperson or the chairperson of the Board, the Committee or any of its individual members, may take outside legal, accounting or other independent professional advice on matters relating to matters within the Committee's mandate, at the expense of the Company, in accordance with any procedure developed by the Board for this purpose. A formal mandate is to be entered into between such independent advisor and the Company to be facilitated by the Company Secretary.

Overall Role and Associated Responsibilities

The Committee has the following duties and responsibilities in respect of the Company and each subsidiary in respect of which it has assumed the duties under the Companies Act:



1. General

- 1.1. The Committee shall report to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.

2. Accounting and Financial Reporting

- 2.1. Review and monitor the integrity of the Company's interim and annual financial statements and any other formal announcements relating to the Company's financial performance (and, if requested by the Board, any other price-sensitive public reports by the Board) before submission to the Board, focusing particularly on:
- 2.1.1. establishing financial reporting procedures and confirming that such procedures are operating based on judgments and estimates and in accordance with the applicable legislation and financial sector laws;
- 2.1.2. clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- 2.1.3. quality and acceptability of, and any changes in, accounting policies and practices;
- 2.1.4. compliance with accounting standards, the Listing Requirements (as applicable), the UK Disclosure Guidance and Transparency and Rules and legal requirements;
- 2.1.5. significant adjustments and/or unadjusted differences resulting from the external audit;
- 2.1.6. reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted; and
- 2.1.7. matters of accounting judgement of estimate, to the extent material in the context of the Company;
- 2.2. Consider and satisfy itself on an annual basis of the appropriateness of the expertise and experience and expertise of the Company's CFO and confirm this annually to shareholders⁴; and

⁴ King Code, Principle 8, para 59(f).

- 2.3. Satisfy itself of the appropriateness of the expertise and adequacy of the resources of the Group's finance function;
- 2.4. Review any financial information included in the sustainability reports to shareholders and other stakeholders and consider the scope and conclusion of the independent assurance providers in respect of those reports insofar as this scope relates to financial information.
- 2.5. Report its views to the Board where, following its review, the Committee is not satisfied with any aspect of the proposed financial reporting by the Company.
- 2.6. Review measures to enhance the credibility and objectivity of the financial statements.

3. Legal Requirements

- 3.1. The Committee is responsible for discharging the Legal Requirements which apply to it. As at the date of adoption of the terms of reference, such duties and responsibilities include:
- 3.2. the following duties under section 94(7) of the Companies Act:
- 3.2.1. nominate, for appointment and approval by the shareholders, an auditor of the Company, and each subsidiary for which it has assumed the duties of an audit committee, under section 90 of the Companies Act, a registered auditor who, in the opinion of the Committee, is independent of the Company;
- 3.2.2. determine the fees to be paid to the auditor and the auditor's terms of engagement;
- 3.2.3. ensure that the appointment of the auditor complies with the provision of the Companies Act and any other legislation relating to the appointment of auditors;
- 3.2.4. determine, subject to the provisions of Chapter 3 of the Companies 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 its subsidiaries;
- 3.2.5. pre-approve any proposed agreement with the auditor for the provision of non-audit services to the Company;



- 3.2.6. prepare a report, to be included in the annual financial statements for that financial year—
 - 3.2.6.1. describing how the Committee carried out its functions;
 - 3.2.6.2. stating whether the Committee is satisfied that the auditor was independent of the company; and
 - 3.2.6.3. commenting in any way the Committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Company;
 - 3.2.7. receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, relating to:
 - 3.2.7.1. the accounting practices and internal audit of the Company;
 - 3.2.7.2. the content or auditing of the Company's financial statements;
 - 3.2.7.3. the internal financial controls of the company; or
 - 3.2.7.4. any related matter.
 - 3.2.8. make submissions to the Board on any matter concerning the company's accounting policies, financial control, records and reporting; and
 - 3.2.9. perform such other oversight functions as may be determined by the Board.
- 3.3. the following duties under paragraph 3.84(g) of the JSE Listings Requirements applicable to primary listings on the JSE:
- 3.3.1. consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director of the Company;
 - 3.3.2. ensure that the Company has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the Company to allow the Company to effectively prepare and report on the financial statements of the Company;
 - 3.3.3. request from the audit firm (and if necessary consult with the audit firm on) the information detailed in paragraph 22.15(h) of the JSE Listing Requirements in their assessment of the suitability for appointment of their current or a prospective audit firm and designated individual partner both when they are appointed for the first time and thereafter annually for every re-appointment as well as for the Company prior to any listing on the JSE; and
 - 3.3.4. ensure that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the Company pursuant to Section 61(8) of the Companies Act;
- 3.4. the following minimum requirements under the UK Disclosure Guidance and Transparency Rules applicable to a standard listing on the UK Official List:
- 3.4.1. monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
 - 3.4.2. monitor the effectiveness of the Company's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the Company, without breaching its independence;
 - 3.4.3. monitor the statutory audit of the annual and consolidated financial statements, in particular, its performance, taking into account any findings and conclusions by the Financial Reporting Council under article 26(6) of UK version of Regulation (EU) No 537/2014 which is part of UK law (the **Audit Regulation**);
 - 3.4.4. review and monitor the independence of the statutory auditor in accordance with paragraphs 2(3), 2(4), 3 to 8 and 10 to 12 of Schedule 1 to the Statutory Auditors and Third Country Auditors Regulations 2016 (SI 2016/649) and article 6 of the Audit Regulation, and in particular the appropriateness of the provision of non-audit services to the Company in accordance with article 5 of the Audit Regulation;
 - 3.4.5. inform the administrative or supervisory body of the Company of the outcome of the statutory audit and explain how the statutory



- audit contributed to the integrity of financial reporting and what the role of the relevant body was in that process; and
- 3.4.6. be responsible for the procedure for the selection of statutory auditor(s) and recommend the statutory auditor(s) to be appointed in accordance with article 16 of the Audit Regulation.

4. **External Audit**

- 4.1. The Committee shall during each financial year for which it is appointed, nominate for appointment as auditor of the Company, and every subsidiary for which it has assumed the duties of an audit committee under the Companies Act, a registered independent auditor for approval by shareholders.
- 4.2. The Committee shall assess the suitability for appointment of the designated audit firm and designated individual auditor annually taking into consideration legislative, professional and regulatory requirements with respect to auditor, the designated partner, audit firm and partner rotation.
- 4.3. In conducting its assessment, the Committee shall consider submission by the audit firm of all information as required by the Listing Requirements and any other representations made by the audit firm;
- 4.4. The Committee shall:
- 4.4.1. oversee the Company's relations with the external auditors and evaluate the independence and performance of the external auditors;
- 4.4.2. discuss and review, with the external auditors before the audit commences, the auditor's engagement letter, the terms, nature and scope of the audit function, procedure and engagement, the audit fee, and ensure co-ordination (where more than one audit firm is involved) and maintenance of a professional relationship between them;
- 4.4.3. oversee the development of, and approve, the external audit plan to satisfy itself that the audit plan effectively addresses the critical risk areas of the business and sets appropriate levels of materiality for audit purposes and further consider whether the auditor's overall work plan and proposed resources to execute the audit plan, appear consistent with the scope of the audit engagement, having regard also to the seniority, expertise and experience of the audit team;
- 4.4.4. receive and deal appropriately with any complaints relating either to the accounting practices or the external auditor of the Company or to the content or audit of the financial statements or to any related matter;
- 4.4.5. approve the Company's policy in relation to the provision of non-audit services by the independent external auditor, taking into account relevant ethical guidance and the legal requirements, ensure that all non-audit services are pre-approved in line with the Company's policy.
- 4.4.6. consider any problems identified with regard to the going concern status of the Company's business;
- 4.4.7. consider any problems identified with regard to matters of internal control;
- 4.4.8. make suggestions as to problem areas that the audit can address;
- 4.4.9. consider any accounting treatments, significant unusual transactions, or accounting judgements, that could be contentious;
- 4.4.10. identify key matters arising in the current year's management letter from the auditors and satisfy itself that these are being properly addressed;
- 4.4.11. consider whether any significant ventures, investments or operations should be subject to external audit;



- 4.4.12. review the overall audit role, discuss implications of new auditing standards and ensure that the external audit fee will sustain a satisfactory audit and provide value for money;
 - 4.4.13. obtain assurance from the external auditors that adequate accounting records are being maintained;
 - 4.4.14. consider differences of opinion between management and auditors including unrecorded errors or differences found by the auditors;
 - 4.4.15. consider and discuss any reservations arising from the audit and any matters the auditors may wish to discuss in the absence of executive management;
 - 4.4.16. review auditors' draft management letter and managements letter of representation before finalisation of the Integrated Report;
 - 4.4.17. review the adequacy of corrective action in response to significant External Audit findings and recommendations;
 - 4.4.18. receive notice of any reportable irregularities from the auditors and ensure that management takes appropriate action to address them;
 - 4.4.19. receive reports relating to management's assessment of the effectiveness of the Board's systems of internal controls and satisfy itself whether any matters should be raised in the relevant section(s) in the annual financial statements and report on the findings to the Board. This will include a review of the findings from the Company's CEO letter and the formal internal control effectiveness assessments which are carried out at least annually.
- 4.5. In the event that the independent external auditors resign, the Committee should investigate the issues giving rise to such resignation and consider whether any action is required.
- 4.6. The Committee shall review and consider the outcome of any legal or disciplinary proceedings instituted by a professional body against the independent external auditor.



5. ***Internal Audit***

- 5.1. Establish an internal audit function for the Company and (i) ensure that the internal audit function is adequately and appropriately resourced, is equipped to perform in accordance with appropriate professional standards for internal auditors, and has the appropriate authority and status within the Company; and (ii) monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system.⁵
- 5.2. The Committee shall monitor and supervise the effectiveness of Internal Audit, ensuring that the roles and functions of the External Audit as compared to Internal Audit are sufficiently clarified and coordinated to provide an objective overview of the operational effectiveness of the Group's systems of internal control and reporting. The Committee's role in relation to Internal Audit includes:
- 5.2.1. evaluating the performance of Internal Audit, its effectiveness and independence;
 - 5.2.2. considering whether the mandate, organisation, resourcing and standing of the Internal Audit function are appropriate to the needs of the Group and enable the Committee to meet its objectives;
 - 5.2.3. reviewing the compliance of Internal Audit with the Service Level Agreement and its mandate in terms of the Internal Audit Charter;
 - 5.2.4. reviewing and approving in consultation with the audit executive, the Internal Audit plans, Internal Audit budget and Internal Audit conclusions with regard to internal control;
 - 5.2.5. satisfying itself that the Internal Audit plan makes provision for effectively addressing the critical risk areas of the business;
 - 5.2.6. satisfying itself regarding Internal Audit's review of the effectiveness of the Group's systems of internal control, including:
 - 5.2.6.1. internal financial control and business risk management and the maintenance of effective internal control systems;
 - 5.2.6.2. the maintenance of proper accounting records;
 - 5.2.6.3. controls over the financial reporting environment;
 - 5.2.6.4. the safeguarding of the Company's assets against unauthorised use or disposal;
 - 5.2.7. reviewing Internal Audit's written assessment of the effectiveness of the process for identifying, assessing and reporting all significant business and operational risks and the management and mitigation of those risks by the Company and making appropriate recommendations to the Risk and Sustainability Committee and the Board;
 - 5.2.8. reviewing significant matters reported by the Internal Audit function in relation to financial reporting, corporate governance, internal control and any significant investigations;
 - 5.2.9. reviewing the adequacy of corrective action taken in response to significant Internal Audit findings;
 - 5.2.10. reviewing significant differences of opinion between management and the Internal Audit function;
 - 5.2.11. considering and reviewing any difficulties encountered in the course of internal audits including any restrictions in scope;
 - 5.2.12. directing and supervising investigations by Internal Audit into matters within its scope, for example breakdowns in internal control, cases of employee fraud, misconduct or conflicts of interest; and

⁵ King Code, principle 15, paras 48, 49 and 50.



5.2.13. ensuring that an independent quality review of the Internal Audit function is conducted, either in line with the Institute of Internal Auditors' standards or such other standards as determined by the Committee, when the Committee determines it appropriate, as a measure to ensure the function remains effective and in conformance with the applicable standards.⁶

6. Integrated Reporting

6.1. The Committee will examine and review all published financial reports and information including the integrated report, the annual financial statements, the interim reports, the preliminary reports, trading statements and any other announcements regarding the Company's results or other financial information to be made public, prior to submission and approval by the Board, focusing particularly on:

- 6.1.1. the quality and integrity of financial reporting and ensuring that such reporting presents a balanced and understandable assessment of the position, performance and prospects of the Group;
- 6.1.2. tax and litigation matters involving uncertainty;
- 6.1.3. any changes in accounting policies and practices;
- 6.1.4. significant adjustments resulting from the audit;
- 6.1.5. the basis on which the Company and Group have been determined to be going concerns;
- 6.1.6. capital adequacy;
- 6.1.7. compliance with accounting standards, local and international, and compliance with legal and regulatory requirements;
- 6.1.8. evaluation of significant judgements and reporting decisions made by management including the appropriateness of the accounting treatment of major transactions and events during the year;

6.1.9. compliance with the financial conditions of loan agreements and compliance with covenants;

6.1.10. reviewing special documents such as prospectuses, circulars in respect of rights offers and other corporate actions as and when prepared;

6.1.11. reviewing the external auditors proposed audit report;

6.1.12. oversee the management of financial and other risks that affect the integrity of external reports issued by the company;

6.1.13. review the appropriateness of "forward looking statements" and summarised financial statements; and

6.1.14. consider whether the results are in line with discussions with independent assurance providers, both internal and external auditors as well as other external assurance providers giving assurance as to the sustainability aspects of the integrated report.

6.2. The Committee will prepare a report to be included in the annual report for each financial year, which shall include:

- 6.2.1. a summary of the role of the Committee;
- 6.2.2. the number of Committee meetings, and the record of attendance of the different members;
- 6.2.3. how the Committee carried out its functions and responsibilities;
- 6.2.4. whether the Committee is satisfied that the auditor was independent of the Company;
- 6.2.5. comments in any way considered appropriate on the financial statements, the accounting practices and the internal financial control of the Company; and
- 6.2.6. the Committee's view on the effectiveness of the finance function.

⁶ King Code, Principle 15, para 60.



7. Combined assurance

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

7.2 oversee that the combined assurance received is appropriate to address all the significant risks facing the Company;

7.3 monitor the relationship between the external assurance providers and the Company; and

7.4 oversee co-ordination of Internal and External Audit activities to the extent that it is appropriate.

8. General

The Committee -

8.1 shall disclose to the Committee in writing any personal financial interest (as contemplated in section 75 read with section 1 of the Companies Act) and any other interests they have within or outside the Company that may be relevant, factually or perceptively, to their independence or their role on the Committee, including matters which may or may be perceived to interfere or conflict with the performance of their duties as members of the Committee. Disclosures made in accordance with paragraph 10 of the Board Charter and section 75 of the Companies Act shall be regarded as having been made for this purpose, and duplicate disclosure of such matters to the Committee shall thus not be required;

8.2 shall at least once a year meet with External Auditors without any Executive member of the Board or any company representative except the Secretary in attendance to discuss any matters/ reservations arising from the audit;

8.3 shall at least once a year meet with the Internal Auditors without any Executive member of the Board in attendance; and

8.4 shall oversee the co-ordination of Internal and External Audit activities to the extent that it is appropriate.

Reporting⁷

The Committee shall evaluate all of the information it receives from management, internal audit, external assurance providers, the control functions and the Company's key subsidiaries' and other subsidiaries' audit committees, and report to the Board in relation to its conclusion on the effectiveness of all internal controls over material risks.

The Committee Chairperson shall report to the Board at the first Board meeting following the last Committee meeting on the activities of the Committee.

The Committee shall report on an annual basis to the shareholders at the annual general meeting of the Company as well as to the shareholders through the Integrated Annual Report on the following items:

- the Committee's overall role and associated responsibilities and function;
- its composition, including each member's qualifications and experience;
- any external advisers or invitees who regularly attend the Committee meetings;
- key areas of focus during the reporting period;
- the number of meetings held during the reporting period and attendance at those meetings;
- the appropriateness and effectiveness of the CFO has been considered by the Committee; and
- whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

The Committee Chairperson shall be available at all times to advise the chairperson of the Board on any questions relating to the financial affairs and internal controls (including financial and operating controls) of the Company.

⁷ King Code, Principle 8, para 43.



The Committee Chairperson shall be required to attend the Company's annual general meeting to answer relevant questions posed by shareholders.

Evaluation⁸

The Committee will be independently evaluated as required by legislation and/or best practice governance and actions from the evaluation should be agreed and implementation tracked and reported to the Board.

APPROVAL OF THESE TERMS OF REFERENCE

The Committee shall review its terms of reference annually and amend them as appropriate, subject to approval from the Board.

The original terms of reference were recommended to and approved by the Board on 31 March 2021.

The revised terms of reference were approved by the Committee on 17 March 2022.

The revised terms of reference were approved by the Board on 18 March 2022 and will be due for review on 31 December 2022.

⁸ King Code, Principle 8, para 43.