



**AUDIT AND
RISK
COMMITTEE
CHARTER**

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1. PURPOSE AND OBJECTIVE

- 1.1 The purpose of this charter is to outline the role, mandate and responsibilities of the Northam Platinum Holdings Limited (Northam) audit and risk committee (the committee).
- 1.2 The objective of this charter is to ensure that the key audit and risk functions associated with the business of Northam and its subsidiaries (collectively, the group), in terms of its statutory requirements, as well as corporate governance best practices, are identified and incorporated as part of the committee's responsibilities. This ensures that the committee's members adequately discharge their fiduciary duties.
- 1.3 This charter is applicable to all companies and trusts within the group.
- 1.4 This charter is to be reviewed periodically and where necessary, updated to enhance its overall effectiveness to ensure compliance with best practice and good corporate governance.

2. INTRODUCTION

- 2.1 The committee is constituted as a statutory committee of Northam in accordance with sections 84(4)(c) and 94 of the Companies Act, No. 71 of 2008 as amended (Companies Act), paragraph 3.84(c) of the JSE Limited Listings Requirements (JSE LR), paragraph 7.3(a) of the JSE Debt Listings Requirements (JSE DLR), and Northam's memorandum of incorporation (MOI).
- 2.2 The committee charter takes into account the provisions of the King IV Report on Governance for South Africa, 2016 (King IV™) and applicable regulatory requirements.
- 2.3 Where this charter conflicts with the specific legislation and/or regulations mentioned herein, the applicable and effective legislation and/or regulations take precedence. This includes any updates or changes in legislation and/or regulations, as well as legislation and/or regulations that have not been explicitly included in this charter.
- 2.4 The duties and responsibilities of the members of the committee, as set out in this charter, are in addition to those duties and responsibilities that they have as members of the board of directors of Northam or the board of directors of Northam's subsidiaries (collectively or individually, the board).

3. ROLE AND MANDATE

- 3.1 The committee's primary statutory duty is to provide independent oversight, amongst others, over the effectiveness of the group's assurance functions and services, with particular focus on combined assurance arrangements. It also provides independent oversight over the integrity of the financial statements, including interim reports and, to the extent delegated by the board, other external reports, as appropriate to be reviewed by the committee, issued by the group.
- 3.2 In addition, the committee is responsible for carrying out all other duties that the board has assigned to it, including the delegated authority for:
- 3.2.1 The governance of risk, by setting the direction on approaching and addressing risk in the group.
 - 3.2.2 Consideration of the opportunities and associated risks when developing the group strategy, as well as the potential positive and negative effects of the same risks on the achievement of its organisational objectives.
 - 3.2.3 Investigating any activity within its charter should the need arise.
 - 3.2.4 Seeking any information it requires from any employee, the chairperson of the board or any committees of the board, any of the group's executive directors, group officers, the company secretary or assurance providers. All requests to employees will be channelled through the executive directors or the company secretary of the group.
 - 3.2.5 Accessing the group's financial records, facilities and any other resources necessary to discharge its duties and responsibilities through the executive directors or the company secretary of the group.
 - 3.2.6 Obtaining external legal, accounting or other independent professional advice, by the committee or any of its individual members, on matters relating to the committee's mandate, subject to approval being granted by the group's Chief Executive Officer's (CEO) office or the company secretary of the group.
- 3.3 The committee has ultimate decision-making authority in terms of its statutory duties as contemplated in section 94(7) of the Companies Act, paragraph 3.84(g) of the JSE LR and paragraph 7.3(e) of the JSE DLR and is accountable for its performance in this regard.
- 3.4 The committee has no ultimate decision-making authority in respect of the non-statutory matters within the scope of its functions, as set out in this charter, unless otherwise delegated to the committee by the board. The committee, however, makes recommendations to the board in respect of these matters for the board's consideration and, if the board considers it appropriate, the board's ultimate approval.
- 3.5 If differences of opinion arise between the board and the committee, particularly where the committee's statutory functions are concerned, the committee's decision will prevail.
- 3.6 The committee must act independently, with accountability to the board and the group's stakeholders (including shareholders and noteholders).
- 3.7 The committee shall have direct and unobstructed lines of communication to the board, the external and internal auditors, and any external assurance providers and consultants appointed by the group to prepare the financial statements of the group.
- 3.8 The committee should encourage continuous and open communication with all assurance providers, including the external and internal auditors, risk and compliance functions, senior management and the executive directors, as well as the board.

- 3.9 The committee does not assume the function of management, which remains the responsibility of the executive directors, prescribed officers and other members of senior management of the group.
- 3.10 The committee will have oversight and ensure that Northam, and its subsidiary companies, comply with all provisions, as set out in the Group Governance Framework.
- 3.11 The committee does not provide relief to board members for their individual and collective fiduciary duties and responsibilities, except with respect to the appointment, fees and terms of engagement of the auditor. Accordingly, the board members must continue to exercise due care and judgement in accordance with their legal and fiduciary obligations.
- 3.12 Members of the committee are required to attend the annual general meeting (AGM) of shareholders and be heard at such meetings on any part of the business of the meeting that concerns the committee's functions, where required.
- 3.13 Consistent with the functions set out in this charter, the committee should encourage continuous improvement of, and should foster adherence to, the group's policies, procedures, and practices at all levels.

4. RESPONSIBILITIES

The committee is responsible for overseeing the group's governance, risk management and control processes. These include the group's system of internal financial controls, accounting systems, financial and integrated reporting, as well as its programmes to monitor compliance with applicable laws and regulations.

The committee reports 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.

The sections below set out the committee's responsibilities in accordance with its statutory requirements and corporate governance best practices.

4.1 EXTERNAL AUDIT

The committee has the following responsibilities in terms of the external audit and external auditors:

- 4.1.1 To nominate, for appointment or re-appointment as auditor of the group in terms of section 90 of the Companies Act, a registered auditor who, in the opinion of the committee, is independent of the group, for approval by shareholders, each year, at Northam's AGM in accordance with section 61(8)(c)(i) of the Companies Act, paragraph 3.84(g)(iv) of the JSE LR and paragraph 7.3(e)(iv) of the JSE DLR.
- 4.1.2 To consider, as part of its recommendation for appointment or re-appointment of an auditor at the AGM, in terms of paragraph 3.86 of the JSE LR and paragraph 6.22 of the JSE DLR, whether the audit firm and reporting accountant is accredited on the JSE list of Auditors and Accounting Specialists, and that the individual auditor does not appear on the JSE list of disqualified individual auditors.
- 4.1.3 To ensure that the appointment of the auditor complies with the provisions of the Companies Act, the JSE LR, JSE DLR and any other legislation relating to the appointment of auditors.
- 4.1.4 To satisfy itself that the appointment of an auditor, other than one nominated by the committee, which is made by the group at its AGM, is independent of the group, holding the appointment as valid.
- 4.1.5 To have the right to object, in the event that no resolution is passed, to the re-appointment of a retiring auditor who is automatically re-appointed at an AGM.
- 4.1.6 To consider, where applicable (i.e. where a vacancy arises), in terms of section 91 of the Companies Act, the proposal by the board to the committee of a registered auditor to be considered for appointment as the new auditor of the group.
- 4.1.7 To give, where applicable, notice in writing to the board rejecting the proposed auditor (as contemplated in paragraph 4.1.6 above) within five business days after the board delivering the proposal, otherwise allowing the board to proceed to make the appointment.
- 4.1.8 To consider the Independent Regulatory Board for Auditors (IRBA) view on the rotation of audit firms together with the independence provisions set out in the IRBA Code of Professional Conduct for Registered Auditors, which must be adhered to by the auditor.
- 4.1.9 To ensure, in accordance with section 92 of the Companies Act, that:
 - 4.1.9.1 the same individual does not serve as the auditor or designated audit partner to the group for more than five consecutive financial years.
 - 4.1.9.2 where an individual has served as the auditor or designated audit partner of the group for two or more consecutive financial years and then ceases to be the auditor or designated audit partner, the individual may not be appointed again as the auditor or designated audit partner of the group until after the expiry of at least two further financial years.
 - 4.1.9.3 where the group has appointed two or more companies as joint auditors, rotation is managed in such a manner that all the joint auditors do not relinquish office in the same year.
- 4.1.10 To review the reason(s) for any change in auditor as a result of termination or resignation and consider if any action is required.

- 4.1.11 To review:
 - 4.1.11.1 the notification to the JSE required in terms of paragraph 3.75 of the JSE LR and paragraph 6.25 of the JSE DLR, relating to the notification of change in auditor (which notification must be accompanied by a letter from the auditor stating the date of termination, what the auditor believes to be the reason for such termination or, in the case of resignation, the reason(s) for such resignation); and
 - 4.1.11.2 the announcement required to be published by the group regarding the change in auditor in terms of the JSE LR and the JSE DLR, which announcement is required to include the reasons therefore and the effective date of the change.
- 4.1.12 To determine the fees to be paid to the auditor and the auditor's terms of engagement, as well as to compare the external audit fees from previous years, in approving the annual external audit budget.
- 4.1.13 To determine, the nature and extent of any non-audit services that the auditor may provide to the group, or that the auditor must not provide to the group, or a related company.
- 4.1.14 To pre-approve any proposed agreement with the auditor for the provision of non-audit services to the group.
- 4.1.15 To receive and deal appropriately with any concerns or complaints, whether from within or outside the group, or on its own initiative, relating to:
 - 4.1.15.1 Accounting practices and internal audit of the group.
 - 4.1.15.2 The content or auditing of the group's financial statements.
 - 4.1.15.3 The internal financial controls of the group.
 - 4.1.15.4 Any related matter.
- 4.1.16 To make submissions to the board on any matter concerning the group's accounting policies, financial control, records and reporting, as appropriate.
- 4.1.17 To perform other functions determined by the board, including the development and implementation of a policy and plan for a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes within the group.
- 4.1.18 To assess that the registered auditor is independent of the group insofar as:
 - 4.1.18.1 The auditor does not receive any direct or indirect remuneration or other benefit from the group, except as auditor, or for rendering other services to the group, to the extent permitted.
 - 4.1.18.2 Whether the auditor's independence may have been prejudiced, as a result of any previous appointment as auditor, or having regard to the extent of any consultancy, advisory or other work undertaken by the auditor for the group.
 - 4.1.18.3 Compliance with other criteria relating to independence or conflict of interest as prescribed by the IRBA, in relation to the company, and any other company within the group.
- 4.1.19 In terms of paragraph 3.84(g)(iii) of the JSE LR and paragraph 7.3(e)(iii) of the JSE DLR, the committee must consider, (and disclose in the group's annual integrated report that it has done so):

- 4.1.19.1 The following information provided by the audit firm and individual auditor, in the assessment of the suitability of the appointment of reappointment of the auditor:
 - 4.1.19.1.1 The latest inspection results (including related remedial action plan) of an inspection performed by its regulator. The committee may accept reports with the identity of specific entities redacted provided that such redaction does not limit the understanding of their content.
 - 4.1.19.1.2 Any new inspection result of an inspection performed by its regulator, between the date of appointment of the auditor and the date of signature of the audit report on the annual financial statements.
 - 4.1.19.1.3 A summary of the ongoing communication related to monitoring and remediation referred to in paragraph 46 of the International Standard on Quality Management 1 (ISQM 1).
 - 4.1.19.1.4 A summary of any legal or disciplinary proceedings completed or pending, as determined by the audit firm's head of risk (or a similar senior person within the firm tasked with the responsibility of risk management) within the past five years. Legal or disciplinary proceedings include those instituted through any legislation or by any regulatory/professional body.
- 4.1.20 To review, annually, the annual transparency report published by the audit firm, in line with the European Union's 8th Company Law Directive, which discloses the following:
 - 4.1.20.1 Description of the legal structure and ownership.
 - 4.1.20.2 Its internal quality control system.
 - 4.1.20.3 A description of the governance structure of the audit firm.
 - 4.1.20.4 The date of the last quality assurance review.
 - 4.1.20.5 A list of the public interest entities for which audit firm has carried out statutory audits during the preceding financial year.
 - 4.1.20.6 The structure of fees charged by the firm.
 - 4.1.20.7 The compensation scheme for audit partners.
 - 4.1.20.8 A statement concerning the audit firm's independence practices which also confirms that an internal review of independence compliance has been conducted.
- 4.1.21 To meet with the external auditors, at least annually, without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.
- 4.1.22 Notwithstanding the above noted responsibilities of the committee, the committee also has the following responsibilities:
 - 4.1.22.1 To promote and maintain an effective relationship with the external auditor.
 - 4.1.22.2 To review the audit firm's safeguards in terms of its engagement with the group to ensure that all members of the audit team are independent.

- 4.1.22.3 To ensure coordination between external audit, internal audit, as well as the risk and compliance functions, as part of the group's combined assurance model/plan.
- 4.1.22.4 To establish an approach to audit quality and ensure that it is executed, assessed and its results are available for review.
- 4.1.22.5 To discuss, with the external auditors, prior to the audit commencing and as necessary following the audit, the nature and scope of the audit including the accounting principles, policies and practices adopted in the preparation of the group's financial statements, planned levels of materiality and the seniority, expertise and experience of the audit team.
- 4.1.22.6 To confirm and approve, at the start of each annual audit cycle, that:
 - 4.1.22.6.1 Appropriate plans for the external audit are in place.
 - 4.1.22.6.2 The development of the audit work plan is consistent with the scope.
 - 4.1.22.6.3 All material risks are covered.
 - 4.1.22.6.4 Statutory and financial reporting requirements are met.
- 4.1.22.7 To monitor, on a regular basis, the implementation of the external audit plan.
- 4.1.22.8 To review, with the external auditors, the findings of their work, and:
 - 4.1.22.8.1 To discuss any major resolved and unresolved issues or audit matters identified during the course of the audit.
 - 4.1.22.8.2 To review key accounting and audit judgements communicated by the external auditors in their audit report, in terms of International Standard on Auditing (ISA) 701, discuss with management, and monitor the appropriateness of the management actions taken to address these matters.
 - 4.1.22.8.3 To review levels of errors identified during the audit, obtaining explanations from management and where necessary, the external auditors, as to why certain errors might remain unadjusted.
- 4.1.23 To ensure the committee is informed in a timely manner, any reportable irregularities identified, acknowledging the individual registered auditors' duty to report on irregularities to the Regulatory Board in terms of section 45.1(a) of the Audit Profession Act No. 26 of 2005.
- 4.1.24 To discuss and/or make representations, together with the members of the board and management, the report of reportable irregularities with the registered auditor.
- 4.1.25 To review the audit representation letters before signature by management, and to give particular consideration to matters where representation has been requested that relate to non-standard issues.
- 4.1.26 To review the external auditors' management letter and management's response to the external auditors' findings and recommendations.
- 4.1.27 To consider the comments and suggestions made by the external auditors on any control deficiencies identified during the audit process.

- 4.1.28 To prepare a report, in terms of section 94.(7)(f) of the Companies Act, to be included in the annual financial statements for that financial year:
 - 4.1.28.1 Describing how the committee carried out its functions.
 - 4.1.28.2 Stating whether the committee is satisfied that the auditor was independent of the group.
 - 4.1.28.3 Commenting in any way the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the group.
- 4.1.29 To disclose, in accordance with King IV™, and in addition to its required statutory disclosure:
 - 4.1.29.1 A statement as to whether the committee is satisfied that the external auditor is independent of the group. The statement should specifically address:
 - 4.1.29.1.1 The policy and controls that address the provision of non-audit services by the external auditor, and the nature and extent of such services rendered during the financial year.
 - 4.1.29.1.2 The tenure of the external audit firm and, in the event of the firm having been involved in a merger or acquisition, including the tenure of the predecessor firm.
 - 4.1.29.1.3 The rotation of the designated audit partner.
 - 4.1.29.1.4 Significant changes in the management of the organisation during the external audit firm's tenure, which may mitigate the attendant risk of familiarity between the external auditor and management.
 - 4.1.29.2 Significant matters that the committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
 - 4.1.29.3 The committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
 - 4.1.29.4 The committee's views on the 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.

4.2 INTERNAL AUDIT

The committee has the responsibility to set the direction for the internal audit arrangements needed to provide independent, objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes. This includes the responsibility:

- 4.2.1 To oversee the establishment of an internal audit function for the group.
- 4.2.2 To ensure that the position of chief audit executive (CAE) is established to function independently from management and carries the necessary authority, to, inter alia, design and implement control.
 - 4.2.2.1 For reasons of independence, the CAE is to have direct access to the chairperson of the committee and is to report to the chairperson of the committee on the performance of the duties and functions that relate to internal audit.
 - 4.2.2.2 On other duties and administrative matters, the CAE should report to a member of executive management, Chief Financial Officer (CFO) or an individual designated for this purpose, as appropriate for the group.
- 4.2.3 To ensure that the person who fills the position of CAE has the necessary competence, gravitas and objectivity.
- 4.2.4 To recognise, where the internal audit function is outsourced, that the role of the CAE is outsourced to the internal audit director or partner of the outsourced firm.
- 4.2.5 To approve the appointment, reappointment and/or termination of the outsourced internal audit firm, including that of the CAE.
- 4.2.6 To review and approve, together with senior management, the internal audit charter prepared by the CAE. The charter should define the following:
 - 4.2.6.1 Purpose, authority and responsibility of internal audit.
 - 4.2.6.2 The nature of assurance services provided by internal audit.
 - 4.2.6.3 The nature of consulting services provided by internal audit.
 - 4.2.6.4 The Core Principles for the Profession of Internal Auditing, the Institute of Internal Auditors' (IIA) Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the IIA's definition of Internal Auditing.
 - 4.2.6.5 Internal audit's role within the group's combined assurance model.
- 4.2.7 To 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 group, and that internal audit is supplemented as required by specialist services such as those provided by forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries.
- 4.2.8 To ensure that an internal audit plan is prepared on an annual basis by the CAE, and that the group's combined assurance model has been considered in the development of the plan to encompass, significant risks, material matters and business processes, including the necessary statutory and financial reporting requirements.
- 4.2.9 To review and approve the internal audit plan, at least annually, in consultation with the CAE and senior management.

- 4.2.10 To review and approve the internal audit budget and resource plan.
- 4.2.11 To monitor on an ongoing basis that internal audit:
 - 4.2.11.1 Performs in accordance with its plan and other matters.
 - 4.2.11.2 Reviews the group's risk profile regularly and proposes adaptations to the internal audit plan accordingly for approval by the committee.
 - 4.2.11.3 Coordinates with external audit, as well as the risk and compliance functions, as part of the group's combined assurance model.
- 4.2.12 To review and discuss the scope of work of the internal audit function, significant risk and control issues identified as part of its work, including fraud risks, governance issues and other matters, as well as management's responsiveness to issues raised, including agreed action plans.
- 4.2.13 To review and discuss, together with senior management, any matters that management has accepted a level of risk that may be unacceptable to the group, or for any significant matters that has not been resolved.
- 4.2.14 To make appropriate inquiries of management and the CAE to determine whether there are inappropriate scope or resource limitations. This includes reviewing any implications of interferences disclosed by the CAE in determining the scope of internal auditing, performing its work and communicating results, as well as the impact of any resource limitations.
- 4.2.15 To ensure that internal audit provides an overall statement, annually, as to the effectiveness of the organisation's governance, risk management and control processes. This includes the written assurance statement by internal audit, to confirm if anything has come to the internal auditor's attention indicating that the group's system of internal financial controls is not effective and may not be relied upon for the preparation of the annual financial statements for review and discussion.
- 4.2.16 To obtain confirmation, annually, from the CAE that internal audit conforms to a recognised industry code of ethics and standards and to review and discuss any nonconformances to the code, definition of internal auditing or the standards.
- 4.2.17 To receive, at least annually, confirmation from the CAE, the organisational independence of the internal audit activity and to review details of any independence or objectivity issues, either in fact or appearance.
- 4.2.18 To ensure that an external assessment is conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation, in accordance with the International Standards for the Professional Practice of Internal Auditing (Standards). The committee should also discuss with the CAE the following:
 - 4.2.18.1 The form and frequency of external assessment.
 - 4.2.18.2 The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.
 - 4.2.18.3 Conclusions and corrective action plans, where applicable.
- 4.2.19 To meet with the CAE and/or internal auditors, at least annually, without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum.
- 4.2.20 To monitor compliance of the internal audit function in accordance with its charter.

- 4.2.21 To monitor and assess the performance of the CAE, including the role and effectiveness of the internal audit function.
- 4.2.22 To disclose in terms of King IV™, the committee's view on the effectiveness of the CAE and the arrangements for internal audit.

4.3 CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION INCLUDING INTERNAL CONTROL

The committee has the following statutory responsibilities in relation to the CFO and the finance function of the group:

- 4.3.1 To confirm, on an annual basis, that the CFO has the appropriate expertise / qualifications and experience to fulfil the role, and disclose as such in the group's annual integrated report.
- 4.3.2 To ensure that the group has established appropriate financial reporting procedures and that these procedures are operating, which should include consideration of all companies / entities included in the consolidated group International Financial Reporting Standards (IFRS) financial statements, to ensure that it has access to all the financial information of the group to allow the group to effectively prepare and report on the financial statements.
- 4.3.3 To confirm, on an annual basis, that the finance function of the group has adequate resources and is experienced to execute its responsibilities, and that continuing professional development requirements are met.
- 4.3.4 To disclose in terms of King IV™ the committee's views on the effectiveness of the CFO and the finance function.
- 4.3.5 The committee has the following responsibilities regarding internal control:
 - 4.3.5.1 To review, on an annual basis, the effectiveness of the group's system of internal control, with specific focus on internal financial controls, as part of the group's combined assurance model/plan.
 - 4.3.5.2 To consider significant control issues reported as part of the assessment of the overall control environment.
 - 4.3.5.3 To receive feedback on the group's independent ethics and fraud hotline, including the outcomes of any investigations conducted and consider the appropriateness of management responses.

4.4 ACCOUNTING AND FINANCIAL REPORTING

The committee has the following responsibilities in terms of the group's accounting and financial reporting:

- 4.4.1 To review, monitor and approve, where required, the integrity of the group's interim and annual financial statements and any other formal announcements relating to the group's financial performance (and, if requested by the board, any other price-sensitive public reports by the board, or reports by the board to regulators) before submission to the board, focusing particularly on:
 - 4.4.1.1 Clarity, completeness and accuracy of disclosure and whether disclosures made have been set properly in context.
 - 4.4.1.2 Quality and acceptability of, and any changes in, accounting policies and practices.
 - 4.4.1.3 Compliance with accounting standards and regulatory and legal requirements.
 - 4.4.1.4 New accounting standards, interpretations and amendments to standards in issue and the disclosure thereof in the annual financial statements.
 - 4.4.1.5 Significant adjustments and/or unadjusted differences resulting from the external audit.
 - 4.4.1.6 Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted.
 - 4.4.1.7 Matters of accounting judgment or estimate, to the extent material in the context of the group.
- 4.4.2 Establishing financial reporting procedures and confirming that such procedures are operating based on judgments and estimates and in accordance with the applicable legislation, and IFRS or any appropriate accounting standards.
- 4.4.3 To 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 group.
- 4.4.4 To receive reports on the status of completion of the group's annual financial statements and their submission to the tax authorities.
- 4.4.5 To receive and review any tax status reports and consider any significant issues as may be required.
- 4.4.6 To discuss and resolve any significant problems or reservations arising from the interim and final audits and any other matters the external auditor wishes to discuss.
- 4.4.7 To review measures to enhance the credibility and objectivity of the financial statements.
- 4.4.8 To consider sections 44 and 45 of the Companies Act in regard to the provision of financial assistance to subsidiaries.
- 4.4.9 To consider the detailed findings and emerging issues of the JSE's latest report on the proactive monitoring of financial statements for compliance with IFRS (JSE report), and if applicable the previous JSE report, and take the appropriate action to respond to the information detailed in annexure 3 of the JSE report when preparing annual financial statements and interim financial statements). Such consideration should take place at the next committee meeting after the issue of the latest JSE report.

- 4.4.10 To consider all auditing related documents and communiques issued by regulators such as IRBA, the South African Institute of Chartered Accountants (SAICA) and the JSE.
- 4.4.11 To review the CEO and the CFO responsibility statement in terms of paragraph 3.84(k) of the JSE LR.
- 4.4.12 To oversee and be responsible for the governance of the group's technology and information as it relates to financial reporting of the group, including considering the use of technology and related techniques to improve audit coverage and audit efficiency.
- 4.4.13 To assess and confirm, on an annual basis, the appropriateness of the going concern assumption used in the interim and annual financial statements through application of the solvency and liquidity test, stating that the group will continue to have adequate financial resources and access to capital to settle its liabilities, as and when they fall due, continuing to operate on a going concern basis for the foreseeable future. The assessment should include the financial impact of potential distributions, prior to recommendation to the board for approval.
- 4.4.14 The chairperson of the committee in term of the JSE LR has the following responsibilities to reporting restatements:
 - 4.4.14.1 To review the notification to be submitted to the JSE, when submitting the annual financial statements and annual compliance certificate to the JSE, which must include:
 - 4.4.14.1.1 Sufficient information through a detailed narrative for the JSE to understand the nature and circumstances that led to each specific restatement.
 - 4.4.14.1.2 Details regarding how and when the need for restatement was identified.
 - 4.4.14.1.3 The impact of the restatement on previously published results.
 - 4.4.14.1.4 Highlighting if there was another restatement that occurred, after the initial committee letter has been issued.
 - 4.4.14.2 To confirm that the board has considered the circumstances that lead to the restatement and has implemented steps to prevent the re-occurrence of such a restatement, which confirmation must accompany the notification to the JSE.
 - 4.4.14.3 To provide an explanation on how the committee, where the further restatement is a related matter, has addressed the fact that the preventative measures it implemented in terms of its initial notification to the JSE did not succeed.

4.5 INTEGRATED REPORTING INCLUDING THE ANNUAL FINANCIAL STATEMENTS

The committee has overall responsibility to provide oversight of integrated reporting, and in particular the following responsibilities:

- 4.5.1 To have regard to all factors and risks that may impact on the integrity of the integrated report, including factors that may impact fair presentation of the significant judgments and reporting decisions made, monitoring any enforcement actions by a regulatory body, evidence that brings into question previously published information and forward-looking statements or information.
- 4.5.2 To review the annual financial statements, interim financial statements, preliminary, provisional or abridged result announcements, summarised financial statements and summarised integrated information, any other intended release of price sensitive information, prospectuses, trading statements and similar documents, and recommend to the board for approval.
- 4.5.3 To evaluate the significant judgements and reporting decisions affecting the integrated report made by management, including changes in accounting policies, decisions requiring a major element of judgement and the clarity and completeness of the proposed financial and sustainability disclosure.
- 4.5.4 To require explanations from management on the accounting of significant or unusual transactions and consider the views of the external auditors in these instances.
- 4.5.5 To comment in the annual financial statements, as part of the committee's report, on the financial statements, the accounting practices and the effectiveness of the internal financial controls.
- 4.5.6 To review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information.
- 4.5.7 To recommend to the board whether or not to engage an external assurance provider on material sustainability issues.
- 4.5.8 To recommend the integrated report for approval by the board.
- 4.5.9 To review the content of the summarised information published to assess whether it provides a balanced view.
- 4.5.10 To engage the external auditors to provide assurance on the summarised financial information.
- 4.5.11 To review forward-looking statements of financial or sustainability information ensuring that the information provides a proper reflection of the key drivers that will enable the group to achieve these forward-looking results.
- 4.5.12 To consider any evidence that comes to its attention that brings in to question any previously published financial or sustainability information, including complaints regarding such information. Where necessary, the committee should take steps to recommend that the group publicly correct the previous published financials or sustainability information if it is materially incorrect.

4.6 TRADING STATEMENTS

The committee has the following responsibilities regarding trading statements, in terms of paragraph 3.4(b) of the JSE LR:

- 4.6.1 To ensure application of and to monitor compliance of the group's trading statement policy, in terms of the detailed requirements of paragraphs 3.4(b)(i) to (viii) of the JSE LR, which entails:
 - 4.6.1.1 Northam to publish a trading statement as soon as it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from the most recent of the financial results for the previous corresponding period; or a profit forecast previously provided to the market in relation to such period (base information).
 - 4.6.1.2 The determination of a reasonable degree of certainty is a judgmental decision which has to be taken by Northam and its directors.
 - 4.6.1.3 The trading statements must provide specific guidance by the inclusion of the period to which it relates and include the comparative numbers for the previous published period, and:
 - 4.6.1.3.1 A specific percentage and number to describe the differences; or
 - 4.6.1.3.2 A range (e.g. between 15% and 25%) and numbers to describe the differences.
 - 4.6.1.3.3 A minimum percentage difference and number difference, together with any other relevant information that Northam has at its disposal at the time. This will only be applicable in instances where Northam has reasonable certainty in respect of paragraph 4.6.1.1 above, but it does not have the reasonable certainty to provide guidance in accordance with paragraphs 4.6.1.3.1 or 4.6.1.3.2 above. Once Northam obtains this reasonable certainty, it must provide the guidance referred to in paragraphs 4.6.1.3.1 or 4.6.1.3.2 above.
 - 4.6.1.4 If, after publication of a trading statement but before publication of the relevant periodic financial results, Northam becomes reasonably certain that its previously published number, percentage or range in the trading statement is no longer correct, then Northam must publish another trading statement providing the revised number, percentage or range.
 - 4.6.1.5 In light of the existing definitions of the JSE LR of "significant", "material" and "substantial", these words may not be used in trading statements because to do so would imply a range differing from that permitted (i.e. more than 20%).
 - 4.6.1.6 Financial results are relevant criteria that are of a price sensitive nature which, in the first instance, comprise headline earnings per share and earnings per share, and, in the second instance, and only if more relevant (because of the nature of the group's business) net asset value per share. If Northam wishes to adopt net asset value per share, it must announce on the Stock Exchange News Services of the JSE, in advance of the first period ending which uses such net asset value per share, that it will be adopting net asset value per share for trading statement purposes. Thereafter, such policy adoption must be confirmed annually in the annual financial statements.

- 4.6.1.7 In the event of Northam publishing a trading statement, Northam must either:
- 4.6.1.7.1 Produce and submit to the JSE a profit forecast or estimate, and accountant's report thereon in accordance with, ISAE 3400 – The Examination of Prospective Financial Information, in respect of profit forecasts; or ISAE 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information, in respect of the estimate; or
 - 4.6.1.7.2 Include a statement (which is not deemed to be a cautionary statement, and which does not give rise to the commencement of a closed period) in the trading statement advising securities holders that the forecast financial information has not been reviewed and reported on by Northam's auditor.

4.7 COMPLIANCE GOVERNANCE

The committee, together with the board and other relevant committees, in terms of King IV™, has the responsibility for the governance of compliance with applicable laws and adopted non-binding rules, codes and standards, by setting the direction for how compliance should be approached and addressed in the group. The responsibilities, as delegated to the committee and where applicable, include:

- 4.7.1 To approve a policy that articulates and gives effect to its direction on compliance, and that identifies which non-binding rules, codes and standards the group has adopted.
- 4.7.2 To delegate to management responsibility for implementation and execution of effective compliance management.
- 4.7.3 To exercise ongoing oversight of compliance and in particular, oversee that it results in the following:
 - 4.7.3.1 Compliance being understood not only for the obligations it creates, but also for the rights and protections it affords.
 - 4.7.3.2 Compliance management taking a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another.
 - 4.7.3.3 Continual monitoring of the regulatory environment and appropriate responses to changes and developments.
- 4.7.4 To consider the need to receive periodic independent assurance on the effectiveness of compliance management.
- 4.7.5 To disclose in relation to compliance:
 - 4.7.5.1 An overview of the arrangements for governing and managing compliance.
 - 4.7.5.2 Key areas of focus during the reporting period.
 - 4.7.5.3 Actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed.
 - 4.7.5.4 Planned areas of future focus.
- 4.7.6 To disclose material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, whether imposed on the group or on members of the board or officers.
- 4.7.7 To disclose details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance.
- 4.7.8 To review on an annual basis the group's application of the principles of King IV™ and report this to stakeholders on an "apply and explain" basis in the integrated reporting suite.

4.8 STATEMENT AS TO WORKING CAPITAL

If a working capital statement is required in terms of the JSE LR:

- 4.8.1 The CFO is required to prepare a working capital pack for the committee, which includes the following, at a minimum:
 - 4.8.1.1 A working capital forecast for at least the next twelve months.
 - 4.8.1.2 A reconciliation of working capital projections to the group's current net cash/indebtedness position.
 - 4.8.1.3 A review of cash flow projections and future commitments.
 - 4.8.1.4 A review of contingent liabilities.
 - 4.8.1.5 A review of off-the statement of financial position borrowings.
 - 4.8.1.6 A review of, and commentary on, facility agreements.
 - 4.8.1.7 An analysis of all key drivers impacting on the adequacy of working capital and a discussion of all assumptions and their impact/potential on cash retained from/utilised by operating activities, cash generated by/utilised in investing activities and the cash effects of financing activities.
- 4.8.2 If the group decides to use the services of their accountants/auditors to perform any of the above-mentioned, then the group's sponsor has to be informed and this must be stated as such in the working capital pack.
- 4.8.3 The directors, in such instance, are responsible for confirming to the group's sponsor that they have reviewed the auditor's work and that they are satisfied with it.
- 4.8.4 A qualifying quorum of the board, including the chairperson of the committee (the directors) is required to approve the working capital pack.
- 4.8.5 The directors have the responsibility to pass a resolution, following due and careful enquiry, stating that the working capital available to the group is sufficient for its present requirements, that is, for at least the next twelve months from the date of issue of the resolution.

4.9 TECHNOLOGY AND INFORMATION GOVERNANCE

The committee has the responsibility for the governance of technology and information. In terms of King IV™, it is required to set the direction for how technology and information should be approached and addressed in the group. This includes the responsibility:

- 4.9.1 To approve a policy that articulates and gives effect to its set direction on the employment of technology and information.
- 4.9.2 To delegate to management the responsibility to implement and execute effective technology and information management.
- 4.9.3 To exercise ongoing oversight of technology and information management and, in particular, oversee that it results in the following:
 - 4.9.3.1 Integration of people, technologies, information and processes across the group.
 - 4.9.3.2 Integration of technology and information risks into group-wide risk management.
 - 4.9.3.3 Arrangements to provide for business resilience.
 - 4.9.3.4 Proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events.
 - 4.9.3.5 Management of the performance of, and the risks pertaining to, third-party and outsourced service providers.
 - 4.9.3.6 The assessment of value delivered to the group through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure.
 - 4.9.3.7 The responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security.
 - 4.9.3.8 Ethical and responsible use of technology and information.
 - 4.9.3.9 Compliance with relevant laws.
- 4.9.4 To exercise ongoing oversight of the management of information and, in particular, oversee that it results in the following:
 - 4.9.4.1 A technology architecture that enables the achievement of strategic and operational objectives and targets.
 - 4.9.4.2 The leveraging of information to sustain and enhance the group's intellectual capital.
 - 4.9.4.3 An information architecture that supports confidentiality, integrity and availability of information.
 - 4.9.4.4 The protection of privacy of personal information, and adherence to laws and regulations governing personal information.
 - 4.9.4.5 The continual monitoring of security of information.
 - 4.9.4.6 The management of the risks pertaining to the sourcing of technology.

- 4.9.4.7 Monitoring and appropriate responses to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the group and its business model.
- 4.9.5 To consider the need to receive periodic independent assurance on the effectiveness of the group's technology and information arrangements, including outsourced services.
- 4.9.6 To disclose the following in relation to technology and information:
 - 4.9.6.1 An overview of the arrangements for governing and managing technology and information.
 - 4.9.6.2 Key areas of focus during the reporting period, including objectives, significant changes in policy, significant acquisitions and remedial actions taken as a result of major incidents.
 - 4.9.6.3 Actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed.
 - 4.9.6.4 Planned areas of future focus.

4.10 RISK GOVERNANCE AND RISK MANAGEMENT

The committee has the following responsibilities in terms of its mandate for the governance and management of risk:

- 4.10.1 To satisfy itself that it dedicates sufficient time to risk governance, as well as to oversee the management of risks affecting the group.
- 4.10.2 To consider, the opportunities and associated risks when developing the group strategy, as well as the potential positive and negative effects of the same risks on the achievement of its organisational objectives.
- 4.10.3 To treat risk as integral to the way the group makes decisions and executes its duties.
- 4.10.4 To review, periodically, a policy and framework that articulates and gives effect to the group's set direction of risk, and that this risk policy and framework be recommended for approval by the board and widely distributed across the group thereafter.
- 4.10.5 To ensure there is an adequate framework and/or methodology for both, implementation of recommended changes and anticipation of "black swan" (extraordinary/unexpected) events.
- 4.10.6 To evaluate and agree, at least annually, the nature and extent of the risks that the group should be willing to take in pursuit of its strategic objectives. In particular:
 - 4.10.6.1 To review the group's risk appetite, namely its propensity to take appropriate levels of risk.
 - 4.10.6.2 To review the limit of the potential loss that the group has the capacity to tolerate.
 - 4.10.6.3 To recommend the risk appetite and tolerance levels to the board for approval.
- 4.10.7 To review and ensure that adequate insurance cover remains in place.
- 4.10.8 To delegate to management the responsibility to implement and execute ongoing and effective risk management, incorporating risk management plans.
- 4.10.9 To evaluate and agree, at least bi-annually, a review of the group's risk register and risk management plans to ensure that it results in the following:
 - 4.10.9.1 An assessment of risks and opportunities emanating from the group's operations and the capitals (financial, human, intellectual, manufactured, natural and social) used and affected by the group. This includes the integration of technology and information risk.
 - 4.10.9.2 An assessment of the potential upside or opportunity, presented by risks with potentially negative effects on the group achieving its objectives.
 - 4.10.9.3 An assessment of the group's dependence on its operations, resources and relationships, as represented by the associated capitals of the group.
 - 4.10.9.4 The design and implementation of appropriate risk responses, informing management's risk management plans.
 - 4.10.9.5 The establishment and implementation of business continuity arrangements, that allow the group to operate under conditions of volatility, as well as to withstand and recover from acute shocks.

- 4.10.9.6 The integration and embedding of risk management in the business activities and culture of the organisation.
- 4.10.10 To report to the board on its activities, particularly identifying any matters of significant risk, where it considers that actions or improvements are required to inform related risk mitigation plans.
- 4.10.11 To review the disclosure in the group's integrated report of all material risks which are specific to the group, its industry and/or its securities. In this regard, proper consideration must be given to the material risks that face the group and generic disclosures must be avoided. Furthermore, material risks should be grouped together in a coherent manner and material risks considered to be of the most immediate significance should be prominent at the beginning within the material risks disclosure.
- 4.10.12 To receive and review reports relating to significant risk policy non-compliances and obtain assurance that appropriate remedial management actions are taken.
- 4.10.13 To monitor implementation of the risk management policy and framework.
- 4.10.14 To express a formal opinion to the board, regarding the adequacy and effectiveness of the group's risk governance and management systems, as well as to advise the board on the group's enterprise risk management maturity.
- 4.10.15 To consider, where necessary, the need to receive periodic independent assurance on the effectiveness of risk management.
- 4.10.16 To review the group's reporting on its risks and opportunities, for inclusion in the annual integrated report, ensuring the following is disclosed without compromising sensitive information:
 - 4.10.16.1 An overview of the arrangements for governing and managing risk.
 - 4.10.16.2 Key areas of focus during the reporting period, including objectives, the key risks that the group faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels.
 - 4.10.16.3 Actions taken to monitor the effectiveness of risk management and how the outcomes were addressed.
 - 4.10.16.4 Planned areas of future focus.

4.11 COMBINED ASSURANCE

The committee has the following responsibilities, as part of its statutory duty, in terms of the group's combined assurance arrangements, including its external assurance service providers, internal audit and the finance function:

- 4.11.1 To ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making by management, the board and its committees, as well as the group's external reports.
- 4.11.2 To satisfy itself that a combined assurance model is applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.
- 4.11.3 To ensure that the combined assurance model is designed and implemented to effectively cover the group's significant risks and material matters through a combination of the following assurance service providers and functions, as is appropriate for the group:
 - 4.11.3.1 The group's line functions that own and manage risks.
 - 4.11.3.2 The group's specialist functions that facilitate and oversee risk management and compliance.
 - 4.11.3.3 Internal auditors, internal forensic fraud examiners (if appropriate) and auditors, safety and process assessors, and statutory actuaries.
 - 4.11.3.4 Independent external assurance service providers such as external auditors, or any other external assurance providers.
 - 4.11.3.5 Other external assurance providers such as sustainability and environmental auditors, external actuaries, and external forensic fraud examiners and auditors.
 - 4.11.3.6 Regulatory inspectors.
- 4.11.4 To assess, together with the board and other relevant committees, the group's combined assurance plans, and to express an opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved.
- 4.11.5 To disclose in terms of King IV™, the arrangements in place for combined assurance and the committee's views on its effectiveness.

5. OPERATION OF COMMITTEE

5.1 GENERAL

The meetings and proceedings of the committee shall be governed, *mutatis mutandis*, by the MOI of Northam, which regulates the meetings and proceedings of the directors, so far as they are applicable and are not superseded by any of the conditions laid down in this charter.

5.2 APPOINTMENT, COMPOSITION AND TENURE OF MEMBERS OF THE COMMITTEE

- 5.2.1 The committee must comprise of at least 3 (three) independent, non-executive directors of the board, which are elected by shareholders at each AGM, on the recommendation of the nomination committee.
- 5.2.2 Each member of the committee must be an independent, non-executive director of the board.
- 5.2.3 Notwithstanding that the members of the committee are required to be elected by shareholders at each AGM, the tenure of committee members shall be reviewed in terms of the nomination committee charter and good corporate governance practices.
- 5.2.4 The chairperson of the board is not eligible to be chairperson or a member of the committee.
- 5.2.5 No member of the committee may be:
 - 5.2.5.1 Involved in the day-to-day management of the business of Northam or have been so involved at any time during the previous financial year;
 - 5.2.5.2 A prescribed officer, or full-time employee of Northam or another related or inter-related company, or have been such an officer or employee at any time during the previous three financial years; or
 - 5.2.5.3 A material supplier or customer of Northam, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartiality or objectivity of that director is compromised by that relationship; and
 - 5.2.5.4 Related to any person who falls within the above criteria.
- 5.2.6 The members of the committee, should, as a whole, have the necessary financial literacy, skills and experience to execute their duties effectively.
- 5.2.7 At any particular time, the committee must have commensurate representation with its members having academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.
- 5.2.8 Members of the committee are required to ensure they are fully apprised of latest developments in the mining industry and in commerce generally.
- 5.2.9 The board must elect the members, including the chairperson of the committee and any vacancy on the committee, be it a member or chairperson, must be filled within 40 (forty) business days of such vacancy arising.
- 5.2.10 The failure by the committee to have the minimum number of members does not limit or negate the authority of the committee or invalidate anything done by the committee while their number is below the minimum number fixed in accordance with this charter.

- 5.2.11 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 nominations committee, taking into account the need for an adequate combination of financial and business skills and knowledge, as well as having regard to the group's business mix and growth/focus areas.

5.3 QUORUM

- 5.3.1 A simple majority of members is considered a quorum.
- 5.3.2 Invited participants, who are not committee members, do not constitute the quorum and accordingly do not have voting rights.

5.4 COMPANY SECRETARY

- 5.4.1 The secretary of the committee shall be Northam's company secretary and the independence of the company secretary is to be assessed annually by the board.

5.5 ATTENDEES

- 5.5.1 Committee members must attend all scheduled meetings including ad-hoc meetings unless prior apology with reason(s) has been submitted to the chairperson or company secretary of the committee. If the nominated chairperson is unavailable, members may elect one of the members present to act as chairperson. If the company secretary is unavailable, the committee may appoint a person to take minutes.
- 5.5.2 The committee may invite the CEO, CFO, other senior management representatives, external auditors, internal auditors, other assurance providers, professional advisers and board members to attend its meetings, should it so require. These parties will have no voting power.
- 5.5.3 As part of the committee's integrated reporting responsibilities, the committee is to invite the relevant management sponsor and/or responsible senior management representatives to attend its meetings, for the purpose of the disclosure of any sustainability issues.
- 5.5.4 The CFO, designated audit partner and CAE shall have unrestricted access to the chairperson or any other member of the committee, as is required in relation to any matter falling within the remit of the committee.
- 5.5.5 The CEO, CFO, other members of senior management or external auditor or internal auditor may, with the approval of the chairperson, request a meeting or attendance at the meetings, which may not be unreasonably withheld.
- 5.5.6 Every board member is entitled to attend the committee meetings as an observer, however, board members who are not committee members will not have a vote or be entitled to any fees for attendance.

5.6 FREQUENCY OF MEETINGS

- 5.6.1 At least 4 (four) meetings must be held per annum, however, the committee and management may agree on additional appropriate scheduled meetings.
- 5.6.2 At least twice a year the committee should meet with the internal and external auditors without management present.
- 5.6.3 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 his/her discretion.
- 5.6.4 Special meetings may be called by any member of the committee, including at the request of the external or internal auditors or legal advisors, or at the instance of the board where such further meeting is considered necessary.
- 5.6.5 Committee meetings may be conducted entirely by electronic communication or a committee member may participate in a meeting by electronic communication, as contemplated in section 73(3) of the Companies Act (including by means of, *inter alia*, telephone, closed circuit television, webinar or video conferencing), so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 5.6.6 The chairperson of the committee may consult members of the committee at any time and members may conclude any matter requiring the approval of the committee by means of a round robin / written resolution approved by a majority of members. In the case of a tied vote, the committee chairperson shall not have a casting vote and the matter being voted on fails.
- 5.6.7 All committee round robin resolutions should be tabled at the next committee meeting for noting.

5.7 AGENDA, MEETING PAPERS AND MINUTES

- 5.7.1 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 this charter) will be determined from time to time and managed by the company secretary, in consultation with the committee chairperson. The agenda should clearly indicate what matters the committee is to consider.
- 5.7.2 The chairperson has the right to exclude any items to be discussed while attendees are present where a conflict of interest becomes evident.
- 5.7.3 The company secretary is required to establish an annual work plan for the committee to ensure that all relevant matters are covered in its agendas of planned committee meetings.
- 5.7.4 The work plan is required to be approved by the chairperson of the committee. This plan must cover all functions and responsibilities of this charter.
- 5.7.5 To the extent reasonably practicable, committee papers will be circulated to all committee members at least 4 (four) business days before each meeting. Full and appropriate information will be supplied to committee members by way of succinct position papers or reports, within 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.
- 5.7.6 The company secretary shall keep appropriate records of all meetings of the committee as well as minutes of the proceedings and all decisions made.
- 5.7.7 Minutes of the committee meetings, signed by the 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.
- 5.7.8 Minutes of the meeting should be circulated in good time for members to review and must be formally approved. Once approved, these minutes should be distributed to all the members of the board for information purposes.

5.8 TRAINING AND COMMITTEE EVALUATION

- 5.8.1 The committee, via the company secretary, shall make available to new members of the committee a suitable induction process and, for existing members, ongoing training where appropriate and as discussed with the committee.
- 5.8.2 The committee, at the request of the board or as and when required, should perform a review and evaluation of the performance of the committee and its members, including an evaluation of the compliance of the committee with this charter.
- 5.8.3 The committee should also review and reassess, as required, the adequacy of this charter and recommend any improvements that the committee considers necessary to the board.
- 5.8.4 The committee may conduct these evaluations and reviews in such manner as it deems appropriate.
- 5.8.5 The board must annually evaluate the committee's performance in terms of its composition, mandate and effectiveness