



HARMONY GOLD MINING COMPANY LIMITED

("the Company")

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION AND INTRODUCTION

1.1. In line with section 94 of the Companies Act, 2008 ("**the Act**") read together with the Companies Regulations, 2011 ("**the Regulations**") and the King IV Report on Corporate Governance for South Africa, 2016 ("**King IV**"), the Audit and Risk Committee ("**the Committee**") is constituted as –

1.1.1. a statutory committee of the Company in respect of its statutory duties in terms of sections 94(7) of the Act and is accountable for its performance in making decisions regarding its statutory duties [*King IV, principle 8, RP 52*]; and

1.1.2. a committee of the board of directors of the Company ("**the Board**") in respect of all other duties that the Board has delegated to it in terms of these Committee terms of reference ("these **Terms of Reference**") and the Board's approved delegation of authority policy, with the Board remaining ultimately accountable for such delegated responsibilities [*King IV, principle 8, RP 52*].

1.2. The Committee has an independent role with accountability to both the Board and the Company's shareholders. The Committee does not assume the functions of management of the Company, which functions remain the responsibility of the Company's executive directors, executive management and senior managers.

1.3. The Committee's activities, responsibilities and duties are subject to –

1.3.1. these Terms of Reference; and

1.3.2. the Board's approved delegation of authority policy, it hereby being recorded that an extract of the current delegation of authority, in so far as it pertains to the Committee is attached hereto as Annexure A.

- 1.4. The scope of the Committee's activities, responsibilities and duties extends to all relevant operations of (i) the Company; and (ii) any company or companies which are subsidiaries of the Company (collectively, "the **Group**").
- 1.5. These Terms of Reference are subject to the provisions of the Act read with the Regulations, the Company's Memorandum of Incorporation ("the **Memorandum of Incorporation**") and any other applicable laws and regulations.

2. **PURPOSE OF THESE TERMS OF REFERENCE**

- 2.1. The purpose of these Terms of Reference is to set out, among other things, -
 - 2.1.1. the functions, responsibilities and duties of the Committee;
 - 2.1.2. the requirements for membership of the Committee; and
 - 2.1.3. the meeting procedures of the Committee.

3. **FUNCTIONS, RESPONSIBILITIES AND DUTIES**

[King IV, principle 8, RP 43(b)]

The responsibilities and duties of the Committee (in line with section 94(7) of the Act and as delegated to the Committee by the Board) are set out below under the following headings: Reporting / disclosures; Financial; Combined assurance; External assurance; Internal assurance; Risk management; Technology and Information governance; and Compliance.

3.1. **Reporting / disclosures**

The Committee must:

- 3.1.1. prepare a report *[Section 94(7)(f) of the Act]*, to be included in the annual financial statements of the Company for the relevant financial year that:
 - 3.1.1.1. sets out the overall role and associated responsibilities and functions of the Committee; its composition, including each member's qualifications and experience; any external advisers or invitees who regularly attend committee meetings; key areas of focus during the reporting period; the number of meetings held during the reporting period and attendance at those meetings; and whether the committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period; *[King IV, principle 8, RP 50]*

- 3.1.1.2. describes how the Committee carried out its functions;
 - 3.1.1.3. states whether the Committee is satisfied that the external auditor was independent of the Company and such statement should specifically address -
 - 3.1.1.3.1. 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;
 - 3.1.1.3.2. 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;
 - 3.1.1.3.3. the rotation of the designated external audit partner; and
 - 3.1.1.3.4. significant changes in the management of the Company during the external audit firm's tenure which may mitigate the attendant risk of familiarity between the external auditor and management;
- [King IV, principle 8, RP 59(a)]*
- 3.1.1.4. describes significant matters that the Committee has considered in relation to the annual financial statements, and how these were addressed by the Committee; *[King IV, principle 8, RP 59(b)]*
 - 3.1.1.5. provides 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; *[King IV, principle 8, RP 59(c)]*
 - 3.1.1.6. provides the Committee's views on the effectiveness of the Chief Audit Executive and the arrangement for the internal audit; *[King IV, principle 8, RP 59(d)]*
 - 3.1.1.7. includes clear comments reflecting the Committee's views on (i) the financial statements of the Company and in particular whether the Committee is satisfied that the financial statements of the Company

fairly reflect in all material respects the financial position, financial performance and cash flows of the Company in terms of the International Financial Reporting Standards formulated by the International Accounting Standards Board (IFRS) and do not omit any facts or make untrue statements that would make such financial statements false or misleading; (ii) the accounting practices of the Company; and (iii) the adequacy and effectiveness of the internal financial controls and the reliability of such internal financial controls in compiling the annual financial statements of the Company, including the adequacy and effectiveness of the design and implementation thereof, including so as to ensure, without limitation, that material information relating to the Company and those companies which are taken into account when preparing the consolidated financial statements of the Company has been provided to effectively prepare the financial statements of the Company; and (iv) the nature and extent of any significant weaknesses or deficiencies in the design, implementation or execution of the internal financial controls that resulted in any material financial loss, fraud, corruption or error of the Company; *[King IV, principle 8, RP 59(e)] [LR 3.84(k)(i)(a), 9(b), (c) and (d)]*

- 3.1.1.8. states whether the Committee is satisfied that the Company has complied with its Memorandum of Incorporation and the Act and is operating at all times in conformity with its Memorandum of Incorporation, together with a narrative of such compliance; *[LR 7.F.6 and LR 8.63(r)]*
- 3.1.1.9. states whether the Committee is satisfied that the Company has executed its responsibilities set out in 3.84(g) of the JSE Listings requirements; *[LR 3.84(g)(ii)]*
- 3.1.1.10. provides the Committee's views on, and whether it is satisfied with, the effectiveness of the Financial Director and the finance function; *[King IV, principle 8, RP 59(f)]*
- 3.1.1.11. describes the arrangements in place for combined assurance and the Committee's views on its effectiveness; *[King IV, principle 8, RP 59(g)]*
- 3.1.1.12. sets out, in relation to risk, -

- 3.1.1.12.1. an overview of the arrangements for governing and managing risk;
- 3.1.1.12.2. key areas of focus during the reporting period, including objectives, the key risks that the organisation faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels;
- 3.1.1.12.3. the nature and extent of the risks and opportunities the Company is willing to take without compromising sensitive information; *[King IV, principle 11, RP 8]*
- 3.1.1.12.4. actions taken to monitor the effectiveness of risk management and how the outcomes were addressed; and
- 3.1.1.12.5. planned areas of focus;
[King IV, principle 11, RP 9]
- 3.1.1.13. sets out, in relation to technology and information -
 - 3.1.1.13.1. an overview of the arrangements for governing and managing technology and information;
 - 3.1.1.13.2. 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;
 - 3.1.1.13.3. actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed; and
 - 3.1.1.13.4. planned areas of future focus;
[King IV, principle 12, RP 17]
- 3.1.1.14. sets out, in relation to compliance –
 - 3.1.1.14.1. an overview of the arrangements for governing and managing compliance;

- 3.1.1.14.2. key areas of focus during the reporting period;
- 3.1.1.14.3. actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed; and
- 3.1.1.14.4. planned areas of future focus;

[King IV, principle 13, RP 23]

3.1.2. ensure, in conjunction with the Social and Ethics Committee, that every year the Company prepares an integrated annual report for recommendation to the Board that –

- 3.1.2.1. connects the more detailed information in other reports and addresses, at a high level and in a complete, concise way, the matters that could significantly affect the Company's ability to create value *[King IV, principle 5, RP 12(a)]*; and
- 3.1.2.2. discloses those items set out in the Company's Social and Ethics Committee Terms of Reference;

3.1.3. further, in relation to the preparation of the annual integrated report, ensure that it has regard to :

- 3.1.3.1. any factors and risks that may impact on the integrity of the integrated report, and in this regard, the Committee should oversee the management of such risks; *[King IV, principle 8, RP 54]*
- 3.1.3.2. discloses the nature and extent of the risks and opportunities the Company is willing to take without compromising sensitive information *[King IV, principle 11, RP8]*;
- 3.1.3.3. any significant judgements and reporting decisions affecting the integrated report made by management with reference to management's bases for determining materiality for the purpose of deciding which information should be included in external reports, as approved; *[King IV, principle 5, RP 13]*
- 3.1.3.4. any monitoring or enforcement actions against the Company;
- 3.1.3.5. any evidence that brings into question previously published financial or sustainability information; and

- 3.1.3.6. any forward-looking statements of financial or sustainability information;
- 3.1.4. provide the following information in the annual integrated report:
 - 3.1.4.1. a summary of the role of the Committee;
 - 3.1.4.2. a statement on whether or not the Committee has adopted a formal terms of reference that have been approved by the Board and if so, whether the Committee satisfied its responsibilities for the relevant year in compliance with its terms of reference; [*King IV, principle 8, RP 42, King IV, principle 13*]
 - 3.1.4.3. the names and qualifications of all members of the Committee during the period under review; and the period for which they served on the committee;
 - 3.1.4.4. the number of Committee meetings held during the period under review and members' attendance at those meetings;
 - 3.1.4.5. a statement on whether or not the Committee considered and approved the internal audit charter;
 - 3.1.4.6. a description of the working relationship with the Chief Audit Executive;
 - 3.1.4.7. information about any other responsibilities assigned to the Committee by the Board;
 - 3.1.4.8. an overview of the arrangements for governing and managing risk; [*King IV, principle 11, RP 9(a)*]
 - 3.1.4.9. key areas of focus during the reporting period, including objectives, the key risks that the Company faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels; [*King IV, principle 11, RP 9(b)*]
 - 3.1.4.10. actions taken to monitor the effectiveness of risk management and how the outcomes were addressed; [*King IV, principle 11, RP 9(c)*]
 - 3.1.4.11. planned areas of future focus; [*King IV, principle 11, RP 9(d)*]

- 3.1.4.12. a statement on whether the Committee complied with its legal, regulatory or other responsibilities; and
- 3.1.4.13. a statement on whether the Committee recommended the integrated annual report to the Board for approval;
- 3.1.5. annually review the notice of the Company's AGM and make recommendations to the Board in regard thereto; and
- 3.1.6. annually review the Form 20F and make recommendations to the Board for approval.

3.2. **Financial**

The Committee must:

- 3.2.1. consider and make recommendations to the Board regarding the provision or contemplated provision, by the Company, of loans and/or other financial assistance of the sort contemplated in sections 44 and 45 of the Act for onward recommendation to the shareholders where applicable;
- 3.2.2. 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; *[LR 3.84(g)(ii)]*
- 3.2.3. monitor the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards *[King IV, principle 13]*
- 3.2.4. conduct a review of and provide comments on (i) the financial statements and in particular whether they fairly reflect in all material respects the financial position, financial performance and cash flows of the Company in terms of IFRS and do not omit any facts or make untrue statements that would make such financial statements false or misleading;(ii) the accounting practices of the Company and (iii) the adequacy and effectiveness of the internal financial controls and the reliability of such internal financial controls in compiling the annual financial statements of the Company, including the adequacy and effectiveness of the design and implementation thereof, including so as to ensure, without limitation, that material information relating to the Company and those companies which are

taken into account when preparing the consolidated financial statements of the Company has been provided to effectively prepare the financial statements of the Company; and (iv) on the nature and extent of any significant weaknesses or deficiencies in the design, implementation or execution of internal financial controls that resulted in any material financial loss, fraud, corruption or error; *[King IV, principle 8, RP 59(e) [LR 3.84k(i)(a), 9(b), (c) and (d)]*

- 3.2.5. quarterly review the financial reports (including result announcements and interim reports), summarised integrated information, any intended release of price sensitive information and prospectuses, circulars and similar documents. Scrutiny of the aforementioned documents should extend to all relevant narrative information which should present a balanced view of the Company's performance and should not be confined to the primary financial statements; *[King IV, principle 5]*
- 3.2.6. provide independent oversight of the integrity of the annual financial statements and, to the extent delegated by the Board, other external reports issued by the Company; *[King IV, principle 8, RP 51(b)]*
- 3.2.7. having satisfied itself with the integrity and correctness of the annual financial statements (or summarised financial information) and quarterly reports after having –
 - 3.2.7.1. met annually with the internal and external auditors respectively, without management being present, as provided in paragraph 6.1.4; *[King IV, principle 8, RP 58]*
 - 3.2.7.2. consulted with management; and
 - 3.2.7.3. where necessary, sought audit advice or other assistance,recommend the annual financial statements and quarterly reports to the Board for approval; *[King IV, principle 8 RP 51(b)]*
- 3.2.8. engage the external auditors to provide an assurance report on summarised financial information, confirming that the summarised information is appropriately derived from the annual financial statements; *[King IV, principle 8 RP 51(b); King IV, principle 15, RP 46 and 47]*
- 3.2.9. obtain the reasoning for the accounting treatment adopted where an accounting opinion has been requested from a person other than the external auditor of the Company. The Committee should be satisfied with the credentials of the person

providing such an opinion and approve the change in accounting treatment before recommending same to the Board for approval; [*King IV, principle 8 RP 51(b); King IV, principle 15*]

- 3.2.10. twice a year, review and confirm a documented assessment of the Company's going concern status setting out the key assumptions used in reaching a conclusion; and [*King IV, principle 15*]
- 3.2.11. ensure the establishment of procedures in accordance with applicable laws and regulations and the Listings Requirements, for the receipt, retention and resolution of complaints and concerns regarding the accounting practices, internal or external audit, the content or auditing of the financial statements, the internal financial controls of the Company or any related matter, and ensure that the concerns are appropriately dealt with by management. [*Section 94(7)(g) of the Act and King IV, principle 15*]

3.3. **Combined assurance**

The Committee must -

- 3.3.1. provide independent oversight and monitoring of the operation of assurance functions and services and control processes, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the finance function; [*King IV, principle 8, RP 51(a), principle 15*]
- 3.3.2. ensure that arrangements for assurance services and functions are effective in achieving the following objectives –
 - 3.3.2.1. enabling an effective internal control environment;
 - 3.3.2.2. supporting the integrity of information used for internal decision making by management, the governing body and its committees; and
 - 3.3.2.3. supporting the integrity of external reports;[*King IV, principle 15, RP 40 (a) – (c)*]
- 3.3.3. ensure that a combined assurance model is -
 - 3.3.3.1. applied which incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance [*King IV, principle 15, RP 41*];

3.3.3.2. effective and sufficiently robust for the Board to be able to place reliance on the combined assurance underlying the statements that the Board makes concerning the integrity of the Company's external reports [*King IV, principle 15, RP 46*]; and

3.3.3.3. designed and implemented to cover effectively the Company's significant risks and material matters through a combination of the following assurance service providers and functions as is appropriate for the Company –

3.3.3.3.1. the Company's line functions that own and manage risks;

3.3.3.3.2. the Company's specialist functions that facilitate and oversee risk management and compliance; [*King IV, principle 13, RP 22*]

3.3.3.3.3. internal auditors, internal forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries;

3.3.3.3.4. independent external assurance service providers such as external auditors;

3.3.3.3.5. other external assurance providers such as sustainability and environmental auditors, external actuaries and external forensic fraud examiners and auditors; and

3.3.3.3.6. regulatory inspectors; and

[*King IV, principle 15, RP 42, principle 11, RP 7, principle 11, RP 16, principle 13, RP 22*]

3.3.4. assess the output of the Company's combined assurance with objectivity and professional scepticism, and by applying an enquiring mind, form its own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved. [*King IV, principle 15, RP 43*]

3.4. External assurance

The Committee is responsible for recommending the appointment and dismissal of the external auditor and overseeing the external audit process and in this regard the Committee must:

- 3.4.1. recommend to the Board for submission to shareholders of the Company the appointment or re-appointment (under section 90 of the Act), the removal and replacement of the external registered auditor who, in the opinion of the Committee, is independent of the Company. The appointment of the external auditor must comply with the provisions of the JSE Limited Listings Requirements (“**Listings Requirements**”) and be approved by the JSE. A recommendation to shareholders to appoint the auditing firm and designated auditor should be based on an assessment of the auditing firm and the individuals’ qualifications, expertise and resources, effectiveness and independence; *[Section 94(7)(a) of the Act and King IV, principle 15, RP 42(d)]*
- 3.4.2. ensure that, notwithstanding the provisions of section 90(6) of the Act, that the appointment of the auditor is presented to the shareholders in a resolution at each annual general meeting of the Company to be voted on by the shareholders in compliance with section 61(8) of the Act; *[LR 3.84(g)]*
- 3.4.3. annually review, monitor and report on whether the Committee is satisfied that the external auditor is independent of the Company, with specific reference to the items set out in paragraph 3.1.1.3 *[King IV, principle 15, RP 42(d), King IV, principle 8, RP 59(a)]*
- 3.4.4. consider and set, if appropriate and subject to relevant legislative requirements, mandatory term limits on the length of time the external auditors (and, in the event of the firm of the external auditors having been involved in a merger or acquisition, the predecessor firm) or audit partner may serve the Company and ensure a managed rotation process in respect of the audit partner after every 5 (five) years; *King IV, principle 15, RP 42(d), King IV, principle 8, RP 59(a)]*
- 3.4.5. annually determine and approve the fees to be paid to the external auditor and the auditor’s terms of engagement; *[Section 94(7)(b) of the Act and [King IV, principle 15, RP 42(d)]]*
- 3.4.6. annually ensure that the appointment of the auditor complies with the provisions of the Act and any other legislation relating to the appointment of auditors; *[Section 94(7)(c) of the Act]*

- 3.4.7. review and approve a policy and controls that address the provision of non-audit services by the external auditor (at least every second year) and determine the nature and extent of any non-audit services (subject to the provisions of the Act) that the external auditor may provide to the Company, or that the external auditor must not provide to the Company or a related company during the financial year; *[Section 94(7)(d) of the Act and King IV, principle 8, RP 59(a)(i)]*
- 3.4.8. pre-approve any proposed agreements with the external auditor for the provision of non-audit services to the Company. In the policy referred to above, the Committee may delegate the pre-approval responsibility in line with and subject to the Committee's agreed pre-approval policy and procedures. However, all decisions will be formally tabled at the next Committee meeting for confirmation and the annual financial statements should include a description of non-audit services rendered by the external auditor, including the nature and quantity thereof; *[Section 94(7)(e) of the Act and King IV, principle 8, RP 59(a)(i)]*
- 3.4.9. annually consider whether the external auditor should perform assurance procedures on interim results and if so, the Committee should review the results of such engagement, make such report available to users of the interim results and summarise the report in the interim results;
- 3.4.10. ensure that the Committee's direction for how assurance of external reports is approached and addressed is followed, taking into account legal requirements in relation to assurance, with the following additional considerations –
- 3.4.10.1. whether assurance should be applied to the underlying data used to prepare a report, or to the process for preparing and presenting a report, or both;
- 3.4.10.2. whether the nature, scope and extent of assurance are suited to the intended audience and purpose of a report; and
- 3.4.10.3. the specification of applicable criteria for the measurement or evaluation of the underlying subject matter of the report,

[King IV, principle 15, RP 45] and ensuring that external reports disclose information about the type of assurance process applied to each report, in addition to the independent, external audit opinions provided in terms of legal requirements, which information includes:

3.4.10.4. a brief description of the nature, scope and extent of the assurance functions, services and processes underlying the preparation and presentation of the report; and

3.4.10.5. a statement by the Board on the integrity of the report and the basis for this statement, with reference to the assurance applied;

[King IV, principle 15, RP 47]

3.4.11. review the quality and effectiveness of the audit process at the end of each audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators. The Committee must assess whether the external auditors have performed the audit as planned and establish the reasons for any changes. The Committee must obtain feedback about the conduct of the audit from the Finance Director and key members of the company's management; *[King IV, principle 8, RP 59(c)]*

3.4.12. annually ensure that there is a process for the Committee to be informed of any reportable irregularities (as identified in the Auditing Profession Act, 2005) identified and reported by the external auditor; *[King IV, principle 15, RP 45]*

3.4.13. annually review the disclosure of sustainability issues in the integrated annual report by ensuring that the information is reliable and that no conflicts or differences arise when compared with the financial results;

3.4.14. annually, in consultation with the Social and Ethics Committee, engage an external assurance provider to provide assurance over material elements determined by the Social and Ethics Committee of the sustainability part of the integrated annual report. The Committee should evaluate the independence and credentials of the external assurance provider; and

3.4.15. annually review the external assurance provider's opinion for accuracy and completeness in consultation with the Social and Ethics Committee.

3.5. **Internal assurance**

The Committee must:

3.5.1. annually consider and satisfy itself of the effectiveness of the Financial Director and the finance function *[King IV, principle 8, RP 51(a)]*, the appropriateness of the expertise and adequacy of resources of the finance function, the appropriateness of the expertise and experience of the Financial Director as well

as the experience of the senior members of management responsible for the finance function, and disclose the results of the review in the integrated report;

[King IV, principle 8, RP 59(f) and paragraph (h) of section 3.84 of the JSE Listings Requirements]

3.5.2. (i) ensure that it follows the Committee's direction for internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes; and (ii) assume oversight of internal audit; *[King IV, principle 15, RP 48]*

3.5.3. ensure that the arrangements for internal audit provide for the independence of the Company's internal audit function and the necessary skills and resources, budget, standing and authority to address the complexity and volume of risk faced by the Company, 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; *[King IV, principle 15, RP 50]*

3.5.4. annually review and approve the internal audit plan, which must be risk-based, and budget and oversee staffing and other objectives of the internal audit function, ensuring co-ordination between the internal and external auditors;

3.5.5. ensure that it monitors on an ongoing basis that internal audit –

3.5.5.1. follows the approved risk-based internal audit plan contemplated in paragraph 3.5.4; and

3.5.5.2. reviews the Company risk profile regularly, and proposes adaptations to such internal audit plan accordingly;

[King IV, principle 15, RP 58]

3.5.6. maintain the position of the Chief Audit Executive and ensure that the position is designed to function independently from management who designs and implements controls that are in place and that the position carries the necessary authority; *[King IV, principle 15, RP 51]*

3.5.7. approve (i) the appointment (excluding the remuneration) of the Chief Audit Executive Audit, ensuring that the person who fills the position has the necessary competence, gravitas and objectivity; *[King IV principle 15, RP 52]* and

3.5.8. annually assess the performance and objectivity of, the Chief Audit Executive *[King IV principle 15, RP 52]*. The committee has the primary responsibility for

the removal of the Chief Audit Executive, as and when applicable; *[King IV principle 15, RP 57]*

- 3.5.9. ensure that an external, independent quality review of the internal audit function in line with the Institute of Internal Audit Standards is conducted at least once every five years; *[King IV, principle 15, RP 60]*
- 3.5.10. annually review and approve the internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted; *[King IV, principle 15, RP 49];*
- 3.5.11. ensure that the internal audit function provides independent assurance on the integrity and robustness of risk management; *[King IV, principle 15, RP 48]*
- 3.5.12. ensure that internal audit provides an overall statement annually as to the effectiveness of the Company's governance, risk management and control processes; and *[King IV, principle 15, RP 59]*
- 3.5.13. be informed of the annual Sarbanes Oxley Act (SOX) scoping and testing strategies.

3.6. **Risk Management**

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

- 3.6.1. satisfy itself that it dedicates sufficient time to risk management; *[King IV, principle 8, RP 53]*
- 3.6.2. oversee the identification, prioritisation, management and monitoring of risk governance, in respect of financial reporting risk, internal financial controls, market risks, credit risks, liquidity risks, operational risks and commercial risks, fraud risks and technology and information related risks insofar as they relate to financial reporting, which encompasses (i) the opportunities and associated risks to be considered when developing strategy; and (ii) the potential positive and negative effects of each of these risks on the achievement of the Company's objectives; *[King IV, principle 11, RP1]*
- 3.6.3. oversee the governance of financial and other risks that affect the integrity of external reports issued by the Company; *[King IV, principle 8, RP 54]*
- 3.6.4. in relation to the management of risk, oversee, in particular that it results in –

- 3.6.4.1. an assessment of risks and opportunities emanating from the triple context in which the Company operates and the capitals that it uses and affects;
- 3.6.4.2. an assessment of the potential upside, or opportunity, presented by risks with potentially negative effects on achieving the Company's objectives;
- 3.6.4.3. an assessment of the Company's dependence on resources and relationships as represented by the various forms of capital;
- 3.6.4.4. the design and implementation of appropriate risk responses;
- 3.6.4.5. the establishment and implementation of business continuity arrangements that allow the Company to operate under conditions of volatility, and to withstand and recover from acute shocks; and
- 3.6.4.6. the integration and embedding of risk management in the business activities and culture of the Company;

[King IV, principle 11, RP 6]

- 3.6.5. consider (at least once a year) a formal documented review by internal audit of the design, implementation, adequacy and effectiveness of the company's system of internal financial controls and the reliability of such internal financial controls in compiling the annual financial statements of the Company, including the adequacy and effectiveness of the design and implementation thereof, including so as to ensure, without limitation, that material information relating to the Company and those companies which are taken into account when preparing the consolidated financial statements of the Company has been provided to effectively prepare the financial statements of the Company, and on the nature and extent of any significant weaknesses or deficiencies in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error; *[King IV, principle 8, RP59(e); LR 3.84k(i)(a), 9(b), (c) and (d)]*
- 3.6.6. review (at least every second year) the risk management policy, which articulates and gives effect to the Committee's set direction on risk, *[King IV, principle 11, RP3]*, it being acknowledged that the Committee should evaluate and agree the nature and extent of the risks that the Company should be willing to take in pursuit of its strategic objectives and should recommend to the board in particular -

3.6.6.1. the Company's risk appetite, namely its propensity to take appropriate levels of risk; and

3.6.6.2. the limit of the potential loss that the Company has the capacity to tolerate;

[King IV, principle 11, RP4(a) and (b)]

3.6.7. monitor the risk management process in terms of the approved risk governance policy, including consideration of the need to receive periodic independent assurance on the effectiveness of risk management, for reporting to the Board *[King IV, principle 11, RP7]*; and provide the Board with assurance regarding the effectiveness of the risk management process;

3.6.8. ensure that a systematic, documented, formal risk assessment is conducted at least once a year which assessment should be continually reviewed, updated and applied. Discuss the key and other material risks emanating from the annual risk assessment, the Company's risk appetite and tolerance; *[King IV, principle 11, RP 6 LR 8.63(s)]*

3.6.9. annually consider and present to the Board a register of the Company's key risks and opportunities emanating from the triple context in which the Company operates and the capitals that the Company uses and affects; *[King IV, principle 11, RP 6(a)]*

3.6.10. ensure that risk management is embedded and implemented in the business activities and culture of the Company; *[King IV, principle 11, RP 6(f)]*

3.6.11. ensure that management considers, designs and implements appropriate risk responses; *[King IV, principle 11, RP 6(d)]*

3.6.12. annually review the Company's insurance programme and adequacy of insurance coverage; and

3.6.13. review (at least every second year) the Company's insurance policy.

3.7. **Technology and Information governance**

The Committee must :

3.7.1. approve the Company's technology and information strategy and policy that articulates and gives effect to its set direction on the employment of technology and information (at least every second year); *[King IV, principle 12, RP11]*

- 3.7.2. ensure that technology and information risks, including risks pertaining to the sourcing of technology *[King IV, principle 12, RP15(b)]*, are adequately addressed through its risk management, monitoring and assurance processes; *[King IV, principle 11 and 12]*
- 3.7.3. consider technology and information risk as a crucial element of the effective oversight of risk management of the Company and ensure the integration of technology and information risks into organisation-wide risk management *[King IV, principle 12, RP13(b)]*;
- 3.7.4. in understanding and measuring technology and information risks, understand the Company's overall exposure to technology and information risks from a strategic and business perspective, including the areas of the business that are most dependent on technology and information for effective and continual operation; *[King IV, principle 11]*
- 3.7.5. obtain appropriate periodic independent assurance in respect of the information and technology arrangements which the Company has in place, including outsourced services, confirming that these are effective; *[King IV, principle 12, RP16]*
- 3.7.6. delegate to management, the responsibility to implement and execute effective technology and information management; *[King IV, principle 12, RP 12]*
- 3.7.7. exercise ongoing oversight of, and be responsible for, –
 - 3.7.7.1. technology and information management and in particular, oversee that it results in –
 - 3.7.7.1.1. integration of people, technologies, information and processes across the organisation;
 - 3.7.7.1.2. integration of technology and information risks into organisation-wide risk management;
 - 3.7.7.1.3. arrangements to provide for business resilience;
 - 3.7.7.1.4. proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events;

- 3.7.7.1.5. management of the performance of, and the risks pertaining to, third-party and outsourced service providers;
- 3.7.7.1.6. the assessment of value delivered to the Company through significant investments in technology and information, including the evaluation of projects throughout their life cycles and of significant operational expenditure;
- 3.7.7.1.7. the responsible disposal of obsolete technology and information in a way that has regard to environmental impact and information security;
- 3.7.7.1.8. ethical and responsible use of technology and information; and
- 3.7.7.1.9. compliance with relevant laws;

[King IV, principle 12, RP 13]

3.7.7.2. information management and in particular, oversee that it results in -

- 3.7.7.2.1. the leveraging of information to sustain and enhance the Company's intellectual capital;
- 3.7.7.2.2. an information architecture that supports confidentiality, integrity and availability of information;
- 3.7.7.2.3. the protection of privacy of personal information; and
- 3.7.7.2.4. the continual monitoring of security of information;

[King IV, principle 12, RP 14]

3.7.7.3. technology management and in particular, oversee that it results in -

- 3.7.7.3.1. a technology architecture that enables the achievement of strategic and operational objectives;
- 3.7.7.3.2. the management of the risks pertaining to the sourcing of technology; and

- 3.7.7.3.3. monitoring and appropriate responses to developments in technology, including the capturing of potential opportunities and the management of disruptive effects on the Company and its business model;

[King IV, principle 12, RP 13]

3.7.8. ensure that the following is disclosed in relation to technology and information -

- 3.7.8.1. an overview of the arrangements for governing and managing technology and information;
- 3.7.8.2. 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;
- 3.7.8.3. actions taken to monitor the effectiveness of technology and information management and how the outcomes were addressed; and
- 3.7.8.4. planned areas of future focus.

[King IV, principle 12, RP 13]

3.8. **Compliance**

[King IV, principle 13]

The Committee must:

- 3.8.1. develop and, at least every two years, review and recommend to the board a corporate governance and compliance policy which articulates and gives effect to the Company's set direction on compliance *[King IV, principle 13, RP19]*, and that identifies which non-binding rules, codes and standards the Company has adopted;
- 3.8.2. ensure that that continuous compliance monitoring by management takes place at all levels and in relation to its exercise of oversight of compliance, oversee that it results in –
 - 3.8.2.1. compliance being understood not only for the obligations it creates, but also for the rights and protections it affords;

- 3.8.2.2. compliance management taking a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another; and
- 3.8.2.3. continual monitoring of the regulatory environment and appropriate responses to changes and developments;
[King IV, principle 13, RP 21]
- 3.8.3. review the group's compliance with legal and regulatory provisions, the Memorandum of Incorporation and the rules established by the Board, if any, and any significant breaches thereof with a view to ensuring that compliance arrangements support the Company being ethical and a good corporate citizen;
[King IV, principle 13]
- 3.8.4. review any legal matters that could have a significant impact on the Company's business;
- 3.8.5. periodically –
 - 3.8.5.1. engage an external assurance provider to provide assurance in respect of the effectiveness of compliance management; *[King IV, principle 13, RP 22]* and
 - 3.8.5.2. review the external assurance provider's opinion in respect of the effectiveness of compliance management for accuracy and completeness and report to the Board in that regard; *[King IV, principle 13, RP 22]*
- 3.8.6. in terms of and subject to the limits provided for in the Board's approved delegation of authority policy review and approve:
 - 3.8.6.1. the Company's accounting policies and changes or significant deviations (at least every year);
 - 3.8.6.2. the treasury policy and limits (at least every second year);
 - 3.8.6.3. formation of new companies and group structure;
 - 3.8.6.4. all new bank borrowings including new loan facilities, and general banking facilities such as guarantees and letters of credit facilities;
 - 3.8.6.5. settlement of claims/legal action;

- 3.8.6.6. interest rate exposure;
 - 3.8.6.7. foreign exchange transaction exposure;
 - 3.8.6.8. money market investments;
 - 3.8.6.9. bad debt write-off; and
 - 3.8.6.10. for recommendation to the Board, whether the company would satisfy the solvency and liquidity test immediately after completing any financial assistance or a proposed distribution following the application of the solvency and liquidity test as set out in section 4 of the Act and consider the company's investment plans when recommending a distribution;
- 3.8.7. at least every second year, consider and recommend to the Board the Board's delegation of authority policy; and
 - 3.8.8. annually consider and approve commodity prices and exchange parameters.

4. **POWERS**

- 4.1. The Committee has decision-making authority in respect of its statutory duties, and the Committee is accountable in this respect to the Board and the Company's shareholders. To this end the Chairman of the Committee must be present at all AGMs of the Company.
- 4.2. In respect of the duties of the Committee delegated to it by the Board, the Committee is accountable to the Board. To this end the Committee must make recommendations for approval by the Board, unless otherwise mandated by the Board in these Terms of Reference and the Board's approved delegation of authority policy.
- 4.3. The Board supports and endorses the Committee, which operates independently of management and is free of any organisational impairment. The Committee acts in accordance with its statutory duties and the delegated authority of the Board as recorded in these Terms of Reference.
- 4.4. The Board has an oversight responsibility and the Committee assists the Board in fulfilling this responsibility.
- 4.5. The Committee is authorised by the Board to :
 - 4.5.1. investigate any activities within the scope of these Terms of Reference;

- 4.5.2. access outside legal or other independent professional advice in order to provide (i) professional and independent guidance on corporate governance and its legal duties; and (ii) support to co-ordinate its functioning, at the Company's expense, in each case in accordance with any protocol or procedure developed by the Board for this purpose; [*King IV, principle 6, RP3, principle 8, RP 43(f), principle 10, RP 90*]
- 4.5.3. 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 protocol or procedure developed by the Board for this purpose;
- 4.5.4. seek any information it requires from any employee, the Chairmen of Board or 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; and [*King IV, principle 8, RP43(f), King IV, principle 6, RP4*]
- 4.5.5. form and delegate its duties to a sub-committee, sub-committees or to any one or more designated members of the Committee, to the extent that same is permitted by the Act.

5. **MEMBERSHIP**

[King IV, principle 8, RP 43(a)]

5.1. **Composition**

- 5.1.1. The Committee shall consist of at least 3 (three) members, which members must be independent non-executive directors of the Company. [*King IV, principle 8, RP 46 and 56), Section 94(2) of the Act*]
- 5.1.2. The Chairman of the Board is not eligible to be a member of the Committee. [*King IV, principle 7, RP 36(a)*]
- 5.1.3. The Chief Executive Officer of the Company may not be a member of the Committee but should attend by invitation any meeting, or part thereof, if needed to contribute pertinent insights and information. [*King IV, principle 10, RP 79*]

5.2. **Appointment**

- 5.2.1. At each annual general meeting (“**AGM**”) of the Company, the shareholders of the Company must elect at least 3 (three) members of the Committee as recommended by the Board, all of whom must be independent non-executive directors. *[Section 94(2) of the Act]*
- 5.2.2. During the time period between the AGMs of the Company, the Board must fill vacancies on the Committee within 40 business days after a vacancy arises. *[Section 94(6) of the Act]*. The Board shall consult with the Nomination Committee to identify suitable candidates whom the Board could appoint to fill such vacancies. Such appointments must be confirmed by the shareholders at the subsequent AGM of the Company. *[King IV, principle 8, RP 60]*
- 5.2.3. The Board shall appoint an independent, non-executive member of the Committee to chair the Committee and shall determine the period for which the Chairman shall hold such office *[King IV, principle 8, RP 57]*. The Chairman of the Committee shall be required to attend the Company’s AGM to answer relevant questions posed by shareholders. *[King IV, principle 16, RP 6 and 7]*
- 5.2.4. The Chairman of the Committee and members should understand the function of the Committee and be able to lead constructive dialogue with the management, the internal and external auditors, other external assurance providers and the Board.

5.3. **Duration of membership**

Members of the Committee shall be appointed or elected, as the case may be, to serve until the next AGM of the Company following their appointment or election.

5.4. **Termination**

Members of the Committee may resign by giving written notice thereof to the Committee Chairman, with a copy to the Company Secretary who will notify the Board of any such resignations as soon as reasonably possible.

6. **MEETINGS**

[King IV, principle 8, RP 43(g)]

6.1. **Frequency**

- 6.1.1. The Committee must hold sufficient scheduled meetings in order to discharge all of its duties and will meet at least 4 (four) times a year, or more frequently as circumstances dictate.
- 6.1.2. Meetings should be held prior to Board meetings and correspond with major phases of the financial reporting, external audit and internal audit cycles.
- 6.1.3. Meetings, in addition to those scheduled, may be held with the approval of the Chairman of the Committee or at the request of the Chairman of the Board, the Financial Director or external auditors.
- 6.1.4. The Committee should meet at least once a year with the external and internal auditors respectively without management being present, to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum. [*King IV, principle 8, RP 58*]. These should be separate meetings held before or after a scheduled Committee meeting.

6.2. **Notice and Agenda**

- 6.2.1. The Company Secretary of the Company (“**Company Secretary**”) shall, in consultation with the Chairman of the Committee, draft an agenda for the forthcoming Committee meeting, which shall be circulated, with supporting documentation and a notice of the Committee meeting, to the members of the Committee (and where applicable to anyone invited to attend the meeting) at least five days prior to forthcoming meeting, so as to provide members of the Committee (and where applicable to anyone invited to attend the meeting) with reasonable notice of the meeting and of the business to be conducted at the meeting. The members of the Committee shall be entitled to make such agenda proposals as they may consider necessary. The Chairman of the Committee should be afforded sufficient time to participate in and agree to the Committee meeting agendas before meetings are convened.
- 6.2.2. The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year. The annual work plan must ensure proper coverage of the matters laid out in these Terms of Reference.

6.3. Attendance

- 6.3.1. The Chief Executive Officer [*King IV, principle 10, RP 79*], the Financial Director, the designated partner of the external auditors [*King IV, principle 8, RP 8*], Chief Audit Executive, representatives of the internal audit, information and technology and legal functions as well as the Risk manager shall attend all meetings of the Committee as invitees. The Committee may (via the Committee Chairman) invite any other member of the Board, senior managers and/or professional advisors to attend Committee meetings. Such persons, to the extent that they are not Committee members, shall not be entitled to vote at Committee meetings.
- 6.3.2. Every member of the Board is entitled to attend any Committee meeting as an observer. However, unless that member is also a member of the Committee, the member is not entitled to participate without the consent of the Committee Chairman; does not have a vote; and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Board and shareholders. [*King IV, principle 8, RP 48*]
- 6.3.3. Members of the Committee must attend all scheduled meetings of the Committee, including meetings called on an *ad hoc* basis for special matters, unless they have, prior to the relevant meeting, submitted to the Committee Chairman, or in the Chairman's absence, the Company Secretary, an apology for their absence at the meeting.
- 6.3.4. Where the Committee Chairman is not present within 15 (fifteen) minutes of the time stipulated for a Committee meeting, the Committee members present at the meeting must elect one of them to act as Chairman of that meeting subject to compliance with clause 5.2.3.
- 6.3.5. The Committee may, if deemed fit, confer by telephone, closed circuit television, webinar or video conferencing ("**Conference**"). Notwithstanding that the members of the Committee are not present together in one place at the time of the Conference, a resolution passed by members constituting a quorum at such a Conference shall, provided such resolution is recorded in writing, be deemed to have been passed at a meeting of the Committee held on the day on which and at the time at which the Conference was held. The provisions of these Terms of Reference relating to proceedings of the Committee apply so far as they are capable of application *mutatis mutandis* to such Conferences.
- 6.3.6. The Company Secretary shall be the secretary of the Committee.

6.4. **Quorum**

6.4.1. A quorum for meetings of the Committee shall be a majority of members present in person or via Conference.

6.4.2. Persons who are in attendance at Committee meetings by invitation do not form part of the quorum for Committee meetings.

6.5. **Committee Resolutions**

6.5.1. Each member of the Committee has 1 (one) vote on a matter before the Committee and a majority of the votes cast on a resolution at a Committee meeting is sufficient to approve that resolution.

6.5.2. A resolution in writing ("**round robin resolution**") signed by a majority of the members of the Committee, shall be as valid and effectual as if it has been passed at a duly constituted meeting of the Committee, provided that each member of the Committee shall have received notice of the matter to be decided and, thereby, have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates. *[Section 74 of the Act]*

6.5.3. Any round robin resolution:

6.5.3.1. may be signed or accepted in any electronic form and in any number of counterparts, all of which, taken together, shall constitute one and the same document; and

6.5.3.2. may, in signed or unsigned form, be conveyed or transmitted by telefax, e-mail or any other form of electronic means,

subject to any conditions decided upon by the Committee.

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

6.5.5. All round robin resolutions should be tabled at the next Committee meeting for noting.

6.6. **Minutes and Reporting Procedure**

[King IV, principle 8, RP 43(e)]

- 6.6.1. The Company Secretary shall attend and minute all Committee meetings. In his/her absence, the Committee Chairman may appoint any person to act as the secretary of the Committee at a meeting of the Committee.
- 6.6.2. The minutes of the Committee meetings shall be completed as soon as possible, but in any event within fourteen days of such meeting, and shall be given to the Committee Chairman for review prior to circulation thereof to all members of the Committee for their review thereof. The minutes must be formally approved by the Committee at the next meeting thereof.
- 6.6.3. The Company Secretary shall incorporate the minutes of meetings of the Committee in the meeting files prepared for meetings of the Board for noting purposes. In addition, the Chairman of the Committee will provide feedback at the meetings of the Board on the Committee's recent activities.

7. **MEMBER SKILLS AND TRAINING**

- 7.1. At least one-third of the members of the Committee at any particular time must have appropriate academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. *[Section 94(5) of the Act read with Regulation 42 of the Companies Regulations]*
- 7.2. In addition, the members of the Committee must as a whole, have the necessary financial literacy, skills and experience to fulfil their duties effectively, including an understanding of the following: integrated reporting (including financial reporting), internal financial controls, external audit process, internal audit process, corporate law, risk management, sustainability issues, information technology governance as it relates to integrated reporting and governance processes within the Company. *[King IV, principle 8, RP 55]*
- 7.3. New members should receive a complete orientation and induction that allows them to function effectively from the start.
- 7.4. All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the Committee.
- 7.5. Opportunities for continuous education and training on technical issues should be actively pursued by each member.

8. **REMUNERATION**

8.1. Committee members shall be remunerated for their services subject to compliance with clause 8.2. The Chairman of the Committee shall be paid an additional fee for his or her services as Chairman subject to compliance with clause 8.2.

8.2. The Remuneration Committee of the Company shall recommend the remuneration to be paid to Committee members, for approval by the Board and, to the extent required by the Act, approval by shareholders of the Company via special resolution. Such remuneration shall be fair, responsible and transparent so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term. *[Section 66(9) of the Act, King IV, principle 14]*

9. **COMMITTEE EXPENSES**

All expenses reasonably incurred or to be incurred by the Committee shall be paid by the Company.

10. **COMMITTEE EVALUATION**

[King IV, principle 8, RP 43(h)]

10.1. The Committee should annually conduct a performance evaluation, including an evaluation of the Committee's compliance with, and fulfilment of its responsibilities under, these Terms of Reference. *[King IV, principle 8, RP 43(h), King IV, principle 9]*

10.2. After completing its evaluation, the Committee should review the results with the Board, to enable the Board to ensure that such evaluation supports continued improvement in the Committee's performance and effectiveness *[King IV, principle 9]* and so that appropriate action can be taken on any recommendations resulting from the review.

10.3. The Committee must review and reassess the adequacy of these Terms of Reference annually and must recommend to the Board any improvements to these Terms of Reference that the Committee considers necessary. *[King IV, principle 8, RP 42]*

11. **GENERAL**

11.1. The Committee members are obliged to disclose in writing any personal financial interest in terms of section 75 of the Act and any other interests they have within or outside the Company and the Group that may be of interest to the Company or that may interfere with their performance of their duties.

11.2. All Company and Group related information that becomes known to directors in the performance of their duties must at all times be kept confidential.

- 11.3. Except to the extent of legal or regulatory provisions to the contrary, Committee members, being non-executive directors, are entitled to rely on the executives of the Company and those of other entities within the Group in relation to matters within their area of expertise and may assume the accuracy of information provided by such persons, provided that the Committee member is not aware of any reasonable grounds upon which reliance or assumption may be inappropriate.



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Annexure A – EXTRACT OF DELEGATION OF AUTHORITY FRAMEWORK AS APPROVED BY THE BOARD IN AUGUST 2022

DELEGATION OF AUTHORITY MATRIX FOR THE AUDIT AND RISK COMMITTEE

		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
2. BUSINESS PLANS AND CAPITAL PROJECTS						
2.1.	Commodity prices and exchange parameters – for planning purposes	No	FD – Recommend	AUD – Approve		
3. ADMINISTRATIVE/OPERATIONAL						
3.1.	Semi-annual and annual financial report and financial statements	No	FD – Agree	AUD - Recommend	Approve	
3.2.	Integrated annual report – reporting	No	CEO – Agree	AUD – Recommend	Approve	
3.3.	Risk management policy and methodology	No	CEO - Recommend	AUD – Approve	Notify	
3.4.	Insurance policy	No	FD - Recommend	AUD - Approve	Notify	
3.5.	Information services cyber security policy	Yes	CEO - Recommend	AUD - Approve	Notify	
3.6.	Group and operational policies (other than those listed above)	Yes	CEO or FD - Approve			
3.7.	IT Strategy	No	CEO - Recommend	AUD – Approve	Notify	
3.8.	Settlement of claims/legal action					



		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
	• Less than R 25 million (per claim)	Yes	CEO or FD - Approve			
	• Between R 25 million – R 75 million (per claim)	No	CEO and FD - Recommend	AUD - Approve		
	• Greater than R 75 million (per claim)	No	CEO and FD - Agree	AUD - Recommend	Approve	
3.9.	Board DOA Policy	No	CEO - Agree	AUD– Recommend	Approve	
3.10.	Amendment of Memorandum of Incorporation	No	CEO - Agree		Recommend	Approve
3.11.	Formation of new companies and changes to the group structure excluding the liquidation of dormant companies	No	CEO and FD - Recommend	AUD - Approve subject to Applicable Laws and Board strategy		
3.12.	Liquidation of dormant companies including passing the necessary resolutions required in order to give effect thereto, for and on behalf of the company	No	FD - Approve	AUD - Notify		
3.13.	External auditors					
	• Appointment and dismissal	No		AUD - Agree	Recommend	Approve
	• Annual scope and audit fees	No	FD - Recommend	AUD - Approve		
	• Non-audit services policy	No	FD - Recommend	AUD - Approve		
	• Non-audit services					
	○ less than R2 million per financial year	Yes	FD - Approve	AUD - Notify		
	○ greater than R2 million per financial year	No	FD - Recommend	AUD – Approve		
3.14.	Internal auditors					
	• Appointment: Head of internal audit	No	CEO - Recommend	AUD – Approve		

		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
	<ul style="list-style-type: none"> Internal audit charter 	No	CEO and FD – Agree Internal audit - Recommend	AUD – Approve		
	<ul style="list-style-type: none"> Internal audit plan and budget 	No	Internal audit - Recommend	AUD - Approve	Notify	
6. FINANCE/TREASURY						
4.1.	Policies					
	<ul style="list-style-type: none"> Accounting policy and changes or significant deviations 	No	FD - Recommend	AUD - Approve		
	<ul style="list-style-type: none"> Treasury policy and limits 	No	FD - Recommend	AUD - Approve		
4.2.	Dividend declaration/distributions in terms of section 46 of the Companies Act	No		AUD – Recommend	Approve , subject to solvency and liquidity	
4.3.	Funding – Bank borrowings and other loans All new general banking facilities, other than borrowings, such as guarantees, letters of credit facilities and fleet or equipment finance.					
	<ul style="list-style-type: none"> Below R 500 million 	Yes	CEO or FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Between R 500 million – R 1 billion 	No	CEO or FD - Recommend	AUD - Approve	Notify	
	<ul style="list-style-type: none"> Greater than R 1 billion 	No	CEO - Agree	AUD – Recommend	Approve	
4.4.	Financial assistance in terms of sections 44 and 45 of the Companies Act	No	FD - Recommend	AUD – Agree	Recommend , subject to solvency and liquidity or Approve (if required by Applicable Law)	Approve
4.5.	Repurchase of shares	No	FD - Recommend	AUD – Agree	Recommend , subject to solvency and liquidity or Approve (if required by	Approve



		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
					Applicable Law)	
4.6.	Interest rate exposure Using Fixed Rate Agreements (FRA), interest rate swaps and interest rate options for hedging purposes					
	<ul style="list-style-type: none"> Outstanding exposure less than R 1 billion underlying debt facility 	No	FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Outstanding exposure greater than R 1 billion underlying debt facility 	No	FD - Recommend	AUD - Approve		
4.7.	Foreign exchange rand / dollar transaction exposure Using forward exchange contracts and foreign exchange options as hedging instruments.					
	<ul style="list-style-type: none"> Below 15% of the estimated revenue* for a two year period 	No	FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Between 15% and 30% of the estimated revenue* for a two year period 	No	FD - Recommend	AUD - Approve	Notify	
	<ul style="list-style-type: none"> Any hedging greater than 30% of the estimated revenue* for a two year period 	No		AUD - Recommend	Approve	
	<i>* of the current approved budget</i>					
4.8.	Gold price hedging Using forward contracts or commodity options as hedging instruments.					
	<ul style="list-style-type: none"> Below 15% of the estimated gold production* for a two year period 	No	FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Between 15% and 30% of the estimated gold production* for a two year period 	No	FD - Recommend	AUD - Approve	Notify	
	<ul style="list-style-type: none"> Any hedging greater than 30% of the estimated gold production* for a two year period 			AUD - Recommend	Approve	



		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
	<i>* of the current approved budget</i>					
4.9.	Dollar / Silver Using forward contracts or commodity options as hedging instruments.					
	<ul style="list-style-type: none"> Below 25% of the estimated silver production* for a two year period 	No	FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Between 25% and 50% of the estimated silver production* for a two year period 	No	FD - Recommend	AUD - Approve	Notify	
	<ul style="list-style-type: none"> Any hedging greater than 50% of the estimated silver production* for a two year period 			AUD - Recommend	Approve	
	<i>* of the current approved budget</i>					
4.10.	Money market investments – counterparty credit risk changes to limits		FD - Recommend	AUD - Approve		
4.11.	Bad debt write-off					
	<ul style="list-style-type: none"> Less than R 25 million (individual instance or aggregate for financial year) 	Yes	FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Between R 25 million and R 50 million (individual instance or aggregate for financial year) 	No	FD - Recommend	AUD - Approve		
	<ul style="list-style-type: none"> Greater than R 50 million (individual instance or aggregate for financial year) 	No	FD - Agree	AUD - Recommend	Approve	
4.12.	Redundant and obsolete stock write-off					
	<ul style="list-style-type: none"> Less than R 25 million (individual instance or aggregate for financial year) 	Yes	FD - Approve	AUD - Notify		
	<ul style="list-style-type: none"> Between R 25 million and R 50 million (individual instance or aggregate for financial year) 	No	FD - Recommend	AUD - Approve	Notify	

		Sub-delegation permitted Yes/No	Chief Executive Officer/ Financial Director	Board Committees	Board of Directors	Shareholders
	<ul style="list-style-type: none"> Greater than R 50 million (individual instance or aggregate for financial year) 	No	FD - Agree	AUD - Recommend	Approve	
4.13.	New issues of shares and debentures outside of the Approved share incentive schemes referred to in 7.5 of this Delegation of Authority Matrix	No		AUD - Agree	Recommend	Approve
4.14.	Issues of shares for cash	No		AUD - Agree	Recommend	Approve
4.15.	Bank account signatories for all bank documentation, opening or closing bank accounts, accept or negotiate or settle the bank's terms and conditions for facilities or services or products, cash management, appointment of other bank account signatories and all approvals needed for electronic banking	No	CEO and FD - Approve			
7. PERSONNEL						
5.1.	Appointments and terminations					
	<ul style="list-style-type: none"> CEO 	No		NOM - Recommend	Approve	
	<ul style="list-style-type: none"> Executive and non-executive directors 	No		NOM - Agree	Recommend	Approve
	<ul style="list-style-type: none"> Executive management 	No	CEO - Approve		Notify	
	<ul style="list-style-type: none"> Company secretary 	No		NOM - Recommend	Approve	
	<ul style="list-style-type: none"> Chief audit executive 	No	CEO - Recommend	AUD - Approve	Notify	
	<ul style="list-style-type: none"> Management 	Yes	CEO - Approve			