



MASTER DRILLING

Master Drilling Group Limited

Audit Committee Terms of Reference

1. INTRODUCTION

- 1.1 The Audit Committee (“the Committee”) is constituted as a statutory committee of Master Drilling Group Limited (“the Company”) in respect of its statutory duties in terms of s94(7) of the Companies Act No. 71 of 2008 (“the Act”) and as a committee of the Board of Directors (“the Board”) in respect of all other duties assigned to it by the Board, inter alia discharging its duties relating to the safeguarding of assets, the operation of adequate systems of internal control and control processes, the integrity of financial and sustainability-related reporting, and the preparation of accurate, reliable and transparent external reports in compliance with all applicable legal requirements, corporate governance standards and accounting standards.
- 1.2 The duties and responsibilities of the members of the Committee as set out in this document are in addition to those duties and responsibilities that they have as members of the Board. The deliberations of the Committee do not reduce the individual and collective responsibilities of the board members regarding their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.3 These terms of reference are subject to the provisions of the Act, the Company’s Memorandum of Incorporation (“MOI”), King V report on Corporate Governance for South African 2016 (“King V”) and any other applicable law, regulation, listing requirement and regulatory provision.
- 1.4 This Committee gives effect to the governing body’s responsibilities in terms of King V Principle 6 (Committees of the Governing Body), Principle 4 (Reporting), Principle 10 (Data, Information and Technology) and Principle 12 (Assurance), as read with the governance outcomes of Ethical Culture, Performance and Value Creation, Conformance and Prudent Control, and Legitimacy.

2. MANDATE AND PURPOSE OF THESE TERMS OF REFERENCE

- 2.1 The purpose of this mandate and these Terms of Reference is to set out the Committee’s role, authority, responsibilities, composition and meeting procedures, and to ensure that the Committee supports the governing body in discharging its responsibilities for:
 - 2.1.1 the integrity of financial and sustainability-related information and external reporting;
 - 2.1.2 the effectiveness of the internal control environment;
 - 2.1.3 the adequacy and effectiveness of assurance arrangements;
 - 2.1.4 the governance of data, information and technology insofar as it affects reporting, assurance and financial controls; and
 - 2.1.5 the objective and independent oversight of the external and internal audit functions.
- 2.2 In accordance with a resolution adopted by the Board in terms of section 94(2)(b) of the Act, the Committee shall also perform its statutory audit committee duties on behalf of all subsidiary companies within the Master Drilling Group, unless an audit committee of a subsidiary is constituted to perform the functions required under the Act or under equivalent legislation in that subsidiary’s jurisdiction.
- 2.3 In carrying out its mandate, the Committee shall operate in a manner that supports the governing body’s obligation under King V to ensure that external reports issued by the Company enable stakeholders to make

informed assessments of how the Company creates, preserves and may erode value within its economic, social and environmental context over the short, medium and long term.

3 STATUS AND AUTHORITY

- 3.1 The Committee is authorised by the Board to perform the duties set out in these Terms of Reference, to exercise the powers delegated to it by the Board, and to make decisions in respect of its statutory functions as an audit committee in terms of the Act.
- 3.2 In respect of responsibilities delegated to it by the Board beyond its statutory duties, the Committee makes recommendations to the Board for consideration and approval. The governing body retains ultimate accountability for all matters delegated to the Committee, in accordance with King V Principle 6.55.
- 3.3 The Committee shall have unrestricted access to all information, records, employees and external assurance providers of the Company and the Group that it requires to discharge its duties, and may obtain, at the Company's expense, independent professional advice, subject to a Board-approved process and after consultation with the Chief Executive Officer and Chief Financial Officer on affordability and funding.

4 GOVERNANCE FRAMEWORK

- 4.1 In performing its functions, the Committee shall have regard to:
- 4.1.1 the Act and all applicable corporate, financial, tax and securities legislation;
 - 4.1.2 the Company's MOI;
 - 4.1.3 the JSE Listings Requirements;
 - 4.1.4 King V and the King V Disclosure Framework;
 - 4.1.5 International Financial Reporting Standards (IFRS);
 - 4.1.6 International Standards on Auditing and applicable assurance standards; and
 - 4.1.7 any other applicable codes, standards and regulatory requirements relevant to the Company and the Group.
- 4.2 The Committee shall perform its duties in a manner that promotes integrated thinking, systems value creation and responsible corporate citizenship, consistent with King V's outcomes-based governance philosophy.

5 COMPOSITION OF THE COMMITTEE

5.1 Composition

- 5.1.1 The Committee shall comprise no fewer than three non-executive members of the Board, all of whom shall be independent non-executive directors, appointed annually by the shareholders of the Company at the Annual General Meeting in accordance with section 94(4) of the Companies Act.
- 5.1.2 The governing body shall appoint one of the members as Chairperson of the Committee, who shall be an independent non-executive director and shall not be the Chairperson of the Board.
- 5.1.3 The composition of the Committee shall at all times promote objective and independent oversight.

5.2 Independence and Eligibility

5.2.1 Each member of the Committee shall:

- 5.2.1.1 not be involved in the day-to-day management of the Company or the Group;
- 5.2.1.2 not have been a full-time employee of the Company or the Group during the preceding three financial years;
- 5.2.1.3 not be a material supplier to, or customer of, the Company or the Group such that a reasonable and informed third party would conclude that the member's integrity, impartiality or objectivity may be compromised;
- 5.2.1.4 not be related to any person who falls within any of the above categories; and
- 5.2.1.5 satisfy the independence criteria set out in King V, including the substantive test of independence.

5.2.2 All Committee members shall submit annual declarations of interest and shall declare interests at the beginning of each Committee meeting in accordance with King V and the Act.

5.3 Collective Skills and Competence

5.3.1 The members of the Committee shall, collectively, possess the necessary qualifications, skills and experience to discharge the Committee's responsibilities in accordance with King V Principles 4, 6, 10 and 12, including an understanding of:

- 5.3.1.1 financial reporting and sustainability-related disclosures;
- 5.3.1.2 internal financial controls;
- 5.3.1.3 the external audit process;
- 5.3.1.4 the internal audit process;
- 5.3.1.5 corporate and securities law;
- 5.3.1.6 risk management and assurance;
- 5.3.1.7 sustainability, Environmental, Social and Governance (ESG) matters and impact reporting;
- 5.3.1.8 data, information and technology governance (as it relates to reporting, assurance and control);
- 5.3.1.9 governance processes and international best practice;
- 5.3.1.10 taxation and related best practices; and
- 5.3.1.11 JSE Listings Requirements and regulatory obligations.

5.3.2 The Committee members shall be expected to maintain and develop these competencies on an ongoing basis through professional development, briefings and training.

5.4 Appointment, Removal and Vacancies

- 5.4.1 A member of the Committee shall automatically cease to be a member if he or she ceases to be a director of the Company.
- 5.4.2 Notwithstanding any other provision, the Board retains the power to remove any member of the Committee and to fill any vacancy arising therefrom.
- 5.4.3 Any vacancy on the Committee shall be filled by the Board within 40 (forty) business days after the vacancy arises.

6 ROLE OF THE COMMITTEE

- 6.1 Responsibility for reliable financial, sustainability and integrated reporting lies primarily with Company management (“Management”) which establishes and maintains the financial reporting, control and assurance environment of the Company and the Group.
- 6.2 The Committee shall understand, evaluate and monitor this environment so as to provide independent, objective and informed oversight on behalf of the governing body. In performing this role, the Committee shall support the Board in ensuring that:
- 6.2.1 the Company’s external reports are credible, complete, balanced and transparent;
 - 6.2.2 the system of internal control and assurance is effective;
 - 6.2.3 the financial, sustainability and data information disclosed by the Company is reliable; and
 - 6.2.4 stakeholders are able to make informed assessments of how the Company creates, preserves and may erode value over time, consistent with King V Principle 4 (Reporting).
- 6.3 The Committee should have open communication with Management, and the Committee should clearly understand Management's assessment of and response to key financial risks, any special audit risks or high-risk areas and the internal and external audit activities, if any, relating to these risks, sustainability and reporting risks, significant accounting judgements, emerging ESG, climate and data-related risks, the effectiveness of internal controls; and the scope and findings of internal and external assurance.
- 6.4 Members of the Committee may communicate directly with Management as they deem appropriate, keeping the Chairman and fellow members apprised on a prompt and continuing basis of any communications outside of meetings or routine reporting.
- 6.5 The Committee has an independent role with accountability to both the Board and shareholders. The Committee does not assume the functions of Management, which remain the responsibility of the executive directors, officers and other members of senior management. The Committee’s role is to oversee, challenge, test and assure, not to execute.
- 6.6 The Committee is accountable to the Board for the proper execution of its delegated responsibilities and to the shareholders for the discharge of its statutory audit committee duties.

7 MEETINGS AND PROCEDURES

7.1 Attendance

- 7.1.1 The Chief Executive Officer, Chief Financial Officer, representatives from the external auditors, the head of internal audit, other assurance providers, professional advisors and Board members not being members of the Committee may attend Committee meetings, but by invitation only and they may not vote.

- 7.1.2 Committee members must attend all scheduled meetings of the Committee, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman of the Committee or Group Company Secretary.
- 7.1.3 The Group Company Secretary shall be the secretary of the Committee.
- 7.1.4 If the Chairman of the Committee is absent from a meeting, the members present shall elect one of their number to act as Chairman for that meeting.
- 7.1.5 The Chairman of the Committee, with the prior approval of the other members of the Committee, may invite any person, including persons outside of the Group, to attend its meetings, when deemed necessary to support the Committees oversight responsibilities.

7.2 Frequency

- 7.2.1 Meetings shall be held not fewer than 4 (four) times per annum. These meetings should preferably take place:
 - 7.2.1.1 once in March of each year to inter alia review and recommend to the Board for approval, the Company's audited financial statements for the previous financial year ended 31 December as well as the Integrated Annual Report for the reporting period;
 - 7.2.1.2 once in August of each year to inter alia review and recommend to the Board for approval, the Company's interim financial statements for the half year ended 30 June;
 - 7.2.1.3 once in November of each year to inter alia approve the external auditor's year end audit plan, approve the internal audit plan, review and approve the budget for the following year and review the statutory, governance and other regulatory requirements affecting the Committee and its members as well as keeping members up to date on new developments in accounting, governance and assurance related aspects, review all the compliance related progress for the Committee including planning for the year-end audit.
- 7.2.2 Meetings in addition to those scheduled may, with approval of the Chairman, be held at the request of the external auditors, the Chief Executive Officer, the Chief Financial Officer or any other person who may consider that there is sufficient reason to request a meeting.
- 7.2.3 At least once per annum the Committee must meet with the external auditors without Management, as the Committee may elect. Likewise, the Committee should meet at least once per annum with the head of internal audit and/or members of his team without the external auditors and Management being present to support independent and open communication.
- 7.2.4 Members and invitees of the Committee may participate in and act at any meeting of the Committee using a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting by the person or persons so participating in accordance with the provisions of the Company's MOI.

7.3 Agenda and Minutes

- 7.3.1 The Committee must establish an annual work plan 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 the Committee's mandate and terms of reference. The more critical matters will need to be attended to each year while other matters may be dealt with on a rotation basis over a three-year period. The number, timing and length of meetings, and the agendas are to be determined in accordance with the annual work plan and any prevailing circumstances at the time.
- 7.3.2 Unless otherwise agreed, a detailed agenda, together with supporting documentation, must be circulated to the members of the Committee at least one week prior to each meeting. Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters considered.
- 7.3.3 The Group Company Secretary shall be responsible for the timely distribution of the agendas and supporting papers to members and other attendees and the timeous production of minutes of the meeting for review by the Committee Chairman and members of the Committee. Minutes of meetings shall be distributed to Committee members and must be formally approved by the Committee and signed by the Chairman at its next scheduled meeting.
- 7.3.4 The Committee Chairman shall provide a verbal report on matters of key importance to the Board at the Board meeting immediately following any meeting of the Committee as well as on the Committee's findings and recommendations to the Board. Supporting schedules and information reviewed by the Committee shall be available for examination by any director upon request to the Group Company Secretary.
- 7.3.5 The Group Company Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. If any conflict of interest exists, the director subject to the conflict shall not participate in considering or vote on the issue giving rise to the conflict.

7.4 Quorum

- 7.4.1 A quorum for meetings shall be a majority of members present throughout the meeting, provided at least three members who are independent non-executive directors are in attendance throughout the meeting.
- 7.4.2 Individuals in attendance at Committee meetings by invitation may participate in discussion but do not form part of the quorum for Committee meetings.

8 AUTHORITY

8.1 Statutory Authority

- 8.1.1 The Committee has decision-making authority in respect of its statutory duties in terms of section 94 of the Companies Act and is accountable to both the Board and the shareholders for the execution of those duties.

- 8.1.2 The Chairperson of the Committee shall be present at the Annual General Meeting to answer questions, through the Chairperson of the Board, on the Committee's activities and matters falling within the scope of the Committee's responsibilities.

8.2 Delegated Authority from the Board

- 8.2.1 In respect of responsibilities delegated to it by the Board outside of its statutory duties, the Committee shall make recommendations to the Board for consideration and approval.
- 8.2.2 Delegation to the Committee does not relieve the Board of its ultimate accountability for governance outcomes.

8.3 Power to Investigate and Access Information

- 8.3.1 The Committee is authorised to:
 - 8.3.1.1 investigate any activity within the scope of its mandate;
 - 8.3.1.2 require any director, officer, employee, internal or external assurance provider to provide information;
 - 8.3.1.3 obtain independent professional advice at the Company's expense, subject to a Board-approved process and consultation with the Chief Executive Officer and Chief Financial Officer on affordability.
 - 8.3.1.4 The Committee shall have unrestricted access to the Company's and Group's records, facilities, employees and assurance providers as required to discharge its duties.

8.4 Sub-Committees and Delegation

The Committee may establish sub-committees or delegate authority to one or more of its members, subject to Board approval. All delegated authority shall be exercised within the scope of these Terms of Reference and shall be reported back to the Committee and the Board.

9 RESPONSIBILITIES

The responsibilities of the Committee shall include:

9.1 Integrated Reporting

The Committee shall oversee integrated reporting, and in particular the Committee must:

- 9.1.1 have regard to all factors and risks that may impact on the integrity of the Integrated Annual Report, including factors that may predispose Management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information, forward-looking statements or information;
- 9.1.2 review the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive information and prospectuses, trading statements and similar documents;

- 9.1.3 comment in the Integrated Annual Report on the financial statements, the accounting practices and the effectiveness of the internal financial controls;
- 9.1.4 review the disclosure of sustainability issues in the Integrated Annual Report to ensure that it is reliable and does not conflict with the financial information;
- 9.1.5 recommend to the Board whether to engage an external assurance provider on material sustainability issues;
- 9.1.6 recommend the Integrated Annual Report and interim report for approval by the Board;
- 9.1.7 consider the frequency for issuing interim results;
- 9.1.8 consider whether the external auditor should perform assurance procedures on the interim results;
- 9.1.9 review the content of the summarised information for whether it provides a balanced view; and
- 9.1.10 Assess the need to engage the external auditors to provide assurance on the summarised financial information.

9.2 Combined Assurance

- 9.2.1 The Committee shall ensure that a combined assurance model is developed, implemented and maintained to provide a co-ordinated, efficient and effective system of assurance across the Group, and, in particular, the Committee shall:
 - 9.2.1.1 provide oversight of the design and application of the Group's combined assurance model so that it supports the integrity of external reporting and promotes an effective internal control environment;
 - 9.2.1.2 ensure that the combined assurance model incorporates and optimises the assurance activities of line management, specialist risk and compliance functions, internal audit, external audit, specialist assurance providers and regulators, as appropriate for the Group;
 - 9.2.1.3 ensure that the combined assurance model is designed to effectively cover the Group's significant risks, having regard to the Group's strategy, business model and risk profile;
 - 9.2.1.4 oversee the alignment and coordination between internal audit, external audit and other assurance providers to minimise duplication, eliminate gaps and enhance assurance efficiency;
 - 9.2.1.5 ensure that assurance activities of line management, specialist functions and assurance providers are effectively addressing the Group's key financial, operational, compliance, sustainability and ESG risks;
 - 9.2.1.6 ensure that assurance service providers are held accountable for the quality, independence and objectivity of the assurance they provide and that such assurance is free from actual or perceived bias or interference;
 - 9.2.1.7 monitor, on an ongoing basis, the effectiveness of the implementation of the combined assurance model and the extent to which it continues to remain fit for purpose;

- 9.2.1.8 assess whether it is necessary to engage the external auditors or other independent assurance providers to provide assurance over specific aspects of the Group's reporting or control environment, including summarised financial and non-financial information; and
- 9.2.1.9 disclose in the Integrated Annual Report the Committee's view on the effectiveness of the Group's combined assurance arrangements .

9.3 Finance Function and Chief Financial Officer

- 9.3.1 The Committee is responsible for reviewing the expertise, resources and experience of the Company's finance function, and for disclosing the results of the review in the Integrated Annual Report.
- 9.3.2 The Committee ensures that the Company has established appropriate financial reporting procedures, and that those procedures are operating.
- 9.3.3 The Committee also considers and satisfies itself annually of the appropriateness of the expertise and experience of the Company's Chief Financial Officer, who shall be an executive director.

9.4 Internal Audit

- 9.4.1 The Committee is responsible for overseeing the internal audit function, and in particular the Committee must:
 - 9.4.1.1 be responsible for the appointment, performance assessment, independence, objectivity and, where necessary, dismissal of the internal auditors and the Chief Audit Executive ("CAE");
 - 9.4.1.2 approve the internal audit plan and ensure that it is risk-based, aligned to the Group's strategy, business model and key risks, and responsive to changes in the economic, social, environmental and regulatory context in which the Group operates;
 - 9.4.1.3 approve and recommend to the Board for approval an internal audit charter which defines the role, authority, reporting lines and responsibilities of the internal audit function and the CAE, including its role within the combined assurance model and compliance with recognised professional internal audit standards;
 - 9.4.1.4 ensure that internal audit has unrestricted access and that any restrictions on internal audit's scope, access, authority or resources that may limit the function's ability to carry out its responsibilities effectively are reported to and addressed by the Committee;
 - 9.4.1.5 ensure that the internal audit function has access to, or the ability to procure, specialist assurance services such as forensic fraud examiners and auditors, safety and process assessors, statutory actuaries and other specialists as required;
 - 9.4.1.6 where internal audit services are co-sourced or outsourced, ensure that there is clear accountability for the responsibilities of the CAE and that the Committee retains oversight of the effectiveness and independence of the service provider;
 - 9.4.1.7 ensure that the internal audit plan is reviewed regularly and adapted as necessary to respond to changes in the Group's business model, strategy, risk profile and operating environment;
 - 9.4.1.8 receive from internal audit, at least annually, a written overall assessment of the effectiveness of the Group's governance, risk management and internal control processes;

- 9.4.1.9 ensure that the internal audit function is subject to an external, independent quality assessment at least once every five (5) years, or more frequently if the Committee deems it appropriate;
- 9.4.1.10 review the results of the Quality Assurance and Improvement Programme (QAIP);
- 9.4.1.11 obtain annual written confirmation from the CAE that the internal audit function complies with a recognised professional code of ethics and applicable professional standards;
- 9.4.1.12 ensure that the internal audit function coordinates and facilitates the combined assurance model across the Group;
- 9.4.1.13 ensure that the Committee discloses its view on the effectiveness of the internal audit function and internal audit arrangements in the Integrated Annual Report to shareholders forming part of the Annual Financial Statements and the Integrated Report; and
- 9.4.1.14 communicate and engage with the Social, Ethics and Sustainability Committee in order to review and approve, on an annual basis, a programme of internal audit work aimed at assessing the effectiveness of the Group’s environmental, social and governance (ESG) policies, controls and processes.
- 9.4.1.15 the following discussions points should also form part of the Audit Committee’s responsibilities:

Discussion point	Frequency
Discuss: IA's unrestricted access and any restrictions on IA's scope, access, authority, or resources that limit the function’s ability to carry out its responsibilities effectively.	As needed
Discuss: Any impairments (or potential) to independence or objectivity (including any current or proposed roles and responsibilities that have the potential to impair the internal audit function’s independence, either in fact or appearance).	As needed
Discuss: the qualifications and competencies of a CAE necessary to manage IA	Annually
Discuss: the board’s perspective on the organization’s strategies, objectives, and risks effectiveness of the organization’s governance, risk management, and control processes .	Annually
Discuss: How IA is fulfilling its mandate.	Annually
Discuss: Results of Quality Assurance and Improvement Programme (QAIP).	Annually
Discuss: frequency of communications.	Annually
Discuss: criteria for issue escalation or matters of importance.	Annually
Discuss: rationale for not including assurance engagement for high-risk areas.	As needed
Discuss: any limitations on scope or access to information.	As needed
Discuss: impact of technology limitations on the effectiveness or efficiency of the function.	Annually
Discuss: unacceptable levels of risk.	As needed
Discuss: impact of non-conformance with the Standards (if app).	As needed

9.5 Risk Management

- 9.5.1 The Committee should be an integral component of the risk management process and should specifically oversee amongst others the following Risk Committee functions as supported by Group Risk Management:
- 9.5.1.1 financial reporting risks;
 - 9.5.1.2 internal financial controls;
 - 9.5.1.3 fraud and corruption risks as it relates to financial reporting; and
 - 9.5.1.4 Technology, data and information risks affecting financial reporting and assurance.
- 9.5.2 Because the likelihood and magnitude of the potential risk will change as rapidly as the business climate changes, assessing the risk of fraudulent financial reporting is challenging. The Committee must ensure that the external auditors have considered this risk with reference to:
- 9.5.2.1 the business environment;
 - 9.5.2.2 the financial liquidity of the Company;
 - 9.5.2.3 risk of fraudulent financial reporting and management override of controls.
 - 9.5.2.4 Management's reputation, integrity and experience; and
 - 9.5.2.5 the relationship of Management with the external auditors.

9.6 External Audit

The Committee is responsible for recommending the appointment of the external auditor to the Board and to shareholders for their approval at the Annual General Meeting, and to oversee the external audit process, and in this regard the Committee must:

- 9.6.1 approve the terms of engagement and remuneration for the external audit engagement;
- 9.6.2 ensure that the appointment or re-appointment of the external auditor complies with the Act;
- 9.6.3 detail a statement as to whether the Committee is satisfied that the external auditor is independent of the Group. The statement should specifically address:
 - 9.6.3.1 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;
 - 9.6.3.2 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;
 - 9.6.3.3 the rotation of the designated external audit partner;
 - 9.6.3.4 significant changes in the management of the Group during the external audit firm's tenure which may mitigate the associated risk of familiarity between the external auditor and Management;
 - 9.6.3.5 significant matters that the Committee has considered in relation to the annual financial statements, and how these were addressed by the Committee;
 - 9.6.3.6 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 by external audit regulators;
 - 9.6.3.7 the Committee's views on the effectiveness of the chief audit executive and the arrangements for internal audit; and

- 9.6.3.8 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.
- 9.6.4 monitor and report on the independence and objectivity of the external auditor in the annual financial statements;
- 9.6.5 define a policy for non-audit services which may be provided by the external auditor;
- 9.6.6 approve the contracts for non-audit services to be rendered by the external auditor;
- 9.6.7 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; and review the quality control procedures and effectiveness of the external audit process;
- 9.6.8 disclose its views on audit quality with reference to the audit quality indicators such as those that may be included in inspection reports issued by external audit regulators in its Integrated Annual Report to shareholders, which forms part of the Annual Financial Statements and Integrated Annual Report;
- 9.6.9 consider whether the external auditor is accredited by the JSE Limited as required in terms of the JSE Limited Listings Requirements (as amended from time to time);
- 9.6.10 request from the audit firm (and if necessary, consult with the audit firm) on the information detailed in the JSE Limited Listings Requirements in their assessment of the suitability for appointment of their current or a prospective audit firm and the designated individual partner both when they are appointed for the first time and/or for every reappointment thereafter;
- 9.6.11 review the external auditor's management letter and Management's response, if available, and/or consider the matters to be dealt with therein;
- 9.6.12 every year evaluate the external auditor performance and effectiveness taking into consideration factors such as, inter alia, audit planning, technical abilities, audit process/ outputs and quality control, business insight, consultancy abilities and independence; and
- 9.6.13 discuss problems and reservations (if and when applicable) arising from the annual audit and any matters incidental thereto which the external auditor may wish to discuss (in the absence of management where necessary).

9.7 Review of Financial Statements

The objective of the review is to ensure that disclosure is adequate, and that fair presentation is achieved. Such a review would entail:

- 9.7.1 obtaining explanations for all significant variances in the financial statements;
- 9.7.2 reviewing the Company's accounting policies or major changes in policies which Management should consider making or have already implemented;
- 9.7.3 examining the effect of changes in International Financial Reporting Standards (IFRS);
- 9.7.4 enquiring about any significant financial reporting issues discussed during the accounting period between Management and the auditors and how they were resolved.
- 9.7.5 assessing significant judgmental decisions that had a major impact on the financial statements;
- 9.7.6 reviewing any significant adjustments resulting from the audit;
- 9.7.7 examining compliance with accounting standards and with The JSE Listings Requirements and other statutory requirements;

- 9.7.8 obtaining reasons for significant loss-making operations and considering whether the value of their related assets is fairly stated in the balance sheet;
- 9.7.9 reviewing significant transactions which are not a normal part of the Company's business;
- 9.7.10 reviewing the adequacy of the doubtful debt and inventory provisions or assess a balance that requires Management to apply professional judgment;
- 9.7.11 being kept informed of all outstanding litigation, contingencies and claims and how these matters are reflected in the Company's financial statements;
- 9.7.12 reviewing the extent, nature and disclosure of extraordinary, exceptional or non-trading items;
- 9.7.13 discussing all significant proposed changes to the Company's financial statements and any concerns over the adequacy of disclosure of any items;
- 9.7.14 enquiring about the status of tax affairs, e.g. submission of tax returns, outstanding assessments, movement in assessed losses, items disputed by the tax authorities, etc.;
- 9.7.15 reviewing the overall effective tax rate and the extent of tax planning, and reviewing the movement in deferred tax balances;
- 9.7.16 understanding the extent to which the financial information in the financial statements has been audited;
- 9.7.17 obtaining clarity regarding balance sheet financing;
- 9.7.18 obtaining written feedback from each region's financial manager, and by the country manager on financial and any other issues identified in those regions; and
- 9.7.19 disclosing significant matters that the Committee has considered in relation to the Annual Financial Statements and how these were addressed by the Committee in its Integrated Annual Report to the Board and shareholders, which forms part of the Annual Financial Statements and Integrated Annual Report.

9.8 Data, Information and Technology

- 9.8.1 The Board is responsible for the governance of data, information and technology and has delegated oversight of these responsibilities to the Committee. The Committee shall accordingly assist the Board in ensuring that data, information and technology are managed in a manner that is effective, ethical, secure, compliant and aligned to the Group's strategy, and in particular shall:
 - 9.8.1.1 provide oversight of the strategic direction for the acquisition, development, use and distribution of technology and the management of data and information across the Group;
 - 9.8.1.2 ensure that the use of data, information and technology supports the achievement of the Group's strategic, operational and sustainability objectives;
 - 9.8.1.3 recommend for Board approval and oversee the implementation of policies, standards and governance frameworks governing the acquisition, creation, use, dissemination, storage and disposal of data, information and technology;
 - 9.8.1.4 ensure that management is responsible for the implementation and execution of effective data, information and technology management practices;
 - 9.8.1.5 exercise ongoing oversight of the management of data and information, including ensuring:
 - 9.8.1.5.1 the ethical and responsible management of data and information;
 - 9.8.1.5.2 compliance with all applicable laws and regulations, including data protection and privacy legislation;
 - 9.8.1.5.3 the classification, protection and lifecycle management of data and information assets;

- 9.8.1.5.4 information security and data protection that safeguard confidentiality, integrity and availability;
- 9.8.1.5.5 the protection of personal information;
- 9.8.1.5.6 adherence to appropriate data quality standards; and
- 9.8.1.5.7 effective management of risks arising from outsourced data processing, cloud services and third-party service providers, including cross-border data transfers.
- 9.8.1.6 exercise ongoing oversight of the management of technology, including ensuring:
 - 9.8.1.6.1 a technology architecture that enables the achievement of strategic and operational objectives;
 - 9.8.1.6.2 effective cyber-security strategies and practices;
 - 9.8.1.6.3 appropriate business continuity, disaster recovery and resilience arrangements;
 - 9.8.1.6.4 responsible acquisition, use and disposal of technology assets, including environmental and data-security considerations;
 - 9.8.1.6.5 effective management of technology sourcing and outsourcing risks; and
 - 9.8.1.6.6 ongoing monitoring of emerging and disruptive technologies and their impact on the Group's business model.
- 9.8.1.7 ensure that the acquisition, deployment and use of emerging, innovative and disruptive technologies, including artificial intelligence, result in sustainable value creation and are subject to:
 - 9.8.1.7.1 ethical, transparent and human-centered governance;
 - 9.8.1.7.2 clear accountability for decisions, outputs and outcomes; and
 - 9.8.1.7.3 appropriate human oversight, monitoring and control mechanisms proportionate to the risks involved.
- 9.8.1.8 consider and make recommendations to the Board on the need for periodic independent assurance over the effectiveness, compliance and ethics of the Group's data, information and technology arrangements, including outsourced services;
- 9.8.1.9 ensure that the following are disclosed in the Integrated Report and/or Annual Financial Statements, as applicable:
 - 9.8.1.9.1 an overview of the governance arrangements for data, information and technology;
 - 9.8.1.9.2 key areas of focus, objectives, significant changes, acquisitions and incidents during the reporting period;
 - 9.8.1.9.3 actions taken to monitor and improve the effectiveness of data, information and technology management; and
 - 9.8.1.9.4 planned areas of focus for the forthcoming reporting period.

9.9 Protected Disclosure, Whistle Blowing and Fraud

- 9.9.1 The Committee shall review and oversee the Company's arrangements that enable employees, contractors, suppliers and other stakeholders to raise concerns, in confidence and without fear of retaliation, about possible wrongdoing in:
 - 9.9.1.1 financial reporting;
 - 9.9.1.2 internal controls;
 - 9.9.1.3 fraud, corruption and bribery;
 - 9.9.1.4 unethical conduct; and
 - 9.9.1.5 breaches of law, policy or governance standards.

- 9.9.2 These arrangements shall provide for independent, proportionate and timely investigation, protection against occupational and personal detriment, and appropriate remedial action, in accordance with King V Principle 2.
- 9.9.3 The Committee shall ensure that it is informed of any reportable irregularities identified and reported by the external auditors in terms of the Auditing Profession Act, and that appropriate responses, investigations and remedial actions are undertaken.
- 9.9.4 The Committee shall review and oversee the Company's policies, controls and procedures for:
- 9.9.4.1 detecting and preventing fraud, corruption and bribery;
 - 9.9.4.2 investigating suspected misconduct; and
 - 9.9.4.3 enforcing disciplinary and remedial measures.
- 9.9.5 The Committee shall consider trends, incidents and emerging risks relating to financial and ethical misconduct.
- 9.9.6 The Committee shall satisfy itself that the Company's reporting, control and assurance environment supports the governing body's obligation to foster an ethical culture, consistent with King V Principle 1 (Leadership) and Principle 2 (Ethics).

9.10 **King V Report on Corporate Governance for South Africa 2016 (King V)**

The Committee shall make the disclosures as required by King V in its Annual Report to shareholders, which forms part of the Annual Financial Statements and Integrated Annual Report.

9.11 **Tax Policy**

The Committee shall satisfy itself that the Group has a tax policy in place, which is compliant with applicable laws and is congruent with responsible corporate citizenship, and that takes account of reputational considerations.

9.12 **Financial Budget**

The Committee is responsible for reviewing the annual financial budget for onward recommended approval to the Board.

9.13 **Going Concern**

The Committee is responsible for reviewing the basis on which the Company is determined to be a going concern and shall examine the Company's compliance with the solvency and liquidity requirements prescribed by sections 45 and 46 of the Act.

10 **REPORTING REQUIREMENTS**

10.1 The external and internal auditors shall have unrestricted access to the Committee and its Chairman.

10.2 Pursuant to Section 94 (7) (f) of the Act, the Committee shall prepare a report, to be included in the annual

financial statements for that financial year. The report must: -

- 10.2.1 describe how the Committee carried out its functions;
- 10.2.2 state whether the Committee is satisfied that the external auditor was independent of the Company; and
- 10.2.3 contain comment in any way the Committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Company.

10.3 As a minimum, the Committee should provide the following information in the Integrated Annual Report:

- 10.3.1 a summary of the role of the Committee;
- 10.3.2 a statement on whether the Committee has adopted a formal mandate and terms of reference that have been approved by the Board and if so, whether the Committee satisfied its responsibilities for the year in compliance with its mandate and terms of reference;
- 10.3.3 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;
- 10.3.4 the number of Committee meetings held during the period under review and members' attendance at these meetings;
- 10.3.5 a statement on whether the Committee considered and recommended the internal audit charter for approval by the Board;
- 10.3.6 report on the effectiveness of the Company's internal controls;
- 10.3.7 information about any other responsibilities assigned to the Committee by the Board;
- 10.3.8 a statement on whether the Committee complied with its legal, regulatory and other responsibilities; and
- 10.3.9 prepare the Audit Committee Report for inclusion in the Integrated Annual Report in accordance with the King V Disclosure Framework including a statement on whether the Committee recommended the Integrated Annual Report to the Board for approval.

11 RELATIONSHIP WITH EXTERNAL AUDITORS

11.1 The external auditors are expected to bring to the reporting process technical competence, business judgment, integrity and objectivity. The Committee is responsible for communicating with the external auditors regarding their annual audit of the financial statements, as well as their participation in interim reporting. Communication with the external auditors must be free and open to ensure the Committee is informed of potential inaccuracies in the financial statements, significant deficiencies in internal controls, alternative accounting treatments and other significant findings during the course of their audit work.

11.2 External audit fees for the year ahead shall be budgeted by the external auditors in consultation with Management based on such information and expectations as seem reasonable and necessary at the time. The budget and its assumptions shall be presented to the Committee for its approval. The external auditors shall report to the Chairman of the Committee should they consider the scope of the audit to have been restricted.

12 INTERNAL CONTROLS

12.1 The Committee shall ensure that an effective internal control environment is in place to provide assurance that controls are in place to safeguard all assets of the Group.

- 12.2 The Committee is responsible for ensuring that an effective and sufficiently robust combined assurance model is applied to provide a coordinated approach to all assurance activities, to enable the Board to be able to place reliance on the combined assurance underlying the statements that the Board makes concerning the integrity of the Group's external reports.
- 12.3 Strong internal controls are an essential component of assuring sound financial reporting and the protection of assets. An effective internal audit function is also an important part of the control environment. Management generally oversees the work of the internal auditors in evaluating and testing the internal control structure but shall not override or interfere with the principle of reliable, independent and professional standards in evaluating and testing such structures.
- 12.4 The Committee shall have direct access to the internal auditors so that it can receive input on the adequacy of controls and initiate special audit emphasis if necessary.
- 12.5 The Committee shall in its Integrated Annual Report, which forms part of the Annual Financial Statements and Integrated Annual Report, provide a written assessment of its views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error.

13 REIMBURSEMENT OF EXPENSES

- 13.1 Members of the Committee should ensure that they are reimbursed by the Company for all direct and indirect expenses reasonably and properly incurred in performance of their duties as a member, e.g. accommodation and travelling expenses.
- 13.2 In addition to fees payable to them as directors of the Company from time to time, members of the Committee shall receive attendance fees for attending meetings of the Committee and for performing any additional Committee functions in accordance with the Company's remuneration policies as approved by the shareholders of the Company. The 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.

14 EVALUATION

The Committee performs a self-evaluation of its effectiveness each alternate year and reports the results thereof to the Board.

15 REVIEW

- 15.1 This mandate and terms of reference may, from time to time, be amended as required, subject to the approval of the Board.
- 15.2 These terms of reference will be due for review biennially or where otherwise required.

Reviewed and approved by the Board of Directors on 23 March 2026