

**Safari Investments RSA Ltd.
(the “Company”)**

Audit & Risk Committee Terms of Reference

**As approved by the Board on 25 March 2014
As amended by the Board on _____**

Definitions:

“the Committee”	shall mean the Audit & Risk Committee.
“the Board”	shall mean the Board of directors of the Company.
“the Company or Group”	shall mean Safari Investments (RSA) Limited and its subsidiaries.
“the Auditor”	shall mean the external auditor of the Company.
“IFRS”	shall mean the International Financial Reporting Standards.
“Corporate Governance”	shall mean the King IV (Code of Corporate Practices in South Africa, representing principles of good corporate governance as laid out in the King Report, as amended from time to time).

The Audit and Risk Committee (“the Committee”) is constituted as a statutory committee of Safari Investments RSA Limited and / or its subsidiaries (“the Company” or “the Group”) in respect of its statutory duties in terms of Section 94(7) of the Companies Act, 2008 and a Committee of the Board in respect of all other duties assigned to it by the Board.

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 board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.

These terms of reference are subject to the provisions of the Companies Act, the Company’s Memorandum of Incorporation and any other applicable law or regulatory provision.

The purpose of these terms of reference is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

1 Membership

- 1.1 The Committee shall be made up of at least three members.
- 1.2 The Committee will strive to ensure that all members of the Committee shall be independent non-executive directors or Prescribed Officers and at least one of whom shall have recent and relevant financial experience.
- 1.3 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, Chief Executive Officer, Financial director / CFO, other directors, and other representatives from the finance department may be invited to attend all or part of any meeting as and when appropriate.
- 1.4 The Company’s auditors will be invited to attend meetings of the Committee on a regular basis. The Committee shall decide if the executive directors (or any of them) should be present at any meeting attended by the auditors.
- 1.5 The Board of Directors will nominate and present such nominees to the Shareholders at every Annual General Meeting (“AGM”) of Shareholders to be appointed as members and Chairman of the Committee. The

Chairman of the Board should preferably not be nominated as a member as per King IV but may in special circumstances be nominated by the Board.

- 1.6 The Shareholders of the Company shall appoint the members and Chairman of the Committee. The Chairman shall be a person considered by the Board to be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.7 The Committee is authorised to investigate and undertake any activity within these terms of reference. It is authorised to seek any information it properly requires in order to perform its duties from any director, employee or professional adviser (subject to paragraph 1.8 below) of the Company or any subsidiary of the Company (the "**Group**") (where the term "**subsidiary**" shall be as defined by the IFRS). It is authorised to call any employee to be questioned at a meeting of the Committee as and when required. All directors, employees or professional advisers (subject to paragraph 1.8 below) of the Company are directed to co-operate with any such request made by the Committee.
- 1.8 If the Committee considers it necessary so to examine any activity within its terms of reference, it is authorised to obtain appropriate external professional advice including, without limitation, legal, taxation and accounting advice and the advice of independent remuneration consultants to assist it in the performance of its duties, to secure the services of outsiders with relevant experience and expertise and to invite such persons to attend at meetings of the Committee. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations. The cost of obtaining such advice or services shall be borne by the Company within such limits as may be authorised by the Board from time to time.
- 1.9 The members from time to time may appoint alternates to act in their absence, if and when necessary, provided that the person appointed by an independent non-executive director is also an independent non-executive director of the Company.
- 1.10 Membership of the Committee shall be noted in the annual directors' report of the Company.
- 1.11 Each member of the Committee shall disclose to the Committee:
 - (a) any personal, financial or other interest in any matter to be decided or discussed by the Committee; and/or
 - (b) any potential conflict of interest arising from a cross-directorship or otherwise; and
 - (c) any such member shall abstain from voting on resolutions of the Committee in relation to which such interest exists and from participating in the discussions concerning such resolutions and (if so required by the Board) shall resign from the Committee or absent himself from all or part of the meeting of the Committee in question.

2 **Secretary**

The Company secretary or his nominee shall act as the secretary of the Committee.

3 **Quorum**

The quorum necessary for the transaction of business shall be two members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4 **Frequency of Meetings**

The Committee shall meet at least four times a year at appropriate times in the reporting and audit cycle and otherwise as required. The agendas of the meetings are noted below in point 7 of the charter.

5 Notice of Meetings

5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of auditors if they consider it necessary.

5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. The meeting pack shall include: the minutes of the previous meeting; the agenda and other supporting documents shall be sent to Committee members and to other attendees as appropriate, at the same time.

6 Proceedings at Meetings

6.1 Meetings may be held by telephone & electronically.

6.2 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence. Where possible, the Chairman of the Committee and members of the Committee should be rotated on a regular basis. Subject to as provided in paragraph 1.6 above, each member of the Committee shall have one vote. In the event of an equality of votes, the Chairman of the Committee shall have a second or casting vote (again subject to as provided in paragraph 1.6 above). In the absence of the Chairman or any appointed deputy, the remaining members present shall elect one of their numbers to chair the meeting.

7 Agenda of the Committee Meetings

Pre-determined agendas are set out below. These agenda's however will vary as to cater for the needs and requests of the Committee. Four compulsory meetings are required to be held every year.

Committee work plan meeting (held in February)

- Formally ratify the previous year audit fee;
- Review any unresolved matters brought forward from the prior year audit to ensure that appropriate action is given to these matters for the current year;
- Discuss any changes in respect of IFRS, Standards or Exposure Drafts that are effective in the current year and the Committee should ensure that the changes have been considered and where applicable effected;
- Review and approve the audit plan and ensure that it is consistent with the scope of the audit engagement;
- The auditors will present the audit fee budget (this will be approved in the interim between March and July);
- Discuss the annual report from the prior year and discuss changes which should be implemented and considered for the current year's annual report. Consideration should especially be given to accounting, JSE Listing Requirements and Corporate Governance issues.

Planning meeting (held in March / April after control testing)

- Ratify and approve the audit fee budget for the Company;
- The auditors are to present a report on the effectiveness of internal controls tested and the application thereof and present improvements;
- Update on any changes in respect of IFRS, Standards or Exposure Drafts that are effective in the current year and the Committee should ensure that the changes have been considered and where applicable effected;

- Update from auditors that the control environment and level of accounting competence was in accordance with their expectation in presenting their original budget;
- Auditors to continuously update on the Committee on the actual costs versus budget for the audit fee of the Company;
- Presentation of the annual report skeleton and discuss the updated changes as proposed in March.

Annual Financial Statements Approval Meeting (held in June after completion of Audit Process)

- Update from auditors that the control environment and level of accounting competence was in accordance with their expectations in presenting their original budget;
- Auditors to present their final review of their findings from the audit of the Company. This shall include the following:
 - a discussion of any major issues which arose during the audit;
 - any accounting and audit judgments, levels of errors identified during the audit. The Committee shall also review the effectiveness of the audit;
 - review any presentations to the Board;
 - ion letter(s) requested by the auditor before they are signed by management;
 - review the management letter and management's response to the auditor's findings and recommendations;
 - confirm and approve the format of the annual report;
 - Present and sign off the audit Committee report which will be published in the annual report subject to changes after the final report on audit findings presented by the auditors; and
- Continuous update on the actual costs versus budget for the audit of the group. The final fee will be approved between June and July of the following year. The final audit fee will be ratified in March the following year.

Half Year Review Meeting (planning meeting held in August)

- Review any unresolved matters brought forward from the prior year audit to ensure that appropriate action is given to these matters for the current year;
- Discuss any changes in respect of IFRS, Standards or Exposure Drafts that are effective in the current year to date and the Committee should ensure that the changes are considered and where applicable effected;
- Review and approve the auditor's review plan and ensure that it is consistent with the scope of the audit engagement;
- Discuss the half year report from the prior year and discuss changes which should be implemented and considered for the current year's half year report. Consideration should especially be given to accounting, JSE Listing Requirements and Corporate Governance issues;
- Update on any changes in respect of IFRS, Standards or Exposure Drafts that are effective in the current year and the Committee should ensure that the changes have been considered and where applicable effected;
- Update from auditors that the control environment and level of accounting competence was in accordance with their expectation in presenting their original budget;
- Auditors to continuously update on the Committee on the actual costs versus budget for the audit fee of the Company;
- Presentation of the half year report skeleton and discuss the updated changes as proposed in October.

Half Year Review Approval Meeting (held in November after completion of formal Review Process)

- Management will present the half year review statements;

- review any presentations on half year results to the Board;
- confirm and approve the half year results; and
- present and sign off the half year report which will be published.

Risk related matters (at every Committee meeting)

Risk related matters will be reported and reviewed at every Committee meeting. Risks which were previously identified and reported should be reviewed and progress or actions taken related to such risks should be reported to the Board.

8 Minutes of Meetings

- 8.1 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 8.2 The Chairman shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 8.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

9 Annual General Meeting

The Chairman of the Committee shall attend the Company's AGM and be prepared to respond to any shareholder questions on the Committee's activities.

10 Duties

The Committee should carry out the duties below for the Company and any parent Company and subsidiary undertakings (the "Group") and the Group as a whole, as appropriate.

10.1 Financial Reporting (in general)

- 10.1.1 The Committee shall monitor the integrity of the financial statements of the Company, including its annual integrated and interim reports, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing any significant financial reporting issues and judgments which they may contain. The Committee shall also review summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.
- 10.1.2 The Committee shall review and challenge where necessary:
- 10.1.2.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the Group;
 - 10.1.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
 - 10.1.2.3 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the auditor;
 - 10.1.2.4 the clarity of disclosure in the Company's financial reports and the context in which statements are made; and
 - 10.1.2.5 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management requirements).

10.2 Internal Controls and Risk Management Systems

The Committee shall:

- 10.2.1 keep under review the effectiveness of the Company's internal controls and risk management systems; and
- 10.2.2 review and approve the statements to be included in the annual report concerning internal controls and risk management, which in any event will also be done by the Board as a whole. The Committee will sign off the integrated annual report.

10.3 Whistleblowing

The Committee shall:

- 10.3.1 review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and
- 10.3.2 review the Company's procedures for detailing fraud.

10.4 Internal Audit

The Committee shall assess annually if the group requires an internal audit function and if so make formal recommendations to the Board regarding the appointment and working of such function.

10.5 External Audit

The Committee shall:

- 10.5.1 consider and make recommendations to the Board, to be put to the shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the Company's auditor. The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;
- 10.5.2 oversee the relationship with the auditor including (but not limited to):
 - 10.5.2.1 approval of their remuneration, whether this be for audit fees or fees for or non-audit services and that the level of fees is appropriate to enable an adequate audit to be conducted;
 - 10.5.2.2 ensure the appointment of the auditor complies with the provisions of the Act and any other legislation relating to the appointment of auditors
 - 10.5.2.3 approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
 - 10.5.2.4 assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
 - 10.5.2.5 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Company (other than in the ordinary course of business);
 - 10.5.2.6 agreeing with the Board a policy on the employment of former employees of the Company's auditor, then monitoring the implementation of this policy;
 - 10.5.2.7 monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and
 - 10.5.2.8 assessing annually their qualifications, expertise and resources and the effectiveness of the audit process which shall include a report from the auditor on their own internal quality procedures;
- 10.5.3 meet regularly with the auditor, including once at the planning stage before the audit and once

after the audit at the reporting stage. The Committee shall meet the auditor at least once a year, without management being present, to discuss any issues arising from the audit.

10.6 Integrated Reporting

The Committee oversees integrated reporting, and in particular the Committee must:

- 10.6.1 have regard to all factors and risks that may impact the integrity of the integrated report, including factors that may predispose management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcing actions by a regulatory body, any evidence that brings into question previously published information, forward-looking statements or information;
- 10.6.2 review the annual financial statements, interim reports, preliminary or provisional results announcements, summary integrated information, any other intended release of price sensitive information and prospectuses, trading statements or similar documents;
- 10.6.3 comment in the annual financial statements on the financial statements, the accounting practices and the effectiveness of the internal financial controls;
- 10.6.4 review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- 10.6.5 recommend to the Board whether or not to engage an external assurance provider on material sustainability issues;
- 10.6.6 recommend the integrated report for approval by the Board;
- 10.6.7 consider the frequency for issuing interim results;
- 10.6.8 consider whether the external auditor should perform assurance procedures on the interim results;
- 10.6.9 review the content of the summarised information for whether it provides a balanced view; and
- 10.6.10 engage the external auditors to provide assurance on the summarised financial information.

10.7 Combined Assurance

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

- i) Ensure that the combined assurance received is appropriate to address all the significant risks facing the Company; and
- ii) Monitor the relationship between the external assurance providers and the Company.

The Committee reviews the expertise, resources and experience of the Company's financial function, and discloses the results of the review in the integrated report.

10.8 Reporting Responsibilities

- 10.8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.8.2 The Committee shall make whatever recommendations to the Board it deems appropriate.
- 10.8.3 The Committee shall compile a report to shareholders on its activities to be included in the Company's annual report. The Committee shall report on the follow issues;

- 10.8.3.1 describing how the Committee carried out its functions;
- 10.8.3.2 stating whether the Committee is satisfied that the auditor was independent of the Company; and
- 10.8.3.3 comment in anyway the Committee considers appropriate on the annual report, the accounting practices and the internal financial control of the Company.

10.8 Risk Related Matters

The Committee shall:

- 10.8.1 advise the Board on the Company's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities and other authoritative sources that may be relevant for the Company's risk policies;
- 10.8.2 oversee the development and annual review of a policy and plan for risk management to recommend for approval to the Board;
- 10.8.3 monitor the implementation of the policy and plan for risk management taking place by means of risk management system and processes;
- 10.8.4 ensuring that the risk management plan is widely disseminated throughout the Company and integrated in the day-to-day activities of the Company
- 10.8.5 ensure that a risk management assessment is performed on a continuous and regular basis;
- 10.8.6 oversee and advise the Board on the current risk exposures of the Company and future risk strategy;
- 10.8.7 in relation to risk assessment:
 - a) keep under review the Company's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
 - b) review regularly and approve the parameters used in these measures and the methodology adopted; and
 - c) set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
- 10.8.8 review the Company's capability to identify and manage new risk types;
- 10.8.9 ensure that management considers and implements appropriate risk responses;
- 10.8.10 before a decision is taken by the Board, is shall in conjunction with the EXCO advise the Board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available;
- 10.8.11 review reports on any material breaches of risk limits and the adequacy of proposed action;
- 10.8.12 review the adequacy of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 10.8.13 review the Company's procedures for detecting fraud;

- 10.8.14 review the Company's procedures for the prevention of bribery;
- 10.8.15 consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from management and other restrictions;
- 10.8.16 as and when necessary recommend to the Board the appointment and/or removal of the Chief Risk Officer ("CRO");
- 10.8.17 if applicable review promptly all reports on the Company from the CRO;
- 10.8.18 review and monitor management's responsiveness to the findings and recommendations of the CRO;
- 10.8.19 ensure the CRO shall be given the right of unfettered direct access to the Chairman of the Board and to the Committee;
- 10.8.20 work and liaise as necessary with all other Board Committees.

10.9 **Other Matters**

The Committee shall:

- 10.9.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretary for assistance as required;
- 10.9.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.9.3 give due consideration to laws and regulations, the best practice corporate governance principles of the Republic of South Africa, the Johannesburg Stock Exchange's and the JSE Listing Requirements as appropriate;
- 10.9.4 oversee any investigation of activities which are within its terms of reference and act as a court of the last resort;
- 10.9.5 at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval; and
- 10.9.6 to consider such other matters as may be requested by the Board from time to time.

11 **Authority**

The Committee is authorised:

- 11.1 to seek any information, it requires from any employee of the Company in order to perform its duties;
- 11.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- 11.3 to call any employee to be interviewed at a meeting of the Committee as and when required; and
- 11.4 to publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board.