



RISK COMMITTEE CHARTER

1. CONSTITUTION

- 1.1 In line with the requirements of the National Code of Corporate Governance for Mauritius (“NCCGM”) and King Report on Governance for South Africa (“King IV”), the Board of directors of the company (“the Board”) resolved to establish a statutory Committee of the Board to be known as the Risk Committee (“the Committee”).
- 1.2 The duties and responsibilities of the members of the Committee are in addition to those 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 statutory obligations.
- 1.3 Any reference in this Committee Charter (“the Charter”) to “the Group” is to be interpreted to include any Company or companies within the Group and not necessarily to refer only the Group as a whole.

2. COMPOSITION

2.1 Composition

- The Committee will comprise a minimum of two directors, where the majority should be non-executive and where possible, independent.
- One member of the Risk Committee shall be a member of the Audit Committee.
- The Chief Financial Officer must be present by invitation.
- Members of this Committee and its chairman will be nominated by the board.
- The members of the Committee as a whole must have sufficient qualifications and experience to fulfil their duties.
- A quorum shall be a majority of members present in person or via telecommunication facilities.
- The chief executive officer should not be a member of the Committee.

2.2 Termination

The Board may terminate membership of any person serving on the Committee on recommendation of Committee or on recommendation of the Nomination and Remuneration Committee.

3. PURPOSE AND ROLE

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.

Provide support to the Board on the risk appetite and risk management of the Group and identify the risk areas of the Company’s operations to be covered in the scope of the internal and external audits;

In fulfilling its function, the Committee should specifically have oversight of financial reporting risks, internal financial controls, fraud risks and IT risks.

3.1 Risk Management

- Oversee the identification, prioritisation and management of financial reporting risk, internal financial controls, market risk, credit risk, liquidity risk, operational risk and commercial risk, fraud risk and IT related risk insofar as it relates to financial reporting;
- Directing the facilitation of risk management and measurement to determine the material risks to which the Group may be exposed and to evaluate the strategy, skills and actions required for managing those risks;
- Review the processes implemented to monitor the on-going management of risks;
- Submit an annual report to the Board on the total risk management and assessment process and outcomes for purposes of the integrated report;
- Review the adequacy of insurance coverage;
- Review the adequacy of the Disaster Recovery and Business Resumption plans.
- Monitor procedures to deal with and review disclosure of information to third parties in so far as these disclosures could pose a risk to the Group;
- Evaluating whether the roles and responsibilities of the Committee as they pertain to risk management and especially the integration of risk management into decision-making and other organisational processes, as stated in the Risk Management policy, are effectively achieved;
- Review the Company's compliance with legal and regulatory provisions, its Constitution and the rules established by the Board, if any, and any significant breaches thereof;
- Review the adequacy of the sustainability model
- Ensure that the information technology risks insofar as they relate to financial reporting and the going concern status of the Company are adequately managed.
- Oversee integrated reporting, having regard to all risks that may impact on the integrity of the integrated report, and recommending the integrated report to the Board for approval;

3.2 Role

The Committee will have an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The Committee will not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management. The role of the Committee is to assist the board to ensure that:

- the Company has implemented an effective policy and plan for risk management that will enhance the Company's ability to achieve its strategic objectives; and
- the disclosure regarding risk is comprehensive, timely, relevant.

3.3 Responsibilities

The Committee will perform all the functions as is necessary to fulfil its role as stated afore and including the following:

- i. Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the board.
- ii. Monitor implementation of the policy and plan for risk management taking place by means of risk management systems and processes.
- iii. Make recommendations to the board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the board.
- iv. Oversee that the risk management plan is widely disseminated throughout the company and integrated in the day-to-day activities of the Company.
- v. Ensure that risk management assessments are performed on a continuous basis
- vi. Ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks.
- vii. Ensure that management considers and implements appropriate risk responses
- viii. Ensure that continuous risk monitoring by management takes place
- ix. Liaise closely with the Audit Committee to exchange information relevant to risk.
- x. Express the Committee's formal opinion to the board on the effectiveness of the system and process of risk management.
- xi. Review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

3.4 Authority

The Committee will act in terms of the delegated authority of the board as recorded in these terms of reference. It has the power to investigate any activity within the scope of its terms of reference.

The Committee, in the fulfilment of its duties, may call upon the chairmen of the other board committees, any of the executive directors, officers or company secretary to provide it with information, subject to following a board approved process.

The Committee will have reasonable access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

The Committee may form, and delegate authority to, subcommittees and may delegate authority to one or more designated members of the Committee.

The Committee has the right to obtain independent outside professional to assist with the execution of its duties, at company's cost, subject to following a board approved process.

The Committee shall make the recommendations to the board that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

4. MEETINGS

4.1 *Frequency*

The Committee should hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference but subject to a minimum of two meetings per year.

Meetings in addition to those scheduled may, with approval of the chairman, be held at the request of the chief executive officer, chief risk officer or other members of senior management or at the instance of the board.

The Chairman of the Committee may meet with the chief executive officer, chief risk officer and/or the company secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

4.2 *Attendance*

- A Senior representative of the Company's external auditor, the CEO, the CFO and any other senior management member may be invited to attend Committee meetings.
- The members may, if they deem fit, confer by telephone, closed circuit television or video conferencing ("Conference").
- The provisions of the Charter relating to the proceedings of members apply so far as they are capable of application of mutatis mutandis to such conference;
- The Committee may invite any other relevant person to attend the Committee meetings, but by invitation only. Such persons may not vote on any matters.
- Committee members will 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 with the chairman or company secretary.
- The company secretary will be the secretary to this Committee.
- If the nominated chairman of the Committee is absent from a meeting, the members present shall elect one of the members present to act as chairman.

4.3 *Agenda and minutes*

- The Company Secretary in consultation and agreement with the Chairman of the Committee shall draft the agenda, which shall be circulated with supporting documentation, preferably 5 business days prior to each meeting to the members of the Committee, and where applicable to the external auditors the Chief Executive Officer and Financial Director.
- The Committee must establish an annual work plan for each year to ensure that all relevant matter 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 this Charter.
- Committee members must be fully prepared for Committee meetings, to provide appropriate and constructive input on matters discussed.
- The minutes shall be completed as soon as possible after the meeting and circulated to the chairman for review thereof. The minutes will be formally approved by the Committee at its next scheduled meeting.
- The Company Secretary shall attend and minute all meetings.

- The Minutes of the Committee meetings shall be completed within fourteen days of such meeting and shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee.
- The minutes must be formally approved by the Committee at its next scheduled meeting.
- The secretary shall incorporate the approved minutes of the meeting of the Committee in the meeting files prepared for meetings of the Board for noting purposes.
- In addition to the above, the Chairman of the Committee will provide verbal feedback at the meetings of the Board of directors on the Committee's recent activities.

4.4 *Quorum*

A representative quorum for meetings is a majority of members present. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

5. **REMUNERATION**

Having regard for the functions performed by the members of the Committee in addition to their functions as directors and in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Shareholders and the Memorandum of Incorporation of the Company, the Chairman and members of the Committee shall be paid in accordance with the remuneration levels approved by the shareholders at an annual general meeting of the Company.

6. **EVALUATION**

The board will perform an evaluation of the effectiveness of the Committee every year.

6.1 *Self-Assessment*

The Committee shall annually conduct self-assessment or self-evaluation. The Committee chairman shall assess the performance of individual Committee members, and the Board shall evaluate the Committee's Chairman, based on several factors. These include:

- a. Expertise.
- b. Inquiring attitude, objectivity, and independence.
- c. Judgement.
- d. Understanding of the Group's business.
- e. Understanding of and commitment to the Committee's duties and responsibilities.
- f. Willingness to devote the time needed to prepare for and participate in Committee deliberations.
- g. Timely responses.
- h. Attendance at meetings.

After completing its evaluation, the Committee should review the results with the Board of directors, so that where necessary, appropriate action can be taken on any recommendations resulting from the review.

7. GENERAL

The Committee in carrying out its tasks under these terms of reference, may obtain outside or other independent professional advice as it considers necessary, to carry out its duties.

The Committee members are obliged to disclose in writing any interests they have within or outside the Company and the Group that may interfere or conflict with the performance of their duties.

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

This charter may from time to time be amended by the Board, as and when required.

This charter is approved by the board of directors on 9th May 2017 and signed on their behalf by:

Chairman of the Board

Chairman – Risk Committee