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	<b>AUDIT COMMITTEE TERMS OF REFERENCE</b>	

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

<b>Created / Revised By:</b> (Company Secretary)	<b>Reviewed By:</b> Audit Committee	<b>Approved By:</b> Board	<b>Effective Date:</b>
<b>Signature:</b>	XX	<b>Signature – Board Chairman:</b>	

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## 1. CONSTITUTION

- 1.1 In line with the requirements of section 94 of the Company Act of 2008 (“the Act”) and the King Report on Governance (“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 Audit Committee (“the Committee”). The Committee’s composition is voted on annually at the Annual General Meeting of the Company.
- 1.2 The Act makes provision for a company, who is a subsidiary of a holding company, not to constitute an audit committee pursuant to section 94(2) of the Act. Therefore, a single Audit, Committee is constituted at Delta Property Fund level, which committee will also act as the statutory Audit committee of the group and its subsidiaries.
- 1.3 The Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.
- 1.4 Neither the appointment nor the duties of the Committee reduce the functions and duties of the Board or the directors of the Company, except with respect to the appointment, fees and terms of engagement of the auditors of the Company.
- 1.5 Any reference in this Committee Terms of Reference (“ToR”) 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.
- 1.6 The Terms of Reference have been approved by the Board and shall be annually reviewed. They shall be read with the Board Charter and shall be subject to the provisions of the Act, the memorandum of the Company (“Mol”), the JSE Listings Requirements and any other applicable law or regulatory provision.

## 2. PURPOSE AND ROLE

- 2.1 The Committee is established to:
  - 2.1.1 Assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, internal controls and control processes and the preparation of accurate financial reporting and statements in compliance with all applicable accounting standards, legal requirements and corporate governance.
  - 2.1.2 Oversee the management of financial and other risks in conjunction with the Social and Ethics Committee and with the assistance of the executive management.
  - 2.1.3 Oversee integrated reporting under King IV™.
  - 2.1.4 Ensure a combined assurance model is applied to provide a co-ordinated approach to all assurance activities as provided for in King IV™.

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- 2.1.5 Provide a forum for communication between the Board, management and the external and internal auditors.
- 2.1.6 Recommend such measures as in its option may serve to enhance the reliability, integrity objectivity and fair presentation of financial statements and the affairs of the Company.
- 2.1.7 Review and reassess the adequacy of these Terms of Reference at least annually and recommend any proposed changes to the Board for approval; and
- 2.1.8 Annually review its own performance and report its findings to the Board for review.

### 3. RESPONSIBILITIES AND DUTIES

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

#### 3.1 Statutory duties (Section 94 (7) of the Act):

- 3.1.1 Nominate, for appointment as auditors of the Company under Section 90 of the Act, a registered auditor, who, in the opinion of the Committee, is independent of the Company.
- 3.1.2 Determine the fees to be paid to the auditors and the auditor's terms of engagement.
- 3.1.3 Ensure that the appointment of the auditor complied with the provision of the Act and any other legislation relating to the appointment of auditors.
- 3.1.4 Determine, subject to the provision of the Act, the nature and extent of any non-audit services that the auditor may provide to the Company, or that the auditor must not provide to the Company or a related Company.
- 3.1.5 Pre-approve any proposed agreement with the auditor for the provision of non-audit services to the Company that fall outside of the pre- approval given by the Committee to management.
- 3.1.6 Prepare a report, to be included in the annual financial statements of the Company for the relevant financial year that addresses the items as listed in the Act.
- 3.1.7 Receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, in relation to the matters as set out in the Act.


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3.1.8 Make submissions to the Board on any matter concerning the Company's accounting policies, financial control, records and reporting.

## 3.2 Other Duties

### 3.2.1 *External auditors, audit process and financial reporting*


- a. Annually review the independence, objectivity and effectiveness of the external auditors.
- b. Annually evaluate the suitability of the Audit Partner in terms of the JSE Listings Requirements.
- c. Consider and set, if appropriate and subject to relevant legislative requirements, mandatory term limits on the length of time the external auditors or audit partner may serve the Company and ensure a managed rotation process in respect of the audit partner after every five (5) years.
- d. Discuss with the external auditor before the annual audit commences the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved. Review significant difficulties in the completion of the audit, including any restrictions on the scope of work or access to required information.
- e. Review and comment on all financial reporting, including the half year and annual financial statements before submission to the Board, focusing particularly on: -
  - i. Any change in accounting policies and practices.
  - ii. Major judgemental areas.
  - iii. Significant adjustments resulting from the audit.
  - iv. The going concern statement.
  - v. Compliance with accounting standards.
  - vi. Compliance with stock exchange and statutory requirements.
  - vii. Reliability and accuracy of the financial information provide to management and other users of financial information.
- f. Discuss problems and reservations arising from the interim and final results, any matters incidental thereto which the external auditors may wish to discuss (in the absence of management where necessary).
- g. Review the quality and effectiveness of the external audit process as well as any accounting or auditing concerns identified as a result of the internal or external audits.
- h. Review the external auditor's management letter and management's response, if available, and/or to consider the matters to be dealt with therein.

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- i. Review the Company's statement on internal control systems prior to endorsement by the Board.
  - i. Having satisfied itself with the correctness of the annual financial statements (or summarised financial information) and quarterly reports after having consulted management and, where necessary, sought audit advice or other assistance, recommend the annual financial statements and quarterly reports to the Board for approval.
  - ii. Consider whether the external auditor should perform assurance procedures on interim results and make a recommendation to the Board in this respect.
  - iii. Ensure that the information technology risks insofar as they relate to financial reporting and the going concern status of the Company are adequately managed,
- j. In-Committee assessment of the external auditors following the completion of the year-end audit.
- k. Assess the auditing firm and the individual designated auditor's qualifications, expertise and resources, and effectiveness.
- l. Review and approve the external audit plan for the financial year.

### 3.2.2 Internal Audit

- a. Approve the structure of the internal audit function as proposed by management.
- b. Approve the appointment of an internal auditor either as an outside service provider as or a Head of Internal Audit (internal appointment).
- c. Approve the dismissal of the internal auditor.
- d. Annually review the performance and objectivity of the internal auditor and subject the internal audit function to an independent quality review as and when deemed necessary by the Committee.
- e. Approve the internal audit charter, the internal audit plan and fees as well as the resources required and ensure that it has appropriate standing for the Company.
- f. Review the functioning of the internal audit and its programme and ensure co-ordination between the internal and external auditors.
- g. Receive and review the internal audit report at each meeting of the Committee as well as the annual assessment of the internal financial controls.
- h. Consider the major findings of internal investigations and management's response.


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### 3.2.3 *Integrated reporting and assurance model*

- a. As required by the Act, the Committee shall include a report in the annual financial statements describing how the Committee carried out its functions, stating whether it is satisfied that the external auditors are independent of the Company and presenting the Committee’s views on the financial statements, the accounting practices and the internal financial controls.
- b. Oversee integrated reporting, having regard to all factors and risks that may impact on the integrity of the integrated report, and recommending the integrated report to the Board for approval.
- c. Review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information.
- d. Review the Company’s internal and external assurance model and recommend to the Board the engagement of an external assurance provider on material sustainability issues where deemed necessary;
- e. Monitor the relationship between the Company and the external assurance providers.
- f. Annually review the expertise, resources and experience of the Company’s financial director and finance function and disclose the results of the review in the integrated report.
- g. The chair of the Committee shall be required to attend the Company’s annual general meeting to answer relevant questions posed by shareholders; and
- h. Consider whether the external auditor should perform assurance procedures on the interim results.

### 3.2.4 *General*

- a. Review the Group’s strategic plan and strategic management process.
- b. Meet at least annually with the external auditor and full Board without the executives being present.
- c. Periodically review and update the ToR, preferably annually, or as conditions dictate.
- d. Give due consideration to the relevant provisions of the Act, the Listing Requirements of the JSE and the code of governance principles as contained in King IV™.


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- e. Retain a copy of this ToR of the Committee at the registered office of the Company and provide shareowners with a copy of same if requested.
- f. Include a report in the annual financial statements describing how the Committee carried out its functions, stating whether it is satisfied that the external auditors are independent of the Company, presenting the committee's views on the financial statements and the accounting practices and stating whether the internal financial controls are effective.
- g. In addition to the above report, include a report in the integrated report summarising its role and providing details of its composition, number of meetings and activities.
- h. Receive and deal with any internal or external complaint relating to either accounting practices and internal audit of the Company or to the content or auditing of the financial statements or to any related matter.
- i. Fulfil all of the abovementioned functions in respect of the Company and all of its subsidiaries and related entities, where appropriate.
- j. Presentation of Quarterly Financial Report (Management Accounts, Debtors, Comparative Financial Performance, Performance against Budget).
- k. Monitor Solvency and Liquidity.
- l. Section 45 – Recommend to the Board approval of Financial Assistance as and when required.
- m. Make disclosure in the integrated report in relation to Information and Technology.
- n. Make disclosure in the integrated report in relation to compliance.
- o. Note the quarterly legal compliance reports from management and review the findings of any exemptions by regulatory agencies;
- p. Recommend the declaration of payment of dividends to Board for approval; and
- q. Consider such other topics and fulfil such other duties as defined by the Board.

#### 4. AUTHORITY

- 4.1 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 this ToR.




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- 4.2 In respect of the statutory duties of the Committee as set out in section 94 of the Act, the Committee shall be accountable and report to shareholders as provided for in the Act. In respect of all other duties as contained in these terms of reference, the Committee shall be accountable and report to the Board.
- 4.3 The Board has an oversight responsibility and the Committee assist the Board in fulfilling this responsibility.
- 4.4 In order to enable it to fulfil its functions the Committee has unrestricted access to internal and external auditors as well as access to all information, including records, property and employees of the Group, and must be provided with adequate resources in order to fulfil its responsibilities.
- 4.5 The Committee is authorised by the Board to:
- 4.5.1 Investigate any activities within its Terms of Reference.
  - 4.5.2 Seek outside legal or other independent professional advice.
  - 4.5.3 Secure the attendance of outsiders with the relevant experience and expertise where necessary at the Company's expense.
  - 4.5.4 Seek any information it requires from any employee, the chairman of other Board Committees, any of the executive directors, Company Officers, Company Secretary or assurance providers, and all these parties are required to co-operate with any requests made by the Committee.
  - 4.5.5 The Committee may form, and delegate authority to, other committees and may delegate authority to one or more designated members of the Committee, if and when necessary; and
  - 4.5.6 In respect of the statutory duties of the Committee as set out in Section 94 of the Act, the Committee will be accountable to shareholders and report to shareholders as provided for in the Act. In respect of all other duties as contained in this ToR, the Committee will be accountable and report to the Board.

## 5. MEMBERSHIP

### 5.1 Composition

- 5.1.1 At each annual general meeting of the Company, the shareholders of the Company must appoint at least three (3) members of the Committee from a list of suitable candidates provided by the Nomination Committee, all of whom must be independent non-executive directors.
- 5.1.2 During the time period between annual general meetings of the Company, the Board has the authority to appoint a member of the Committee to fill a casual vacancy.

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5.1.3 The Chairman of the Committee shall be appointed by the Board and shall be one of the members of the Committee as appointed by the shareholders of the Company at the annual general meeting.

5.1.4 The Chairman of the Board shall not be a member of the committee.

5.1.5 All Committee members will be required to keep up to date with developments affecting the areas of responsibility of the committee.

## 5.2 Duration of membership

Members of the Committee shall be appointed until the next annual general meeting following their appointment.

## 5.3 Termination

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

## 6. **MEETINGS**

### 6.1 Frequency of Meetings

6.1.1 The Committee will meet at least four (4) 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, with approval of the Chairman of the Committee, be held at the request of the external auditors or the Chief Executive Officer or Chief Financial Officer or a director at the instance of the Board.

6.1.4 As part of its responsibilities to foster open communication, the Committee will meet at least annually with the Chief Executive Officer, the Head of the outsourced internal audit function and the external auditors in separate meetings to discuss matters that the Committee or any of these groups believe should be discussed privately.

### 6.2 Quorum

6.2.1 A quorum for meeting of the Committee shall be a majority of members present in person or via telecommunication facilities.

6.2.2 If the Chairman of the Committee is not present within fifteen (15) minutes of the stipulated time for such meetings, then the members of the Committee

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present shall elect a chairman from among them to act as Chairman of the meeting.


### 6.3 Agenda

- 6.3.1 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 five (5) business days prior to each meeting to the members of the Committee, and where applicable to the external auditors, or the outsourced audit function, the Chief Executive Officer and Financial Director.
- 6.3.2 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 this ToR.
- 6.3.3 Committee members must be fully prepared for the meetings, to provide appropriate and constructive input on matters to be discussed.

### 6.4 Minutes and reporting procedure

- 6.4.1 The Company Secretary shall attend and minute all meetings.
- 6.4.2 The minutes of the Committee meetings shall be completed within fourteen (14) business days of such meeting and shall be circulated to all members of the Committee and other relevant personnel as directed by the Committee.
- 6.4.3 The minutes must be formally confirmed by the Committee at its next scheduled meeting.
- 6.4.4 The secretary shall incorporate the confirmed minutes of the meeting of the Committee in the meeting packs prepared for meetings of the Board for noting purposes.
- 6.4.5 In addition to the above, the Chairman of the Committee will provide a report back at the meetings of the Board of directors on the Committee’s recent activities.
- 6.4.6 A written resolution (“round robin resolution”) signed by a majority of the members of the Committee at the time when such resolution is released for signature, 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 been afforded a reasonable opportunity to express an opinion on the matter to which such resolution pertains.


### 6.5 Attendance

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- 6.5.1 A Senior representative of the Company’s external auditor, the representative of the outsourced internal audit function, the Chief Executive Officer, Chief Financial Officer or other members of senior management as may be required, assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote nor shall they receive fees for their attendance/participation at the Committee meetings..
- 6.5.2 The members may, if they deem fit, confer by telephone, closed circuit television or video conferencing (“Conference”). Notwithstanding that the members 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 and confirmed at the next meeting of the Audit and Risk Committee.
- 6.5.3 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.
- 6.5.4 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 or Company Secretary.

## **7. MEMBER SKILLS AND TRAINING**

- 7.1 The Committee’s effectiveness in performing its duties depends on its members’ knowledge and competence in business matters, financial reporting, internal controls and auditing.
- 7.2 In terms of Section 94(5) of the Act, at least one-third of the committee members must have some academic qualifications or experience in economics, law, corporate governance, finance, accounting, commerce, industry and human resource management. In addition to this, the members of the Committee must have sufficient experience and expertise required to perform their functions as set out in this ToR.
- 7.3 New members should receive an orientation that allows them to function effectively from their date of commencement.
- 7.4 In exercising its duties, the Committee will be permitted to consult with specialists or consultants subject to prior Board approval.
- 7.5 Opportunities for continuous education and training on technical issues should be actively pursued by each member.
- 7.6 All Committee members will be required to keep up to date on developments affecting the areas of responsibility of the Committee.

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## 8. 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 Mol, 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.

## 9. SELF-ASSESSMENT

- 9.1 The performance of the Committee shall be evaluated in accordance with the methodology approved by the Board from time to time.
- 9.2 Input from management and internal and external auditors should form part of the Committee evaluation. 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.

## 10. APPROVAL OF THESE TERMS OF REFERENCE

These reviewed terms of reference were approved by the Board of Directors on 16 February 2024.

## 11. GENERAL

- 11.1 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.
- 11.2 All Company related information that becomes known to directors in their performance of their duties must at all times be kept confidential.