



# AUDIT COMMITTEE TERMS OF REFERENCE

GOV-CH-03

## Revision History

Rev	Date	Details	By	Approved
2	15 October 2018	Revision	M Nana	Chair
3	26 May 2020	Revision	M Nana	Chair
4	11 June 2021	Revision	M Nana	Chair



## AUDIT COMMITTEE TERMS OF REFERENCE

### 1. INTRODUCTION

- 1.1 The audit committee (the committee) has been established by the Board of directors (the Board) of Omnia Holdings Limited to assist it in discharging its responsibilities to the relevant entities within Omnia
- 1.2 The audit committee is a statutory committee of Omnia Holdings Limited (the company) constituted in terms of section 94 of the Companies Act, 71 of 2008 (the Act)
- 1.3 The purpose and scope of the committee in terms of the Omnia Group is to fulfill:
  - 1.3.1 the statutory functions as set out in section 94 of the Act
  - 1.3.2 the duties required by the JSE Listings Requirements
  - 1.3.3 the duties assigned to it by the Board

### 2. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

#### 2.1 Statutory Duties in terms of s94(7) of the Act

- 2.1.1 Nominate, for appointment as external auditor of the company under s90 of the Act, a registered auditor who, in the opinion of the committee, is independent of the company
- 2.1.2 Determine and approve the external auditor's fees and terms of engagement
- 2.1.3 Ensure that the appointment of the external auditor complies with the provisions of the Act and any other legislation relating to the appointment of external auditors
- 2.1.4 Determine, subject to the provisions of the Act, the nature and extent of any non-audit services that the external auditor may provide to the company, or that the external auditor must not provide to the company or a related entity
- 2.1.5 Pre-approve any proposed agreement with the external auditor for the provision of non-audit services to the company and/or the Group in terms of the non-audit services policy
- 2.1.6 Prepare a report, to be included in the annual financial statements of the company and each subsidiary which is required by law to have an audit committee, for the relevant financial year that addresses the items as listed in the Act
- 2.1.7 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
- 2.1.8 Make submissions to the Board on any matter concerning the Group's accounting policies, financial control, records and reporting

#### 2.2 JSE Listings Requirements

- 2.2.1 Consider on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the Group Finance Director
- 2.2.2 Ensure that the Group has established appropriate financial reporting procedures and that those procedures are operating
- 2.2.3 Confirm with the audit firm and the designated individual partner their assessment of the suitability of their appointment in terms of JSE Listings Requirements 22.15 (Roles and Responsibilities) both when they are appointed for the first time and thereafter annually for every re-appointment



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- 2.2.4 Perform due and careful enquiry on the working capital requirements of the Group for the next twelve months and recommend to the Board for approval
- 2.2.5 Where necessary, review and recommend to the Board any financial restatements that may be required in cases which may include a new accounting standard, a voluntary change of accounting policy, a reclassification of amounts disclosed in prior period financials, or correction of a material prior period error
- 2.2.6 Confirm that pursuant to paragraphs 3.84(c) and (g) of the JSE Listings Requirements, the committee has fulfilled its responsibilities and disclosed in the integrated annual report a brief description of its mandate, the number of meetings held and other relevant information

### 2.3 Duties assigned by the Board

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

- 2.3.1 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
- 2.3.2 Review and comment on all financial reporting, including the half year and annual financial statements, before submission to the Board
- 2.3.3 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
- 2.3.4 Review the company's statement on internal control systems prior to endorsement by the Board
- 2.3.5 Having satisfied itself with the correctness of the annual financial statements (or summarised financial information) and interim report after having consulted with management and, where necessary, sought audit advice or other assistance, recommend the annual financial statements and interim report to the Board for approval
- 2.3.6 Consider whether the external auditor should perform assurance procedures on interim results and make a recommendation to the Board in this respect

#### Internal Audit

- 2.3.7 Appoint (or remove) internal audit and Chief Audit Executive (CAE), and annually review the performance and objectivity of such, subject to an independent quality review at least once every 5 (five) years
- 2.3.8 Oversee the work of internal audit by means of an internal audit charter, annual work plan, reviewing internal audit reports at each meeting, and ensuring that matters raised are adequately addressed
- 2.3.9 Annually consider sign-off on the Group's control processes, risk management and compliance requirements

#### External Reporting and Assurance Model

- 2.3.10 Review the content of any summarised financial information prepared for external stakeholders and satisfy itself that it provides a balanced view of the Group's financial position; the committee shall also engage the external auditors appropriately on any summarised financial information disclosed



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- 2.3.11 Provide independent oversight over the integrity of the annual financial statements and oversight of the effectiveness of assurance functions and services, with particular focus on combined assurance model including external assurance service providers, internal audit, and the finance function. Whether or not the governance of risk is delegated to the audit committee, the audit committee should oversee the management of a combined assurance process to address significant company risks that affect the integrity of external reports issued by the organisation
- 2.3.12 Oversee the annual preparation and publication of an integrated annual report, having regard to all factors and risks that may impact on the integrity of the report, and recommend the integrated annual report to the Board for approval based on a balanced and consistent representation. This shall include the review of the disclosure of sustainability issues in the integrated and external reports to ensure that it is reliable and does not conflict with the financial information
- 2.3.13 Annually review the expertise, resources and experience of the company's finance function, including the appropriateness of the experience and expertise of the Group Finance Director, and disclose the results of the review in the integrated report

### Information and Technology Governance

- 2.3.14 Annually review the policy on the employment of technology and information based on the approved Board strategy and recommend to the Board
- 2.3.15 Ensure that information and technology risks insofar as they relate to financial reporting and the going concern status of the company are adequately managed; the mandate for information and technology related risks lies with the Audit Committee.
- 2.3.16 Exercise ongoing oversight of technology and information management to ensure the integration of people, technologies, information, processes and risk management across the Group
- 2.3.17 Ensure adequate arrangements exist to provide for business resilience, including proactive monitoring of intelligence to identify and respond to incidents, including cyber-attacks and adverse social media events
- 2.3.18 Ensure ongoing oversight of the management of information, in particular, that results in the following: 1) leveraging of information to sustain and enhance the Group's intellectual capital, 2) information architecture that supports confidentiality, integrity and availability of information, 3) the privacy and protection of personal information, 4) the monitoring of security information and the security culture within the organisation
- 2.3.19 Consider the need to receive periodic independent assurance on the effectiveness of the Group's technology and information arrangements, including outsourced services

### Taxation and Treasury

- 2.3.20 The committee shall exercise ongoing oversight of the management of taxation risk.
- 2.3.21 The committee shall exercise ongoing oversight of the management of treasury and payment risk.



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### 3. AUTHORITY

- 3.1 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. In respect of all other duties the committee shall be accountable and report to the Board.
- 3.2 The committee shall have decision-making power in respect of its statutory duties and duties specifically delegated by the Board. In respect of all other duties, the committee shall only have the power to make recommendations to the Board.
- 3.3 The committee shall be empowered to investigate any matter brought to its attention with full access to all company books, records and personnel, using special counsel or outside experts when necessary or appropriate.
- 3.4 The committee is authorised by the Board, subject to the approved process or policy, to obtain outside legal or other independent professional advice.

### 4. MEMBERSHIP

- 4.1 At each annual general meeting, the names of at least 3 (three) directors, all of whom must be independent non-executive directors, shall be tabled for consideration and, if supported, elected by shareholders of the company as members of the committee.
- 4.2 The chair of the committee shall be appointed by the Board and shall be one of the members of the committee as elected by shareholders at the annual general meeting.
- 4.3 The chair of the Board shall not be a member of the committee.

### 5. MEETINGS

#### 5.1 Frequency

- 5.1.1 The committee should meet at least five times a year but may at its discretion meet more often, depending on the circumstances. Meetings shall be scheduled in advance and no formal notice of the meeting shall be given, excluding the agenda and supporting meeting papers.
- 5.1.2 A member of the committee may request a meeting if deemed necessary and a meeting shall then be arranged in consultation with the chair of the committee. Formal notice of such special meeting shall be given as and when required.
- 5.1.3 The committee must undertake such work as is necessary in preparation for relevant Board meetings and to properly report to the Board on its activities and recommendations.
- 5.1.4 An annual work plan, based on the duties of the committee, shall be implemented and approved by the committee and shall be annually reviewed together with this Charter.

#### 5.2 Attendance

- 5.2.1 The chair of the committee shall be required to attend the annual general meeting of the company and answer questions relevant to the duties of the committee
- 5.2.2 Committee members are expected to attend all meetings of the committee, unless an apology with reasons has been submitted to the chair or the company secretary. The following other persons may attend meetings of the committee:
  - i) The Chief Executive Officers shall have a standing invitation



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- ii) The Group Finance Director and a representative of the external auditors shall be required to attend, unless otherwise indicated
- iii) To the extent possible, the chair of the social, ethics and risk committee (SERC) shall attend by invitation to ensure effective collaboration between the audit committee and SERC
- iv) Members of the Board who are not members of the committee, but do not have a vote and are not entitled to fees for attendance unless approved by the Board
- v) Members of management identified by the committee may have a standing invitation as and when deemed necessary
- vi) Other members of management, external consultants or service providers, may be invited to attend from time to time in consultation with the chair
- vii) The company secretary (or duly authorised representative) shall be in attendance at each meeting of the committee to act as secretary of the committee

5.2.3 If the chair of the committee is absent from the meeting, any other member of the committee may act as chair for that meeting as agreed by those present or as nominated by the chair of the committee

### **5.3 Agenda**

5.3.1 The company secretary shall be required to facilitate the process of setting the agenda for each meeting as agreed with the chair and the Group Finance Director. Every member shall be entitled, in consultation with the chair, to add any item to the agenda for a particular committee meeting. The agenda, approved by the chair, together with supporting documentation shall be circulated to the committee no later than 7 (seven) days prior to the meeting of the committee

5.3.2 The content of the agenda must ensure proper coverage of matters set out in this Charter and the annual work plan as established and approved.

### **5.4 Minutes**

5.4.1 The company secretary shall minute all meetings of the committee. The minutes of a meeting must be completed as soon as reasonably possible after the meeting and circulated to the chair and members for comment, after having been reviewed by the relevant members of management. The minutes shall be confirmed as a true record by the committee at its next scheduled meeting or via electronic communication, if necessary, where after it shall be signed by the chair or acting chair of the meeting.

5.4.3 The minutes shall be presented to the Board for noting at its next meeting after a committee meeting

### **5.5 Quorum**

The quorum for a meeting of the committee shall be a majority of members being present in person or via electronic communication. In the absence of a quorum and subject to the discretion of the chair, the meeting can either be postponed to a later date or can proceed as an informal meeting with all resolutions required to be taken at the meeting being formally approved by way of a written resolution.



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**5.6 Reporting procedure**

- 5.6.1 The chair of the committee shall provide a verbal report on the committee’s most recent activities, approvals and recommendations at every subsequent Board meeting. The minutes of preceding meetings of the committee shall be presented to the Board for noting.
- 5.6.2 The committee shall include a report in the Integrated Annual Report that provides shareholders with an overview of the matters within the mandate of the committee and that addresses the matters as listed in King IV™ for disclosure by a committee of the Board. The report will confirm that the committee is acting within its mandate approved by the Board.

**5.7 Written resolutions**

A resolution consented to in writing by a majority of the members of the committee shall be as valid and effectual as if it has been passed at a duly constituted meeting of the committee, provided that each member of the committee shall have been afforded a reasonable opportunity to express an opinion on the matter to which such resolution relates.

**5.8 In-Committee meetings**

- 5.8.1 In-committee meetings of the committee, where only members of the committee are present, may be held as and when deemed appropriate by the chair of the committee.
- 5.8.2 The company secretary shall be in attendance at in-committee meetings for minute purposes.
- 5.8.3 Separate minutes shall be prepared for in-committee meetings and shall be circulated to members for confirmation via electronic communication.

**6. PERFORMANCE OF THE COMMITTEE**

The performance of the committee shall be evaluated in accordance with the methodology approved by the Board from time to time.

**7. REVIEW OF THE TERMS OF REFERENCE**

These terms of reference shall be reviewed on an annual basis and amended, subject to the approval of the Board.

Chair of the Committee	Signature	Date
George Cavaleros		11 June 2021

Chair of the Board	Signature	Date
Ralph Havenstein		11 June 2021