

REUNERT

REUNERT LIMITED

TERMS OF REFERENCE

RISK COMMITTEE

REVIEWED BY THE COMMITTEE ON 18 MAY 2018

APPROVED BY THE BOARD ON 25 MAY 2018

Table of content

1.	Introduction	3
2.	Purpose.....	3
3.	Composition	3
4.	Mandate	3
5.	Authority.....	4
6.	Administration and meetings.....	5
7.	Approval of the terms of reference.....	5

1. Introduction

The Risk Committee (“**the Committee**”) is constituted to assist the board of directors (“**the Board**”) of Reunert Limited (“**the Company**”) with the oversight of the risk management framework of the Company and its subsidiaries (“**the Reunert Group**”).

2. Purpose

The purpose of this document is to constitute the terms of reference for the Committee by setting out the role and responsibilities of the Committee and to regulate the affairs of the Committee and deal with administrative matters relating thereto.

3. Composition

The chair of the audit committee, the chief executive officer and the chief financial officer of the Company shall be *ex officio* members of the Committee. The Committee shall have a majority of non-executive members.

Members of the Committee (in addition to the *ex officio* members) will be recommended by the nomination and governance committee and appointed from time to time by the Board of the Company.

4. Mandate

4.1 Role and associated responsibilities

The role and associated responsibilities and functions of the Committee shall be to:

4.1.1 Risk governance

- Oversee the development of and annually review a policy and plan for risk management, with the aim to enhance the Reunert Group’s ability to achieve its strategic objectives, and to monitor the implementation of the plan and policies;
- Oversee the development of and annually review the Group’s risk tolerance (being the limit of potential loss that Reunert has the capacity to tolerate) and risk appetite (being the Reunert Group’s propensity to take appropriate levels of risk) frameworks;
 - To monitor that risks are managed within the levels of appetite and tolerance;
 - To ensure that risks are prioritised and addressed accordingly;
- Oversee the identification and management of risk;
- Consider and review management’s reports on:
 - the appropriateness of the Reunert Group’s risk policy and risk appetite and tolerance levels;
 - the adequacy and overall effectiveness of the Reunert Group’s enterprise risk management framework and the integration of risk management into the day-to-day activities of the Reunert Group; and
 - internal control, confirming that appropriate action has been taken as required and appropriate risk responses were considered and implemented;
- Ensure that the enterprise risk management framework and methodologies are implemented throughout the Reunert Group;
- Ensure that Reunert’s strategy and business plans take account of the risks that the Reunert Group is or may be exposed to; and

- Consider the risk environment from time to time, as deemed appropriate and based on materiality and changes in the external, transactional and internal environments.

4.1.2 Specific matters to be overseen by the Committee

- Ensure that management implements business continuity arrangements;
- Review the annual renewal process relating to insurance arrangements in the Reunert Group;
- Obtain assurance from management in respect of the adequacy and effectiveness of internal controls;
- Monitor Information Technology's ("IT") suitability to support the Reunert Group's commercial and strategic requirements and consider IT insights arising from external IT audit (non-financial reporting);
- Interact with the Company's audit committee, as appropriate, on matters that are relevant to the mandate of the audit committee; and
- Consider and advise the Board on the need to receive independent assurance on the effectiveness of risk management.

4.1.3 Reporting

- Monitor whether disclosures regarding risk are comprehensive, timely and relevant;
- Express the Committee's formal opinion to the Board on the effectiveness of the system and process of risk management; and
- Oversee reporting to stakeholders on organisational risks and opportunities (but without compromising sensitive information), including:
 - the nature and extent of the risks and opportunities that Reunert is willing to take;
 - the arrangements for governing and managing risk;
 - key areas of focus during the reporting period, including objectives, key risks that the organisation faces, as well as undue, unexpected or unusual risks and risks taken outside of risk tolerance levels;
 - actions taken to monitor the effectiveness of risk management and how the outcomes were addressed; and
 - planned areas of future focus.

4.2 Other delegated duties

The Board of the Company may, by way of its formal "Delegation of Authority" document, or on an ad hoc basis, mandate the Committee to fulfil any additional functions that the Board may deem appropriate.

5. Authority

The Committee has the authority to:

- Take and implement decisions on any matter delegated to it by the Board in terms of the formal "Delegation of Authority" document or on an ad hoc basis;
- Investigate, monitor and report to the Board on any activity within the scope of its mandate as contemplated in these terms of reference, or granted on an ad hoc basis, and to take and implement decisions on such matters to the extent that the authority to do so is expressly or impliedly bestowed in terms of its mandate;
- Sub-delegate any of the authority delegated to it;
- In the fulfilment of its roles and associated responsibilities, call on the chairs of other Board committees, any of the executive directors or officers, or the company secretary of the Company to provide it with information, subject to following a Board-approved process, if any;
- Access the records of the Company and its subsidiaries, facilities and any other resources necessary to discharge its role and associated responsibilities, subject to following a Board-approved process, if any; and

- Obtain independent outside professional advice to assist with the execution of its role and associated responsibilities, at the cost of the Company, subject to following a Board-approved process, if any.

6. Administration and meetings

6.1 Frequency

The Committee must hold a minimum of two meetings per annum.

Meetings in addition to those scheduled may be scheduled by the chair of the Committee, in consultation with the company secretary, or at the instance of the Board.

6.2 Attendance

Committee members are expected to make every effort to attend all meetings of the Committee, including meetings called on an ad hoc-basis for special matters.

If it is not possible for a member of the Committee to attend any meeting of the Committee, prior apology, with reasons, shall be submitted to the chair of the Committee or to the company secretary.

6.3 Chair

The nomination and governance committee shall recommend, for approval by the Board, a member of the Committee to be its chair. The chair must be an independent non-executive director of the Company.

If the appointed chair of the Committee is absent from a meeting, the members present shall elect one of them to act as chair of that meeting.

6.4 Quorum

The Committee shall not have a quorum to proceed with a meeting if more than one of its members is not present.

Invitees and a representative of the company secretary shall not be taken into account when determining a quorum.

7. Approval of the terms of reference

These terms of reference were recommended to the Board by the Committee following review by its members on **18 May 2018** and approved by the Board on **25 May 2018**, represented by its chair.