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TERMS OF REFERENCE

RISK COMMITTEE

Reviewed by the committee on 25 February 2025

Approved by the board on 13 March 2025

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1 Introduction

The risk committee ("**the Committee**") is constituted as a standing committee of the board of directors ("**the Board**") of Reunert Limited ("**the Company**") and its subsidiaries, and associates and joint ventures to the extent relevant or applicable ("**the Reunert Group**"), to assist the Board to perform its oversight role in respect of risk management, and matters related thereto, as set out in these terms of reference.

2 Purpose of the terms of reference

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, to regulate the affairs of the Committee and deal with administrative matters relating thereto.

3 Composition

3.1 Appointment of and requirements relating to members

The chair of the audit committee, the chief executive officer and the chief financial officer of the Company will be members of the Committee, *ex officio*.

The Committee must have at least five members. Three of its members must be independent non-executive directors. The collective skills and experience of the members must be appropriate to carrying out the role and associated responsibilities of the Committee.

Members of the Committee are recommended by the nomination and governance committee and appointed from time to time by the Board.

3.2 Filling of casual vacancies

The Board must appoint an individual to fill a vacancy (that is, when the number of members on the Committee falls below five), as soon as possible, but no later than six calendar months after the vacancy arose.

The Committee may continue to execute its mandate and will be able to take binding decisions on matters that fall within its mandate (including in circumstances where the Board fails to fill a vacancy as envisaged above), if it has less than five, but not less than three, members.

3.3 Required attendance

The Committee may require any employee of the Reunert Group, external consultant, or subject matter expert, to attend some or all of the meetings of the Committee, but (unless appointed to the Committee in accordance with the process in paragraphs 3.1 and 3.2) these individuals may not be members of the Committee and, as such, may not vote on any matters before the Committee.

Generally, unless the Committee decides otherwise, a representative of the risk management function of the Reunert Group is required to attend the meetings of the Committee.

3.4 Chair of the Committee

The nomination and governance committee recommends, 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.

4 Mandate

The role and associated responsibilities and functions of the Committee are to:

4.1 Risk governance

- oversee the development of and annually review a framework for risk management in accordance with the principles of the King IV Code on Corporate Governance, with the aim to enhance the Reunert Group's ability to achieve its strategic objectives;
- monitor that the enterprise risk management framework and methodologies are implemented throughout the Reunert Group;
- oversee the process whereby risks are identified and managed;
- oversee the development of and annually review the Reunert 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) framework. In this regard:
    - to monitor that risks are managed within the levels of appetite and tolerance;
    - to monitor that risks are prioritised and addressed accordingly;
- oversee that the potential negative impact of risk is appropriately mitigated;
- consider and review management's and internal audit's reports on:
    - the appropriateness of the Reunert Group's risk framework 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 (excluding internal financial reporting controls, which fall within the mandate of the audit committee), confirming that appropriate action has been taken as required and appropriate risk responses were considered and implemented;
- ensure that Reunert's strategy and business plans take account of the material 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.

4.2 Specific matters overseen by the Committee

- ensure that management implements appropriate 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 (excluding internal financial reporting controls, which fall within the mandate of the audit committee);
- support the appropriate interaction between the Reunert Group's risk management processes and its assurance processes and interact with the Company's audit committee, as appropriate, on matters that are relevant to the mandate of the audit committee;
- consider and advise the Board on the need to receive independent assurance on the design and operational effectiveness of risk management;
- receive and consider reports in respect of the governance of the Reunert Group's Information Technology;
- oversee Reunert Group's information management;
- oversee Reunert Group's information technology management; and
- consider IT insights arising from external IT audits that are not related to financial reporting.

4.3 Disclosures and risk-specific reporting

- monitor that disclosures regarding risk are comprehensive, timely and relevant;
- express the Committee's formal opinion to the Board on the effectiveness of risk management; and
- oversee reporting to stakeholders on organisational risks and opportunities (but without compromising sensitive information), in accordance with paragraphs 8.63 and 7.F.7 of the JSE Listings Requirements[1], as well as:
  - the nature and extent of the risks and opportunities that Reunert is willing to take;
  - the arrangements for governing and managing risk; and
  - actions taken to monitor the effectiveness of risk management and how the outcomes were addressed.

4.4 Combined assurance

- oversee that the Reunert Group's combined assurance framework is designed and implemented in a manner that is appropriate to address the significant risks and material matters, and incorporates and continues to provide appropriate levels of assurance and lines of defence (other than those associated with financial reporting risks and assurance

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[1] Paragraph 7.F.7 provides as follows:
"*A description of all material risks which are specific to the issuer, its industry and/or its securities. Proper consideration must be given to the material risks that face the applicant issuer and generic disclosures must be avoided. Material risks should be grouped together in a coherent manner and material risks considered to be of the most immediate significance should be prominent at the beginning within the material risks disclosure.*"

services which are monitored by the audit committee), so as to enable an effective internal control environment.

4.5 Other delegated responsibilities

The Board 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 Reporting

With respect to its activities during each financial year the Committee discloses by way of the integrated report or another publicly available platform (as the Committee in its discretion decides), on matters which fall within its mandate and as recommended by the King IV Code:

- its overall role and associated responsibilities and functions;
- its composition, including each members' qualifications and experience;
- any external advisors or invitees who regularly attend meetings;
- key areas of focus during the reporting period and key areas of future focus;
- the number of meetings held during the reporting period and attendance at those meetings; and
- whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with these terms of reference, for the reporting period.

6 Authority

The Committee has the authority to:

- investigate, monitor and report to the Board on any activity within the scope of its mandate as contemplated in these terms of reference, the formal "Delegation of Authority Document", 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;
- 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; 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.

7 Administration and meetings

7.1 Frequency

The Committee must hold a minimum of two meetings in any financial year.

Meetings in addition to those scheduled before the commencement of each calendar year, may be scheduled by the chair of the Committee, in consultation with the secretary, or at the instance of the Board.

7.2 Attendance

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

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 its secretary.

7.3 Quorum

A majority of members of the Committee shall constitute a quorum.

Non-members (including required attendees) and the secretary are not taken into account when determining a quorum.

7.4 Written resolutions

In the event that the members of the Committee decide a matter by way of a written process (including any form of electronic communication, such as e-mail), support for the decision by a majority of the members (which may be electronically communicated) shall constitute a valid decision by the Committee, provided that all members of the committee received notice of such process.

8 Approval of the terms of reference

These terms of reference were recommended to the Board by the Committee following review by its members on **25 February 2025** and approved by the Board on **13 March 2025**.