

CHARTER OF THE
GROUP MANAGEMENT RISK AND INFORMATION
TECHNOLOGY COMMITTEE



PEERMONT

HOTELS CASINOS RESORTS

1. Definitions

1.1 In this charter the following terms have the following meanings:

1.1.1 “Act” means the Companies Act 2008, as amended from time to time;

1.1.2 “Board” means the boards of directors of the Company;

1.1.3 “Charter” means the charter of the Committee as encapsulated in this document and shall include any future amendments to this document;

1.1.5 “Company” means Peermont Global Holdings I (Pty) Limited;

1.1.6 “Group” means the Company and its Subsidiary Companies;

1.1.7 “Group Audit and Risk Committee” means the Audit and Risk Committee of the Peermont Group of Companies;

1.1.8 “IT” means Information Technology;

1.1.9 “King III” means the King Code of Governance Principles;

1.1.10 “Prescribed Officer” pursuant to regulation 38 to the Act, means any person who:

1.1.10.1 exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the Company; or

1.1.10.2 regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the Company.

1.1.11 “Report” means the Integrated Report published by the Company pursuant to the recommendations of King III;

1.1.12 “Risk” means those instances identified by the Risk Committee in which the Group is exposed or vulnerable to an adverse circumstance or loss;

1.1.13 “Risk Committee” means the Group Management Risk and Information Technology Committee by the Group Audit and Risk Committee and regulated in terms of this charter;

1.1.14 “Risk Management” means the consideration of and evaluation of the potential impact of the Risks and the establishment of effective internal controls to mitigate the Risks;

1.1.15 “Subsidiary Companies” means all of the subsidiary companies of the Company.

2. Introduction

The Risk Committee is constituted as a sub-committee of the Group Audit and Risk Committee tasked with making recommendations to the Group Audit and Risk Committee with appropriate measures to

2.1 manage the Group's risk; and

2.2 to facilitate and ensure optimal IT governance processes.

These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

3. Composition of the Committee

3.1 The Committee comprises at least 3 members of executive management of the Company who would be considered to be Prescribed Officers.

3.2 Membership of this Committee and its chairman are communicated to the Group Audit and Risk Committee.

3.3 The members of the Group Audit and Risk Committee will be invited to attend at least one meeting of the Risk Committee per annum. Copies of the minutes of each meeting of the Risk Committee will be circulated to the members of the Group Audit and Risk Committee in the following meeting pack.

4. Risk Management Role in respect of King III recommendations

4.1 The Committee has an independent role, operating as an overseer and a maker of recommendations to the Group Audit and Risk Committee for its consideration and final approval.

4.2 The role of the Risk Committee is to assist the Group Audit and Risk Committee to ensure that: -

4.2.1 the Group implements

4.2.1.1 an effective risk management policy and plan for risk management; and

4.2.1.2 an appropriate IT governance policy;

that will enhance the Group's ability to achieve its strategic objectives by making appropriate recommendations to the Board;

4.2.2 the disclosure regarding risk is comprehensive, timely and relevant through its recommendations to the Board.

5. Responsibilities in respect of Risk Management

- 5.1 The Risk Committee must perform all the functions as is necessary to fulfill its role as stated afore and including the following:
 - 5.1.1 oversee the development and annual review of a policy and plan for risk management to recommend for approval to the Group Audit and Risk Committee;
 - 5.1.2 monitor implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
 - 5.1.3 making recommendations to the Group Audit and Risk Committee concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the Group Audit and Risk Committee;
 - 5.1.4 oversee that the risk management plan is widely disseminated throughout the Group and integrated in the day-to-day activities of the Group;
 - 5.1.5 ensure that risk management assessments are performed on a continuous basis;
 - 5.1.6 ensure that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks;
 - 5.1.7 ensure that management considers and implements appropriate risk responses;
 - 5.1.8 ensure that continuous risk monitoring by management takes place;
 - 5.1.9 liaise closely with the Group Audit and Risk Committee to exchange information relevant to risk.
 - 5.1.10 express the Risk Committee's formal opinion to the Board/Group Audit and Risk Committee on the effectiveness of the system and process of risk management.
 - 5.1.11 review reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant.

6. Responsibilities in respect of IT Governance

It is acknowledged that IT plays an integral part of the business of the Group and is fundamental to support, sustain and grow the Group. The implementation and monitoring of IT governance is a responsibility which the Board has delegated to the Group Audit and Risk Committee which in turn has delegated it to the Risk Committee.

- 6.1 The Committee shall be responsible for overseeing the IT governance of the Group and shall therefore: -
 - 6.1.1 oversee the management and minimization of IT and related business risks;

- 6.1.2 ensure value delivery through delivery of promised benefits against the business and IT strategy, concentrating on optimising costs and proving the intrinsic value of IT;
 - 6.1.3 ensure that IT strategy is aligned with business strategy;
 - 6.1.4 measure and report on performance, particularly with regards to tracking project delivery and monitoring IT services;
 - 6.1.5 manage resources, ensuring the optimal investment, use and allocation of IT resources (people, applications, technology, facilities, data) in servicing the needs of the enterprise;
 - 6.1.6 consider the adequacy of the Group IT function and the effectiveness of the Group's IT control process.
- 6.2 The Group IT function shall present a report to the Committee which shall facilitate the task contemplated in 1 above.
- 6.3 The Risk Committee shall report to the Group Audit and Risk Committee on IT performance and the relevant risks impacting the IT function, the controls in place to mitigate those risks and to facilitate the optimal performance of the IT function.

7. **Ethics**

- 7.1 The Group Audit and Risk Committee has delegated its management and monitoring of the ethics performance of the Group to the Risk Committee.
- 7.2 The Risk Committee is required to assess, monitor, report and disclose the progress of the Group's implementation of its ethics management programme to, *inter alia*, the Group Audit and Risk Committee.
- 7.3 The ethics management programme is to include, *inter alia*,
- 7.3.1 an ethics risk profile;
 - 7.3.2 a code of conduct articulating the Group's ethical standards;
 - 7.3.3 the integration of the Group's ethical standards into all of its strategies and operations.

8. **Authority**

- 8.1 The Risk Committee acts in terms of the delegated authority of the Group Audit and Risk Committee as recorded in these terms of reference. It has the power to investigate any activity within the scope of its terms of reference and to make appropriate recommendations in this respect to the Group Audit and Risk Committee.
- 8.2 The Risk Committee, in the fulfillment of its duties, may call upon the sub-committees of the Board and the Group Audit and Risk Committee, any of the executive directors, officers or company secretary to provide it with information, subject to following a Board-approved process.

- 8.3 The Risk Committee has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities.
- 8.4 The Risk Committee may form, and delegate authority to, sub-committees and may delegate authority to one or more designated members of the Risk Committee.
- 8.5 The Risk Committee has the right to obtain independent outside professional advice to assist with the execution of its duties, at the Company's cost, subject to following a Board-approved process.
- 8.6 The Risk Committee makes the recommendations to the Group Audit and Risk Committee that it deems appropriate on any area within the ambit of its terms of reference where action or improvement is required.

9. Meetings and Procedures

9.1 Frequency

- 9.1.1 The Committee must 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.
- 9.1.2 Meetings in addition to those scheduled may, with the 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.
- 9.1.3 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.

9.2 Attendance

- 9.2.1 The chief executive officer, chief risk officer or other members of senior management as may be required, assurance providers and Board members may be in attendance at Committee meetings, but by invitation only and they may not vote.
- 9.2.2 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.
- 9.2.3 The Company secretary is the secretary to this Committee. This duty may be delegated by the Company Secretary.
- 9.2.4 If the nominated chairman of the Committee is absent from a meeting, the members present must elect one of the members present to act as chairman.

9.3 Agenda and minutes

9.3.1 A detailed agenda, together with supporting documentation, must be circulated, as soon as possible prior to each meeting to the members of the Risk Committee and other invitees.

9.3.2 Unless varied by this Charter, meetings and proceedings of the Risk Committee will be governed by the memorandum of incorporation and shareholders agreement of the Company regulating the meetings and proceedings of directors.

9.4 **Quorum**

9.4.1 A representative quorum for meetings is a majority of members present.

9.4.2 Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

10. **Amendment**

The terms of this Charter may be amended at any time by the agreement of the Audit and Risk Committee.

11. **Evaluation**

The Group Audit and Risk Committee must perform an evaluation of the effectiveness of the Committee every year.