



Audit, Risk & Conduct Review Committee Charter

Effective Date: November 27, 2023

Date Approved: November 27, 2023

Reach of Policy: VM Investments & VM Wealth Management

Scope: This charter governs the scope and responsibilities of the Audit, Risk & Conduct Review Committee of the Board of Directors.

Recalls/Retires: N/A

Also see: N/A



Table of Contents

1	Introduction	1
2	Purpose	2
3	Authority.....	3
4	Composition	4
5	Meetings.....	5
5.1	Frequency.....	5
5.2	Quorum.....	5
5.3	Agendas and Other Documents.....	6
6	Responsibilities.....	6
6.1	Financial Statements	6
6.2	Internal Control.....	7
6.3	Internal Audit.....	8
6.4	External Audit.....	8
6.5	Compliance.....	9
6.6	Risk Management	9
6.7	Related Party Monitoring & Review.....	10
6.8	Policy Review	12
7	Reporting Responsibilities	13
8	Other Responsibilities	14
9	Appendices.....	15



1 Introduction

The Audit, Risk, and Conduct Review Committee (ARCRC) stands as the vanguard of integrity and prudence at the helm of VM Investments Limited. In a financial world shaped by complexity and ever-evolving regulations, this Committee assumes a pivotal role in overseeing VMIL's audit processes, risk management, and adherence to the highest standards of professional conduct to ensure VMIL's financial soundness, safeguard its reputation, and protect the interests of our clients, shareholders, and employees.

This charter outlines the framework that governs the structure, responsibilities, and core functions of this Committee, emphasizing the critical importance of its role in maintaining VMIL's financial integrity and ethical conduct. It is through our rigorous oversight of risk management practices, internal controls, and financial reporting that we enhance confidence in VMIL's stability and reliability. As stewards of corporate governance, we strive to exceed regulatory requirements and industry best practices, enabling VMIL to thrive even in the face of challenging economic environments.

VMIL's understanding of the nature of risk lies at the core of modern economy. Every choice made in the pursuit of strategy has its risks. From day-to-day operational decisions to the fundamental trade-offs in the boardroom; dealing with risk in these choices is a part of decision-making. As the organization seeks to optimize a range of possible outcomes, decisions are rarely binary, with a right and wrong answer. When risk is considered in the formulation of the organization's strategy and business objectives, enterprise risk management helps to optimize outcomes.



2 Purpose

The ARCRC is responsible for assisting the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal controls and to monitor the effectiveness, performance and objectivity of the internal and external auditors.

More specifically, the ARCRC will have oversight responsibilities for:

1. The integrity of the Company's financial statements.
2. The Company's compliance with legal and regulatory requirements.
3. The independent auditor's qualifications and independence.
4. The performance of the Company's internal audit function and independent external auditors.
5. The establishment of a policy framework to deal with related party transactions, monitoring and recommendation for approval (where necessary) of related party transactions
6. The monitoring and adherence to procedures for identifying potential conflicts of interest, and to resolve/manage such conflicts of interest, should they occur.
7. The establishment and implementation of appropriate policies, procedures and strategies on an enterprise-wide basis for managing the Company's operational, market liquidity, compliance and regulatory risks.
8. Internal controls and risk exposures within the operational environment.
9. Provide input to the Board in its assessment of enterprise risks and determination of risk appetite as part of the overall setting of strategy.
10. Assist the Board in its oversight of the risk management framework, monitoring its effectiveness through functional implementation in the 'second line of defense' and its performance to protect against and mitigate risks in the 'first line of defense.'



3 Authority

The ARCRC has authority to conduct or authorize investigations into any matters within its scope. It is empowered to:

1. Oversee the work of the Internal Auditor employed by the Company to conduct the internal audit. The Internal Auditor will report directly to the ARCRC.
2. Oversee the work of the public accounting firm employed by the organization to conduct the annual audit. This firm shall report directly to the ARCRC.
3. Resolve any disagreements between management and the Internal and External Auditors regarding financial reporting.
4. Investigate any matter within the purview of this Charter and to obtain such information as it may require from any Partner, officer or employee; all of whom are directed to co-operate with the Committee's requests, or from external parties.
5. Retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of an investigation.
6. Review and recommend for approval policies to address related party transactions, risk management, and potential conflicts of interest.



4 Composition

The ARCRC shall consist of at least three (3) members of the Board of Directors, all of whom shall be non-executive members.

Committee members (including the Chairman) shall be appointed by the Board, on the recommendation of the VMWM Corporate Governance, Nominations & Compensation Committee.

The simultaneous membership of the Audit, Risk & Conduct Review Committee member on more than two (2) other Audit Committees within the VM Group requires a Board determination that such simultaneous membership does not impair the ability of such member to effectively serve.

At least one member of the ARCRC shall have the relevant financial experience and competence in accounting and/or auditing. The Chairman of the Board shall not be a member of the Committee. The financial experience does not preclude the members from the independence criteria set out in the Corporate Governance Policy as determined by the VMWM Corporate Governance, Nominations & Compensation Committee.

The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

A director may be removed upon the determination of a majority (50%) of the remaining directors that the said director has failed in a material way to fulfil his or her duties as a director or has engaged in conduct which is materially and adversely prejudicial to the mission or purpose of the organization.



5 Meetings

5.1 Frequency

The Committee shall meet at least quarterly, with authority to convene additional meetings, as circumstances require. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee shall invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It shall meet separately, periodically, with management, with internal auditors and with external auditors (where required). It shall also meet periodically in executive session.

In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.

Outside of the formal meeting programme, the ARCRC Chairman, and to a lesser extent other members of the Committee, will maintain dialogue with key individuals involved in the Company's governance, including the Board Chairman, the Chief Executive Officer, the Group Chief Financial Officer or designate, Group Chief Internal Auditor and the external audit lead Partner.

5.2 Quorum

The quorum for a meeting of the Committee shall be fifty percent (50%) of the membership appointed from time to time, with a minimum of two (2) members.

The Committee is authorized to approve matters by round robin resolution in special circumstances where it is not practical to convene a meeting within two (2) days of the notification by Management. The procedures which shall apply are as follows:

- 1) Notice of the resolution must be circulated to all members of the Committee.
- 2) The quorum for a round robin resolution shall be a minimum of two (2) non-executive members (i.e., at least two (2) non-executive members must record a vote); and provided that if the membership is increased, the quorum shall be that a simple majority of the non-executive members must record a vote.



5.3 Agendas and Other Documents

Meetings of the Committee shall be convened by the Board Secretary per schedule or at the request of any of its members or at the request of the external audit lead Partner or Group Chief Internal Auditor or Management if they consider it necessary.

Unless otherwise agreed by the ARCRC, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, along with supporting papers shall be made available to each member of the Committee no later than five (5) working days before the date of the meeting.

The Committee is required to maintain written minutes of its meetings, to send these to the Board (and also the Board of the parent Company) so that they are maintained with the books and records. Minutes of all meetings must be distributed to members in advance of the next scheduled meeting.

6 Responsibilities

The ARCRC shall have oversight as a whole and, unless required otherwise by regulation, carry out the duties below for the parent company (and its subsidiaries) and major undertakings of VMIL and its subsidiaries.

The Committee shall carry out the following responsibilities:

6.1 Financial Statements

- Monitor the integrity of the financial statements of VMIL and its subsidiaries, including its annual and quarterly reports, interim management statements, preliminary announcements and any other formal statements relating to its financial performance, and review and report to the Board on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor; and make recommendations to the Board for approval.
- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues include:
 - Complex or unusual transactions and highly judgmental areas;



- Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles;
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures.
- Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered. This review shall include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
- Review all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.

Where the Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the Board.

The ARCRC should review the content of the annual report and accounts and advise the Board on whether, it is fair, balanced, and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

6.2 Internal Control

- Consider the effectiveness of the Company's internal control system, including information technology security and control for the prevention of bribery and receive reports on non-compliance.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review the adequacy and security of the Company's arrangements for its Employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.



- Ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
- Review the Company's procedures for detecting fraud.

6.3 Internal Audit

- Review with management and the Group Chief Internal Auditor the charter, plans, activities, staffing, and organizational structure of the internal audit function and ensure alignment with the risk appetite of the business. The Committee should receive regular reports on the work carried out.
- Review the effectiveness of the internal audit function, including compliance with international best practices.
- Meet separately with the Group Chief Internal Auditor to discuss any matters that the Committee or internal audit believes should be discussed privately.
- Review and approve the annual internal audit plan to ensure it is aligned with Corporate Objectives.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Group Chief Internal Auditor.
- Ensure the Group Chief Internal Auditor has direct access to the Board Chairman and to the ARCRC Chairman, providing independence from the executive and accountability to the Committee.
- Review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.

6.4 External Audit

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors and recommend to the Board the appointment or discharge of the auditors.
- Present its conclusions with respect to the independent auditor to the full Board.



- Set clear hiring policies for employees or former employees of the independent auditors.
- Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.
- Develop and oversee the selection procedure for the appointment of the audit firm, ensuring that all tendering firms have access to all necessary information and individuals during the tendering process.
- Approve the remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.

6.5 Compliance

- Review the effectiveness of the compliance program, including the framework for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.
- Ensuring compliance with regulatory requirements and best practices

6.6 Risk Management

- Support the Board with risk management oversight and the creation of value within the organization.
- Review and assess risk profiles and ensure alignment with established risk appetites.
- Review and assess the adequacy of risk management practices and controls.



- Evaluate and recommend risk limits and tolerances for approval.
- Monitor and review risk metrics, stress tests and reports to assess risk exposure.
- Stay informed about changes in the regulatory landscape and industry practices related to risk management.
- Foster a strong risk culture and promote awareness of risk management throughout the organization.
- Monitor and report to the Board on the risk identification, measurement, monitoring and control process for the Company to allow an integrated approach to evaluating and monitoring interrelated risks.

6.7 Related Party Monitoring & Review

Related Party is as defined in the VM Group's Intra Group/ Related Party Transactions Policy.

- The Committee shall require that Management provide a list of all related parties and entities to be circulated to Directors and Senior Management within the Group. This list will be reviewed quarterly and amended as appropriate. It will also be updated whenever another entity becomes an affiliate, or an affiliate entity is no longer a related or connected party within the Group.
- Review all related party transactions as disclosed and certified by Management to ensure that such transactions are appropriate and in the best interest of shareholders and clients.
- Require Management to establish procedures to assist in identifying potential conflicts of interest.
- Monitor the Company's fiduciary functions with a view to identifying situations which could create potential conflicts of interest and to resolve/manage such conflicts of interest where appropriate.

The Committee, in exercising its authority to approve transactions by giving due consideration to the VM Group's Intra Group/ Related Party Transactions Policy should also ensure that all approvals are reported to the Directors and are recorded in the minutes.



In approving transactions, the Committee will be guided by the following-

- Does the transaction fall within the normal course of the Company's business?
- Is the transaction to be carried out, in the best interest of the Company?
- Is the value of the transaction within the limits authorized by the Board?
- Is the transaction at fair market value, or not significantly different from fair market value?



6.8 Policy Review

- Ensure that policies governing the operations at VMIL and its subsidiaries are subjected to annual review.
- Where gaps are identified, ensure that the relevant policies are developed for review and approval by the Board of Directors.
- Review and approve the annual Policy schedule.



7 Reporting Responsibilities

The ARCRC Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

This report shall include:

1. the significant issues that it considered in relation to the financial statements and how these were addressed
2. its assessment of the effectiveness of the external audit process, including the considerations taken in recommendation to support the appointment or reappointment of the external auditor
3. compliance with legal or regulatory requirements
4. performance of the Internal Auditors
5. recommendations in relation to related party transactions
6. resolution of any breaches or irregularities in respect of related party transactions
7. breaches identified in the Enterprise Risk Management Report
8. other issues that relate to the ARCRC's responsibilities and how they were discharged, and any other information as may be necessary
9. any other issues on which the Board has requested the ARCRC's opinion.

The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The ARCRC shall compile a report on its activities to be included in the Company's Annual Report. The report should include an explanation of how the Committee has addressed the effectiveness of the external audit process; the significant issues that the Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor; and all other information requirements.



8 Other Responsibilities

- Review and discuss with management the adequacy of the Company's major policies with respect to risk assessment and risk management.
- Perform other activities related to this charter as requested by the Board of Directors.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually to the Board that all responsibilities outlined in this charter have been carried out.
- Evaluate the Committee's and individual members' performance at least annually.



9 Appendices

Appendix A: Calendar of Activities for Review and Approval

Meeting	Activities
1	<p>Review External Auditor’s Presentation Review Audited Financial Statements Review JSE Quarterly Release Review and approve Quarterly Financials and Key Ratios Review Related Party Transactions Review ERM and Compliance Reports Review Regulatory Highlights Review Operational Gaps Review Internal Audit Reports Review, Approve/ Ratify:</p> <ul style="list-style-type: none"> • Policies
2	<p>Review JSE Quarterly Release Review and approve Quarterly Financials and Key Ratios Review Related Party Transactions Review ERM and Compliance Reports Review Regulatory Highlights Review Operational Gaps Review Internal Audit Reports Review, Approve/Ratify:</p> <ul style="list-style-type: none"> • Policies
3	<p>Review JSE Quarterly Release Review and approve Quarterly Financials and Key Ratios Review Related Party Transactions Review ERM and Compliance Reports Review Regulatory Highlights Review Operational Gaps Review Internal Audit Reports</p>



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Meeting	Activities
	<p>Review Management Letter from External Auditor</p> <p>Review, Approve/Ratify:</p> <ul style="list-style-type: none">• Policies
4	<p>Review JSE Quarterly Release</p> <p>Review and approve Quarterly Financials and Key Ratios</p> <p>Review Related Party Transactions</p> <p>Review ERM and Compliance Reports</p> <p>Review Regulatory Highlights</p> <p>Review Operational Gaps</p> <p>Review Internal Audit Reports</p> <p>Review Management Letter from External Auditor</p> <p>Review, Approve/Ratify:</p> <ul style="list-style-type: none">• Policies• Committee Charter• VMIL/ VMWM ERM and Compliance Framework• External Auditor and their Audit Scope and Approach <p>ARCRC Evaluation</p>



Appendix B: References

References	
Policies	N/A
Procedures	N/A
Task Lists	N/A

Appendix C: Revision History

Summary of Changes

Version	Changes	Done by	Date
1.0	Charter creation	Keri-Gaye Brown	2018
2.0	Minor updates	Keri-Gaye Brown	January 2021
3.0	Revision to the Calendar of Activities for Review and Approval All Sections: Revision to grammar	Jason Bailey	April 28, 2022
4.0	All Sections: Revision of wording for better flow and structure. Usage of more general language instead of listing specific items to allow for better coverage. 1 Introduction: inclusion of new section with relevant information. 4 Composition: inclusion of clause for the removal of a director. 5.1 Meetings - Frequency: inclusion of clause to allow the remaining members present to elect one of themselves to chair the meeting in the absence of the chairman. 5.2 Meetings - Quorum: inclusion of round robin criteria. 6.6 Responsibilities - Risk Management: inclusion of new information related to risk review, monitoring, awareness and culture.	Jason Bailey & Nicole Adamson	Oct 20, 2023



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Review

Version	Approved By	Date Reviewed
1.0	VMIL VMWM Audit Risk & Conduct Review Committee	2018
2.0	VMIL VMWM Audit Risk & Conduct Review Committee	2021
3.0	VMIL VMWM Audit Risk & Conduct Review Committee	August 23, 2022
4.0	VMIL Management Team	Oct 23, 2023
4.0	Sandra Davis Lewis, Group Business Process Improvement	Oct 31, 2023
4.0	VMIL VMWM Audit Risk & Conduct Review Committee	Nov 7, 2023

Approval

Version	Approved By	Date Approved	Date Effective
1.0	VMIL Board	2018	2018
2.0	VMIL Board	February 2021	February 2021
3.0	VMIL Board	September 21, 2022	September 21, 2022
4.0	VMIL Board	November 27, 2023	November 27, 2023