



CORONATION GROUP AUDIT AND RISK COMMITTEE CHARTER

The Coronation Group includes Coronation Fund Managers Limited (“Coronation Fund Managers”) and all companies that from time to time are directly or indirectly subsidiaries of Coronation Fund Managers.

1. CONSTITUTION AND COMPOSITION

- 1.1. The Coronation Group Audit and Risk Committee (“Committee”) is constituted by the board to assist the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate integrated reporting and financial statements in compliance with all applicable legal, regulatory and reporting requirements and standards. The Committee discharges its responsibilities on behalf of the Coronation Group.
- 1.2. It is a combined Committee that fulfils the functions of both an audit committee and a risk committee. The membership, resources, responsibilities and authorities (composition, functions and operation) of the Committee to perform its role effectively, is stipulated in this charter, which may be amended by the board as and when required.
- 1.3. The Committee, in carrying out its duties under this charter, will have due regard to the Companies Act 71 of 2008, as amended (“the Companies Act”), the JSE Listings Requirements, as amended, the King IV Report on Corporate Governance of South Africa 2016 (“King IV Report”), as amended; the Constitution of South Africa (including the Bill of Rights), the Coronation Group’s codes of conduct and policies and all other relevant legislation and those provisions of any codes of leading practice that the board considers appropriate for application by the Coronation Group.
- 1.4. The Committee shall consist of at least three members and all members must be independent, non-executive directors.
- 1.5. Members of the Committee are elected by the shareholders of Coronation Fund Managers on an annual basis at each annual general meeting. The board will accordingly annually review the composition of the Committee and will recommend to shareholders those members that it considers appropriate for re-election at the annual general meeting. In doing so, the board shall give due consideration to ensuring that that the Committee as a whole has sufficient qualifications and experience to fulfil its function.
- 1.6. Once shareholders have elected the members of the Committee, the board shall appoint one of its members to chair the Committee. The board shall be entitled to appoint members to the Committee to fill any temporary vacancy that arises before the next annual general meeting.

2. PURPOSE AND OBJECTIVES

- 2.1. The purpose and objectives of the Committee include:
 - 2.1.1. providing independent oversight of audit and assurance requirements, audit quality and audit integrity and monitoring the independence of the auditor and other assurance providers;
 - 2.1.2. exercising decision-making power and accountability in relation to the statutory duties of the Coronation Group;
 - 2.1.3. advising the board in relation to the nature and extent of the risks and opportunities facing the Coronation Group; and
 - 2.1.4. Overseeing the implementation of the risk framework, as well as the internal control framework and other responses to risk.



3. MEETING FREQUENCY AND PROCEDURE

- 3.1. The Committee will meet at least three times a year. Meetings should be held prior to board meetings and correspond with major phases of the financial reporting, external audit and other assurance cycles. A quorum will be a majority of the members.
- 3.2. The chair of the Committee meets with the Global Head of Risk and Compliance prior to each Committee meeting.
- 3.3. The meeting documentation will be circulated to the Committee members at least five days prior to the date of each meeting unless all members agree to a shorter period of time in circumstances when this is warranted.
- 3.4. The proceedings and resolutions of all meetings of the Committee shall be minuted, including recording the names of those present and in attendance.
- 3.5. The Committee will meet privately with the external and other assurance providers, including internal audit and the Risk Assurance Manager, as required.
- 3.6. The Chair, at their discretion may invite any person to attend and to be heard at meetings of the Committee and remain in attendance for any duration or part thereof. No invited attendee shall have a vote at meetings of the Committee.

4. ROLE, RESPONSIBILITIES AND DUTIES

4.1. External audit and auditors

4.1.1. The Committee will in respect of External Audit:

- a. Assess the suitability for appointment of the Coronation Group's external auditor and designated individual auditor. As part of this assessment, the Committee will request all documentary requirements set out in the JSE Listings Requirements. Once the assessment is complete, the Committee will nominate a registered auditor to shareholders at the annual general meeting for appointment as the external auditor of the Coronation Group;
- b. Review the scope of the external audit, determine the terms of the engagement, the fees and other compensation to be paid to the external auditor;
- c. Ensure that the appointment of the external auditor complies with the provisions of the Companies Act and any other legislation applicable to the appointment of the external auditor;
- d. Determine the nature and extent of non-audit work to be provided by the external auditor which does not fall within the normal scope of their audit, and pre-approve any proposed contract with the auditor for the provision of non-audit services to the Coronation Group that exceeds an aggregate of 10% of the annual external audit fee.
- e. Recommend for approval by the board, mandatory terms on the length of time that an audit partner and audit firm may serve;
- f. Periodically consult with the external auditor regarding internal controls and the completeness and accuracy of the Coronation Group's financial records;



- g. Review external audit reports to ensure that prompt action is taken by management in respect of those reports;
- h. Review any significant disagreement among management and the external auditor in connection with any external audit report; and
- i. Evaluate the performance and independence of the external auditor.

4.1.2. Financial statements and integrated reports

The Committee must satisfy itself that the Company has established appropriate financial reporting procedures that are maintained and operating in accordance with their requirements at all times. The Committee will accordingly also oversee integrated reporting and, in particular, will examine and review the integrated annual report, annual financial statements, the interim and preliminary announcements, the accompanying reports to shareholders and any other announcements regarding the company's results or other financial information to be made public, prior to submission and approval by the board, focusing particularly on:

- a. The appropriateness of accounting policies adopted and any changes in accounting policies and practices;
- b. Significant financial estimates based on judgment which are included in the financial statements;
- c. The basis on which the Coronation Group had been determined a going concern;
- d. Capital adequacy;
- e. Compliance with applicable accounting standards, JSE listings requirements and legal requirements;
- f. The clarity of disclosure in the Company's financial reports and the context in which statements are made;
- g. Disclosure of sustainability issues in the Integrated Report, ensuring that there is no conflict with the financial information presented in the financial statements, confirming the integrity of the Integrated Report and ensuring that the report has been prepared in accordance with the International Integrated Reporting Framework; and
- h. Earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

4.1.3. Risk Management

The Committee shall assist the board in its evaluation of the adequacy and effectiveness of the risk management system. To achieve this, the Committee is required to:

- a. Ensure the establishment of an independent risk management function;
- b. Review the adequacy and effectiveness of the Group's financial reporting and internal control policies and procedures in place for the identification, assessment and reporting of risks, as well as the Group's process of risk management;
- c. Assist the board in identifying and monitoring all material risks;



- d. Introduce such measures as may serve to enhance the adequacy and effectiveness of the risk management function; and
- e. Review the assertions made by management in respect of risk management.

4.1.4. Combined Assurance

The Committee shall assist the board in satisfying itself that an effective and sufficiently robust combined assurance model has been implemented across the Coronation Group. The combined assurance model should incorporate and optimize all assurance services and functions so that, taken as a whole, these enable an adequately designed and effective control environment; support the integrity of information used for decision making and support the integrity of externally issued reports and information.

In overseeing combined assurance, the Committee shall:

- a. Ensure assurance providers collectively possess the required skill and expertise to address the complexity and volume of risk faced by the Coronation Group;
- b. Review the adequacy and effectiveness of the company's systems of internal control with the assistance of the assurance providers within the combined assurance framework;
- c. Approve and monitor the execution of an annual risk based assurance plan;
- d. Consider the appointment, dismissal or re-assignment of assurance providers;
- e. Review significant matters reported by assurance providers and the adequacy of corrective action taken in response to significant findings;
- f. Review significant differences of opinion between management and assurance providers;
- g. Review and monitor the company's policies for preventing or detecting fraud;
- h. Review the company's policies for ensuring that the company complies with relevant regulatory and legal requirements; and
- i. Direct and supervise investigations into matters within its scope; and meet with the Risk Assurance Manager and Internal Auditor, without management or any executive member of the board in attendance, at least once a year.

4.1.5. Compliance with laws and regulations

The Committee shall consider the legal and regulatory requirements to the extent that it may have an impact on the financial statements and shall:

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up of any instances of non-compliance;
- b. Review the significant findings of any examinations by regulatory agencies, and any audit observations;
- c. Obtain regular updates from the Group Risk and Compliance function regarding compliance matters, including tax compliance, litigation, disputes and claims; and



- d. Obtain reports from management, the internal auditor and the external auditor regarding compliance with all applicable legal and regulatory requirements.

4.1.6. Other responsibilities

The Finance Director, Internal Auditor, External Auditor, and the Global Head of Risk and Compliance shall have unrestricted access to the chairman or any other member of the Committee as is required in relation to any matter falling within the remit of the Committee.

The Committee should establish procedures to:

- a. Satisfy itself that the company's finance function has the necessary expertise, resources and experience. An annual review of the finance function is performed by the Committee. This will include considering and satisfying itself of the appropriateness of the expertise and experience of the financial director of Coronation Fund Managers and confirming in the integrated report that the Committee has executed this responsibility;
- b. Receive and deal appropriately with, any complaints or concerns received by the Company regarding its accounting practices and internal audit of the Company, or the content or auditing of its financial statements, the internal financial controls of the Company or any related matter;
- c. Receive confidential and anonymous submissions by employees of the Company of concerns regarding questionable accounting or auditing matters, or potential violations of law. Ensure that arrangements are in place for the proportionate and independent investigation of such matters, and for appropriate follow-up;
- d. Ensure that Information Technology (IT) and Information Systems (IS) risks are adequately addressed, and that appropriate assurance is obtained that controls are in place and are effective in addressing these risks. The Committee should also consider the use of IT and IS to improve audit coverage and efficiency; and
- e. The Committee shall perform such other functions, as may be determined by the board, from time to time.

5. REPORTING

- 5.1. The chairman of the Committee shall report formally to the board on its proceedings after each Committee meeting on all matters within its duties and responsibilities. The chairman of the Committee shall further present to the board any Committee submissions and/or recommendations regarding the Coronation Group's accounting policies, financial control, records and reporting and/or any other area within its ambit.
- 5.2. The chairman (or, in his/her absence, an alternate member) of the Committee shall attend the Annual General Meeting to answer questions, through the chairman of the board, on the Committee's activities and its responsibilities.
- 5.3. The Committee shall compile a report to shareholders on its activities to be included in the Company's Integrated Report which shall describe how the Committee has carried out its functions, state whether the Committee is satisfied with the independence of the auditor and commenting in any way that the Committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Coronation Group.



6. AUTHORITY AND ACCESS TO RESOURCES

6.1. The Committee, in carrying out its tasks under this charter, is authorised by the board to:

- 6.1.1. Investigate any activities within its terms of reference;
- 6.1.2. Seek outside legal or other independent professional advice at the Coronation Group's expense;
- 6.1.3. Secure the attendance of external invitees at its meetings with the relevant experience and expertise where necessary at the Coronation Group's expense;
- 6.1.4. Seek any information and/or documentation as it requires from any employee or director, and all employees and directors are required to co-operate with any requests made by the Committee; and
- 6.1.5. Further delegate responsibility to a Sub-Committee set up by the board or an executive Committee or any person within the employ of the Company.

7. EVALUATION OF COMMITTEE PERFORMANCE

The board will at such intervals as the board considers appropriate, but on an annual basis as a minimum, evaluate the Committee's performance and whether it has met its objectives as set out in this Charter during the relevant review period, using performance review methodologies as the board determines is appropriate.

8. REVIEW OF CHARTER

This charter will be reviewed on an annual basis (or earlier if required from time to time) and any amendments thereof will be subject to the approval of the board.

Policy	CFM Group Audit and Risk Committee Charter
Approved by	CFM Board: November 2018