

GROUP AUDIT COMMITTEE CHARTER

Any reference in this charter to “the Company” is to be interpreted to include any company or companies within the Letshego Group.

1. Purpose

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with relevant laws and regulations and the code of conduct.

The Committee should not perform any management functions or assume any management responsibilities; rather it provides a forum for discussing accounting/financial risk and control issues and for developing relevant recommendations for consideration by the board and making recommendations to the board for its approval or final decision.

2. Authority

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- Resolve any disagreements between management and the external auditor regarding financial reporting.
- Pre-approve all internal and external auditing services and non-audit services rendered by external auditors.
- Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from employees - all of whom are directed to cooperate with the committee's requests - or external parties.
- Meet with company officers, external auditors, or outside counsel, as necessary.

3. Constitution

The membership, resources, responsibilities and authorities (composition, functions and operation) required of the Committee to perform its role effectively, is stipulated in these terms of reference which may be amended by the board as and when required. The Committee is constituted in terms of the requirements of sound corporate governance practices and operates within that framework.

- The Group Audit Committee ("Committee") shall assist the board in discharging its duties relating to the following:
 - Ensuring the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial statements and

reporting in compliance with all applicable legal requirements and accounting standards.

- Ensuring corporate accountability and management of the associated risk in terms of management, combined assurance and integrated reporting.
- Ensuring the establishment of an audit management framework which includes the identification, measurement and monitoring of strategic and operational risks against an agreed risk appetite statement.

4. Membership

The members shall consist of at least three and no more than six members of the board of directors appointed by the Board all of whom shall be independent non - executive directors.

The members of the audit committee should as a whole have the necessary financial literacy, skills and experience to execute their duties effectively.

The board shall appoint a Chairperson who is an independent non-executive of the Committee and determine the period for which he or she shall hold office. The Chairperson of the Main Board shall not be eligible to be appointed as Chairperson or member of the Committee.

The board shall have the power at any time to remove any members from the Committee and to fill any vacancies created by such removal.

The Company Secretary or the Head of Governance, Legal, Risk and Compliance shall be the secretary of the Committee.

The Group Managing Director (GMD), Finance Director and other executives may attend part or all of Committee meetings by invitation.

The Group Head of Internal Audit is required to attend all audit committee meetings.

External auditors shall attend part or all Committee meetings by invitation.

5. Meetings

Meetings of the Committee will be held as frequently as the Committee considers appropriate, but it will normally meet not less than three times a year. The Board or any member thereof, including members of the Committee, the external auditors and the Group Managing Director may call further meetings.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee, the Chairperson of the Board and the Group Managing Director, as well as the external auditors to make proposals as necessary.

The quorum for decisions of the Committee shall be the majority of the members of the Committee present throughout the meeting of the Committee.

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The Group Managing Director, Chief Operating Officer, Finance Director, representatives from the external auditors, other assurance providers, professional advisors and board members may be in attendance at Committee meetings, but by invitation only and they may not vote.

The Group Managing Director, Chief Operating Officer, Finance Director and external auditor 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 chairperson, at his/her discretion, may invite other executives to attend and to be heard at meetings of the Committee.

No invited attendee shall have a vote at meetings of the Committee.

The minutes of all meetings of the Committee, or summaries thereof, shall be submitted to the board at the immediate following board meeting, the agenda for each such board meeting shall provide an opportunity for the chairperson of the Committee to report orally on any matters of importance as well as on the Committee's findings and shall recommend actions.

All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors and executive sessions.

Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

6. Responsibilities

a) Combined Assurance

The Audit Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities of the company.

The Committee shall monitor the relationship between the external assurance providers and the company.

The Committee should assume responsibility for the integrity of external reports issued by the organization by setting the direction for how assurance of these should be approached and addressed.

The Committee shall have independent oversight of the integrity of the annual integrated reports and other external reports as delegated to the committee by the board.

b) Financial Statements

The Committee shall:

- Review with management and the external auditors the results of the audit, including any difficulties encountered. Review with management and the external auditors all

matters required to be communicated to the committee under Generally Accepted Auditing Standards.

- Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- Review the annual report and accounts taken as a whole, to ensure they present a balanced and understandable assessment of the position, performance and prospects of the company.
- Discuss problems and reservations arising from the audit, and any matters the auditor(s) may wish to discuss (in the absence, where requested by the Committee, of executive directors and any other person who is not a member of the Committee).

The Committee will examine and review the annual integrated report, the interim reports, summarised integrated information, circulars, information in the accompanying reports to shareholders, the preliminary announcement of results and any other announcement regarding the company's results or other financial information to be made public, prior to submission and approval by the board, focusing particularly on:

- The implementation of new systems.
- Tax and litigation matters involving uncertainty.
- Any changes in accounting policies and practices.
- Major judgmental areas.
- Significant adjustments resulting from the audit.
- Capital adequacy.
- Compliance with Companies Act solvency requirements pre-and-post any dividend declarations.
- Internal control.
- Compliance with International Financial Reporting Standards, local and international, compliance with relevant regulations.
- Compliance with the financial conditions of loan covenants.
- Reviewing special documents such as prospectuses as and when prepared.
- Internal audit.

c) Internal Audit

An important role of the Committee will be to monitor and supervise the effectiveness of the Group Internal Audit (GIA) function and ensuring that the roles and functions of the external audit and GIA are sufficiently clarified and co-coordinated to provide an objective overview of the operational effectiveness of the company's systems of internal control and reporting. This will include:

- Review with the Group Head of Internal Audit the audit plans, internal audit financial budget, staffing plan, activities, and organisational structure of the internal audit

function; and consider whether or not the standing of the GIA function provide adequate support to enable the Committee to meet its objectives.

- At least once per year, review the performance of the Group Head of Internal Audit and concur with the annual compensation and salary adjustment.
- Review the effectiveness of the internal audit function, including conformance with The Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice of Internal Auditing.
- On a regular basis, at least once a year, meet separately with the Group Head of Internal Audit (GHIA) to discuss any matters that the committee or internal audit believes should be discussed privately without any executive member of the Board in attendance.
- Evaluating the performance and effectiveness of GIA, Finance Director and the finance function.
- Reviewing the GIA function's compliance with its mandate as approved by the Committee.
- Reviewing the adequacy and effectiveness of the company's systems of internal control in responding to risks within the organisation's governance, operations and information systems, including internal financial control and business risk management and maintaining effective internal control systems; taking into consideration the effectiveness of the internal financial controls, nature and extent of significant weaknesses in the design material financial loss, fraud, corruption or error.
- Obtain reasonable assurance with respect to the company's procedures for prevention and detection of fraud, ensure that appropriate action is taken against known perpetrators of fraud, ensure that the entity has appropriate anti-fraud programmes and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.
- Considering the appointment, dismissal or re-assignment of the Group Head of Internal Audit.
- Reviewing and approving the Group Internal Audit (GIA) charter, internal audit plans and internal audit conclusions with regard to internal control and its effectiveness.
- Reviewing the adequacy of corrective action taken in response to significant internal audit findings.
- Reviewing significant matters reported by the IA function.
- Reviewing the objectives and the operations of the GIA function.
- Assessing the adequacy of performance of the GIA function, and the adequacy of available internal audit resources.
- Reviewing the co-operation and co-ordination between the GIA and external audit functions and coordinating the formal internal audit work plan with external auditors to avoid duplication of work and deal with any issues of material or significant dispute or concern.

- Review the results of work performed by the GIA function in relation to financial reporting, corporate governance, internal control, and any significant investigations and management responses.
- Reviewing significant differences of opinion between management and the GIA function.
- Evaluating the independence and effectiveness of the GIA.
- Directing and supervising investigations into matters within its scope, for example, evaluations of the effectiveness of the company's internal control, cases of employee fraud, misconduct or conflict of interest.
- Ensure that the internal audit function is appropriately resourced and has appropriate budget allocated to the function.
- Ensure that the GIA function is subject to an independent quality review as and when the Committee determines it appropriate.
- Shall be responsible for the appointment and removal of the Finance Director, including the employment contract and remuneration of the Finance Director, and ensure that the person who fills the position has the necessary competence, gravitas and objectivity.

d) External Audit

The Committee will recommend to the board which firm(s) should be appointed in the event of change of external auditor(s), their reappointment and removal. Several firms should be screened and the Committee should obtain written overall proposals to enable it to arrive at its recommendation.

On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

The Committee will:

- Evaluate the independence and effectiveness of the external auditor(s) and consider any non-audit services rendered by such auditors as to whether this substantively impairs their independence.
- Evaluate the performance of the external auditor(s). The engagement partner shall be rotated at least every 5 years or such other frequency deemed to be appropriate based on the external audit firm rules to enhance actual and perceived independence.
- Consider and make recommendations on the appointment and retention of the external auditor(s), and any questions of resignation or dismissal of the auditor(s).
- Discuss and review, with the external auditor(s) before the audit commences, the auditor(s) engagement letter, the terms, nature and scope of the audit function, procedure and engagement, the audit fee, and ensure coordination (where more than one audit firm is involved) and maintenance of a professional relationship between them.

- Negotiate procedures, subject to agreement, beyond minimum statutory and professional duties - there are certain minimum non-negotiable procedures required from the external auditors.
- Consider any problems identified in going concern or statement of internal control.
- Make suggestions as to problem areas that the audit can address and be informed of any reportable irregularities identified and reported by the external auditor.
- Consider any accounting treatments, significant unusual transactions, or accounting judgments, that could be contentious.
- Review the external auditor's management letter and management responses; identify key matters arising in the management letter and satisfy itself that these are being properly followed up.
- Consider whether any significant ventures, investments or operations are not subject to external audit.
- Review overall audit role, explore objectives, minimise duplication, discuss implications of new auditing standards and ensure that the external audit fee will sustain a proper audit and provide value for money.
- Agree to the timing and nature of reports from the external auditor(s).
- Obtain assurance from the external auditor(s) that adequate accounting records are being maintained
- The committee shall take into consideration the accounting and regulatory requirements in relation to assurance, inclusive of whether:
 - Assurance should be applied to the underlying data used to prepare a report, or to the process for preparing and presenting a report, or both.
 - The nature, scope and extent of assurance are suited to the intended audience and purpose of a report.
 - The specification of applicable criteria for the measurement or evaluation of the underlying subject matter of the report.
 - The Committee shall disclose in a statement in the integrated annual report whether it is satisfied that the external auditors are independent and should specifically address:
 - Policy and controls which address the provision of non-audit services, the nature and extent of such services.
 - The tenure of the external auditors and rotation of external audit partner.
 - Significant matters that the committee considered in relation to the Integrated Annual Report and how these have been addressed.
 - A brief description of the nature, scope and extent of the assurance functions, services and processes underlying the preparation and presentation of the external audit report.
 - Integrity and basis of the external audit report, with reference to the assurance applied.

7. Other Responsibilities

The Committee will:

- Perform other activities related to this charter as requested by the board of directors.
- Institute and oversee special investigations as needed.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

8. Integrated reports

Every year the company shall prepare an integrated report that conveys adequate information about the social, economic and environmental impact of the company on the community in which it operates. The Committee shall have regard to all factors and risks that may impact on the integrity of the integrated report.

The Committee should review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial statement.

Undue, unexpected or unusual risks should be disclosed in the integrated report.

The Committee should consider and if deemed appropriate, obtain external assurance on the content of the integrated report.

9. Finance function

The Committee will review the finance function annually. The Committee will consider and satisfy itself of the appropriateness of the expertise and adequacy of resources of the function. The results of the review shall be disclosed in the integrated report.

The company shall have a Finance Director. The Committee shall evaluate the suitability of the expertise and experience of the Finance Director and recommend to the board if any changes are necessary.

10. Reporting and accountability

The Chairperson of the Committee shall account and report to the board for its activities and make recommendations to the board concerning the adoption of the annual and interim financial statements and any other matters arising from the above responsibilities. Such reporting shall be on an annual basis.

The Committee shall provide a summary of its role and details of its composition, number of meetings and activities, in the integrated report.

The Committee should recommend the integrated report for approval by the Board.

The Group Audit Committee should recommend to the board to engage an external assurance provider on material sustainability issues.

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The Chairperson of the Committee shall attend the Annual General Meeting to answer questions concerning matters falling within the ambit of the Committee.

Provide an open avenue of communication between internal audit, the external auditors, and the Board of Directors.

Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.

Review any other reports the company issues that relate to committee responsibilities.

11. Proceedings

Unless varied by these terms of reference, meetings and proceedings of the Committee will be governed by the Constitution of the company regulating the meetings and proceedings of directors and committees.

The committee secretary shall take minutes of meetings. These shall be reviewed and approved by the members of the Committee.

12. Authority of the Committee and resources available to it

The Committee, in carrying out its tasks under these terms of reference:

- Is authorized to investigate any activity within its terms of reference.
- May, at the discretion of the Committee, require other employees of the company to attend meetings or parts of meetings.
- May consult with and seek any information it requires from any employees, and all employees shall be required to co-operate with any request made by the Committee in the course of its duties.
- Shall at least once a year meet with the GIA without any executive member of the board in attendance
- The audit committee members should keep up-to-date with developments affecting the required skill-set.
- May delegate its authority and duties to sub-committees or individual members of the committee as it deems appropriate, provided it is not.
- Precluded by legal or regulatory requirements from doing so.

13. Remuneration

The members of the Committee shall be paid such remuneration in respect of their appointment as shall be fixed by the board from time to time.

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14. Committee performance

To determine whether it is functioning effectively,

- once each year the Committee shall review this Charter; and
- undertake an evaluation of its performance annually taking into consideration its effectiveness and performance.

15. General

These terms of reference may be amended as required, subject to the approval of the board.

Date: _____

A handwritten signature in black ink, appearing to be "M. A. A.", written over a horizontal line.

Board Chairman

Date: _____

Company Secretary