



GOLD FIELDS

GOLD FIELDS LIMITED

(“GFI” or “the Company”)

AUDIT COMMITTEE

(“the Committee”)

TERMS OF REFERENCE

(Approved by the Board of Directors on 27 November 2018)

1. **AUTHORITY AND FORMATION**

- 1.1. The Committee is constituted as a statutory committee in respect of its statutory duties in terms of section 94(7) of the Companies Act, 2008, as amended (“the Act”), and a committee of the Board of Directors of GFI (the “Board”) acting in terms of delegated authority in respect of all other duties and responsibilities assigned to it by the Board.
- 1.2. The Committee has decision-making authority in respect of its statutory duties, and the Committee is accountable in this respect to the Board and GFI’s shareholders.
- 1.3. In respect of the duties of the Committee delegated to it by the Board, the Committee is accountable to the Board. To this end the Committee must make recommendations for approval by the Board.
- 1.4. These terms of reference are subject to the provisions of the Act, the Memorandum of Incorporation of GFI, as well as any other applicable law or regulatory provision.

2. **MEMBERSHIP**

- 2.1. The Committee shall comprise at least three Directors. The Board Chair is not eligible to be a member of the Committee or the Committee Chair but may attend Committee meetings by invitation.
- 2.2. All the members of the Committee and the Committee Chair shall be independent Non-Executive Directors of the Company. Each Committee member shall satisfy the criteria for independence under applicable laws and regulations, including U.S. securities laws and New York Stock Exchange requirements, as well as under the King IV Report on Corporate Governance for South Africa, 2016.
- 2.3. At least one third of the members of the Committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources management. Furthermore, the Committee members must collectively have sufficient qualifications and experience to fulfil their duties, including an understanding of the following: integrated reporting (including financial reporting), internal financial controls, external audit process, internal audit process, corporate law, risk management, sustainability issues and information technology governance as it relates to integrated reporting and governance processes within GFI.

- 2.4. The Chair of the Committee shall be elected by the members of the Committee from among their number, and may be removed from the office of Chair by the Committee in its discretion.
- 2.5. The members of the Committee shall be elected by the shareholders of GFI, on recommendation by the Nominating and Governance Committee, at each annual general meeting of GFI. The Board shall fill vacancies on the Committee within 40 business days after the vacancy arises. Such appointments must be ratified by GFI shareholders at the subsequent annual general meeting of GFI.
- 2.6. The Committee members must keep up-to-date with key developments affecting their required skills set.
- 2.7. Subject to relevant legislation, the members of the Committee shall not attract any personal liability arising from their appointment, and GFI shall indemnify members of the Committee against all and any claims howsoever arising.
- 2.8. The Company Secretary of GFI will act as the Committee Secretary.

3. **MEETINGS**

- 3.1. The Committee shall meet at least five times during the year for the four quarterly meetings, plus one meeting scheduled for the approval of the Integrated Annual Report and the Form 20-F annual report. Other supplement meetings may be held from time to time as determined by members of the Committee or upon request from the Directors and/or the Management and/or the internal or independent auditors or discussions at the Committee meetings.
- 3.2. The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each member of the Committee at least five working days prior to the date of each meeting.
- 3.3. Suitably qualified persons may be invited to attend Committee meetings or be consulted by the Committee from time to time to render such specialist services as may be necessary to assist the Committee in its deliberations on any particular matter. No attendee who is not a member of the Committee shall have a vote at meetings of the Committee, nor shall he or she form part of the quorum for the meeting.
- 3.4. Two members present in person or via telecommunication facilities shall constitute a quorum for a Committee meeting.

- 3.5. Where the Chair of the Committee is not present within 15 minutes of the time stipulated for a Committee meeting, the Committee members present at the meeting must elect one of them to chair that meeting.
- 3.6. A meeting of the Committee may be conducted by electronic communication and/or one or more members may participate in a meeting of the Committee by electronic communication so long as the electronic communication facility employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting.
- 3.7. Each member of the Committee has 1 vote on a matter before the Committee and a majority of the votes cast on a resolution is sufficient to approve that resolution.
- 3.8. In the case of a tied vote the Chair of the Committee may not cast a deciding vote even if the Chair did not initially have or cast a vote and the matter being voted on fails.
- 3.9. A round robin resolution of members shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted, provided that each member has received notice of the matter to be decided upon and that the majority of the members have voted in favour of the matter. A round robin resolution may be executed in any number of counterparts and will have the same effect as if the signatures on the counterparts were on a single copy of the round robin resolution.
- 3.10. Minutes of the Committee meetings will be prepared and retained by the Company Secretary. These minutes shall be circulated to all members of the Committee within one month of the date of each meeting and, thereafter, shall be reviewed and approved by the members of the Committee.
- 3.11. The Chair of the Committee or failing him/her a member of the Committee shall be present at each annual general meeting of GFI to assist the Chair of GFI in answering questions concerning matters falling within the authority of the Committee.

4. **PURPOSE**

- 4.1. The purpose of the Committee shall be to assist the Board and the boards of all subsidiary companies of GFI in their independent oversight of the integrity of the financial statements, and to the extent delegated by the board, other external reports issued by the organisation, the qualifications, independence and performance of the independent auditors of GFI, compliance with legal and regulatory requirements, compliance with GFI's Code of Ethics and the performance of GFI's Internal Audit Department ("the Internal Audit Department").

- 4.2. In discharging its duties, the Committee shall have free and unrestricted access to liaise and communicate with GFI's and its subsidiaries' Directors, Management, employees, internal and independent auditors and outside consultants and advisors, including legal and accounting advisors. The Committee shall also have reasonable access to the information, including records, of GFI, and to the company's property, facilities and other resources, as well as to that or those, as the case may be, of the other entities within the Group, as may be necessary to discharge its duties and responsibilities. The Committee shall follow any relevant Board approved process in discharging any of its duties and responsibilities.
- 4.3. The Chief Financial Officer, senior audit partner in charge of the independent audit and head of the Internal Audit Department shall be in attendance at meetings of the Committee.
- 4.4. The Chief Financial Officer, senior audit partner in charge of the independent audit and the head of the Internal Audit Department shall have unrestricted access to the Chair or any other member of the Committee as is required in relation to any matter falling within the authority of the Committee.
- 4.5. The Board shall provide the Committee with adequate funding in order to perform its duties including amounts for payment of fees or compensation to the independent auditors and any outside advisors or consultants retained by the Committee.
- 4.6. The Committee shall not perform any Management functions or assume any Management responsibilities.

5. **FUNCTIONS AND DUTIES**

In furtherance of its purpose, the Committee shall have the following authorities, responsibilities and duties:

5.1. **Statutory duties – in terms of section 94(7) of the Act**

The Committee shall:

- 5.1.1. nominate, for appointment or re-appointment by the shareholders as auditor of the Company, an external registered auditor who, in the opinion of the Committee, is independent of the Company;
- 5.1.2. determine the fees to be paid to the external auditor and the auditor's terms of engagement;

- 5.1.3. ensure that the appointment of the auditor complies with the provisions of the Act and any other legislation relating to the appointment and rotation of auditors;
- 5.1.4. determine, subject to the provisions of the Act, the nature and extent of any non-audit services that the external auditor may provide to the Company, or that the auditor must not provide to the Company or a related Company;
- 5.1.5. pre-approve any proposed agreements with the external auditor for the provision of non-audit services to the Company. The Committee may delegate the pre-approval responsibility to the Chair or another member of the Committee in line with the agreed pre-approval policy and procedures. However, all decisions will be formally tabled at the next Committee meeting for ratification;
- 5.1.6. prepare a report, to be included in the annual financial statements of the Company for the relevant financial year that –
 - 5.1.6.1. describes how the Committee carries out its functions;
 - 5.1.6.2. states whether the Committee is satisfied that the auditor was independent of the Company; and
 - 5.1.6.3. comments, in any way that the Committee considers appropriate, on the financial statements, the accounting practices and the internal financial controls of the Company;
- 5.1.7. receive and deal appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, in relation to –
 - 5.1.7.1. the accounting practices and internal audit of the Company; or
 - 5.1.7.2. the content or auditing of the Company's financial statements; or
 - 5.1.7.3. the internal financial controls of the Company; or
 - 5.1.7.4. any related matter;
- 5.1.8. make submissions to the Board on any matter concerning the Company's accounting policies, financial control, records and reporting.

5.2. Other duties –as delegated by the Board to the Committee

- 5.2.1. The Committee may establish policies and procedures for pre-approval of all independent auditor services, including delegating pre-approval authority to a sub-committee of one or more Committee members.
- 5.2.2. The Committee shall review with the independent auditors any problems or difficulties arising during the course of the audits, as well as Management's response to such issues, including any restrictions placed on the scope of the independent auditors' activities or access to requested information, and any significant disagreements with Management.
- 5.2.3. In order to assess the auditor's independence for the purpose of paragraph 5.1.1, the Committee shall annually review all relationships between the independent auditors and GFI, including its subsidiaries, and shall take steps to ensure the regular rotation of certain lead audit partners as required by applicable laws and regulations, including U.S. securities laws and New York Stock Exchange requirements.
- 5.2.4. The Committee shall discuss and review the quarterly financial results of the GFI Group as presented by Management. It will also discuss and review the half yearly and annual financial statements of the GFI Group as presented in the half yearly results media release (June Book) and yearly results media release (December book). s. This includes disclosure regarding the financial statements of GFI and its subsidiaries' financial condition, including, without limitation, such disclosure in GFI's annual report on Form 20-F to be filed with the U.S. Securities and Exchange Commission (the "SEC"), made under applicable legal and regulatory requirements.
- 5.2.5. The Committee shall also review and recommend any reports to be distributed to shareholders in connection with GFI's financial statements, to the Board for approval, including but not limited to review and recommendation of the following for GFI and its subsidiaries:
 - 5.2.5.1. the implementation of new systems;
 - 5.2.5.2. significant adjustments resulting from the audit;
 - 5.2.5.3. capital adequacy;
 - 5.2.5.4. compliance with local and international accounting standards, compliance with stock exchange and legal requirements; and

- 5.2.5.5. special documents such as prospectuses and other offering documents, as and when prepared.
- 5.2.6. The Committee shall determine whether the independent auditors should review quarterly and half yearly financial statements. In the case of an independent review, the report of the Committee and the report of the independent auditor shall be tabled at the Board meeting held to adopt such quarterly and/or half yearly financial statements.
- 5.2.7. The Committee shall review and resolve disagreements between Management and the independent auditors regarding financial reporting.
- 5.2.8. While primary responsibility for the financial statements and disclosures rests with Management, and without detracting from its duties in terms of paragraph 5.1.7, the Committee shall review:
 - 5.2.8.1. major issues concerning accounting principles and financial statement presentations, including any significant changes to the selection or application of accounting principles;
 - 5.2.8.2. major issues regarding the adequacy of internal controls and steps taken in light of material control deficiencies;
 - 5.2.8.3. analyses prepared by Management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; and
 - 5.2.8.4. the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, including any significant ventures, investments or operations that are not subject to an independent audit, on the financial statements.
- 5.2.9. Prior to the filing of any audit report with the SEC or JSE Limited, the Committee shall discuss with the independent auditor, as appropriate:
 - 5.2.9.1. all critical accounting policies and practices to be used;
 - 5.2.9.2. all alternative treatments of financial information discussed with Management within International Financial Reporting Standards (IFRS) and accounting principles generally accepted in the United States (US GAAP) (for so long as GFI prepares consolidated financial statements in US GAAP for

inclusion in its Annual Report on Form 20-F filed with the SEC);
and

- 5.2.9.3. all material written communications between the independent auditor and Management, including but not limited to the independent auditor's proposed audit certificate, and the independent auditor's management letter and Management response.
- 5.2.10. The Committee shall meet separately with Management, the Internal Audit Department and the independent auditors on a regular basis to discuss all issues warranting Committee action or attention.
- 5.2.11. The Committee shall be responsible for providing independent oversight of the effectiveness of the organisation's assurance functions and services, with particular focus on combined assurance arrangements, including external assurance service providers, internal audit and the finance function;
- 5.2.12. The Committee shall establish a combined assurance model, designed and implemented to adequately cover the material matters, significant risks and opportunities, through the assurance services and functions of the Company. In addition, the Committee shall establish a central depository for all assurance reports across the Group;
- 5.2.13. The Committee shall review all reports, as required by the combined assurance model, that have been approved by any other Board Sub Committee on an annual basis, including but not limited to the annual Reserves and Resources report.
- 5.2.14. The Committee shall report regularly to the Board on any issues arising in connection with its oversight of the functions for which it is responsible. The agenda of each Board meeting shall provide an opportunity to the Chair of the Committee to report orally to the Board on any matters of importance as well as on the Committee's findings and recommended actions.
- 5.2.15. The Committee shall review disclosures made to the Committee by GFI's Chief Executive Officer and Chief Financial Officer in connection with the certifications required to be made in the annual report on Form 20-F with regard to the accuracy and completeness of the financial statements

contained in the annual report, the Company's disclosure controls and procedures and the Company's internal control over financial reporting.

- 5.2.16. The Committee shall establish procedures for the hiring by GFI of employees or former employees of the independent auditors.
- 5.2.17. The Committee shall, without detracting from its duties in terms of paragraph 5.1.7, establish, review and monitor procedures for the receipt, retention and treatment of complaints received by GFI and its subsidiaries regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- 5.2.18. The Committee will have the prerogative of instituting investigations into all matters which may signify that the accuracy or reliability of the financial reporting or the adequacy of the internal controls at GFI and the Group is in question.
- 5.2.19. Although the audit of GFI and the Group's financial statements is the responsibility of independent auditors, the Committee shall ensure that major activities, key results areas, critical functions and the risk exposures are adequately covered/examined.

This requirement will not limit or restrict the independent auditors in respect of the programme they wish to follow. In the normal course of the external audits, the independent auditors will be required to report to the Committee on the following matters that came to their attention during the performance of the audit, inter alia:

- 5.2.19.1. their view of the financial and accounting systems and the application and control thereof;
- 5.2.19.2. any recommendations to improve the internal financial and/or accounting control, accounting practices or bases, or the reporting systems;
- 5.2.19.3. any fundamental transactions outside normal business;
- 5.2.19.4. any transactions of significance between the Group and its Directors or officers or their next of kin;
- 5.2.19.5. any activities contrary to the Group's code of business conduct; and

- 5.2.19.6. any disagreements with the Management regarding the contents or presentations of financial reports, as well as how agreement was reached (any irreconcilable disagreements between the Management and the independent auditors must be referred immediately to the Committee for resolution).
- 5.2.20. The Committee shall determine the purpose, authority and responsibility of the GFI Internal Audit Department in an Internal Audit charter to be approved by the Committee, and shall at least annually review the GFI Internal Audit Department's compliance with that charter.
- 5.2.21. The Committee shall monitor and evaluate the effectiveness of the GFI Internal Audit Department, which reports to the Chief Financial Officer but has access to both the Chair of GFI and the Chair of the Committee.
- 5.2.22. The Committee shall have the authority to appoint and dismiss the head of the GFI Internal Audit Department.
- 5.2.23. The Committee shall review and approve any internal audit plans proposed by the Internal Audit Department, and shall review all reports and conclusions submitted to the Committee by the Internal Audit Department. The Committee shall review the effectiveness of GFI's internal control systems and policies, and shall review the intended level of support for and co-ordination with the external audit process.
- 5.2.24. The Internal Audit Department shall conduct regular reviews of all financial systems, internal control procedures and the accuracy of record keeping. In addition, the Internal Audit Department shall undertake ad hoc investigations at the request of the Management, the Directors and/or the Committee as felt necessary.
- 5.2.25. The Internal Audit Department shall report at all Committee meetings, and the Committee will act as a forum for discussion of issues reported by the Internal Audit Department. The Committee shall review summarised internal audit findings and Management actions to determine the degree to which Management controls are implemented and executed and to establish trends in the organisation. The Committee shall also review any significant differences of opinion between Management and the GFI Internal Audit Department.
- 5.2.26. The Committee must ensure, as far as possible, that the independence of the Internal Audit Department is not compromised in any way.

- 5.2.27. The Committee shall review and approve or ratify any transaction submitted to the Committee between the Company and a related person (as defined by section 2(1)(a) to (c) of the Act), which is required to be disclosed.
- 5.2.28. The Committee will perform such other functions as assigned by law, regulation, the Company's charters or by-laws, or the Board.
- 5.2.29. The Committee shall assist the Board in making a statement on the going concern status of the Company after reviewing a documented assessment of the going concern status of the Company prepared by Management.
- 5.2.30. The Committee shall consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the CFO and the finance functions, and shall confirm this by reporting to shareholders in the annual report that this has been executed.
- 5.2.31. The Committee shall conclude and report yearly to the stakeholders and the Board on the effectiveness of the Company's internal financial controls.
- 5.2.32. The Committee shall be responsible for evaluating the significant judgments and reporting decisions affecting the annual report made by Management, including changes in accounting policies, decisions requiring a major element of judgment and the clarity and completeness of the proposed financial and sustainability disclosures.
- 5.2.33. The Committee shall review the Resources and Reserves Statement for recommendation to the Board.
- 5.2.34. The Committee shall review the quality of the external audit, with reference to audit quality indicators such as those that may be intended in inspection reports issued by external audit regulators.
- 5.2.35. The Committee should be informed of any monitoring or enforcement actions against the Company and review the information on hand.
- 5.2.36. The Committee is authorised to seek such independent professional advice as it may consider necessary at the Company's expense.

- 5.2.37. The Committee shall review and reassess the adequacy of these terms of reference periodically and recommend any proposed changes to the Board for approval.
- 5.2.38. The Committee shall annually review its own performance and report its findings to the Board for approval.
- 5.2.39. The Committee shall, at the advice of Management (who is responsible for the implementation and effective execution of Information and Technology), be accountable to the Board for Information and Technology governance.
- 5.2.40. The Committee shall ensure that the I &T framework is in place and that the I &T charter and policies are established and implemented.
- 5.2.41. The Committee shall ensure that an I &T internal control framework is adopted and implemented and that the Board receives an independent assurance on the effectiveness thereof.
- 5.2.42. The Committee shall:
- 5.2.42.1. review arrangements by which GFI staff and others may, in confidence, raise concerns about possible improprieties in matters of financial reporting or any other matters, with a view to ensuring that arrangements are in place for the effective and independent investigation of such matters and for appropriate follow-up actions;
 - 5.2.42.2. consider the major findings of internal investigations and Management's responses thereto in relation to the above.

6. REMUNERATION

- 6.1. Having regard to the functions performed by the members of the Committee, in addition to their functions as Directors on the Board and in relation to the activities of the Committee, members of the Committee may be paid such remuneration for serving on the Committee as shall be recommended by the Non-Executive Directors Remuneration Committee and, to the extent required by the Act, approved by the shareholders of GFI in General Meeting.

- 6.2. Such remuneration shall be in addition to the remuneration such Directors receive for service on the Board and on committees. The Chair of the Committee may receive a fee in addition to such remuneration as from time to time recommended by the Non-Executive Directors Remuneration Committee and, to the extent required by the Act, approved by the shareholders of GFI in General Meeting.

7. **CONDUCT OF COMMITTEE MEMBERS**

Committee members are expected to:

- 7.1. Act in the Company's best interests, in good faith and with integrity and adhere to all relevant legal standards of conduct.
- 7.2. Avoid conflicts of interest between their personal affairs and those of the Company or, where unavoidable, disclose any such conflict or potential conflict.
- 7.3. Disclose any information they may be aware of that is material to the Company and of which the Board is not aware, unless such director is bound by ethical or contractual obligations of non-disclosure.
- 7.4. Keep all information learned by them, in their capacity as Committee members, strictly confidential.
- 7.5. Exhibit the degree of care, skill and diligence that may reasonably be expected of a person carrying out the same functions in relation to the Company as those carried out by that person, and having the general knowledge, skill and experience of that person.

Chair of the Committee

Date