

## AUDIT AND RISK COMMITTEE REPORT

### 1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

The members of the audit committee are all independent non-executive directors of the Group and include:

Name	Qualification	Date of resignation
S Young	BProc LLB (UWC), LLM (Tulane University, USA)	
JM Gaomab	Extensive Board-level experience	
TT Hove	BCom Hons Accounting (Nelson Mandela Metropolitan University), CA(SA), ACMA, CGM	
Reverend Dr VC Mehana	BTh (Rhodes University), AMP (INSEAD Business School, France), Certificate on Public Enterprise (National University of Singapore), MBA (De Montfort University, UK), DPhil (University of Johannesburg), ordained Minister of the Methodist Church of South Africa, adjunct professor of UCT: Graduate School of Business and Top Management Certificate on Public Enterprise (National University of Singapore), DBA, Honoris Causa (Commonwealth University)	18 August 2017

The committee is satisfied that the members thereof have the required skills, knowledge and experience as set out in section 94(5) of the Companies Act, 2008 (No. 71 of 2008), as amended (the Companies Act) and regulation 42 of the Companies Regulations, 2011.

### 2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The audit and risk committee performs the duties laid upon it by section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The committee held 3 scheduled meetings during 2016/17 and 80% of the committee members attended all the meetings.

### 3. EXTERNAL AUDITOR

The audit and risk committee nominated Grant Thornton Cape Inc. as the independent auditor and Mr I Hashim as the designated partner, who is a registered independent auditor, for appointment of the 2018 audit.

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act that internal governance processes within the firm support and demonstrate the claim to independence.

The audit and risk committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit was considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The audit and risk committee considered and pre-approved all non-audit services provided by the external auditor and the fees relative there to so as to ensure the independence of the external auditor is maintained.

### 4. ANNUAL FINANCIAL STATEMENTS

Following the review of the annual financial statements and the abridged integrated report, the audit and risk committee recommend to the Board approval thereof.

#### 5. EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

As required by the JSE Listings Requirement 3.84(h), the audit and risk committee assessed the competence and performance of the chief financial officer and is satisfied that she has the appropriate expertise and experience. The committee is satisfied with the expertise and adequacy of the resources within the finance department and the experience of the finance staff.

#### 6. INTERNAL AUDIT AND OBJECTIVE AND SCOPE OF THE AUDIT

For further information on the activities of the internal audit function and the objectives and scope of the audit conducted during the year under review, kindly refer to the report of the audit and risk committee.

On behalf of the audit and risk committee



**S Young**

*Chairman Audit and risk committee*

Cape Town

7 November 2017