

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee takes pleasure in presenting its report for the financial year ended 31 March 2016.

Terms of reference

The committee is a formal committee of the board of the company and its subsidiaries and has adopted written terms of reference. These terms of reference include the statutory requirements of the Companies Act (the "Act"), the recommendations of King III and certain responsibilities delegated by the board.

The main responsibilities of the committee include:

- Reviewing the ongoing effectiveness of the internal financial controls
- Reviewing the interim and preliminary results, the annual financial statements and other content in the integrated report, and making a formal recommendation to the board to adopt the same
- Ensuring compliance with IFRS and the relevant requirements of the Companies Act and the JSE with respect to financial reporting
- Overseeing the appointment and independence of the external auditors and reviewing their external audit reports
- Determining a policy for the provision of non-audit services by the external auditors
- Monitoring the risk management framework adopted by the company and its subsidiaries ("group") and reviewing any risk management reports in this regard
- Reviewing management's assessment of the group and company to continue as a going concern

The committee confirms that it has fulfilled all its statutory obligations as well as its terms of reference for the period under review.

Members of the committee, attendance of meetings and evaluation

The committee comprises the three independent non-executive directors as detailed in the corporate governance report and is chaired by Gareth Fox CA(SA).

Meetings and attendance are set out on page 37. Certain executive directors as well as the external auditors attended committee meetings by invitation.

The terms of reference require an annual evaluation of the performance of the committee and its members as well confirmation of the members' independence in terms of King III and the Act. The outcome of this evaluation and confirmation was satisfactory.

External auditors

The committee nominated KPMG Inc. as external auditors for the current period, having satisfied itself that they are independent of the group. The committee noted Gary Pickering as the designated auditor and confirmed that both he and KPMG Inc. are accredited with the JSE as required. The external auditors have unrestricted access to the committee.

The committee approved the terms of the auditors' engagement letter, their audit plan and budgeted audit fees for the audit of the annual financial statements for the period ended 31 March 2016.

The committee adopted a formal framework for the pre-approval of allowable non-audit services above certain pre-determined thresholds.

Internal audit

The committee has satisfied itself that the size and complexity of the company does not warrant an internal audit function.

Financial director

In terms of JSE Listings Requirement paragraph 3.84 (h), the audit committee has during the 2016 financial year considered the expertise and experience of the financial director, Stephen Lucas, and is satisfied that they are appropriate for his role.

Internal financial controls

The committee reviewed the risk management and internal control framework presented by management and matters raised by the external auditors report as to the efficacy of the group's internal financial controls. The committee confirms that no material breakdown of internal financial controls was identified during the current financial period.

Approval of annual financial statements

The committee confirms that it formally recommended the adoption of the company and its subsidiaries annual financial statements to the board of directors.



Gareth Fox CA(SA)
Audit and Risk Committee Chairman

13 June 2016