

AUDIT AND RISK COMMITTEE REPORT

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

Majority members of the audit and risk committee are independent non-executive directors of the Company and include:

Name	Qualification	Date of appointments/ resignation
S Young	BProc LLB (UWC), LLM (Tulane University, USA)	21 February 2018 (resigned)
JM Gaomab	Extensive Board-level experience	
TT Hove	BCom Hons Accounting (Nelson Mandela Metropolitan University), CA(SA), ACMA, CGMA	
AB Amod	Extensive Board-level experience	4 May 2018 (appointed)
Adv Dr NA Ramatlhodi	BA Law and LLB (National University of Lesotho), MSc in International Relations (University of Zimbabwe), admitted to the Bar of Lesotho and South Africa as an Advocate, Honorary Doctor of Law Degree (University of Limpopo)	4 May 2018 (appointed)

The committee is satisfied that the members thereof have the required 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.

The committee operates in terms of a Board-approved charter. It conducts its affairs in compliance with, and discharged its responsibilities in terms of its charter for the year ended 31 August 2018.

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 three scheduled meetings during 2017/18 and 60% of the committee members attended all the meetings.

3. EXTERNAL AUDITOR

The audit and risk committee nominated BDO 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 Group 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 qualifications of the auditors, 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 auditors and the fees relative thereto 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.

AUDIT AND RISK COMMITTEE REPORT (continued)

6. DUTIES OF THE AUDIT AND RISK COMMITTEE

Refer to page 75 of the abridged integrated report and page 23 of the online corporate governance report.

7. 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



TT Hove

Chairman audit and risk committee

Cape Town

26 November 2018