

Audit and Risk Committee Report

The Audit and Risk Committee ("audit committee") takes pleasure in presenting its report for the 4-month period ended 28 February 2017.

Functions of the audit and risk committee

The audit committee is a formal committee of the board and has adopted a written terms of reference. These terms of reference include the statutory requirements of the Companies Act (Act 71 of 2008, as amended), the recommendations of the King Report on Corporate Governance ("King III"), as well as certain responsibilities delegated by the board. The audit committee has discharged the functions in terms of its terms of reference and ascribed to it in terms of the Companies Act as follows:

The main responsibilities of the audit committee include the following:

- Review of the ongoing effectiveness of the internal financial controls.
- Review of the provisional results and the consolidated and separate financial statements for the period as well as other content in the integrated report and making a formal recommendation to the board to adopt the same.
- Ensuring compliance with International Financial Reporting Standards 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 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.

Discharge of responsibilities

The audit 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 audit committee, attendance of meetings and evaluation

The audit committee comprises the three independent non-executive directors as detailed in the corporate governance report and is chaired by Jalal Allie. Meetings and meeting attendance are also detailed in the corporate governance report. The executive directors and the external auditors attended audit committee meetings by invitation.

The terms of reference require an annual evaluation of the performance of the audit committee and its members, as well as confirmation of the members' independence in

terms of King III and the Companies Act. The outcome of this evaluation and confirmation was satisfactory.

External auditors

The audit committee nominated Grant Thornton Cape Inc. as the external auditors for the current year after having satisfied itself that they are independent of the company. The audit committee noted Bradley Jackson as the designated auditor and confirmed that both he and Grant Thornton Cape Inc. are accredited with the JSE Limited as required.

The audit committee approved the terms of the auditors' engagement letter, their audit plan and budgeted audit fees for the audit of the consolidated and separate financial statements for the 4-month period ended 28 February 2017.

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

Internal audit

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

Financial director

The committee has satisfied itself that the financial director has the appropriate expertise, experience and resources and is satisfied that the internal financial controls of the company are working effectively.

Internal financial controls

The audit committee oversaw the implementation of a combined assurance model and the external auditors and management reported to the audit committee as to the efficacy of the group's internal financial controls. The audit committee reviewed these and other available reports regarding the group's risk management framework and confirms that no material breakdown of internal financial controls were identified during the current financial period.

Approval of the consolidated and separate financial statements

The audit committee confirms that it formally recommended the adoption of the consolidated and separate financial statements to the board of directors.



Jalal Allie
CHAIR: AUDIT AND RISK COMMITTEE

Cape Town
27 June 2017