REPORT OF THE AUDIT AND RISK COMMITTEE

RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the committee, which meets at least five times a year, are:

- the appointment and evaluation of external auditors and their terms of engagement;
- the appointment and evaluation of the internal auditors and their mandate;
- the approval of remuneration of external and internal auditors;
- ensuring the independence of external and internal auditors;
- the approval of non-audit work which may be performed by the external auditors which includes tax compliance services, assurance related work in respect of any corporate actions and opinions not related to any prohibited services;
- approving the internal audit plan;
- approving the external audit plan without infringing on the external auditors independence;
- reviewing interim and preliminary results of the company;
- reviewing and recommending to the board for approval the interim report and preliminary announcement of results, the annual financial statements, annual integrated report and the sustainability report;
- ensuring that the risks of the company are adequately assessed and monitored by management through a risk register and compliance review, and ensuring that such risks are properly mitigated;
- ensuring that internal controls of the company are implemented, effective and monitored; and
- ensuring a cordial working relationship between management and external and internal auditors.

EXPERTISE AND EXPERIENCE OF THE FINANCIAL DIRECTOR AND RESOURCES OF THE FINANCIAL DEPARTMENT

In terms of the JSE Listings Requirements, the audit and risk committee has satisfied itself as to the appropriateness of the expertise and experience of the financial director and that the financial department has adequate resources to execute its functions.

APPOINTMENT OF EXTERNAL AUDITORS

The committee confirms the skills, independence, audit plan, reporting and overall performance of the external auditors are acceptable and that it recommends their re-appointment for the financial year ending June 2014.

GOING CONCERN STATEMENT

The directors report that they have a reasonable expectation that the group has adequate cash resources and facilities to continue in operational existence for the foreseeable future.

ANNUAL FINANCIAL STATEMENTS

The committee has:

- reviewed and discussed the audited annual financial statements included in the integrated annual report with the external auditors, the chief executive officer and the financial director;
- reviewed the external auditor's audit results report and considered management's response thereto; and
- reviewed significant adjustments resulting from external audit queries and accepted any unadjusted audit differences; and received and considered reports from the internal auditors.

The committee concurs with and accepts the external auditor's conclusions on the annual financial statements and has recommended the approval thereof to the board. The board has subsequently approved the financial statements, which will be open for discussion at the forthcoming AGM.

AR Martin
Chairman – audit and risk committee
Johannesburg
27 September 2013