REPORT OF THE AUDIT AND RISK COMMITTEE

RESPONSIBILITIES OF THE COMMITTEE

The committee, which operates in terms of a mandate approved by the board meets at least five times a year. Its responsibilities include:

- 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;
- Ensuring that the appointment of both the external and internal auditors is made in compliance with the provisions of the Companies Act;
- 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 auditors independence ;
- Reviewing interim and preliminary results of the company;
- Reviewing and recommendation to the board for approval the interim report and preliminary announcement of results, the annual financial statements and the annual integrated report;
- Ensuring that the risks of the company are adequately assessed and monitored by management through a risk register, and ensuring that such risks are properly mitigated;
- Ensuring that internal controls of the company are implemented, effective and monitored;
- Ensuring a cordial working relationship between management and internal auditors; and
- To deal appropriately with any concerns or complaints raised by any of the company's stakeholders relating to accounting policies or practices and internal audit, content or auditing of the company's financial statement, internal financial controls or any related matter.

APPROPRIATENESS OF THE EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

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 chief financial officer.

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 30 June 2016.

GOING CONCERN STATEMENT

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

ANNUAL FINANCIAL STATEMENT

The committee has:

- Reviewed and discussed the audited annual financial statements included in the annual integrated report with the external auditors, the chief executive officer and the chief financial officer;
- Reviewed the external auditor's management letter and 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

25 September 2015