

# Group Audit Committee

## **Members: David Rose (Chairman), Enos Banda and Mariam Cassim**

In terms of the Companies Act, the members of the Group Audit Committee were directly elected at the AGM in November 2016 by the shareholders. All members of the committee are standing for re-election at the AGM in November 2017.

Except for SG Fleet, each operating subsidiary company has an established divisional Audit Committee comprised of members that are independent of divisional management, chaired by the Group CFO, which reports to the Group Audit Committee. The Group Audit Committee is notified of all Divisional Audit Committee meetings and committee members are entitled to attend. At least one member of the committee was present at each of the divisional Audit Committee meetings. Minutes of the meetings of the divisional Audit Committees are made available to members of the Group Audit Committee.

The Group Audit Committee responsibilities are to:

- identify and evaluate exposure to financial risks;
- review the appropriateness and adequacy of the systems of internal financial and operational control;
- review accounting policies;
- evaluate the appropriateness and integrity of financial reporting, including the integrity of the AFS and external reports and risks that may affect these;
- review and approve external audit plans both for operational and IT audits, findings, reports and fees;
- evaluate the appropriateness of the external auditor for audit and non-audit services;
- provide effective communication between directors, management and the internal and external auditors;
- review and recommend to the Board, the interim and year-end financial statements and the Integrated Report;
- deliberate on the independence of the external auditors;
- deliberate on the effectiveness of the Chief Audit Executive (CAE) and the arrangements for internal audit;
- deliberate on the effectiveness of the design and implementation of internal financial controls and the nature/extent of any significant weaknesses; and
- deliberate on the effectiveness of the CFO and finance and the arrangements in place for combined assurance and the effectiveness thereof.

SG Fleet has its own Audit Committee appointed by the Board of SG Fleet and Peter Mountford is a member of this committee.

The Group Audit Committee works closely with the Group Risk Committee in respect of the identification of the Group's exposure to risks. David Rose and Mariam Cassim are members of both committees, which facilitates close cooperation between the committees.

The Board is provided with regular reports and copies of the minutes of the meetings of the committee. The Group Audit and Risk Manager, internal and external auditors have unrestricted access to the Chairman of the committee and meet with the Chairman regularly.

The committee meets at least four times a year. Meetings are attended by invitees, including the CEO, the CFO, the Group Audit and Risk Manager, the Group Tax Manager, senior employees of the finance department and the external and internal auditors. When required specialists in various fields are invited to attend the committee meeting and provide input to the committee.

The Group Company Secretary acts as the committee's secretary.

The committee meets annually with the external auditors, independently of the executive management team.

The Group Audit Committee Report for 2017 can be found on pages 64 and 65 of the Integrated Report.