

Group audit committee report

The Group Audit Committee (or "the Committee") is a committee approved by the shareholders which has specific statutory responsibilities to the shareholders in terms of section 94(7) of the Companies Act. The Committee has a sub-committee, the Group Risk Committee.

Group Audit Committee	
Chairperson	David Rose (Independent Non-executive Director)
Members	Mariam Cassim (Independent Non-executive Director) Enos Banda (Independent Non-executive Director)
Permanent invitees	Peter Mountford Group (CEO) Colin Brown Group (CFO) Dwight Thompson (The designated Audit Partner from KPMG Inc. the Independent External Auditor) Nicola Bryce (The Group Audit Manager from KPMG) Zack Sieberhagen (Group Financial Controller) Elton Biljon (Group Financial Manager) Reyaaz Mahmood (Head of Group Audit Services and Risk Manager) Clive Pincus (The Group Tax Manager)
By invitation	Phillip Vallet (Independent Non-executive Chairman)
Secretary	Nigel Redford
Role and function	The Group Audit Committee assists the Board through advising and making recommendations on financial reporting, internal financial controls and risks, external and internal audit functions and statutory and regulatory compliance of the Group. The Committee executes its responsibilities according to a Board approved Charter which is regularly reviewed and updated where necessary. The terms of reference are set out in the Committee Charter and ensures that the Committee performs its duties in terms of the Companies Act and King IV.
Responsibilities	In execution of its statutory duties, the Group Audit Committee: <ul style="list-style-type: none"> / Nominated the reappointment of KPMG Inc. as External Auditor and Mr Dwight Thompson as the individual designated auditor, after satisfying itself through enquiry that KPMG Inc. is independent as defined in terms of the Companies Act. / Determined the terms of engagement and the fees to be paid to KPMG Inc. as disclosed in note 22.3 in the Annual Financial Statements. / Approved a Non-Audit Services Policy which determines the nature and extent of any non-audit services which KPMG Inc. may provide to the Group. / Pre-approved any proposed contract with KPMG Inc. for the provision of non-audit services to the Group. An annual approval is made for certain services that are requested by management. The services rendered against this approval are reviewed at each meeting of the Committee. All other services are specifically approved by the Committee when requested. / Received no complaints relating to the accounting practices of the Group, the content or auditing of its financial statements, the internal financial controls of the Group, nor any other related matters. / Reviewed the Integrated Report, the Annual Financial Statements, the preliminary profit announcement and interim statements. / Met with the External Auditor to discuss the Annual Financial Statements prior to their approval by the Board. / Reviewed the valuation of goodwill before recommending any impairment to the Board for approval. / Made submissions to the Board on matters concerning the Group's accounting policies, financial control, records and reporting. / Concurred that the adoption of the going concern premise in the preparation of the Annual Financial Statements was appropriate.
Assurance	The Audit Committee hereby confirms and based on the processes and assurances obtained, that it: <ul style="list-style-type: none"> / has executed its duties in accordance with the terms of reference during the past financial year; / believes that the significant internal financial controls are effective; / believes that the accounting practices are effective; / confirms that the External Auditor has functioned in accordance with its terms of reference for the 2018 financial year; and / has complied with all applicable legal and regulatory responsibilities.

Activities undertaken by the Committee during the year

Oversight of risk management

The Group Audit Committee has satisfied itself that the following areas have been appropriately addressed:

- / Financial reporting risks.
- / Internal financial controls.
- / Fraud risks as they relate to financial reporting.
- / IT risks as they relate to financial reporting.
- / Tax risks.

David Rose and Mariam Cassim are members of the Group Risk Committee, ensuring that the Group Audit Committee is an integral component of the risk management process.

Internal financial controls

The Group Audit Committee has:

- / reviewed the effectiveness of the Group's system of internal financial controls including receiving assurance from management and internal audit;
- / reviewed significant issues raised by the External Auditor in their reports; and
- / reviewed policies and procedures for preventing and detecting fraud.

Internal Audit

Super Group has a full Internal Audit Department consisting of four employees. The Head of Group Audit Services is Reyaz Mahmood. The Group Audit Committee approves the Internal Audit Plan and any variation thereof. The chairman of the Group Audit Committee meets with the Head of Group Audit Services on a regular basis and the Head of Group Audit Services has unfettered access to all members of the Committee.

Chief Financial Officer

The Committee is satisfied that Colin Brown has the appropriate expertise and experience to meet the responsibilities of his appointed position as CFO as required by the JSE.

The Committee is satisfied:

- / with the expertise and experience of the Group Financial Controller, Zack Sieberhagen;
- / with the expertise and experience of the Group Financial Manager, Elton Biljon; and
- / that the resources within the finance function are adequate to provide the necessary support to the CFO.

In making these assessments, the Committee has obtained feedback from the External Auditor.

External Auditor

The Board, including members of the Group Audit Committee, reviewed the independence of KPMG Inc. (KPMG) as the Group's External Auditor with Mr Dwight Thompson as the independent individual registered auditor who undertook the Group's audit for the current year.

The independent investigations into the several serious issues concerning KPMG's activities in South Africa by various regulatory authorities are still ongoing and the Board indicated that the decision to retain KPMG will be reviewed following the outcome of the investigations. The results of an independent investigation by a reputable Legal Firm has found that no KPMG partner received any benefit from the issues under investigation. After considering all of the information currently available and the performance of KPMG during the 2018 audit, the Group Audit Committee has recommended the reappointment of KPMG as the Group's auditors to the Board.

Allen Ford (UK) Limited and its subsidiaries were audited by PricewaterhouseCoopers (PwC) LLP. ABF Legend Logistics Proprietary Limited was audited by Malan Geldenhuys Auditors Incorporated. The Group Audit Committee is satisfied that these audits were completed to an acceptable standard. The Group Audit Committee reviewed the independence of PwC and Malan Geldenhuys.

Independence of the External Auditor

The assessment was made after considering the following:

- / Confirmation from the External Auditor that they, or their immediate family, do not hold any significant direct or indirect financial interest or have any material business relationship with Super Group. The External Auditor also confirmed that they have internal monitoring procedures to ensure their independence.
- / The External Auditor does not, other than in their capacity as External Auditor or rendering permitted non-audit services, receive any remuneration or other benefits from Super Group.

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- / The External Auditor's independence was not impaired by the non-audit work performed having regard to the quantum of audit fees relative to the total fee base and the nature of the non-audit work undertaken.
- / The External Auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements.
- / The criteria specified for independence by the Independent Regulatory Board for Auditors.
- / KPMG and the designated auditor are accredited with the JSE.

External Auditors' fees

The Committee approved, in consultation with management, the audit fee and engagement terms for the various External Auditors for the 2018 financial year, as set out below:

Description of fees	R'000	% of total
Audit fees	22 239	86.9
Non-audit fees	2 791	10.9
Expenses	570	2.2
Total fees	25 600	100.0

The Committee, in addition:

- / reviewed and approved the non-audit services fees for the year under review and ensured that the fees were within limit and in line with the non-audit service policy; and
- / determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External Auditor's performance

The Committee:

- / reviewed and approved the External Audit plan, ensuring that material risk areas were included and that coverage of the significant business processes was acceptable;
- / monitored the effectiveness of the External Auditor in terms of audit quality and expertise; and
- / reviewed the External Audit reports and management's response, considered their effect on the Annual Financial Statements and internal financial controls; and
- / has recommended to the Board the reappointment of KPMG Inc.

Key audit matters

- / The figures disclosed in the Annual Financial Statements in certain circumstances are arrived at using judgement. These are explained in detail in the accounting policies. The Committee has considered the qualitative and quantitative aspects of the information presented in the Annual Financial Statements and other items that require significant judgement and this is also noted. The Annual Financial Statements are available on the Group's website.

Annual Financial Statements

The Committee:

- / reviewed the interim results and Annual Financial Statements, including the public announcements of the Group's financial results, and made recommendations to the Board for their approval. In the course of its review, the committee:
 - / took appropriate steps to ensure that the Annual Financial Statements were prepared in accordance with IFRS;
 - / considered the appropriateness of accounting policies and disclosures made;
 - / in accordance with the JSE Listings Requirements approved the Group's financial reporting procedure; and
 - / completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the Annual Financial Statements.

The Committee was not required to deal with any complaints relating to accounting practices or internal audit, nor to the content or audit of the Annual Financial Statements, nor internal financial controls and related matters.

The Committee has evaluated the Annual Financial Statements of the company and the Group for the year ended 30 June 2018, and based on the information provided to the Group Audit Committee, considers that the Group complies in all material respects, with the requirements of the Companies Act and IFRS. The Committee has recommended the Annual Financial Statements to the Board for approval.

On behalf of the Group Audit Committee

David Rose

Group Audit Committee Chairman

27 September 2018