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CORPORATE GOVERNANCE

INTRODUCTION

Lewis Group is committed to maintaining a culture of effective corporate governance to ensure the long-term sustainability of the business. The group therefore embraces the principles of integrity, transparency and accountability in its dealings with all stakeholders.

Governance structures and processes are regularly reviewed in response to changing requirements and to ensure alignment with best practice.

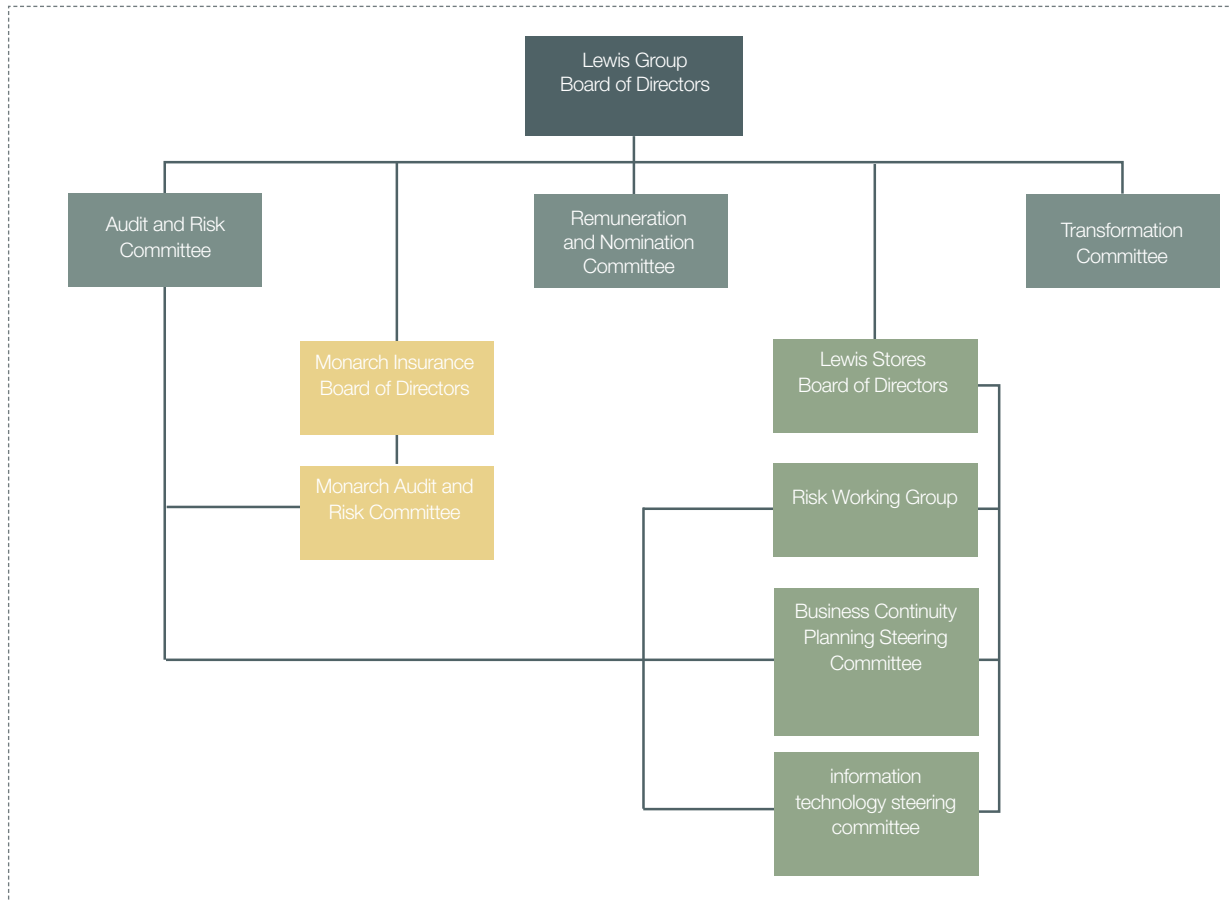
The board confirms that the company complies with all relevant legislation, regulation and codes, including the Code of Corporate Practices and Conduct as set out in the second King Report on Corporate Governance (King II) and the JSE Listings Requirements.

The group welcomes the introduction of the King III Report and plans to move to full compliance with the code. An evaluation of the principles of King III against current practice has been completed and amendments and enhancements to governance processes will take place in the new financial year.

As part of the implementation of King III, the board approved changes to its governance structure at the end of March 2010. These changes include separating the current Audit and Risk Committee into specific committees for audit and for risk, as well as splitting the Remuneration and Nomination Committee into separate committees.

GOVERNANCE STRUCTURE

The following board and committee structure applied for the period under review:



BOARD OF DIRECTORS

Board responsibilities

A formal board charter confirms that the directors are accountable to shareholders and are responsible for the following:

- adopting strategic plans;
- approval of budgets;
- monitoring operational performance against approved budgets;
- ensuring effective risk management and internal control;
- overseeing director selection, orientation and evaluation;
- approving significant accounting policies;
- ensuring legislative and regulatory compliance;
- assessing the sustainability of the group as a going concern;
- approving the annual and interim financial statements;
- ensuring balanced and understandable communication to stakeholders; and
- matters considered crucial for business success.

A clear division of responsibility is embedded in the board charter. The board has delegated authority to the chief executive officer and the directors of Lewis Stores for the implementation of the strategy and the ongoing management of the business.

Board composition

Lewis Group has a unitary board structure consisting of seven non-executive directors and two full-time, salaried executive directors. Background information on the directors appears on pages 12 and 13 of this report.

The following changes were made to the board during the year:

- Alan Smart, the chief executive officer, retired on 30 September 2009 and continues to serve on the board as a non-executive director.
- Johan Enslin succeeded Alan Smart as chief executive officer with effect from 1 October 2009 and was appointed to the board as an executive director.
- Zarina Bassa and Sizakele Marutlulle were appointed as independent non-executive directors from 1 October 2009.

Six of the non-executive directors, including the chairman, are currently classified as independent in terms of both the King II definition and the guidelines of the JSE Listings

Requirements. The remaining non-executive director, Alan Smart, is not classified as independent as he has served as an executive of the group within the last three years.

Directors do not have a fixed term of appointment and all directors are subject to retirement by rotation and re-election by shareholders at least every three years. Directors appointed during the year are required to have their appointments ratified at the following AGM. Executive directors are subject to a 12-month notice period.

Directors are invited to serve on the board based on their knowledge, experience, independence and ability to contribute to board level debate.

Board meetings

The board meets at least four times a year and further meetings may be convened. No additional meetings took place during the year under review. Meetings are conducted in accordance with formal agendas, ensuring that all substantive matters are addressed and monitored. Any directors may request additional items to be included on the agenda.

Newly-appointed directors participate in an induction programme which outlines their fiduciary responsibilities and provides company and industry background information.

Board evaluation

All directors participate in the annual evaluation of the board's performance. The questionnaire-based evaluation covers the board's role and agenda setting; the size, independence and composition of the board; director orientation and development; board meetings; board committees; board accountability and governance practices. The process also includes an assessment of the performance of the chairman and the chief executive officer. In addition the chairman has individual sessions with each director.

Company secretary

The company secretary acts as adviser to the board and plays a pivotal role in ensuring compliance with regulations, the induction of new directors and providing advice to directors on governance, compliance and their fiduciary responsibilities.

The directors have unrestricted access to the advice and services of the company secretary. They are entitled to seek professional advice at the company's expense after consultation with the chairman of the board. Directors also have unrestricted access to all company information and may meet independently with management.

CORPORATE GOVERNANCE CONTINUED

BOARD COMMITTEES

The board of directors has delegated specific responsibilities to three board committees. The committees are all chaired by independent non-executive directors. Each committee has a charter and terms of reference and the directors confirm that the committees have functioned in accordance with these written terms of reference during the financial year.

Lewis Group Audit and Risk Committee	
Purpose and function	Composition
<ul style="list-style-type: none">• Approving the internal audit plan and reviewing the activities and findings of the department.• Evaluating the performance of the internal audit function.• Reviewing the audit plan of the external auditors, providing guidance on non-audit services.• Assessing the independence and objectivity of the external auditors.• Considering significant differences of opinion between management and external auditors.• Reviewing the adequacy of internal control and risk management.• Ensuring regulatory compliance.• Assessing the economic, environmental and social sustainability of the group.• Reviewing the financial reporting system, evaluating and approving accounting policies and the financial information issued to stakeholders in terms of IFRS.	<p>Chairman – Hilton Saven</p> <p>The committee consists of four independent non-executive directors. The directors are financially literate and suitably qualified to perform their role.</p> <p>Meetings are also attended by the chief executive officer, chief financial officer, company secretary, internal audit executive and the external auditors.</p>
	<p>Meetings</p> <p>Four per year</p>



Lewis Group Remuneration and Nomination Committee

Purpose and function

- Developing a remuneration philosophy.
- Ensuring senior executives are fairly rewarded.
- Reviewing and approving compensation of executive directors, non-executive directors and senior executives.
- Recommending non-executive directors' fees for shareholder approval.
- Approving the award of share incentives.
- Succession planning.
- Ensuring the board has the required mix of skills, experience and other qualities to effectively manage the group.
- Identifying and nominating candidates to fill board vacancies.

Composition

Chairman – David Nurek

The committee consists of four independent non-executive directors.

The chief executive officer attends meetings at the invitation of the committee.

Meetings

Twice per year

Lewis Group Transformation Committee

Purpose and function

- Developing and maintaining a transformation strategy.
- Approving the transformation programme.
- Setting targets in terms of the Codes of Good Practice of the Department of Trade and Industry (DTI).
- Evaluating the group's performance against the DTI scorecard.
- Confirming legislative compliance.

Composition

Chairperson – Fatima Abrahams

The committee consists of two independent non-executive directors, together with the chief executive officer, merchandising director, human resources director and corporate social responsibility manager.

Meetings

Twice per year

CORPORATE GOVERNANCE CONTINUED

MONARCH INSURANCE COMPANY LIMITED (MONARCH)

Monarch is the group's short-term insurer. Knowledge and experience of short-term insurance is considered in appointing directors to the board. Two of the non-executive directors, Robert Shaw and Ray Sanger, provide insurance advisory services to Monarch.

A formal report on the investment portfolio by Sanlam Investment Management is presented at each board meeting, covering market conditions and expectations, asset allocation, investment returns, review of the investment portfolios and recommendations on the investment strategy.

Monarch Board	
Purpose and function	Composition
<ul style="list-style-type: none"> Approval and oversight of strategic plans for the insurer within the parameters of the overall strategic direction of the group. Approval of budgets. Monitoring operational performance against budgets. Regular review of underwriting criteria. Adoption of asset allocation strategies for the investment portfolio, based on recommendations from Sanlam Investment Management who manages the portfolio on Monarch's behalf. Review of the performance of the investment portfolio against benchmarks. Ensuring regulatory compliance. Ensuring effective risk management and internal control. Assessing director selection, orientation and evaluation. Approving significant accounting policies. Approving the annual financial statements. 	<p>Chairman – Alan Smart</p> <p>The board consists of four non-executive directors and one executive director.</p> <hr/> <p>Meetings</p> <p>Four per year</p>

Monarch Audit and Risk Committee	
Purpose and function	Composition
<ul style="list-style-type: none"> Reviewing the audit plan relative to the group's audit plan. Providing guidance on non-audit services. Ensuring regulatory compliance. The committee is also responsible for the group's compliance with the Financial Advisory and Intermediary Services Act. Reviewing the financial reporting system, evaluating and approving accounting policies and approving the financial statements. Addressing risks specific to the company that have been identified in the group risk management policies. 	<p>Chairman – Hilton Saven</p> <p>The committee consists of four non-executive directors.</p> <p>Meetings are attended by the chief financial officer, company secretary, the group's internal audit executive and external auditors.</p> <hr/> <p>Meetings</p> <p>Four per year</p>

LEWIS STORES (PTY) LIMITED

Lewis Stores (Proprietary) Limited is the main trading subsidiary of the group and operational responsibility has been delegated to the Lewis Stores board for the ongoing management of the business.

Lewis Stores Board	
Purpose and function	Composition
<ul style="list-style-type: none"> • Adoption of strategic plans. • Providing strategic direction to senior management. • Monitoring operational performance and management. • Preparation and integrity of financial statements and all related information. • Maintaining adequate accounting records. • Adequately safeguarding, verifying and maintaining accountability of assets. • Monitoring key performance indicators of the business. • Ensuring regulatory and legislative compliance. • Risk management. • Developing a corporate code of conduct. • Assessing composition and effectiveness of board. 	Chairman – Johan Enslin The board consists of six executive directors, namely chief executive officer, chief financial officer, directors of credit risk, merchandising, human resources and information technology.
	Meetings Four per year

Governance committees of Lewis Stores

- **Executive Committee** consists of 14 members, including the six directors of Lewis Stores, and the heads of key areas of operation within Lewis. The committee meets three times a year in conjunction with the Lewis Stores board meetings.
- **Risk Working Group (RWG)** conducts a risk self-assessment on a biannual basis to evaluate any change in business risks and identifies emerging risks which may require mitigation. Following each assessment an appropriate course of action is agreed to mitigate or manage the risks identified. Responsibility for each risk is assigned by the RWG to the appropriate executive or line manager (refer to the Risk Management Report on page 46).
- **Business Continuity Planning Steering Committee** manages the business continuity plan (BCP) which assesses potential environmental disasters, disruptions, loss of utilities and services, equipment or system failure, serious information security incidents and other emergency situations. The BCP covers all the key business processes identified as critical to the functioning of the group. The plan is tested periodically in a simulated environment. The committee comprises the chief executive officer, chief financial officer and IT director.
- **Information Technology Steering Committee** meets quarterly and comprises the chief executive officer, chief financial officer, IT director as well as business systems and IT operations executives. The committee focuses on the following IT-related issues: strategic alignment of the business; delivering value by optimising expenditure and proving value; IT risk management which provides for disaster recovery as well as the safeguarding of IT assets; and unlocking of business knowledge. The committee also oversees progress on strategic projects to ensure efficient delivery of new systems.

CORPORATE GOVERNANCE CONTINUED

BOARD AND COMMITTEE ATTENDANCE

Lewis Group

Non-executive directors	Board	Audit and Risk	Remuneration and Nomination	Transformation
Number of meetings	4	4	2	2
D M Nurek+	4	4	2	2
F Abrahams	4		2	2
Z Bassa*	1/2	1/2		
S Marutlulle*	2/2			
H Saven	4	4	2	
A J Smart #	4	4°	1/1§	
B J van der Ross	4	4	2	
Executive directors				
J Enslin*	4	4°	1°	2
L A Davies	4	4°		
Management				
N Jansen				2
D Loudon				2
S Röhm				2

+ Chairman

* Appointed 1 October 2009

Retired as chief executive officer with effect from 30 September 2009 and appointed as a non-executive director from 1 October 2009

° By invitation

§ Also attended the other meeting by invitation as he was the chief executive officer

Monarch Insurance Company Limited

Non-executive directors	Board	Audit and Risk
Number of meetings	4	4
A J Smart+	4	4
D M Nurek	4	4
R I Sanger	4	4
H Saven	4	4
R L Shaw	4	4
Executive director		
L A Davies	4	4°

+ Chairman. Retired as chief executive officer with effect 30 September 2009 and appointed non-executive director from 1 October 2009

° By invitation

Lewis Stores (Proprietary) Limited

Directors	Board
Number of meetings	3
A J Smart*	2/2
J Enslin	3
L A Davies	3
C Irwin	3
N Jansen	3
D Loudon	3
B van Aswegen	3

* Retired 30 September 2009

COMPLIANCE AND CODES OF CONDUCT

Regulatory and legislative compliance

New and proposed legislation impacting the group includes the following:

- Insurance Laws Amendment Act: This legislation mainly affects the group's insurer, Monarch Insurance Company Limited, and the relevant provisions of the Act were implemented during the year.
- Consumer Protection Act: An analysis of the legislation has been concluded and owing to the high ethical standards adopted by the group in its dealings with customers, limited refinements are required. The Act contains a number of transitional provisions which allows for businesses to effect implementation by October 2010.
- Companies Act 2008: Comment was submitted on the Companies Act Regulations and the group awaits the finalisation of the Companies Act.
- Financial Advisory and Intermediary Services Act: Implementation of the Act relating to the fit and proper requirements for staff is in progress.

The group had no instances of significant non-compliance, fines or prosecution in the period.

Behavioural code

The group conducts its business with the highest levels of professionalism and integrity. The Lewis Group pledge is a behavioural code which outlines the standards of honesty, integrity and mutual respect which employees are required to observe.

The corporate fraud policy sets out the responsibility of staff and management towards the detection and prevention of fraud.

A confidential hotline is available to all employees to report suspected incidents of fraud or dishonesty.

All employees who interact with suppliers or are involved with entities conducting business with the group are required to sign a declaration of conflict of interest. The declaration covers issues ranging from employees owning shares in a supplier to receiving gifts from suppliers. The declaration by employees has been noted in the group's risk register.

Personal share dealings

An insider trading policy restricts directors and specifically identified staff from dealing in the shares of Lewis Group during closed periods. The closed periods are effective from the end of the interim and annual reporting periods until the financial results are disclosed on SENS. Embargoes are also placed on share dealing when the group is trading under a cautionary statement.

Directors are required to obtain written clearance from the chairman of the board prior to dealing. The chairman is required to obtain written permission from the chairman of the Audit and Risk Committee.

It is also mandatory to notify the company secretary of any dealings in the company's shares. This information is then disclosed to the JSE Limited within 48 hours of the trade being effected and the details published on SENS.

A register of share dealings by directors is maintained by the company secretary and reviewed by the board.

Shareholder communications

The group is committed to regular and transparent communication with the investment community to provide a fair assessment of the financial position to all stakeholders. Management has an active contact programme with institutional investors and investment analysts, including interim and final results presentations in Cape Town and Johannesburg, post-results roadshows to investors, regular meetings with local and international fund managers and analysts, store visits as well as participation in broker conferences locally and offshore. An investor relations consultancy is retained by the group to advise on financial communications and investor relations.

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (the committee) has pleasure in submitting its report for the year ended 31 March 2010 in compliance with the requirements of the Companies Act.

INTRODUCTION

As a standing committee of the board, the committee operates within a documented charter and complies with all relevant legislation, regulation and governance codes. The committee's terms of reference are reviewed annually and approved by the board.

The committee acts as the Audit committee for all the subsidiaries in the Lewis Group except for Monarch Insurance Company Limited ("Monarch") which has its own Audit and Risk Committee.

OBJECTIVES

The objectives of the committee are:

- To assist the board to discharge its duties relating to the safeguarding of assets, the operation of adequate systems and controls, reviewing of financial information and the preparation of interim and annual financial statements in compliance with all applicable legal requirements and accounting standards.
- To facilitate and promote communication and liaison between the board of directors and the company's management in the respect of the matters referred to above.
- To provide a forum for discussing business risk and control issues for developing relevant recommendations for consideration by the board.
- To recommend the introduction of measures which the committee believes may enhance the credibility and objectivity of financial statements and reports concerning the affairs of the company.
- To assess the independence and objectivity of the external auditors.
- To advise on any matter referred to the committee by the board of directors.

Relationship of the Lewis Group Audit and Risk Committee to the Monarch Audit and Risk Committee

- Due to the integrated nature of the group's systems and processes, the Lewis Audit and Risk Committee bears the responsibility relating to:
 - internal and external audit management;
 - risk management and development; and
 - maintenance of an effective internal control system.
- In order for the Monarch Audit and Risk Committee to discharge its responsibilities under the Short Term Insurance Act, the Lewis Group Audit and Risk Committee

refers any issues relating to these matters to the Monarch Audit and Risk Committee where such issues impact on Monarch.

- The duty and scope of the Monarch Audit and Risk Committee in monitoring the compliance with legal and regulatory requirements has been extended to include the Financial Advisory and Intermediary Services Act due to its interrelationship with the insurance activities of the group.
- The minutes of all Monarch Audit and Risk Committee meetings are submitted and reviewed by the Lewis Group Audit and Risk Committee.

MEMBERSHIP

At the year-end the committee comprised the following independent non-executive directors:

H Saven (chairman)
Z Bassa (appointed 1 October 2009)
D M Nurek
B J van der Ross

Biographical details of the committee members are provided on page 13. Fees paid to the committee members are outlined in the table of directors' remuneration on page 91 of the annual financial statements.

The chief executive officer, chief financial officer, Alan Smart and representatives of the internal and external auditors attend the meetings as invitees.

The Audit and Risk Committee also meets separately with the external and internal auditors when necessary, without members of executive management being present.

Messrs Saven, Nurek and Smart are also members of the Monarch Audit and Risk Committee.

COMMITTEE ACTIVITIES

The committee met four times during the year under review. Attendance of the members has been set out on page 42 of the Corporate Governance Report.

The committee attended to the following material matters:

- Financial statements
 - reviewed the interim results and year-end financial statements, including the public announcements of the company's financial results, and made recommendations to the board for its approval. In the course of its review, the committee :
 - took appropriate steps to ensure that the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS);
 - considered the appropriateness of accounting policies and disclosures made; and

- completed the standard review of the going concern assumption.
- External auditors
 - reviewed the independence of PricewaterhouseCoopers Inc., the company's external auditors, and the nominee for the appointment of the designated auditor, before recommending to the board that their re-election be proposed to shareholders;
 - approved, in consultation with management, the audit fee and engagement terms for the external auditors for the 2010 financial year. The fees paid to the auditors are disclosed in note 21 to the annual financial statements;
 - determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services. It is the policy of the group that the auditor is restricted from rendering accounting, IT consulting services, company secretarial, internal audit and human resource services;
 - reviewed and approved the external audit plan, ensuring that material risk areas were included and that coverage of the significant business processes was acceptable; and
 - reviewed the external audit reports and management response, considered their effect on the financial statements and internal financial control.
- Internal audit
 - reviewed and approved the existing Internal Audit charter which ensures that the group's internal audit function is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties;
 - reviewed and approved the annual internal audit plan, ensuring that material risk areas were included and that the coverage of significant business processes was acceptable;
 - reviewed the quarterly internal audit reports, covering the effectiveness of internal control, material fraud incidents and material non-compliance with group policies and procedures. The committee is advised of all internal control developments and advised of any material losses, with none being reported during the year;
 - oversaw the co-operation between internal audit and external auditors; and
 - performed the annual evaluation of internal audit.
- Risk management
 - reviewed and approved the existing charter of the Risk Working Group;

- reviewed the bi-annual reports prepared by the Risk Working Group and considered whether the current risk environment was appropriate for the business and whether management needed to mitigate or transfer any further portion of the business risks; and
- evaluated the effectiveness of the risk management process.
- Financial control and compliance
 - reviewed and approved the group's existing treasury policy and reviewed the quarterly treasury reports prepared by management;
 - reviewed the quarterly legal and regulatory reports setting out the latest legislative and regulatory developments impacting the group;
 - reviewed the quarterly report on taxation;
 - reviewed information technology reports; and
 - considered and, where appropriate, made recommendations on internal financial control.

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 group's financial statements.

CHANGES TO COMMITTEE STRUCTURE

As part of the group's implementation of King III, the board has restructured the Audit and Risk Committee into two separate committees for audit and for risk with effect from the 2011 financial year.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER

In terms of the JSE Listings Requirements, the Audit and Risk Committee satisfied itself as to the appropriateness of the expertise and experience of the group's chief financial officer.

APPROVAL OF THE REPORT

The committee confirms it has functioned in accordance with its terms of reference for the 2010 financial year and that its report to shareholders has been approved by the board.



Hilton Saven
Chairman

Audit and Risk Committee
19 May 2010

RISK MANAGEMENT

INTRODUCTION

Risk management forms an integral component of the group's governance framework and enables management to limit the impact of business, industry and general risks and protect the interests of all stakeholders.

The board retains accountability for risk management and responsibility is delegated to the Audit and Risk committee to ensure the group has adequate risk and internal controls.

There was no significant change in the overall risk profile of the group during the year. The directors confirm that risk mitigation and monitoring processes have proved to be robust and have been effective in limiting the impact of risks on the business in the challenging economic environment. The potential impact of some of the key risks was actively reduced during the period through focused management actions.

RISK MANAGEMENT PROCESS

The risk management principles outlined in King II are embedded into key processes to ensure the business remains sustainable and continues to create wealth for shareholders. The King III principles will be integrated into the risk management process in the new financial year. As part of the King III implementation process, the Audit and Risk Committee has been split with effect from the new financial year and separate committees constituted for the audit and risk functions.

Risk management is the responsibility of management, with internal audit acting as a facilitator in quantifying, measuring and reporting on the status of business risks to the Risk Working Group.

Senior executives and management undertake a control self-assessment exercise twice a year to formally evaluate risks facing the business. This process is facilitated by internal audit. The results are reported to the Risk Working Group to identify significant risks to the group and to recommend strategies to address these risks, which include mitigating or exploiting the risks.

Ownership of each risk is assigned by the Risk Working Group to specific executives or business units who are accountable for managing the risk.

A profile of the key risks facing the group is presented to the Audit and Risk Committee twice a year by the Risk Working Group.

CHANGES IN KEY RISKS

Changes in key risk ratings:

The following changes have been made to the key risks facing the group:

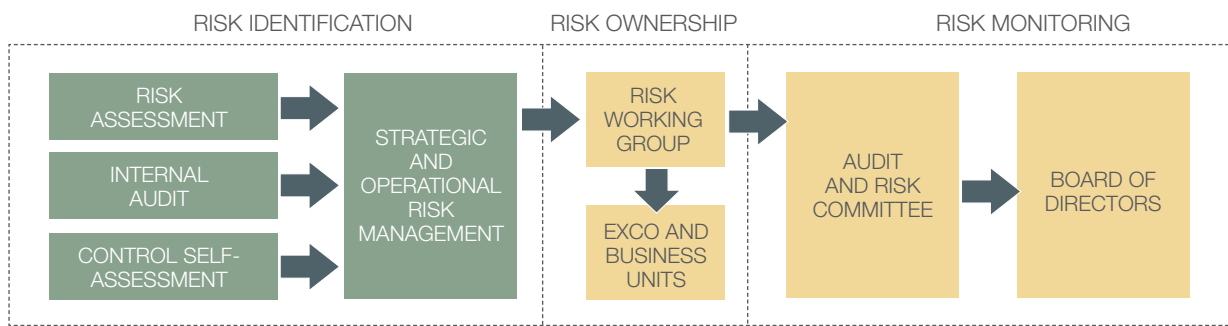
- *Information technology*: Risk rating changed from "high" to "medium"
The severity of the risk has been mitigated by the planned upgrade to the current in-store system and the appointment of technical support staff capable of maintaining the new hardware/IT systems infrastructure.
- *Market/currency exposure*: Risk rating changed from "high" to "medium"
Volatility in the currency, interest rate and equity markets has declined during the financial year and consequently the risk to the group has reduced. The risk is constantly monitored and the group's exposure to these markets is hedged where appropriate.
- *Supply base*: Risk rating changed from "medium" to "low"
The level of risk has reduced due to management's ongoing focus on diversifying the supply base, sourcing exclusive merchandise ranges, both locally and internationally and monitoring the performance of logistics providers.
- *Reputation*: Risk rating changed from "medium" to "low"
The level of the risk is considered to be lower following increased activities in stakeholder communication which are aimed at enhancing the Lewis brand.

New key risk identified:

- *Socio-political*: Increasing industrial action and labour unrest and its potential impact on the country's economy has heightened the socio-political risk facing the group.

INSURANCE

The group's external insurance and self-insurance programmes cover a wide range of risks. The insurance levels and insured events are reviewed annually to ensure adequate cover and amended after taking into account changed processes and emerging risks.



Risk	Significance	Definition	Management action
Credit management	●	The risk of not being able to maintain the optimal credit quality of the debtors book and manageable levels of bad debt.	<ul style="list-style-type: none"> Centralised credit granting process Technology-based credit scoring systems Credit scorecards regularly reviewed to maintain credit risk levels Store-based collections process provides early warning of payment difficulties Continuous assessment of quality of credit granted and collection performance Refer to Credit report on page 32
Market/currency exposure	●	The impact of foreign exchange movements, interest rate increases and fluctuations in the equity market on the group's profits.	<ul style="list-style-type: none"> Forward cover contracts to mitigate exchange rate fluctuations Treasury policy Monthly management meetings with Monarch's investment advisors and quarterly review by the Monarch board Refer to note 28 on page 99 on financial risk management
Information technology	●	The risk of being dependent on the information technology platforms to support the operations of the company.	<ul style="list-style-type: none"> Software development and hardware services outsourced Service level agreements with service providers Continual review of existing systems and service arrangements by IT Steering Committee Disaster Recovery Plan tested regularly
People skills	●	The risk of not managing the group's human resources in such a way that it supports the objectives of the business.	<ul style="list-style-type: none"> Performance management system for key executives and staff Fast Track management programme Training and development Succession planning Enhancing the effectiveness of the recruitment function Salary surveys Share incentive schemes Developing effective relationships between staff and unions Refer to Sustainability Report on page 48
Regulatory	●	The impact of regulations and legislation on the operations of the group.	<ul style="list-style-type: none"> Monitoring legal publications Utilisation of a legal compliance system Membership of industry associations provides contact with regulators Services of advisors are retained for key areas of the business
Crime	●	The risk of financial loss or loss of human life as a result of crime, employee dishonesty or fraud.	<ul style="list-style-type: none"> Strong focus on internal control environment Internal audit coverage Reinforcement of the "Lewis behavioural code" Toll-free confidential hotline to report fraud Security guards at high risk branches Drop safes and cash-in-transit procedures Alarm systems and physical security Prosecution of staff guilty of committing fraud
Socio-political	●	An adverse change in political and social conditions in South Africa may negatively impact the economic environment in which the group operates.	<ul style="list-style-type: none"> Monitoring political and social developments Reviewing impact of any macro economic policy changes Realigning group strategy, where necessary
Supply base	●	The risk of not being able to satisfy customer demand as a result of the group's procurement strategies and supply chain management.	<ul style="list-style-type: none"> Continuous identification of vendors to maintain exclusive, differentiated merchandise Appropriate diversification of supply base Balance between imported and local supply Monitoring performance of logistics providers
Reputation	●	The substantial erosion in the reputation or value associated with the group's brand name which could have a material adverse impact on the business, financial condition and results of operations.	<ul style="list-style-type: none"> Regular briefings and interaction with analysts and shareholders Financial statement compliance review Regular compliance reviews Customer Service Excellence campaign Staff training and awareness Customer care line Corporate social investment
Business Continuity Planning (BCP)	●	To ensure the ability to continue trading and provide customers with credible product offerings in the event of a disaster or business interruption.	<ul style="list-style-type: none"> BCP reviewed on an annual basis Regular BCP Steering Committee meetings BCP tested every year

● High likelihood of occurrence with fundamental impact on business model

● Medium likelihood of occurrence with material impact on business model

● Low likelihood of occurrence with moderate impact on business model

SUSTAINABILITY REPORT

LEWIS GROUP IS COMMITTED TO ADOPTING SUSTAINABLE BUSINESS PRACTICES TO ENSURE THE LONG-TERM PROSPERITY OF THE BUSINESS AND THE COMMUNITIES IT SERVES.

INTRODUCTION

Sustainability management is a key element of a company's corporate governance framework. The group supports the integrated sustainability reporting philosophy contained in the King III Report in the interests of enhancing disclosure beyond purely financial performance. The recommendations of the King III Report have been evaluated and the principles will be implemented as part of the ongoing development of the groups' sustainability strategy and reporting.

SOCIAL SUSTAINABILITY

Stakeholder engagement

Management believes the group is better positioned to achieve sustainable profit growth by considering the long-term social, economic and environmental impact of its operations. This requires the group to act in a socially responsible manner in its business activities and in all its relationships with stakeholders.

The primary stakeholders of the Lewis Group are:

- Shareholders and the broader investment community
- Customers across the three trading brands
- Employees at head office and stores throughout the group
- Suppliers of merchandise and services
- Communities in which the group operates
- Industry regulators who monitor compliance

The table details the rationale for the group's interaction with each of these stakeholder groups and outlines the means of engagement over the past year:





St. Agnes Primary School, Woodstock



Food tent – Walter Theka Primary School, Nyanga

Stakeholder	Rationale for engagement	Means of engagement
Shareholders	<ul style="list-style-type: none"> Fair market rating of share Access to capital Two-way flow of information Balanced analysis of company 	Interim and annual results presentations; annual report; investor website; shareholder meetings; SENS announcements; press announcements; broker conferences; regular management meetings with local and international investors and analysts
Customers	<ul style="list-style-type: none"> Loyalty and retention Brand awareness Two-way flow of information Sustainable revenue stream 	Customer contact in stores; local promotions; birthday contacts; advertising – press, radio, TV; point of sale; account statements; call centre; website; brochure distribution and Club magazine.
Employees	<ul style="list-style-type: none"> Attract and retain talent Employee motivation Increase productivity Engender loyalty 	Intranet; quarterly newsletter; Lewis Live in-store broadcast network; Service Excellence Club; e-mail; management meetings; monthly in-store marketing meetings; regular review meetings; induction and training courses
Suppliers	<ul style="list-style-type: none"> Timeous supply of goods and services Consistent quality Exclusive and preferential supply Product development 	Regular meetings at head offices locally; factory visits of local suppliers; overseas visits to supplier head offices and factories; attend new product launches and product development sessions
Communities	<ul style="list-style-type: none"> Responsible corporate citizen Sustainability of business Emerging customer base 	Community investment and upliftment through CSI programme and local support through stores. Involve staff in community engagement
Regulatory bodies	<ul style="list-style-type: none"> Legislative compliance Sound governance Understanding of regulatory framework 	Statutory reporting; regulatory submissions; liaison with regulatory bodies

SUSTAINABILITY REPORT CONTINUED

EMPLOYEES

Lewis recognises that employees are the drivers of business performance. The group's human resources policies are aimed at enhancing performance through staff recognition schemes, equality of opportunity, training and development, a safe and healthy workplace, sound employee relations and an employee well-being programme.

A performance-driven culture aligns reward to the achievement of the group's strategic, financial and operational objectives.

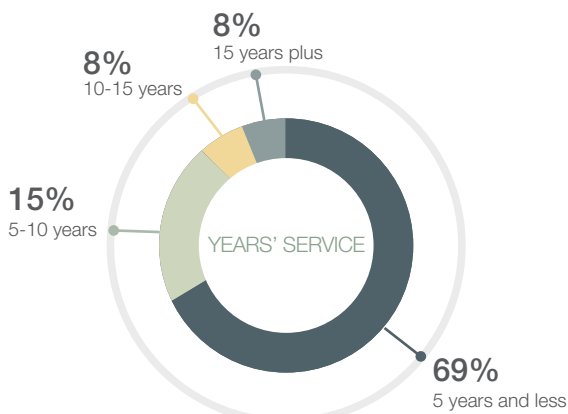
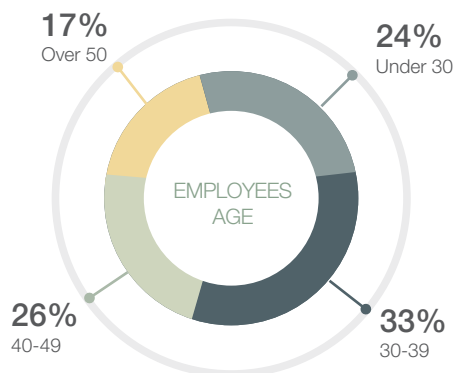
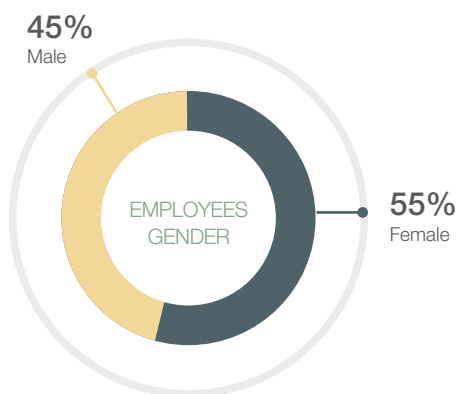
Employment equity

The group is committed to ensuring that its employee profile is representative of the customer base it serves and the communities in which Lewis trades. Black staff now account for 88% (2009: 85%) of the staff complement, with females comprising 55% (2009: 55%).

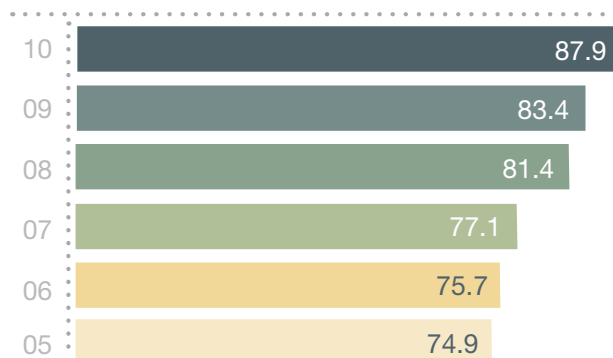
The employment equity plan for the three years from 2009 to 2012 focuses on increasing the representation of designated groups, mainly in the senior management, professionally qualified and skilled technical areas. Strategies have been developed to achieve internal employment equity targets, including the implementation of a comprehensive learning and development plan, in-service training of retail management students, granting bursaries, job profiling and performance assessments. Management monitors the group's performance against these targets to ensure employment equity is promoted across the business.

The employment equity details of the workforce in South Africa at 31 March 2010 was as follows:

Occupational levels	Male			Female			White	Male White	Total
	African	Coloured	Indian	African	Coloured	Indian			
Top management	0	1	0	0	0	0	0	5	6
Senior management	2	3	0	0	2	0	2	20	29
Professionally qualified	14	11	3	4	9	1	21	58	121
Skilled technical	121	59	10	127	98	16	216	102	749
Semi-skilled	1 664	532	18	1 729	734	52	340	61	5 130
Unskilled	21	12	0	5	5	0	0	0	43
Non-permanent	4	16	1	3	3	0	3	3	33
Total	1 826	634	32	1 868	851	69	582	249	6 111



BLACK EMPLOYEES AS A % OF TOTAL EMPLOYEES





Sibhangwane Primary School, Port Shepstone



Mshiywa Primary School, Harding

Skills development

An extensive range of training courses is offered to all employees to enhance their performance and skills. During the 2010 financial year, 2 627 staff attended training and development courses, an increase of 22% over the previous year.

Black staff accounted for 81% of the total employees trained.

Several of the courses are aimed at developing scarce skills relevant to the retail sector, focusing on sales, stock management, credit control and collections, management of stores and credit.

The group's training department is accredited as a training provider with the Wholesale and Retail Sector Education and Training Authority (W&R SETA) and offers a range of e-learning programmes in areas such as management development, sales training, induction training and other job-specific skills training. A further 3 544 staff, an increase of 38% over the previous period and of which 3 005 were black, were trained through these e-learning programmes.

Staff communications

Internal communication is key to staff motivation and to reinforcing the group's positioning as an employer of choice. As the majority of staff are located in stores across the country, a range of cost-efficient and effective communications media are used for information and training purposes:

- Lewis Communication System is an intranet-based information system for all announcements to staff and management.
- A quarterly newsletter focuses on staff performances (work and sport related); staff benefits; competitions;

divisional performances and also provides a forum for feedback from staff.

- Lewis Live is a weekly broadcast on the in-house television system for training programmes and general communication to staff. This allows the group to expose all branches to standardised training and the latest product information.

Industrial relations

Lewis Group has a formal recognition agreement with the South African Commercial and Allied Workers' Union (SACCAWU).

Recognition agreements have also been concluded with unions in Botswana, Lesotho and Swaziland.

During the year settlements were reached in all countries, with no man days lost to industrial action.

Occupational health and safety

Lewis is committed to providing a healthy and safe environment for employees and customers. Safety management is incorporated into business practices to ensure accidents and incidents are minimised.

A health and safety policy aims to improve adherence to health and safety standards and ensure legislative and regulatory compliance. The health and safety committee will review risks and report to the executive committee on a regular basis. The internal audit department monitors compliance with the policy.

A risk assessment was conducted during the year to identify the major health and safety risks and programmes and procedures have been implemented to mitigate these risks.

SUSTAINABILITY REPORT CONTINUED

HIV/AIDS management

Lewis has an HIV/AIDS awareness programme which is integrated into the regular company training programmes available to staff. The aim of the programme is to advise staff members of the effects of HIV/AIDS and available preventative methods. Brochures are regularly distributed to staff.

An incidental HIV/AIDS management programme has been made available to permanent staff and their immediate families. The programme is run by an external service provider which offers access to post-HIV exposure counseling through a care centre and covers initial medication, free consultations and assistance in locating a clinic for treatment. This service is linked to areas of incidental exposure only.

Participation by employees and their families is voluntary and counseling is confidential. The group meets the cost of this cover for employees.

CUSTOMERS

Lewis is committed to providing customers with quality products and excellent service. High levels of repeat sales are an indication of service satisfaction and customer loyalty, with the group achieving consistently high scores in client service performance evaluations.

A Service Excellence Club motivates and rewards staff for their outstanding customer service. Staff are nominated based on feedback from customers, reports from mystery

shopping research or by senior management. Club members qualify for attractive incentives.

Customer profile

The group's customers are mainly middle class consumers in the LSM 4 to 7 categories. Customers are generally family oriented and from black communities, with 55% of customers being female. The group ensures that customers are serviced by staff from their own communities, with stores located close to where Lewis customers work, shop, live and commute.

Responsible credit granting

Credit is granted centrally to ensure responsible credit granting. Credit applications are processed through application and behavioral scorecards and an affordability assessment to ensure an affordable credit limit is allocated to the customer. Every customer is interviewed by the store manager where the cost of credit, terms and conditions of the credit sale and details of the insurance products selected are explained. This ensures that customers are well positioned to meet their monthly financial commitments.

Product responsibility

The group's suppliers undertake to repair or replace any defective merchandise within twelve months of the sale. If the merchandise is still defective within six months of the repairs, the supplier will be liable for replacement of the merchandise or refunding the customer in full. In addition, customers may purchase an extended two year maintenance contract from the group. This ensures an enhanced buying experience.



Tygerberg Meals-on-Wheels feeding scheme



Ntabende Primary School, Greyton



Mshiywe Primary School, Harding

Customer support

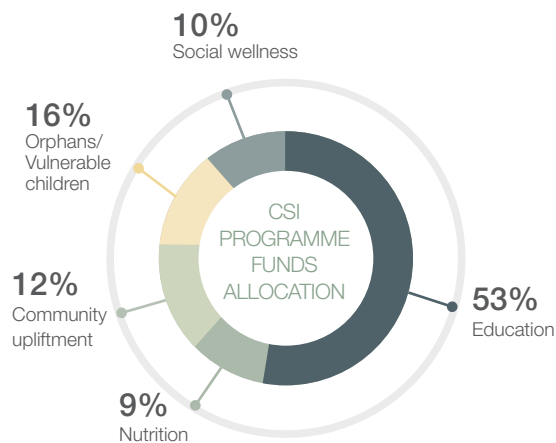
Stores manage customer queries. If customers are not satisfied they may contact the head office call centre via a toll free number. The call centre provides feedback and support to the customer and liaises with senior operators, the merchandise division and suppliers on behalf of the customer to ensure resolution.

SOCIO-ECONOMIC DEVELOPMENT

Lewis Group acknowledges its responsibility to contribute to the communities in which it operates. Based on the belief that thriving business depends upon thriving communities, the corporate social investment (CSI) programme aims to assist communities where many people are affected by a lack of education, poverty and poor healthcare. Lewis seeks to be recognised by these communities as a dependable, caring and ethical corporate citizen.

Management is targeting to invest 1% of after-tax profits in community initiatives through both direct project investment and indirectly through charitable organisations operating in the fields of welfare, education and health. In the past year R6.1 million (2009: R2.6 million) was committed to social investment projects. This included additional funding allocated to building classrooms in rural KwaZulu-Natal and the funding of external bursaries and scholarships.

Lewis staff across the country is encouraged to identify projects in their own communities which are deserving of support and these are evaluated by the CSI committee.



The main projects supported by Lewis over the past year focused primarily on the support of children in their education, nutritional and general welfare requirements:

- *Project Build* provides educational and community facilities for disadvantaged communities in rural KwaZulu-Natal. The project brings together communities, funders, sponsors and local builders to develop these facilities while creating employment and providing classrooms for children. In partnership with Project Build, classrooms and facilities were built at four schools at a cost of R2.6 million. Over the last four years 21 classrooms, seven toilet blocks and ancillary buildings have been built.

SUSTAINABILITY REPORT CONTINUED

- *Peninsula School Feeding Association* provides daily meals to children in the Western Cape. Lewis has adopted 10 schools and provides meals for some 1 200 children each school day. Lewis has funded equipment to Monte Christo, a feeding kitchen in Paarl, to enable the facility to provide daily meals for over 3 600 children.
- *Children of the Dawn* supports rural community initiatives which focus on caring for HIV/AIDS orphans and other vulnerable children. Lewis has increased its sponsorship from 83 to 150 children and the funding covers schooling, food, clothing and health care, including HIV/AIDS treatment.
- *iThemba Place of Hope* has established the iThemba Academy in Hillcrest, KwaZulu-Natal, to develop future leaders. Lewis has funded 10 bursaries for the children from the impoverished community of Embro to attend the iThemba Academy.

Some of the main organisations that were supported through the CSI programme were:

- *TSiBA Education* provides scholarships to students for tertiary education. Lewis funded scholarships for the top

10 students who completed the foundation phase in 2009.

- *Community Chest* received funding for its capacity enhancement programme which enables community-based NGOs to acquire business skills and management practices. This training has enabled many of the organisations to access corporate and state funding.
- *Red Cross Children's Hospital Trust* received a substantial donation from Lewis for skills development for specialists and surgeons in endoscopic surgery.

During the year a dedicated CSI website – www.lewisgroupcsi.co.za – was launched to showcase the group's community involvement.

ECONOMIC SUSTAINABILITY

Economic value added

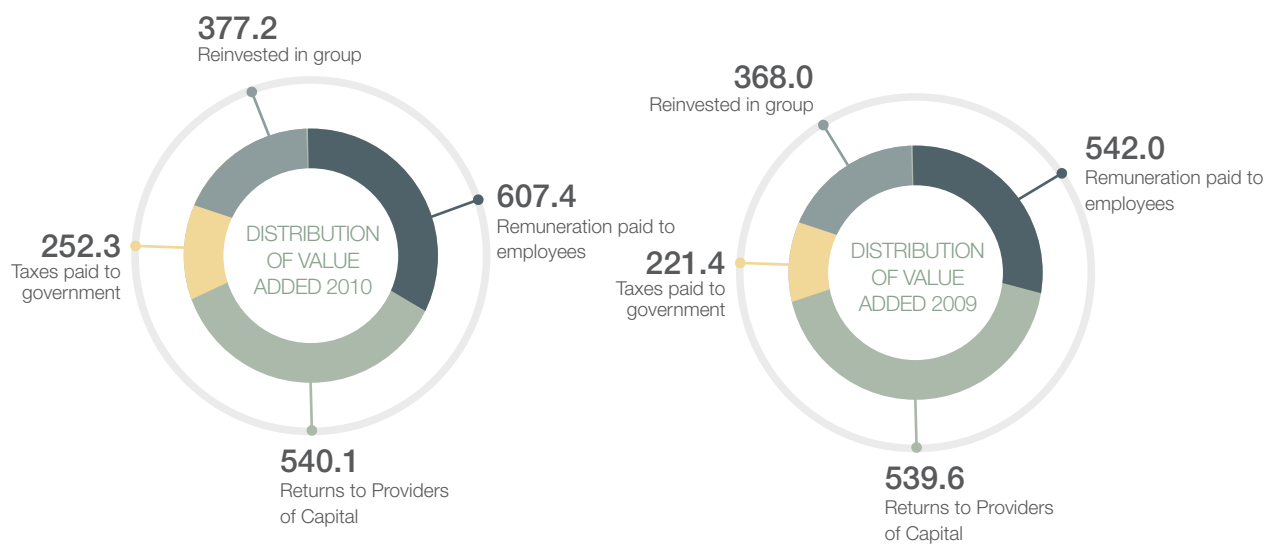
The value-added statement shows the wealth created by the activities of the group and how it was distributed among stakeholders, taking into account the amounts retained and reinvested in the group for the replacement of assets and development of operations.



Early childhood development centre – Kwa-Manzini Primary School

STATEMENT OF VALUE ADDED

	Group			
	2010		2009	
	Rm	%	Rm	%
Revenue	4 110.6		3 807.1	
Paid to suppliers for goods and services	2 333.6		2 136.1	
VALUE ADDED BY OPERATING ACTIVITIES	1 777.0		1 671.0	
DISTRIBUTED AS FOLLOWS:				
REMUNERATION TO EMPLOYEES	607.4	34.2	542.0	32.4
RETURNS TO PROVIDERS OF CAPITAL:	540.1	30.4	539.6	32.3
To provide lenders with a return on their capital utilised	94.7		108.5	
To provide lessors with a return for the use of their premises	161.0		146.8	
To provide shareholders with a return on their equity	284.4		284.3	
TAXES PAID TO GOVERNMENTS	252.3	14.2	221.4	13.3
Income taxation	248.2		217.7	
Municipal rates	4.1		3.7	
REINVESTED IN THE GROUP	377.2	21.2	368.0	22.0
Depreciation and amortisation	46.3		47.3	
Deferred taxation	23.9		43.8	
Net earnings retained	307.0		276.9	
TOTAL WEALTH DISTRIBUTED	1 777.0	100.0	1 671.0	100.0



SUSTAINABILITY REPORT CONTINUED



Kwa-Manzini early childhood development centre



Tygerberg Meals-on-Wheels feeding scheme

Procurement and enterprise development

The group strives to provide customers with differentiated, exclusive and value-for-money merchandise. To meet the needs of customers, merchandise is sourced from local suppliers and through imports, mainly from the Far East. While imports account for 24% of merchandise, the group continues to work in partnership with local suppliers to design merchandise which is appealing to the customer base.

A substantial volume of merchandise is procured from small businesses which are mainly black owned. Financial assistance is provided to some of these businesses while payment terms of 30 days support the cash flows of these suppliers.

During the year approximately 58% of furniture was bought from BEE suppliers, 82% of vehicles were bought from a BEE dealership and some 30% of rental premises are owned or controlled by previously disadvantaged individuals.

ENVIRONMENTAL SUSTAINABILITY

Lewis Group is mindful of the environmental impact of its business activities and the consequences for climate change.

The group is currently developing an environmental policy that will cover compliance with environmental legislation,

setting objectives, measuring and addressing direct and indirect environmental impacts and reporting on impacts to all stakeholders. The Board has responsibility for the environmental policy.

A preliminary review has confirmed that the group's direct environmental impact is low. The following priorities were identified:

- minimising electricity and water usage, with the immediate focus on reducing electricity consumption at stores;
- reducing waste by minimising paper usage;
- considering the impact of transport fleets and minimising emission rates; and
- reducing the consumption of materials, mainly packaging.

Suppliers are encouraged to manage the indirect environmental impact of their businesses.

An external service provider will be appointed early in the new financial year to undertake a baseline assessment of the group's carbon footprint. Following an evaluation of the results of this baseline assessment the environmental policy will be finalised and an environmental programme developed.



REMUNERATION PHILOSOPHY

Lewis Group strives to engender a performance-oriented remuneration philosophy which fairly rewards executives and staff for their contributions to assisting the group in achieving its strategic, financial and operational objectives.

Remuneration policies are structured to encourage sustainable, long-term performance through the following:

- Aligning reward systems with the interests of shareholders;
- Driving a performance culture;
- Attracting and retaining talented individuals in the furniture retail and financial services industries; and
- Managing employment costs while at the same time rewarding, retaining and motivating talented executives and staff.

REMUNERATION GOVERNANCE

The board has delegated responsibility for oversight of the group's remuneration practices to the Remuneration and Nomination Committee. This committee meets twice a year and consists of four independent non-executive directors. The chief executive officer attends meetings at the invitation of the committee, except when matters relating to his own remuneration are under discussion.

The role of the committee includes:

- developing a remuneration philosophy;
- ensuring senior executives are fairly rewarded;
- reviewing and approving compensation of executive directors and senior executives;
- recommending non-executive directors' fees for shareholder approval;
- approving the award of share incentives;
- succession planning;
- ensuring the board has the required mix of skills, experience and other qualities to effectively manage the group; and
- identifying and nominating candidates to fill board vacancies.

REMUNERATION BENCHMARKING

Remuneration needs to be market-based and competitive owing to the portability of skills. Market information is sourced from a range of industry and executive remuneration surveys to benchmark executive remuneration in comparable positions in peer companies.

Market surveys ensure staff are competitively rewarded in line with their performance and contribution. Most job categories are benchmarked against the furniture retail sector as the knowledge and skills required are industry-specific. Specialists are benchmarked against market trends.

Remuneration packages are determined by considering market trends, the importance of a position relative to the group's business, the required skills set, job-specific expertise, performance and contribution of individuals.

EXECUTIVE REMUNERATION

Executive remuneration packages include a guaranteed annual salary, annual performance bonus, long-term share-based incentives, motor vehicle allowance, healthcare and retirement benefits. All executive remuneration packages are approved by the Remuneration and Nomination Committee and ultimately the board.

Executives participate in a bonus scheme which is linked to their cash salary. Bonus payments are based on group performance relative to board-approved targets and specific performance measures directly under the executive's control.

Bonuses are only paid if the group achieves a minimum of 90% of its targeted performance. Any achievement between 90% and 100% of the target will result in a proportionate accrual of the bonus.

The maximum bonus payable to executive directors is 100% of salary and individual targets and bonus criteria for each executive are approved by the Remuneration and Nomination Committee.

Annual bonuses are payable in June each year following the approval of the group's financial results for the preceding financial year.

Long-term executive remuneration is addressed through share-based incentives to encourage sustainable shareholder wealth creation, and this is detailed further in the report.

The remuneration of the group's executive directors is set out in note 18.4 on pages 91 to 93 of the annual financial statements.

STAFF

The remuneration package for staff generally comprises a salary, performance-linked incentives or a guaranteed annual bonus, retirement and healthcare funding and store discounts.

Salaries are reviewed annually and the level of increase is based on group and individual performance according to pre-determined criteria. Increases are implemented on the anniversary of the employment contract.

REMUNERATION CONTINUED

A collective wage increase is negotiated with SACCAWU for all employees forming part of the South African-based collective bargaining unit. In October 2009 a wage settlement of R390 across the board was reached.

An annual bonus is paid in mid-December to all qualifying permanent employees. The bonus is calculated on a sliding scale from the first year of employment until it is equivalent to a 13th cheque after five years.

The group's decentralised business model requires stores to be accountable for all aspects of the customer relationship, including sales and credit collection. This structure empowers store managers to make decisions which influence the performance of their stores. Managers are remunerated according to this philosophy, earning a basic salary and incentives based on sales, credit collections, the quality of the debtors' book and profitability. Sales staff within the stores are largely commission-based and are incentivised to achieve performance targets. Credit collection staff within stores are rewarded for achieving collection targets.

Divisional, regional and branch managers qualify for incentive bonuses based on the performance of their particular business unit. Sales, collections and the overall condition of the debtors' book are considered in determining these bonuses.

SHARE INCENTIVE SCHEMES

Share incentive schemes are aimed at achieving the following:

- incentivising executives to contribute to the long-term growth and sustainability of the group; and
- attracting and retaining talented staff.

The group's schemes are equity-settled and the total number of shares and options under the schemes may not exceed 10% of the group's issued share capital. Awards will only be paid if staff are in the employ of the group at the time of vesting, other than in the event of death, ill-health, retirement or retrenchment.

The group has four approved schemes, with two that are currently in operation. Participation in the schemes is at the discretion of the Remuneration and Nomination Committee.

Lewis Executive Performance Scheme: Awards under this scheme offer executives the right to acquire shares for no consideration, subject to the achievement of board-approved annual performance objectives. Awards vest after three years. Targets are set for each of the three years and a proportionate number of shares are allocated for each year. No performance shares will accrue in a particular year if the group achieves less than 90% of its targeted performance in that year. Any achievement between 90% and 100% of target will result in a proportionate accrual of shares.

In September 2009 a five-year performance award was made to executives and key staff to encourage retention. These shares will vest in equal amounts after three, four and five years.

Lewis Co-Investment Scheme: This scheme allows executives to invest all or part of their net annual bonus





in the group's shares. At the date of the award matching shares equal to the pre-tax bonus amount are granted for no consideration. These invested shares are held by the share trust for three years. The matching shares only vest if the executive is in the employ of the group at the time of vesting at the end of the three-year period, and has not elected early withdrawal from the scheme.

Since the implementation of this scheme in June 2006, more than 75% of the bonus pool available to executives has been invested in the Co-investment scheme every year.

The following are the outstanding share awards:

Lewis Executive Performance Scheme		Outstanding
	Vesting date	shares
June 2007	June 2010	135 595
June 2008	June 2011	208 778
September 2008	September 2011	23 791
June 2009	June 2012	222 952
September 2009	September 2012, 2013 and 2014	650 000
Lewis Co-Investment Scheme		Matching
	Vesting date	share option
June 2007	June 2010	39 123
June 2008	June 2011	50 214
June 2009	June 2012	49 582
Total outstanding shares		1 380 035
Shares held by Lewis Employee Incentive Scheme Trust		810 706

EMPLOYEE BENEFITS

Membership of a retirement fund is compulsory for all permanent staff. Staff may join either the Lewis Stores Provident Fund, the SACCAWU Provident Fund in the case of union members or the Lewis Stores Namibian Provident Fund for employees in Namibia. These are defined contribution funds.

The group also has two defined benefit funds, namely the Lewis Stores Retirement Fund for executive management and the Lewis Group Pension Fund which was closed to new members on 1 July 1997 and consequently the membership of this fund is declining every year.

Total membership of these retirement plans at year-end was 4 519 (2009: 4 143).

Membership of the Discovery Health Group Scheme is compulsory for staff earnings more than R8 200 per month and the group contributes 47% of the total medical aid contribution. Staff earning less than R8 200 may participate in a voluntary medical aid scheme administered by Discovery and also qualify for the 47% subsidy. The group provides a medical aid subsidy to retired staff who were employed prior to 1 August 1997.

Other staff benefits includes home loan assistance, educational bursaries, subsidised canteen facilities at head office, discounts on merchandise at group stores and low-cost funeral and personal accident insurance.

NON-EXECUTIVE DIRECTORS

Non-executive directors receive fixed fees for their services to the board and board committees. Fees are based on an assessment of the non-executive director's time commitment, service, expertise, and increasing governance obligations. Fees are paid quarterly in arrears. In line with best governance and remuneration practice, non-executive directors do not participate in the group's incentive schemes.

The remuneration of non-executive directors is reviewed annually by the Remuneration and Nomination Committee and recommended to shareholders for approval at the annual general meeting.

Fees paid to the non-executive directors for the 2010 reporting period are outlined in note 18.4 on page 91 of the annual financial statements. The proposed fees for the 2011 financial year are included in the Notice of annual general meeting on page 118.

FOCUS AREAS IN THE YEAR AHEAD

The group will continue to build a talent pool to ensure business continuity and to retain key individuals at all levels of management. Remuneration practices are regularly evaluated to ensure compliance with all legal requirements and employment practice.