

audit and risk committee report

The Audit and Risk Committee (the committee) has pleasure in submitting its report as required by sections 269A and 270A of the Companies Act for the year ended 31 March 2009 (the 2009 financial year):

Objectives of the Audit and Risk Committee

The objectives of the committee are as follows:

- To assist the board of directors to discharge their 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 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 of directors.
- 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 advise on any matter referred to the committee by the board of directors.

The committee's charter is reviewed and approved on an annual basis.

Membership

The committee comprises the following independent non-executive directors:

H Saven (chairman)
D M Nurek
B J van der Ross

Biographical details of the committee members are provided on page 11. Fees paid to the committee members are outlined in the table of directors' remuneration on page 85 of the annual financial statements.

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

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

Committee activities

The committee met four times during the year under review. Attendance at the committee meetings was as follows:

Member	Number of meetings attended
H Saven	4
D M Nurek	4
B J van der Ross	3

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 their 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 2009 financial year. The fees paid to the auditors are disclosed in note 20 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;
 - 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's 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;
 - 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 biannual 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; and
 - considers and, where appropriate, makes recommendations on internal financial control.

Expertise and experience of the chief financial officer

In terms of the JSE Listings Requirements, the 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 2009 financial year and that its report to shareholders has been approved by the board.



Hilton Saven
Chairman

Audit and Risk Committee
18 May 2009

