



## AUDIT AND RISK COMMITTEE REPORT

This report is provided by the Audit and Risk Committee appointed in respect of the year ended 31 December 2017 of Terrasan Group Limited and its subsidiaries, associates and joint arrangement.

The shareholders of Terrasan Group Limited have constituted the Audit and Risk Committee of three non-executive Board members in accordance with Section 94 of the Companies Act 71 of 2008, as amended. In addition to the committee members, the Group Financial Manager and Group Accounting and Compliance Manager as well as senior representatives of the external auditors attended meetings of the committee by invitation. Three meetings were held during the year.

The Audit and Risk Committee confirms that it is satisfied with the independence of the external auditor, Ms EA Mulder from Baker Tilly Greenwoods Chartered Accountants. Based on information from and discussions with management, the Audit and Risk Committee has no reason to believe that there were any material breakdowns in the design and operating effectiveness of internal financial controls during this financial year that have not been addressed or are in a process of being addressed. Based on information provided to them by

management, the Audit and Risk Committee also has no reason to believe that there were any material internal control or risk management shortcomings during this financial year that have not been addressed or are in the process of being addressed.

The Audit and Risk Committee has assessed the group annual financial statements of the year ended 31 December 2017 and concluded that it complies, in all material aspects, with the requirements of the Companies Act 71 of 2008, as amended and International Financial Reporting Standards. The Audit and Risk Committee therefore recommended the approval of the group annual financial statements to the board of directors.

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008, as amended and Regulation 42 of the Companies Regulation, 2011.

On behalf of the Audit and Risk Committee:



*S Subramoney*

Mr S Subramoney  
**Chairman of the Audit  
and Risk Committee**

19 June 2018