



# CORPORATE GOVERNANCE REPORT

The Terrasan Group is committed to accountability, business integrity, fairness and transparency, which are all important building blocks in the way that we run our business activities.

## THE BOARD

The Board is collectively responsible and accountable for the vision, strategic direction and governance of the Terrasan Group. The Board comprises six non-executive members and one executive member. Although not all of the non-executive members are independent, the Board is satisfied that they act independently in pursuing the welfare of the group.

Mr S Subramoney serves as Chair of the Audit and Risk Committee and Mr BF Burger as Chair of the Social, Ethics and Human Resources Committee. The Board met six times during 2017 and the average attendance over all the meetings was 93%.

## BOARD SUB-COMMITTEES

The Audit and Risk Committee, who is primarily tasked with overseeing and monitoring risk management and internal financial control, comprises three non-executive members. Three meetings were held during 2017. A report by the Audit and Risk Committee has been provided in the Group Annual Financial Statements, refer to page 31.

The Social, Ethics and Human Resources Committee comprises two non-executive members and one executive member. Four meetings were held during 2017. A report by the Social, Ethics and Human Resources Committee has been provided in the Group Annual Financial Statements, refer to page 23.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is accountable for risk management and control of the group. Each company in the group has its own Board of Directors who is responsible for the risk management and control of that company. Risk management also remains an integral part of the functions of the executive management of Terrasan Group Limited and the companies in the group. The responsibility for operational and business risks has been appropriately delegated to responsible executives. The Audit and Risk Committee of the group oversees and monitor the risk management process and the systems of internal control. The Board has satisfied itself that the current systems of internal control and risk management of the group are effective.

Terrasan Management Services Proprietary Limited ("Terrasan Management Services"), a full subsidiary of Terrasan Group Limited, takes direct responsibility for the financial and accounting functions of some of the companies in the group and provides guidance regarding these matters to all group companies. Terrasan Management Services is the company secretary of the Terrasan Group and provides company secretarial services to the group.

## GOVERNANCE OF IT SERVICES

The Terrasan Group has an experienced and specialised IT-division in Terrasan Management Services. This division takes responsibility for all aspects regarding information technology for Terrasan Group Limited and the companies in the group, including IT-risk management. The IT-division stays up to date with the latest technology and new developments and ensures that the investment and expenditure on IT in the group are appropriate, given the respective business and risk environments of the different companies.



Prof ASM Karaan

**Executive Chairman of  
the Board**

19 June 2018