INTRODUCTION

The Group Audit Committee (the Committee) has pleasure in submitting this report, which has been approved by the Board and has been prepared incorporating the recommendations of King IV™.

In summary, this Committee assists the Board in its oversight responsibilities covering the:

- assessment of the internal and external audit processes to ensure that the processes are adequate and effective to mitigate the significant control risks for the Group;
- adequacy and functioning of the Group’s internal controls;
- integrity of the financial reporting processes;
- Group’s combined assurance model; and
- expertise of the CFO.

The Committee is elected by the shareholders in terms of section 94(2) of the Companies Act. The Group Risk Committee is a subcommittee of the Committee.

The Committee consists of a minimum of three independent Non-Executive Directors of the Board. It meets at least four times per annum as per its Charter. The Committee met four times during the year ended 30 June 2021.

The Committee has performed all the duties required.

COMPOSITION OF THE COMMITTEE

| Chairperson | David Cathrall (Independent Non-Executive Director) |
| Members     | Valentine Chitalu (Independent Non-Executive Director) |
| Members     | Pitsi Mnisi (Independent Non-Executive Director) (Effective 1 October 2020) |
| Permanent   | Peter Mountford (Group CEO) |
| invitees    | Colin Brown (Group CFO and Debt Officer) |
| invitees    | David Read (Designated Audit Partner from KPMG Inc.) |
| invitees    | Nicola Bryce (Group Audit Manager from KPMG Inc.) |
| invitees    | Zack Sieberhagen (Group Financial Controller) |
| invitees    | Elton Biljon (Group Financial Manager) |
| invitees    | Reyaaz Mahmood (Head of Group Audit Services and Risk Manager) |
| invitees    | Clive Pincus (Group Tax Manager) |
| By invitation | Phillip Vallet (Non-executive Chairman) |
| Secretary   | John Mackay |

EXECUTION OF RESPONSIBILITIES DURING THE YEAR

The Committee is satisfied that, for the financial year ended 30 June 2021, it has performed all the functions required to be performed by an Audit Committee as set out in the Companies Act. The Committee’s terms of reference are as follows:

External Audit

The Committee amongst other matters:

- Nominated the reappointment of KPMG Inc. as external auditor and Mr David Read as the individual designated auditor for the financial year ended 30 June 2021 and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor. The appointment of KPMG Inc. as the external auditor for the year ended 30 June 2021 has been tabled as a resolution at the AGM held on 18 December 2020.
- Satisfied itself as to the qualifications and competence of KPMG Inc. and the designated audit engagement partner.
- Approved the proposed fees for the current year audit.
- Approved the external auditor for each material subsidiary company for re-appointment.
- Reviewed the audit effectiveness and evaluated the external auditor’s internal quality control procedures.
- Obtained an annual confirmation from the external auditor that their independence was not impaired.
- Determined the terms of engagement and the fees to be paid to KPMG Inc. as disclosed in note 24.4 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.
- Considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act No 26 of 2005.
• Considered any reported control weaknesses, management’s response for their improvement and assessed their impact on the general control environment.
• Considered the tenure of the external auditor and found it to be appropriate.
• Noted the requirement relating to mandatory audit firm rotation and that this will be implemented at the appropriate time.

The Committee is satisfied that KPMG Inc. is independent of the Group after taking the following factors into account:
• Representations made by KPMG Inc. to the Committee.
• The auditor does not, except as external auditor or in rendering of permitted and approved non-audit services, receive any remuneration or other benefits from the Group.
• The auditor’s independence was not impaired by any consultancy, advisory or other work undertaken by the auditor.
• In terms of the requirements of the Companies Act, David Read replaced Dwight Thompson of KPMG Inc. as the designated audit partner for the year ended 30 June 2021.
• In terms of the rules issued by the IRBA, KPMG Inc. may remain as the auditors of the Group until April 2023.
• The Committee obtained and considered all information listed in the JSE Listings Requirements and JSE Debt Listings Requirements in its assessment of the suitability of KPMG Inc. for reappointment.
• The criteria specified for independence by IRBA and international regulatory bodies have been met.

The Committee approved, in consultation with management, the audit fee and engagement terms for the various external auditors for the 2021 financial year, as set out below:

<table>
<thead>
<tr>
<th>Description of fees</th>
<th>R’000</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>30 454</td>
<td>63.1</td>
</tr>
<tr>
<td>Non-audit fees</td>
<td>17 263</td>
<td>35.8</td>
</tr>
<tr>
<td>Expenses</td>
<td>512</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total fees</strong></td>
<td><strong>48 229</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

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.

Internal Audit
The Committee:
• Reviewed and approved the internal audit charter and annual audit plan and evaluated the independence, effectiveness and performance of the Internal Audit Department and its compliance with the charter.
• Considered the reports of the internal auditor on the Group’s systems of internal control including financial controls, business risk management and maintenance of effective internal control systems.
• Received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof.
• Reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to significant internal audit findings.

ACTIVITIES UNDERTAKEN BY THE COMMITTEE DURING THE YEAR

Oversight of risk management
The Committee, as a result of its responsibility for internal controls, has ensured that all material risks have been identified and that the mitigation of these risks was effectively managed. The Committee has also satisfied itself that the level of unmitigated risks, both individually and in totality, are within the risk appetite of the Group, and that there is sufficient assurance provided to manage risks and the control environment through both internal and external assurance providers.

David Cathrall, Philip Vallet and Pitsi Mnisi are members of the Group Risk Committee, ensuring that the Committee is an integral component of the risk management process.
Internal financial controls
The Committee reviewed the plans and work outputs of the internal auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, the Committee also reviewed the reporting and monitoring of the adequacy and effectiveness of the internal controls and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and the maintenance of effective material control systems throughout the year.

The Group CEO and CFO responsibilities report is on page 2 of the financial statements. In turn, the CEOs and CFOs of each of the underlying operations have also signed similar declarations.

Internal Audit
Super Group has an Internal Audit Department. The Head of Group Audit Services is Reyaaz Mahmood. He reports functionally to the chair of the Committee and administratively to the CFO. Annually the Committee approves the Internal Audit Plan and any variation thereof. The chairman of the 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. The Committee considered and was satisfied with the independence and effectiveness of the Internal Audit function and monitored adherence to the annual Internal Audit Plan.

Financial reporting
The Committee ensures that the financial reporting to stakeholders is a fair representation the state of affairs of Super Group which includes the Consolidated Annual Financial Statements. The Committee confirms that Super Group has established appropriate financial reporting procedures and that those procedures are operating.

The Committee among other matters:

- Confirmed the appropriateness of the going concern assumption as the basis of preparation of the Annual Financial Statements.
- Examined and reviewed the Annual Financial Statements, as well as all other financial information including the continued effects of Covid-19 on the Group.
- Recommended to the Board that Annual Financial Statements be approved.
- Considered the appropriateness of the accounting policies adopted and changes thereto.
- Reviewed the external auditor’s audit report and key audit matters included.
- Reviewed the representation letter relating to the Annual Financial Statements which was signed by management.
- Considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the Annual Financial Statements.
- Considered accounting treatments, significant unusual transactions, impairments and accounting judgements.

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.

Proactive monitoring
The Committee hereby confirms that the Group has considered the findings contained in the JSE’s Proactive Monitoring Reports when preparing the Consolidated Annual Financial Statements for the year ended 30 June 2021.

KEY AUDIT MATTERS
The Committee has considered the key audit matters as outlined in the external auditor’s report. These matters have been covered in the significant areas of judgement below:

In arriving at the figures disclosed in the Annual Financial Statements, there are many areas where judgement is required. These are outlined in note 40 – Critical accounting judgements, estimates and assumptions to the Annual Financial Statements. The Committee has considered the quantum of the assets and liabilities on the Consolidated Statement of Financial Position and other items that require significant judgement. The following items were considered:

- Impairment of assets:
  - Goodwill and Intangible assets;
  - Properties;
  - Right-of-use assets; and
  - Investments in subsidiaries held by the Company.
- Residual value of tangible assets;
- Revenue recognition;
- Fair value measurement of financial instruments;
- Net realisable value assessment of inventory;