

Board meetings

At a minimum, Board meetings are held every quarter. A special meeting is also held in May each year to discuss strategic issues. Overall attendance at Board meetings in 2008 is reflected in the table on page 33.

The annual general meeting was held in May 2008 and was well attended by directors, including the chairman of the Board and the chairman of the audit and risk committee.

Board meetings are structured to encourage participation and dialogue and to ensure effective decision making. Submissions relevant to the agendas of Board and committee meetings are sent to directors and members of the committees about a week in advance of meetings. All submissions and matters discussed at meetings are strictly confidential.

Attendance at meetings

Directors have an obligation to ensure near perfect attendance at, and to actively participate in, meetings of the Board and Board committees on which they serve, and to spend the time required and meet as frequently as necessary to discharge their duties and responsibilities with due care. They are also expected to attend the annual general meeting of shareholders.

Annual strategy review

The annual strategy session is usually held in May of each year and is designed to facilitate the review of the Company's medium- and long-term strategic plans and priorities.

Company secretary

The Board is responsible for the selection and appointment of the Company secretary who must be a suitably qualified person as contemplated in Section 268 of the Companies Act of South Africa, No. 61 of 1973; ("the Act").

The Company secretary is responsible for the duties set out in Section 268g of the Act and for ensuring compliance with the JSE Listings Requirements.

Directors have access to the services and advice of the Company secretary.

The certificate required to be signed in terms of subsection (d) of the Act appears on page 95 of this report.

Board committees

In accordance with the recommendations of King II, the Board has established five sub-committees to assist in the execution of its responsibilities. Each of these sub-committees has written charters under which authority is delegated to each committee by the Board. The composition and responsibility of each sub-committee is summarised below.

Audit and risk committee

The audit and risk committee is comprised of three independent non-executive directors. The committee meets four times per year. Meetings are attended by the Company secretary as secretary to the committee and by the external auditors, the head of internal audit, the chief executive and the chief financial officer. Current members of the committee are:

- MJ Leeming (chairman)
- RMW Dunne
- LM Nyhonyha

The committee has written terms of reference and its responsibilities include, among others:

- considering and nominating to the Board, the appointment and/or termination of the external auditors, including their independence and objectivity;
- determining the audit fee of the external auditors;
- considering and setting mandatory term limits on the period the lead audit partner of the external auditors may serve the Company;
- considering and determining the use of the external auditors for non-audit related services;
- determining with the external auditors the nature and scope of the audit;
- evaluating the effectiveness of the external audit;
- confirming internal audit's charter and audit plan;

- evaluating the effectiveness of internal audit;
- considering the appropriateness of the expertise and experience of the chief financial officer;
- reviewing and assessing the Company's risk identification, measurement and control systems and their implementation;
- reviewing and approving the accounting policies and practices and any proposed changes thereto;
- assisting the directors in fulfilling their responsibilities that published financial reports are objective, complete and accurate and that the financial statements comply with International Financial Reporting Standards and securities exchange requirements; and
- receiving and dealing with complaints related to accounting matters.

Individual committee members chair the quarterly financial review meetings at the Company's operating businesses.

The committee also meets with the internal and external auditors, outside of meetings, as frequently as is required.

The external and internal auditors report to the committee at each meeting on the results of their work.

The committee met four times in the year. Attendance at meetings was as follows:

	22 February	24 July	1 October	27 November
RMW Dunne	✓	✓	✓	✓
MJ Leeming	✓	✓	✓	✓
LM Nyhonyha	✓	✓	✓	✓

✓ Indicates attendance.

Nominations committee

The Board established a nominations committee in 2002. The committee is comprised of at least three non-executive directors. Meetings of the committee are held at least annually and additional meetings are held when deemed necessary. The general manager, Group human resources and SHE, attends all meetings of the committee as secretary and the chief executive by invitation. Current members of the committee are:

- RMW Dunne (appointed chairman 1 January 2009)
- S Engelbrecht (appointed 1 January 2009)
- AC Parker
- F Titi

The responsibility of the committee includes reviewing the Board structure, size, composition and balance between executive and non-executive directors and making recommendations to the Board regarding adjustments that are deemed appropriate; identifying and recommending for Board approval executive and non-executive candidates for appointment to the Board; and ensuring that plans for succession are in place, particularly for the chairman and chief executive.

The committee met three times in the year. Attendance at meetings was as follows:

	25 February	28 July	1 December
RMW Dunne	✓	✓	✓
AC Parker	✓	✓	✓
F Titi	✓	✓	✓
LC van Vught	✓	✓	✓*

✓ Indicates attendance.

* Retired 31 December.

Remuneration committee

The Board established a remuneration committee some years ago. The committee is comprised of at least three non-executive directors. Meetings of the committee are held at least twice a year and additional meetings are held when deemed necessary. The general manager, Group human resources and SHE, attends all meetings of the committee as secretary and the chief executive by invitation when necessary to discuss the remuneration of executive directors and senior management. No attendee may participate in any discussion or decision regarding his or her own remuneration. Current members of the committee are:

- RMW Dunne
(appointed chairman 1 January 2009)
- S Engelbrecht
(appointed 1 January 2009)
- AC Parker
- F Titi

The responsibilities of the committee include reviewing and amending, if appropriate, the Company's remuneration philosophy and policy with particular reference to the remuneration of executive directors and senior management; ensuring that executive directors and senior management are fairly rewarded for their individual contributions to the Company's overall performance, having regard to the interests of shareholders and the financial condition of the Group; approving remuneration packages designed to attract, retain and motivate high-performing executive directors and senior management; establishing appropriate criteria to measure the performance of executive directors and senior management; and approving specific remuneration packages for individual executive directors and members of senior management.

The committee met three in the year. Attendance at meetings was as follows:

	25 February	28 July	1 December
RMW Dunne	✓	✓	✓
AC Parker	✓	✓	✓
F Titi	✓	✓	✓
LC van Vught	✓	✓	✓*

✓ Indicates attendance.

* Retired 31 December.

Corporate citizenship committee

The Board established a corporate citizenship committee in 2003. The committee is comprised of at least three non-executive directors. Meetings of the committee are held at least twice a year. The Company secretary attends all meetings of the committee as secretary. The responsibilities of the committee include the review and assessment of progress by the Group in areas such as economic empowerment, employment equity, social responsibility investment, education, training, safety, occupational health and environmental practice. Current members of the committee are:

- LM Nyhonyha (chairman)
- GN Edwards
- Z Fuphe
- MJ Leeming
- JJ Pienaar

The committee met three times in the year. Attendance at meetings was as follows:

	7 May	25 August	12 November
GN Edwards	✓*	✓	✓
Z Fuphe	**	✓	✓
MJ Leeming	✓	✓	✓
LM Nyhonyha	✓	✓	✓
JJ Pienaar	✓*	✓	✓
LC van Vught	***		

✓ Indicates attendance.

* Appointed 6 May.

** Appointed 8 May.

*** Resigned 6 May.

Executive committee

The Board established an executive committee many years ago. The committee is constituted to assist the chief executive in managing the Company. Subject to matters reserved for decision by the Board, the chief executive's authority in managing the Company is unrestricted. The responsibilities of the chief executive include implementation of the strategies and policies of the Company; managing its businesses and affairs; prioritising the allocation of capital and technical and human resources; establishing best management practices and standards; senior management appointments and the assessment of senior management performance; and making recommendations to the Board on matters which are reserved for decision by the Board, including the fees payable to non-executive directors.

The executive committee consists of all the executive directors who hold office from time to time together with such senior managers as the Board may appoint from time to time. The committee meets once a month. Details of the executive committee members are given on pages 18 and 19 of this report.

Accountability and internal control

The directors are required by the Companies Act of South Africa to prepare annual financial statements which fairly present the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss for that period, in conformity with International Financial Reporting Standards (IFRS). The Company's external auditors are responsible for examining and reporting to shareholders their opinion on the annual financial statements of the Company and its subsidiaries and for performing an audit in accordance with generally accepted accounting and auditing standards in order to determine whether the financial statements are in accordance with the Companies Act, IFRS and the JSE Listings Requirements.

Following discussions with the external auditors, the directors consider that, in preparing the financial statements, the Company has consistently used appropriate accounting policies supported by reasonable and prudent judgement and estimates. All applicable international accounting standards have been followed. The directors have formally reviewed the budgets and forecasts of the businesses and have concluded that the Group will continue in business for the foreseeable future and, accordingly, the going concern basis of accounting remains appropriate.

The directors are also responsible for maintaining adequate accounting records and they have general responsibility for ensuring that an effective risk management process is in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

To enable the directors to meet these responsibilities, management sets standards and implements systems of risk management and internal control aimed at reducing the risk of error or loss in a cost-effective manner. The Company's internal audit function independently appraises the Group companies' internal controls and reports directly to the audit and risk committee. In addition, the management of each operating business and corporate function submits an annual Letter of Assurance to the audit and risk committee of the Company affirming that the internal controls in entities for which they have responsibility are adequate for their operations.

The directors are of the opinion, based on the information and explanations given by management, the internal auditors and the external auditors, that during the year there were no material breakdowns of internal controls and that these controls are adequate so that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities. The directors believe that assets are protected and used as intended with appropriate authorisation.

The auditors concur with the above statements by the directors.

Risk management

The Board recognises risk management as a key business tool to assess the balance between risk and reward in current and new businesses. Risk management also aims to protect the Group against hazards and uncertainties which might prevent the achievement of business goals.

The Board is responsible for the risk management process and is assisted in its responsibilities by the audit and risk committee. The day-to-day responsibility for risk management, and the design and implementation of appropriate processes to manage risk, resides with management.