



The Audit Committee continues to assess the group auditor's independence, taking into account the following factors:

- The compliance of the Deloitte and Touche ("Deloitte") engagement team and others within Deloitte and its network firm with all relevant ethical requirements regarding independence, including compliance with the following: The IESBA Code of Ethics for Professional Accountants; the Independent Regulatory Board for Auditors ("IRBA") Code of Professional Conduct for Registered Auditors; the South African Institute of Chartered Accountants ("SAICA") Code of Professional Conduct for Chartered Accountants; and The Companies Act of South Africa.
- The fact that there are no relationships (other than the provision of non-audit services) between Deloitte and SPAR, its directors and senior management or its affiliates, or other known connected parties that may be considered to bear on the auditor's objectivity and independence.
- The recent audit partner rotation in terms of companies act requirements which saw the appointment of a new designated audit partner for the 2016 financial year.
- Details of the fees for audit and non-audit services which have been provided by Deloitte and its network firms to the group, and components controlled by the group as well as fees charged by other component auditors are shown in the table below:

**Unaudited auditors remuneration for the year ended September 2016**

Rmillion	South Africa		Foreign Subsidiaries		Group	
	Fees paid to group auditors Deloitte		Fees paid to other auditors		Total auditors remuneration	
	2016	2015	2016	2015 *	2016	2015 *
Auditors' remuneration	9.6	8.0	8.6	6.7	18.2	14.7
Audit fees	6.3	5.5	7.1	4.1	13.4	9.6
Other fees	3.3	2.5	1.5	2.6	4.8	5.1

\*2015 reported auditors remuneration figures have been amended for certain foreign subsidiary audit fee disclosure omissions.

- The increase in audit fees in 2016 can be largely attributed to fees paid by foreign subsidiaries to auditors other than Deloitte, and includes additional fees for the new foreign subsidiary acquired being SPAR Holding AG in Switzerland, and the acquisition of GCL 2016 Ltd ("Gilletts") by TIL JV Ltd in Ireland.
- The audit committee has also considered the effect of non-audit services on the auditor's independence. Non-audit ("other") fees include tax compliance /advisory services, Deloitte Risk Advisory (annual IT review), and the Deloitte Tip Offs Anonymous service.

Based on these factors, the group continues to consider Deloitte, the appointed group auditors, to remain independent and recommend their re-appointment as group auditors in 2017 to the board and shareholders.