

OMNIA

20 January 2017

The Board
Independent Regulatory Board for Auditors (IRBA)
Building 2 - Greenstone Hill Office Park
Emerald Boulevard
Modderfontein
Johannesburg

Dear Sirs

Mandatory Audit Firm Rotation – Consultation Paper (issued 26 October 2016)

The IRBA consultation paper ("Consultation Paper") issued on 26 October 2016 refers.

Omnia Holdings Limited ("Omnia") is a JSE listed company in the Chemicals Sector with a market capitalization of approximately R12 billion. The company has been in existence for 63 years and operates in the complex field of agriculture fertilizers, mining explosives, industrial chemicals and mining chemicals. The group has entities and operations in over 30 countries, the majority of which are in Africa and the remainder in Australia, Brazil, China and Mauritius. Omnia is represented on the CFO Forum ("The Forum").

On 3 January 2017, the CFO Forum which represents major listed companies on the JSE and larger state owned entities, submitted a detailed response to the Consultation Paper. The contents and objections are fully supported by Omnia and for the sake of brevity, are not repeated hereunder.

On 17 January 2017, the Association of International Certified Professional Accountants ("Association"), which represents the broader membership of the American Institute of CPA's (AICPA) and The Chartered Institute of Management Accountants (CIMA), with approximately 650,000 members and students in public and management accounting roles, issued a statement denouncing the plan by IRBA to implement mandatory audit firm rotation. According to the statement, included in the written response submitted by the Association to IRBA was an analysis of the most significant factors supporting the professions longstanding position against MAFR that can be summarized as follows and aligns with the submission by the CFO Forum:

- Negatively impacts audit quality
- Causes loss of institutional knowledge and experience
- Limits auditor specialization
- Creates resource strains
- Could increase audit market concentration
- May result in unintended costs
- Limits the audit committee's ability to determine the best audit firm for the company
- Limits the ability to attract and retain talent

creating customer wealth by leveraging knowledge

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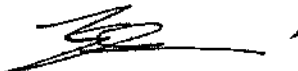
Directors • R Bowen (British), FD Butler, NJ Crosse (Chairman), TNM Eboka, R Havenstein, HH Hickey, RB Humphris (Managing), WG Koonin, Prof SS Loubser, HP Marais (Alternate), Dr WT Marais, SW Mncwango, D Naidoo

Company Secretary • C Appollis

Suffice to say that Omnia strongly rejects the proposal to introduce MAFR for all the reasons contained in both the CFO Forum and the Association letters.

We remain firmly opposed to MAFR and urge your board of directors to seriously reconsider this matter in its entirety.

Yours sincerely



Wayne Koonin
Group Finance Director

cc: Omnia Audit Committee
: Christine Ramon – Chairperson CFO Forum