



Bid Corporation Ltd
Board Charter

BID CORPORATION LIMITED

Registration Number: 1995/008615/06

BOARD CHARTER

1. INTRODUCTION

- 1.1. The board of directors of Bid Corporation Limited (Reg no: 1995/008615/06) ('Bidcorp') acknowledges the requirement of a board charter as recommended in the King IV Report on Corporate Governance for South Africa ('King VI').
- 1.2. This board charter is subject to the provisions of the Companies Act 71 of 2008 (the 'Act'), Bidcorp's Memorandum of Incorporation ('Mol') and any other applicable law or regulatory provision. In the event of a conflict between the MOI and the board charter, the provisions of the Mol shall prevail.
- 1.3. The purpose of this charter is to set out the board's role and responsibilities as well as the requirements for its composition and meeting.

2. COMPOSITION

- 2.1. The board comprises a balance of executive and non-executive directors, with a majority of non-executive directors, the majority of which are to be independent. The board should at all times be suitably constituted and do everything necessary to appropriately fulfil its role and responsibilities.
- 2.2. The chairman of the board and a lead independent director are to be nominated by the Bidcorp Nominations Committee and approved by the board. It is recommended that the chairman be an independent non-executive director.
- 2.3. Directors are appointed through a process conducted by the Nominations Committee in identifying suitable candidates to be proposed to the Bidcorp shareholders for election.
- 2.4. Only individuals with sound ethical reputations, business or professional acumen, and who have sufficient time to effectively fulfil their role as board members, will be considered for appointment to the board. The following criteria will be considered in determining whether a director is over-committed:
 - 2.4.1. if the director is not an executive office holder of any public company, he may hold the chairmanship of the company as well as that of two other public listed companies;
 - 2.4.2. non-executive directors of Bidcorp should not hold more than five (5) directorships of public listed companies; and
 - 2.4.3. if the director is an executive director of Bidcorp, he cannot hold any other directorships of a public listed company.
- 2.5. The board is committed to ensuring a diverse and inclusive culture at board level where bias, discrimination and harassment are not tolerated. All facets of diversity will be considered in determining the optimal composition of the board.
- 2.6. All board appointments are made on merit, having due regard for the benefits of diversity, including gender, which the board as a whole requires to be effective.



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- 2.7. Directors appointed by the board retire as directors at the first subsequent annual general meeting unless elected at such shareholder meeting. At least a third of incumbent directors retire by rotation at each annual general meeting and are eligible for re-election.
- 2.8. There is no age restriction and directors are allowed to serve irrespective of their age.
- 2.9. The Nominations Committee will be responsible for ensuring an induction programme for new directors is conducted and that ongoing training, support and development programmes are available to board members as required.

3. ROLE AND RESPONSIBILITIES OF THE BOARD

The role and responsibilities of the board are to:

- 3.1. Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other Bidcorp stakeholders along sound governance principles.
- 3.2. Appreciate that strategy, risk, performance, and sustainability are inseparable and to give effect to this by:
 - 3.2.1. contributing to and approving the annual budget and strategy;
 - 3.2.2. satisfying itself that the annual strategy and supporting business plans do not give rise to risks that have not been thoroughly assessed by management;
 - 3.2.3. identifying key performance and risk areas; and
 - 3.2.4. considering sustainability as a business imperative that guides strategy formulation.
- 3.3. Ensure an effective and independent audit and risk committee is appointed; which has oversight of an independent internal audit function.
- 3.4. Be responsible for the governance of risk, including security governance. The board also approves Bidcorp's risk profile and risk appetite and tolerance levels, ensuring that risks are managed within these levels, as deemed appropriate and based on materiality and changes in the external, transactional and internal environments.
- 3.5. Ensure compliance with applicable laws, regulations, rules, and standards.
- 3.6. Provide effective leadership on an ethical foundation.
- 3.7. Ensure that Bidcorp is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business but also the impact that business operations have on the environment and the society within which it operates.
- 3.8. Appreciate that stakeholder's perceptions affect the group's reputation; and take appropriate action to monitor these accordingly.
- 3.9. Ensure the integrity of the group's annual integrated report, as well as other half-year and year-end results announcements and capital market trading updates.
- 3.10. Act in the best interests of the group by ensuring that individual directors:
 - 3.10.1. adhere to legal standards of conduct;



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- 3.10.2. are permitted to take independent advice in connection with their duties;
 - 3.10.3. disclose real or perceived conflicts to the board and deal with these accordingly; and
 - 3.10.4. deal in securities only in accordance with the adopted group policy.
- 3.11. Commence business rescue proceedings as soon as is necessary should Bidcorp become financially distressed.

4. DELEGATION

- 4.1. The board delegates certain functions to well-structured committees but without abdicating its own responsibilities. Delegation is formal and involves the following:
- 4.1.1. formal charters are established and approved for each committee of the board;
 - 4.1.2. the committees' charters are reviewed annually;
 - 4.1.3. the committees are appropriately constituted with due regard to the skills and diversity required by each committee; and
 - 4.1.4. the board establishes a framework for the delegation of authority. The board monitors the activities of committees and individuals with delegated authority.
- 4.2. The board has the following committees:
- 4.2.1. Audit and Risk Committee
 - 4.2.2. Remuneration Committee
 - 4.2.3. Nominations Committee
 - 4.2.4. Social and Ethics Committee
 - 4.2.5. Acquisitions Committee
- 4.3. To support the board in ensuring effective risk management oversight, the committees are responsible for ensuring the effective monitoring of risks within the ambit of each committee's scope as well as considering potential opportunities, as appropriate.

5. PERSONAL FINANCIAL INTEREST

- 5.1. In terms of Section 75 (5) of the Companies Act of 2008 as amended, if a director of a company has a personal financial interest in respect of a matter to be considered at a meeting of the board, or knows that a related person has a personal financial interest in the matter, the director:
- 5.1.1. must disclose the interest and its general nature before the matter is considered at the meeting;
 - 5.1.2. must disclose to the meeting any material information relating to the matter, and known to the director;
 - 5.1.3. may disclose any observations or pertinent insights relating to the matter if requested to do so by the other directors;
 - 5.1.4. if present at the meeting, must leave the meeting immediately after making any disclosure;



- 5.1.5. must not take part in the consideration of the matter;
 - 5.1.6. while absent from the meeting in terms of this subsection, the conflicted director is to be regarded as being present at the meeting for purposes of determining quorum, however, is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and
 - 5.1.7. must not execute any document on behalf of the company in relation to the matter unless specifically requested or directed to do so by the board.
- 5.2. A register of declarations of personal financial interest shall be kept and all directors shall be required to confirm or amend the register at the commencement of each scheduled board meeting.
 - 5.3. Executive directors must distinguish between their role as director and as manager. Should they be unable to reconcile the two roles they should withdraw from the discussion and voting. An executive director when acting as a director, as opposed to when acting as a manager is not accountable to the chief executive officer in the hierarchal sense for their actions or vote.

6. RELATED PARTY TRANSACTIONS

- 6.1. In accordance with the IFRS reporting standards, all directors, officers and executive management shall not receive any discounts that are not commercially acceptable and shall not enter into any transactions with any Bidcorp company, either personally or via any member of their direct family, unless such transaction is reported to the board as a related party transaction.
- 6.2. The board shall furthermore ensure that similar reporting structures exist within each business across the group.

7. MEETING PROCEDURE

Frequency

- 7.1. The board must hold sufficient scheduled meetings to discharge all of its duties as set out in this charter but subject to a minimum of four meetings per year.
- 7.2. Meetings in addition to those scheduled may be held at the request of a board member.

Attendance

- 7.3. Half of the executive members plus half of the non-executive members of the board must attend to constitute a quorum.
- 7.4. Board members must attend all scheduled meetings of the board, including meetings called on an ad hoc basis for special matters, unless prior apology, with reasons, has been submitted to the chairman, chief executive officer and/or company secretary.
- 7.5. If the nominated chairman of the board is absent from a meeting, the lead independent director acts as chairman or in his absence the members present must elect one of the members present to act as chairman.
- 7.6. Members of senior management, assurance providers, and professional advisors may be in attendance at meetings, but by invitation only and they may not vote.
- 7.7. The company secretary is the secretary to the board.



Agenda and minutes

- 7.8. The board must establish an annual work plan to ensure that all relevant matters are timeously addressed. The number, timing and length of meetings, as well as the board meeting agendas are to be determined in accordance with the annual plan.
- 7.9. A detailed agenda, together with supporting documentation, reports from and/or minutes of the meeting of each committee of the board must be circulated prior to each meeting, providing sufficient preparation time to the members of the board and other invitees.
- 7.10. Board members must be fully prepared for board meetings to be able to provide appropriate and constructive input on matters for discussion. Board members are expected to participate fully, frankly and constructively in board discussions and to bring the benefit of their particular knowledge, experience, skills, and abilities to bear in discharging their duties as directors.
- 7.11. All meeting papers and submissions made at the board meetings are strictly confidential and directors must under no circumstances circulate them to any other parties. Directors are expected to manage their security passwords providing electronic access to their meeting packs with due care and vigilance. Directors may arrange with the company secretary to obtain access to records of board documentation and minutes if required by them in the course of discharging their duties as directors of the company.
- 7.12. The minutes must be circulated after the meeting to the chairman and members of the board for review. The minutes must be formally approved by the board at its next scheduled meeting.

8. THE CHAIRMAN

- 8.1. The chairman is elected by members of the board and is an independent non-executive director of the board with no executive or management responsibilities. The chairman provides leadership at board level, represents the board to the shareholders and is responsible for ensuring the integrity and effectiveness of the board and its committees. The chairman is also the chairman of the meetings of shareholders.
- 8.2. To this end the chairman is required to:
 - 8.2.1. set the ethical tone for the board and the company;
 - 8.2.2. provide overall leadership to the board without limiting the principle of collective responsibility for board decisions, while at the same time being aware of the individual duties of board members;
 - 8.2.3. oversee the formal succession plan for the board, the chief executive officer and the chief financial officer;
 - 8.2.4. maintain regular dialogue with the executive directors in respect of all material matters affecting Bidcorp and the group and to consult with the other board members promptly when considered appropriate;
 - 8.2.5. formulate in consultation with the chief executive officer and company secretary the annual work plan for the board against agreed objectives, and play an active part in setting the agenda for board meetings;
 - 8.2.6. ensure that material matters in respect of the business or governance of Bidcorp or group are tabled at board meetings;



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- 8.2.7. preside over board meetings and ensure that material issues for consideration are tabled and interrogated effectively to ensure optimal board decision-making and governance, manage conflicts of interest and act as a link between the board and management, particularly the board and the chief executive officer;
 - 8.2.8. ensure that directors play a full and constructive role in the affairs of Bidcorp and take a leading role in the process for removing non-performing or unsuitable directors from the board;
 - 8.2.9. monitor how the board works together and how individual directors perform and interact at meetings - ensure that a formal performance evaluation of the board, board committees and individual directors is conducted at least every two years and that every alternate year, opportunity is provided for reflection and discussion by the board of its performance and that of its committees, its chairman and its members as a whole;
 - 8.2.10. be accessible to the chief executive officer between board meetings to provide counsel and advice;
 - 8.2.11. in consultation with the Remuneration Committee and the board, determine the performance objectives of the executive directors and their performance against these objectives; and
 - 8.2.12. ensure that good relations are maintained with Bidcorp's major shareholders and strategic stakeholders and preside over shareholders' meetings.
- 8.3. The chairman:
- 8.3.1. may not be a member of the Audit and Risk Committee;
 - 8.3.2. may be a member but not chair the Remuneration Committee;
 - 8.3.3. must be a member and may chair the Nominations Committee;
 - 8.3.4. may be a member but not chair the Social and Ethics Committee; and
 - 8.3.5. may be a member of the Acquisitions Committee.
- 8.4. The chairman's ability to add value to Bidcorp, and the chairman's actual performance against criteria developed from his formalised role and functions should form part of an evaluation completed by the board led by the lead independent director at least every two years. The evaluation should take into account other external chairmanships to determine whether the chairman has the capacity to discharge his duties to Bidcorp.

9. LEAD INDEPENDENT DIRECTOR

- 9.1. The board must appoint a lead independent director to assist the chairman in the execution of his duties and such other functions as the board may wish to delegate to the lead independent director.
- 9.2. Where the chairman is absent or unable to perform his duties or where the independence of the chairman is questionable or impaired, the lead independent director must serve in this capacity for as long as the circumstances that caused the chairman's absence, inability or conflict exists. The independence of the chairman will be considered to be impaired if the majority of board members bear out this view.



- 9.3. The lead independent director is appointed to:
- 9.3.1. assist the board to deal with management of any actual or perceived conflicts of interest that arise on the part of the chairman;
 - 9.3.2. preside at all meetings of the board at which the chairman is not present or where the chairman is conflicted, including any sessions of the independent directors;
 - 9.3.3. call meetings of the independent directors where necessary;
 - 9.3.4. serve as principal liaison between the independent directors and the chairman;
 - 9.3.5. perform all such functions that cannot be performed by the chairman due to his absence or the existence of a conflict of interest;
 - 9.3.6. liaise with major shareholders if requested by the board in circumstances or transactions in which the chairman is conflicted; and
 - 9.3.7. perform other duties that the board may from time to time delegate.

10. CHIEF EXECUTIVE OFFICER

- 10.1. The chief executive officer is the highest executive decision-making authority of Bidcorp, and is delegated with authority from, and accountable to the board for the development and successful implementation of the group strategy and the overall management and group performance, consistent with the primary aim of enhancing long-term shareholder value.
- 10.2. The chief executive officer is supported by the chief financial officer.
- 10.3. The chief executive officer:
- 10.3.1. provides executive leadership;
 - 10.3.2. must inform the board of any material matter which may have a significant impact on the financial results or substantially impact the reputation of the group;
 - 10.3.3. may sub-delegate any of the powers delegated to him to the chief financial officer or individual within the group; and
 - 10.3.4. may exercise power and authority on, or sub-delegate, any matter necessary for the effective management and performance of the group which is not specifically reserved for the board or Bidcorp's shareholders.
- 10.4. The chief executive officer role is formalised and annual performance evaluations will be undertaken against criteria developed for this role.
- 10.5. The chief executive officer is accountable to the board to, amongst other things:
- 10.5.1. agree and recommend for approval to the board matters specified in the group limits and delegation of authority framework which amongst others relate to:
 - 10.5.1.1. the vision, mission, values, and strategy of Bidcorp;
 - 10.5.1.2. annual budgets, group funding, and financial management;



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- 10.5.1.3. significant mergers, acquisitions, divestitures, plant closures, and asset disposal as well as material capital expenditure/projects;
 - 10.5.1.4. risk policy and profile; and
 - 10.5.1.5. statutory and JSE required reports;
 - 10.5.2. recommend the appointment of executive members and ensure proper succession planning and performance appraisals of executive members;
 - 10.5.3. develop and recommend to the board the long-term strategy and vision of Bidcorp and its quantified expression by way of critical short-term and long-term performance and sustainability targets;
 - 10.5.4. develop and recommend to the board the Bidcorp investment program;
 - 10.5.5. develop and recommend to the board the annual business plans and budgets that support Bidcorp's long-term strategy and approach to ensuring long-term sustainability;
 - 10.5.6. ensure that Bidcorp and group companies have effective management teams and management structures;
 - 10.5.7. ensure that appropriate Bidcorp and group policies are formulated and implemented;
 - 10.5.8. monitor and report to the Audit and Risk Committee and the board on the effectiveness of legal compliance controls, processes, systems, and resource capacity;
 - 10.5.9. monitor the performance of Bidcorp and the group companies against agreed performance and sustainability targets and report appropriately to the board about such performance;
 - 10.5.10. establish an organisational structure and operating model for the group to ensure effective execution of the strategy, sustainability, governance, and control imperatives;
 - 10.5.11. set the tone in providing ethical leadership and creating an ethical environment;
 - 10.5.12. ensure that effective internal company and group controls, legal compliance, and governance measures are effectively deployed;
 - 10.5.13. ensure adherence to the relevant industry best practices standards unless there are convincing reasons for not implementing such standards and best practices; and
 - 10.5.14. serve as chief spokespersons for the group.
- 10.6. The chief executive officer is appointed by the board on recommendation of the Nominations Committee. The duration of his appointment, terms of appointment, and compensation are determined by the board upon recommendation of the Remuneration Committee.
- 10.7. The board is accountable for ensuring, with the assistance of the Nominations Committee, that succession plans are in place for the chief executive officer and other executive members.
- 10.8. The chief executive officer may not be a member of the Remuneration, Audit and Risk and Nominations Committees but may attend by invitation and must recuse himself when conflicts arise, particularly when executive performance and remuneration are discussed.



11. THE RIGHTS AND DUTIES OF INDIVIDUAL DIRECTORS

- 11.1. The board exercises its functions jointly and no director has any authority to severally perform any act on behalf of Bidcorp or the business unless specifically authorised or requested by the board or authorised nominees of the board. Directors are jointly accountable for the decisions of the board.
- 11.2. Directors' duties, standards of conduct, and liabilities are captured in the Companies Act. Directors have a legal obligation to act in the best interest of Bidcorp, to act with due care, diligence and skill in discharging their duties as directors, to declare and avoid conflicts of interest with Bidcorp and the group and to account to Bidcorp for any advantages gained in discharging their duties on behalf of Bidcorp.
- 11.3. Directors may at any time request a meeting with the chairman and will individually meet with the chairman on an annual basis to discuss the board and committee matters. The chairman will invite non-executive directors from time to time to indicate whether they have a need to meet as a group without him/her and/or the executive management.
- 11.4. The board is of the view that the interests of Bidcorp are better served if the board functions as a team rather than a fractious, uneasy coalition of executive, non-executive, and independent factions.
- 11.5. Directors have unrestricted access to management and the company secretary for advice about the governance of Bidcorp and board procedures and may after consultation with the chairman, obtain such external advice as they may consider necessary to properly discharge their duties to Bidcorp.

12. THE COMPANY SECRETARY

- 12.1. The decision to appoint or remove the company secretary is a board decision. The board should be assisted by a competent, suitably qualified and experienced company secretary. The company secretary will be subjected to a fit and proper test, and annual performance evaluations will be conducted.
- 12.2. The company secretary provides a central source of guidance and support to the board and the group on matters of good governance and changes in legislation. The board is aware of the duties of the company secretary and empowers her to fulfil those duties. As gatekeeper of good governance, the company secretary maintains an arm's length relationship with the board and its directors, as far as is reasonably possible.
- 12.3. The company secretary is not a director of Bidcorp and has a direct channel of communication to the chairman and unfettered access to the entire board.
- 12.4. The company secretary is accountable to the board to:
 - 12.4.1. ensure that board procedures are followed and reviewed regularly;
 - 12.4.2. ensure that the applicable rules and regulations for the conduct of the affairs of the board are complied with;
 - 12.4.3. maintain statutory records in accordance with legal requirements;
 - 12.4.4. provide the board as a whole and individual board members with detailed guidance as to how their responsibilities should be properly discharged in the best interest of Bidcorp and on good governance;



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- 12.4.5. keep abreast of, and inform the board of current corporate governance thinking and practice;
 - 12.4.6. advise the board on relevant legal and regulatory matters, including legal frameworks and processes, relevant to or affecting the company;
 - 12.4.7. advise the Audit and Risk Committee and Social and Ethics Committee with respect to all regulatory filing and public disclosures relating to Bidcorp's governance processes;
 - 12.4.8. assist with director induction and facilitate training programmes at the request of board members in line with their needs on an ad hoc basis;
 - 12.4.9. ensure that the board charter and the various committee charters meet current standards and guidance;
 - 12.4.10. prepare and circulate board and committee papers;
 - 12.4.11. elicit responses, input, feedback for board and committee meetings;
 - 12.4.12. assist in drafting annual work plans;
 - 12.4.13. ensure preparation and circulation of minutes of board and committee meetings; and
 - 12.4.14. assist with the administration of the evaluation of the board, committees, and individual directors.
- 12.5. The company secretary is responsible for communicating with shareholders as appropriate and for ensuring that due regard is paid to their interests. The company secretary acts as a primary point of contact for institutional investors, other shareholders, and all stakeholders with regard to issues of corporate governance.

13. CORPORATE GOVERNANCE

- 13.1. Bidcorp complies with all applicable corporate governance legislation and applies the principles of King IV.
- 13.2. In addition, Bidcorp's corporate governance practices are reviewed frequently in view of changes to the company, and local and international corporate governance developments in order to proactively adapt corporate governance practices should it be in Bidcorp's best interests to do so.

14. DEALING IN SECURITIES OF THE COMPANY

- 14.1. All directors of Bidcorp and its major subsidiaries are prohibited from trading in Bidcorp shares when in possession of non-public, material information and during closed period, to prevent an offence of insider trading in terms of the Financial Markets Act No. 19 of 2012.
- 14.2. The company secretary should be notified of any dealing by a director in Bidcorp's securities. In terms of the JSE listings requirements, all directors' dealings in Bidcorp's securities are required to be promptly announced.



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15. PUBLIC COMMUNICATIONS

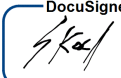
- 15.1. Public communications on the affairs of the Bidcorp group, as opposed to an individual subsidiary business, should be referred to the chairman and the chief executive officer for review and approval.
- 15.2. Where an executive director finds it necessary to make a public statement concerning the group this should be approved by the chairman and/or the chief executive officer, as set out in the group delegated levels of authority.

16. EVALUATION

- 16.1. Annual assessments will be undertaken over a three-year rolling review period, during which committee self-assessments are to be performed during two of the years and an independent board evaluation will be performed during one of the years.

17. APPROVAL OF THIS CHARTER

- 17.1. On an annual basis this Charter is reviewed and recommended to the board of directors and signed on their behalf by chairman of the board.

DocuSigned by:

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Mr S Koseff
Board Chairman