

# **BID CORPORATION LIMITED**

**Registration Number: 1995/008615/06**

## **GROUP AUDIT AND RISK COMMITTEE CHARTER**

In terms of section 94 of the Companies Act 71 of 2008 as amended (the 'Act') all public companies are required to appoint an audit committee to perform the duties as set out in the Act and to appoint suitably qualified members of this committee as set out in regulation 42 of the Companies Regulations, 2011 ('Regulations').

The Group Audit & Risk Committee ('GARC' or 'committee') is constituted as a statutory committee of Bid Corporation Limited ('Bidcorp', 'the group' or 'the company') and a committee of the Bidcorp board of directors ('board') in respect of all duties assigned to it by the board and legislation.

The duties and responsibilities of the members of this committee are in addition to those as members of the board. The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

This charter serves as the terms of reference for the committee and is subject to the provisions of the Act, the Regulations, the Bidcorp Memorandum of Incorporation and any other applicable laws or regulatory provisions.

### **1. PURPOSE OF THE CHARTER**

- 1.1. The purpose of this document is to set out the committee's role and responsibilities as well as the requirements for its composition and meeting procedures.

### **2. COMPOSITION**

- 2.1. The GARC shall comprise a minimum of three (3) members, all of whom, including the chairman, must be independent non-executive directors of the board.
- 2.2. Members of the committee must be suitably qualified and must have adequate knowledge and experience on the following topics:
  - 2.2.1. internal financial controls and internal governance processes;
  - 2.2.2. external and internal audit processes;
  - 2.2.3. integrated reporting, including financial reporting;
  - 2.2.4. risk management, including sustainability issues and IT governance; and
  - 2.2.5. corporate law and other applicable regulatory requirements.
- 2.3. The chairman and members of the committee will be annually reviewed and recommended by the Nominations Committee for shareholders' approval at the AGM.
- 2.4. Should a vacancy arise, the board must appoint a replacement and this decision must be approved at the following AGM.

### **3. ROLE**

- 3.1. The committee has an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The committee does not

assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.

- 3.2. In addition to its statutory responsibilities, the overall function of the GARC is to assist the board in discharging its' responsibilities relating to the:
  - 3.2.1. safeguarding of Bidcorp's assets;
  - 3.2.2. operation of adequate and effective internal systems and control processes;
  - 3.2.3. preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards;
  - 3.2.4. oversight of the external and internal audit functions, including their performance and appointments;
  - 3.2.5. oversight and review of significant transactions and unusual events; and
  - 3.2.6. identification of Bidcorp's risk profile and risk appetite and tolerance.

## 4. STATUTORY AND DELEGATED DUTIES OF THE GARC

### Annual financial statements, preliminary announcements and interim financial statements

- 4.1. The GARC should review the group's annual financial statements, preliminary announcements and interim financial statements before submission to the board and prior to the press announcement, focusing particularly on:
  - 4.1.1. the appropriateness of and compliance with group accounting policies and generally accepted accounting standards, both local and international, and any changes in accounting policies and practices;
  - 4.1.2. any actual or proposed changes in accounting or financial reporting practices;
  - 4.1.3. judgmental areas for example, those involving the valuation of assets and liabilities, warranty, product or environmental liability, litigation reserves and other significant commitments and contingencies;
  - 4.1.4. complex and unusual transactions such as restructuring charges and derivative disclosures and the propriety of major adjustments processed at yearend;
  - 4.1.5. the basis on which Bidcorp and related entities have been determined as a going concern;
  - 4.1.6. the directors' statement to be included in the financial statements relating to internal controls and corporate governance;
  - 4.1.7. tax and litigation matters;
  - 4.1.8. capital adequacy and compliance with financial conditions of loan covenants; and
  - 4.1.9. reviews of special documents such as prospectuses.
- 4.2. Assess the fairness of the preliminary and interim financial statements and disclosures, and obtain explanations from management and auditors on:
  - 4.2.1. the external auditors' proposed audit opinion;

- 4.2.2. legal and regulatory compliance matters considered in the preparation of the financial statements;
  - 4.2.3. whether preliminary announcements and interim financial statements contain adequate and appropriate disclosures; and
  - 4.2.4. whether actual financial results for the interim period varied significantly from budgeted or projected results.
- 4.3. Review the processes in place for the reporting of concerns and complaints relating to financial reporting and accounting practices, internal audit, contents of the group's financial statements, internal financial controls and any related matters.
- 4.4. The GARC shall annually review the expertise, resources and experience of the group finance function as well as to consider and satisfy itself of the appropriateness of the expertise and experience of the chief financial officer.
- 4.5. Prepare a report to be included in the annual financial statements describing how the GARC carried out its functions, including:
- 4.5.1. a statement that the GARC and the DARC operate in accordance with their respective charters, as approved by the board;
  - 4.5.2. a statement that the GARC is satisfied that the external auditor is independent;
  - 4.5.3. commentary on the financial statements, the accounting practices and the internal financial controls within Bidcorp; and
  - 4.5.4. a statement confirming that the GARC has satisfied itself with the appropriateness of the finance function and the chief financial officer.
- 4.6. Oversee the preparation of the annual reporting suite to ensure that a balanced assessment of the position, performance and prospects of the group is appropriately presented.

### External auditors

The GARC is required to:

- 4.7. Nominate an independent registered auditor to act as the group external auditor to Bidcorp.
- 4.8. Determine the fees to be paid to the external auditor and the auditor's terms of the engagement, including the term, nature and scope of the external audit. Audit fees incurred by all component teams will be reviewed by the GARC annually.
- 4.9. Pre-approve any proposed contract with the external auditor for the provision of non-audit services within Bidcorp. The GARC requires that the DARC consider all proposed non-audit service contracts with the external auditor within the respective Bidcorp entity, and to inform the GARC of such engagements for consolidated approval.
- 4.10. Evaluate the independence of the external auditor in relation to the group and any subsidiary:
  - 4.10.1. ascertain whether the external auditors receive any remuneration or benefit, except for rendering audit and other permitted services; and
  - 4.10.2. consider the extent of consultancy, advisory or other services undertaken by the external auditor.
- 4.11. Obtain assurances from the external auditors that adequate accounting records were being maintained within the group by the component businesses.

- 4.12. Obtain an annual statement from the external auditor confirming that its independence was not impaired.
- 4.13. Ensure that the GARC is informed of any identified Reportable Irregularities (as required by the Auditing Professions Act, 2005).
- 4.14. Annually review the quality and effectiveness of the external audit process and evaluate the performance of the external auditor.
- 4.15. Monitor the rotation of the external audit engagement partner, in accordance with relevant requirements.

#### Internal audit

- 4.16. Internal Audit is governed by the Internal Audit Charter which is biennially reviewed and approved by the GARC, or sooner should new requirements come into place.
- 4.17. The GARC, assisted by the DARC, is responsible for overseeing the internal audit function, as guided by the Internal Audit Charter and in particular the GARC shall:
  - 4.17.1. confirm that internal audit has the necessary resources, budget, competence, objectivity and gravitas to enable it to discharge its functions;
  - 4.17.2. approve the risk-based internal audit plan, as well as oversee the objectives of the internal audit function; and
  - 4.17.3. drive a combined assurance approach, where possible.
- 4.18. The GARC is responsible for reviewing written assessments of the effectiveness of the system of financial controls, internal controls and risk management as recommended by the internal audit function.
- 4.19. The GARC shall annually review the independence, effectiveness and performance of the internal audit function.

#### Combined assurance

- 4.20. Ensure that a combined assurance model has been applied within Bidcorp to provide a coordinated approach to all assurance activities appropriately addressing all the significant risks facing Bidcorp.
- 4.21. Monitor the relationship between the various external and internal assurance providers of Bidcorp both at a group and business level.

#### Technology and information oversight

- 4.22. Maintain oversight of technology and information to achieve the following objectives -
  - 4.22.1. the integration of people, technologies, information and processes across the group;
  - 4.22.2. the integration of technology and information risks into group-wide risk management approach;
  - 4.22.3. the implementation of adequate processes and controls to ensure business resilience;
  - 4.22.4. proactive monitoring of data insights to identify and respond to incidents, including cyber-attacks and adverse social media events;
  - 4.22.5. the assessment of risks pertaining to third-party and outsourced service providers; and

4.22.6. ethical and responsible use of technology and information.

### Risk oversight

- 4.23. The oversight of the determination of material risks to which Bidcorp may be exposed and to evaluate the strategy for managing those risks.
- 4.24. Reporting to the board on the work undertaken in establishing and maintaining the risk management approach and systems, and insurance coverage taken, and the adequacy of action taken by management to address identified areas for improvement.
- 4.25. Review Bidcorp policies on risk assessment and risk management, including technology and information, fraud and data security risks, sustainability reporting ('ESG') *et al.* and ensure a timely response and adequate reporting on any non-compliance detected.
- 4.26. Consider with senior management and the internal and external auditors any fraud, illegal acts, deficiencies in internal controls, significant risks and risk mitigation plans.
- 4.27. Identify and monitor the non-financial aspects relevant to Bidcorp and review appropriate non-financial information that goes beyond assessing the financial and quantitative performance.

### Regulatory compliance

- 4.28. Require all businesses across the group to identify and address significant legislative, regulatory and taxation requirements of the industry and the country in which they operate; to take the necessary action to ensure processes are implemented to ensure compliance; and obtain assurance from management that the appropriate measures have been taken to ensure compliance with relevant legislation and regulatory requirements.
- 4.29. Require all businesses across the group to recognise information and/or data as a corporate asset and to appropriately secure and protect it; and obtain assurance from management that the appropriate measures have been taken to ensure compliance with the relevant data privacy legislation, where applicable.

## 5. AUTHORITY

- 5.1. The board authorises the GARC to investigate any activity that falls within the scope of its responsibilities, including liaising with those necessary to fulfil this purpose, including but not limited to:
  - 5.1.1. having unrestricted access to the company, its subsidiaries and/or associates records, facilities and any other resources;
  - 5.1.2. consulting and seeking information from any employee within Bidcorp and/or any external party;
  - 5.1.3. obtaining external legal or other professional advice, at Bidcorp's cost, subject to following a board approved process, as required; and
  - 5.1.4. liaising with all auditors and/or subsidiaries and/or associates.
- 5.2. The board authorises the GARC to delegate certain statutory and non-statutory functions to the DARC but requires the GARC to review and report on the adequacy of functions conducted on its behalf, including but not limited to:
  - 5.2.1. membership of the DARC and its permanent invitees shall be reviewed and approved annually by the GARC; and

- 5.2.2. the DARC shall operate under a DARC charter which will be reviewed and approved biennially by the GARC, or sooner should new requirements come into place.
- 5.3. At least once a year, the GARC shall meet separately with the external and internal auditors, without the executive directors or other senior management being present.
- 5.4. As required, the GARC shall make submissions to the board on any matter concerning Bidcorp's accounting policies, internal controls, financial controls, records, and/or reporting.
- 5.5. The GARC shall perform other oversight functions as requested on an ad hoc basis by the board.
- 5.6. The committee makes recommendations to the board that it deems appropriate on any area within the ambit of these terms of reference.

## 6. MEETING PROCEDURES

### Frequency

- 6.1. Meetings shall be held as frequently as the GARC chairman considers appropriate but the GARC should meet not less than four (4) times a year.
- 6.2. Additional meetings may be held at the request of the board. Members of the GARC and invitees may also request for additional meetings to be held, where appropriate.

### Quorum

- 6.3. A majority of GARC members shall constitute a quorum for the transacting of business by the GARC.

### Meeting Attendance

- 6.4. The chief executive officer, chief financial officer, senior external audit partner, group internal audit manager and DARC members shall be permanent invitees and shall have unrestricted access to the GARC chairman or any other GARC member in relation to any matter falling within the GARC's remit, but they may not vote.
- 6.5. Board members that are not members of the GARC may attend GARC meetings, but they may not vote.
- 6.6. As may be required, members of senior management and/or professional advisors may be in attendance at committee meetings, but by invitation only and they may not vote.
- 6.7. The GARC chairman may invite other persons, as relevant, to attend meetings.
- 6.8. The GARC chairman shall have the right to exclude from the meeting or from any item on the agenda, any invitee or member if a conflict of interest becomes evident.
- 6.9. The company secretary or its representatives (the 'company secretariat') is the secretary to this committee.

### Agenda and minutes

- 6.10. The GARC must establish an annual work plan to ensure that all relevant matters are covered.
- 6.11. The agenda, together with supporting documentation, must be distributed in advance to enable GARC members to prepare for meetings.

- 6.12. The minutes of GARC meetings must be drafted as soon as possible after a meeting and circulated to the chairman and GARC members for review and approval during the next GARC meeting. The minutes will be signed by the GARC chairman once approved by the committee.
- 6.13. Summaries and reports of GARC findings shall be submitted to the board, for presentation by the GARC chairman as a correct record of proceedings held once approved by the GARC.

### Reporting

The chairman of the GARC is required to:

- 6.14. report all significant matters arising from the GARC to the board timeously;
- 6.15. annually prepare a written report to shareholders to be included in the annual financial statements; and
- 6.16. attend the AGM to answer all questions, through the chairman of the board, on the GARC's activities and responsibilities.

### Fees

- 6.17. The GARC chairman and members shall be paid such fees for their committee work as approved by shareholders at the AGM.

## 7. EVALUATION

- 7.1. Annual evaluations of the board, its committees, its chairman and its members will be undertaken, with an independent board and committee evaluation being performed every third year.
- 7.2. The GARC must informally evaluate the effectiveness of the DARC in discharging its duties as set out in the DARC Charter on an annual basis, whether by self-assessment or external third-party review.

## 8. REVIEW OF THIS CHARTER

- 8.1. This charter is to be reviewed by the GARC and recommended to the board for approval and adoption biennially, or sooner should new requirements come into place.

Mr S Koseff  
Chairman: Bidcorp Board

Mrs H Wiseman  
Chairman: Bidcorp Group Audit and Risk  
Committee

Reviewed and approved: August 27<sup>th</sup> 2024