

BID CORPORATION LIMITED

Registration Number: 1995/008615/06

DIVISIONAL AUDIT AND RISK COMMITTEE CHARTER

The Bid Corporation Ltd ('Bidcorp' or 'the company') board has authorised the Group Audit and Risk Committee ('GARC') to delegate certain statutory and non-statutory functions to the Divisional Audit & Risk Committees ('DARC').

The DARC is therefore constituted as a sub-committee of the GARC, in respect of all duties assigned to it by the GARC.

The duties and responsibilities of the members of DARC are in addition to those as members of the board and GARC. 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 DARC and is subject to the provisions of the Companies Act, 71 of 2008 as amended (the 'Act'), Bidcorp's Memorandum of Incorporation ('Mol') and any other applicable laws or regulatory provisions.

1. PURPOSE OF THE CHARTER

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

2. COMPOSITION

- 2.1. The DARC will comprise a minimum of three members, being the chairman of the GARC, an external independent advisor and the chief financial officer, who comprehend the following topics:
 - 2.1.1. internal financial controls and internal governance processes;
 - 2.1.2. external and internal audit processes;
 - 2.1.3. risk management, including sustainability issues and IT governance; and
 - 2.1.4. corporate law and other applicable regulatory requirements.
- 2.2. Any GARC member may serve as an alternate DARC member, in substitution for a DARC member, if required to ensure the necessary quorum is present at a DARC meeting.
- 2.3. The composition of the DARC and its permanent invitees shall be reviewed and approved annually by the GARC.

3. ROLE

- 3.1. The DARC has an independent role, operating as an overseer, provider of information and a maker of recommendations to the GARC for its consideration. 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. The overall function of the DARC is to assist the GARC in discharging its' responsibilities relating to the:
 - 3.2.1. safeguarding of the respective Bidcorp division's assets;
 - 3.2.2. operation of adequate and effective 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 finance function;
- 3.2.5. oversight of the external and internal audit functions;
- 3.2.6. oversight of the appointment of external and internal auditors;
- 3.2.7. oversight and review of significant transactions and unusual events; and
- 3.2.8. identification of the respective Bidcorp division's risk profile, risk appetite and tolerance.

4. DELEGATED DUTIES OF THE DARC

External Auditors

The DARC is required to:

- 4.1. Monitor the performance of the external auditors across all businesses and to annually provide the GARC with feedback for the consideration of the reappointment of the group external auditor.
- 4.2. Consider all proposed non-audit service contracts with the external auditor within the respective Bidcorp business, and to inform the GARC of such engagements for consolidated approval.
- 4.3. Evaluate the independence of the external auditor in relation to any Bidcorp entity:
 - 4.3.1. ascertain whether the external auditors receive any remuneration or benefit, except for rendering audit and other permitted services; and
 - 4.3.2. consider the extent of consultancy, advisory or other services undertaken by the external auditor.
- 4.4. Discuss the nature and scope of the external audit.
- 4.5. Obtain assurances from the external auditors that adequate accounting records were being maintained by the component businesses.
- 4.6. Obtain an annual statement from the external auditors confirming that its independence was not impaired.
- 4.7. Formalise a reporting process to ensure that the DARC is informed of any identified Reportable Irregularities (as required by the Auditing Professions Act, 2005) and to provide feedback thereon to the GARC.
- 4.8. Annually review the quality and effectiveness of the external audit process and evaluate the performance of the external auditor within each component business.
- 4.9. Monitor the rotation of the external audit engagement partner, in accordance with relevant requirements.

Internal audit

- 4.10. Internal audit is governed by the Internal Audit Charter which is biennially reviewed and approved by the GARC.
- 4.11. The DARC is responsible for overseeing the Internal Audit Function ('IAF'), as guided by the Internal Audit Charter, in particular the DARC shall:

- 4.11.1. confirm that internal audit has the necessary resources, budget, competence, objectivity and gravitas to enable it to discharge its functions;
 - 4.11.2. approve the risk-based internal audit plans;
 - 4.11.3. oversee the objectives of the IAF; and
 - 4.11.4. drive a combined assurance approach, where possible.
- 4.12. Review written assessments of the effectiveness of the system of financial controls, internal controls and risk management prepared by the internal auditors.

Combined assurance

- 4.13. Ensure that a combined assurance model has been applied within the businesses to provide a coordinated approach to all assurance activities appropriately addressing all the significant risks facing Bidcorp.
- 4.14. Monitor the relationship between the various external and internal assurance providers.

Technology and information oversight

- 4.15. Maintain oversight of technology and information to achieve the following objectives:
- 4.15.1. the integration of people, technologies, information and processes across the group;
 - 4.15.2. the integration of technology and information risks into the group-wide risk management approach;
 - 4.15.3. the implementation of adequate processes and controls to ensure business resilience;
 - 4.15.4. proactive monitoring of data insights to identify and respond to incidents, including cyber-attacks and adverse social media events;
 - 4.15.5. the assessment of risks pertaining to third-party and outsourced service providers; and
 - 4.15.6. ethical and responsible use of technology and information.

Risk oversight

- 4.16. The periodic facilitation of risk assessment, to determine the material risks to which the businesses may be exposed and to evaluate the strategy for managing those risks.
- 4.17. Reporting to the GARC on the work undertaken in establishing and maintaining the risk management approach and systems and the adequacy of action taken by management to address identified areas for improvement.
- 4.18. Review the business' policies on risk assessment and risk management, including technology and information, fraud and data security risks, sustainability reporting (ESG) *et al*, and to ensure a timely response and adequate reporting on any non-compliance detected.
- 4.19. Consider with senior management and the internal and external auditors any fraud, illegal acts, deficiencies in internal control, significant risks and risk mitigation plans.
- 4.20. Identify and monitor the non-financial aspects relevant to the businesses and review appropriate non-financial information that goes beyond assessing the financial and quantitative performance.

Regulatory compliance

- 4.21. Ensure all operations in the group have identified and addressed relevant legislative and regulatory requirements of the industry and the country in which they operate and have taken the necessary action to ensure processes are implemented to ensure compliance.
- 4.22. Ensure that information and/or data within all businesses across the group is recognised as a corporate asset and is appropriately secured and protected and obtain assurance from management that the appropriate measures have been taken to ensure compliance with the relevant data privacy legislation.

5. AUTHORITY

- 5.1. The GARC authorises the DARC 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 GARC authorises the DARC to perform the statutory and non-statutory functions delegated to it by the GARC. The GARC will review and report to the board on the adequacy of functions conducted by the DARC on its behalf, including but not limited to:
 - 5.2.1. the membership of the DARC and its permanent invitees; and
 - 5.2.2. the operations of the DARC, as set out in the GARC approved DARC charter.
- 5.3. The DARC may meet separately with the external and internal auditors, without the executive directors or other senior management being present.
- 5.4. As required, the DARC shall make submissions to the GARC on any matter concerning the businesses' accounting policies, financial controls, records and reporting.
- 5.5. The DARC shall perform other oversight functions as requested on an ad hoc basis by the GARC.
- 5.6. The DARC makes recommendations to the GARC that it deems appropriate on any area within the ambit of this charter where action or improvement is required.

6. MEETING PROCEDURES

Frequency

- 6.1. Meetings shall be held as frequently as the DARC chairman considers appropriate but should occur not less than four times a year.
- 6.2. Additional meetings may be held at the request of the chief executive officer, chief financial officer or other members of senior management or at the request of the GARC.

Quorum

- 6.3. Two DARC members present in person or by electronic participation, shall constitute a quorum for DARC meetings.

Meeting Attendance

- 6.4. The chief executive officer, business chief executive officers and chief financial officers, group and business internal audit managers, senior and business external audit partners shall be permanent DARC invitees and shall have unrestricted access to the DARC chairman in relation to any matter falling within the DARC's remit.
- 6.5. GARC members who are not members of the DARC may attend DARC meetings, but they may not vote unless attending in the capacity as an alternate DARC member.
- 6.6. As may be required, permanent DARC attendees and/or professional advisors may be in attendance at DARC meetings, but by invitation only and they may not vote.
- 6.7. The DARC chairman may invite other persons, as relevant, to attend meetings.
- 6.8. The DARC 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. A designated member of Bidcorp's company secretarial team will be the secretary to the DARC.

Agenda and minutes

- 6.10. The DARC agenda, together with supporting documentation, must be agreed with the DARC chairman and distributed prior to each meeting to enable DARC members and invitees to prepare for meetings.
- 6.11. The draft minutes of DARC meetings must be completed as soon as possible after the meeting and circulated to all the DARC chairman and all DARC members for review and approval during the next meeting. The minutes will be signed by the DARC chairman once approved by the DARC.
- 6.12. Summaries and reports of DARC findings shall be submitted to the GARC, for presentation by the DARC chairman, at the next scheduled GARC meeting.

Reporting

- 6.13. The chairman of the DARC is required to report all significant matters arising from the DARC to the GARC timeously.

7. EVALUATION

- 7.1. The GARC will informally evaluate the effectiveness of the DARC in discharging its duties as set out in this 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 and approved by the GARC and adopted by the DARC biennially, or sooner should new requirements come into place.

Mrs H Wiseman
Chairman: Bidcorp GARC and DARC
Reviewed and approved: August 20th 2024

Mr T Brown
Chairman: Bidcorp DARC