



**MultiChoice Group Limited (MCG)**

Including all subsidiaries and business units, together called the MultiChoice Group

## **Audit Committee Charter**

**CARE CONNECT CREATE**



## TABLE OF CONTENTS

1. Purpose	3
2. Composition	3
3. Proceedings and meetings	4
4. Responsibilities	5
5. Remuneration	11
6. General	11
7. Document Properties	12



## 1. Purpose

- 1.1 The purpose of the audit committee (the committee) is to:
- 1.2 Fulfil the legal obligations of MultiChoice Group Limited (MCG), MultiChoice South Africa Holdings (Pty) Ltd (MCSAH), MultiChoice South Africa (Pty) Ltd (MCSA), Showmax Africa Holdings Ltd (Showmax) and other subsidiaries (where required) (collectively the MultiChoice Group) in relation to audit committees as required by the Companies Act of the relevant jurisdiction and the JSE Listing Requirements.
- 1.3 Assist the boards of the MultiChoice Group to meet its responsibilities in respect of:
  - 1.3.1 the effectiveness of the MultiChoice Group's assurance functions and services, with particular focus on combined assurance, including external assurance service providers, internal audit, and the finance function;
  - 1.3.2 the quality and integrity of the MultiChoice Group's reports to external stakeholders, including integrated reports and financial statements, and setting the direction for how assurance of these be approached and addressed;
  - 1.3.3 the MultiChoice Group's compliance with key, applicable legal and regulatory requirements as relating to financial reporting;
  - 1.3.4 the quality and independence of the MultiChoice Group's external auditors, and that the requirements relating to external auditors as set out in paragraph 3.86 to 3.93 of the JSE Limited's (JSE) Listings Requirements are complied with;
  - 1.3.5 the performance of the MultiChoice Group's internal audit function and the external auditors; and
  - 1.3.6 the adequacy and effectiveness of internal control measures, accounting practices, risk management, information and technology systems and audit procedures.

## 2. Composition

- 2.1 The committee comprises a minimum of three MCG directors.
- 2.2 All of the members of the committee must be independent non-executive directors as defined in the Companies Act, and the applicable rules of the JSE.
- 2.3 The chair of the MCG board may not be a member of the committee but may attend committee meetings by invitation. MCG, MCSAH, MCSA and Showmax board members are entitled to attend committee meetings as observers. However, non-committee



members are not entitled to participate without the consent of the chair of the committee; do not have a vote; and are not entitled to fees for attendance.

- 2.4 The collective financial literacy, skills, and experience of the members of the committee must be appropriate to execute their duties effectively taking into account the MultiChoice Group's size, circumstances and industry, and the requirements of the Companies Act, Companies Regulation 42 and the JSE Listings Requirements.
- 2.5 Members of the committee are not allowed to serve simultaneously on the audit committee of more than three public listed companies in addition to MCG.
- 2.6 The MCG company secretary serves as secretary of the committee.

### 3. Proceedings and meetings

- 3.1 The meetings of the committee are regulated by this charter.
- 3.2 The secretary issues notices regarding meetings, compiles an agenda for discussion and minutes meetings.
- 3.3 Meetings of the committee take place as and when required. However, the committee must meet at least three times every year.
- 3.4 Attendance may be by electronic means.
- 3.5 The committee's quorum is a majority of the members.
- 3.6 Where appropriate, matters may be dealt with by way of a written consent of a majority of the members, also referred to as a round robin resolution. A decision made by way of a round robin resolution has the same effect as if it had been approved at a meeting provided that all members received notice of such resolution.
- 3.7 The chair must report regularly to the MCG, MCSAH, MCSA and Showmax boards about matters considered by the committee. Such a report may be verbal or in writing.
- 3.8 When required, internal and external auditors, and any other officer in the MultiChoice Group as determined by the committee, or its chair, may be requested to attend meetings and to supply information.
- 3.9 The lead external audit partner, the head of internal audit, the group chief executive officer and group chief financial officer all have direct access to the chair of the committee.



- 3.10 The committee must meet at least once a year with the external and internal auditors respectively without management being present.
- 3.11 The committee must be informed when there is a disagreement about auditing or accounting matters between management and internal and/or external auditors.
- 3.12 The chair of the committee must be present at the annual general meeting to answer questions from shareholders about the report of the committee's activities and responsibilities.

## 4. Responsibilities

- 4.1 Execute the committee's statutory obligations in terms of the Companies Act and the JSE Listing Requirements.
- 4.2 Annually review and assess the committee's charter and, if appropriate, recommend, for approval by the boards, required amendments thereto.
- 4.3 Annually review and assess the charters of the MultiChoice Group's significant subsidiaries' audit committees and review their annual assessment of compliance with their charters to establish if the MCG committee can rely on the work of the subsidiary companies' committees.
- 4.4 Consider the JSE's annual pro-active monitoring of financial statements for compliance with International Financial Reporting Standards (IFRS), report and ensure that the MultiChoice Group has addressed the matters identified in the JSE's pro-active monitoring report as necessary.
- 4.5 Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and report these findings to the board.
- 4.6 Review and approve for presentation to and approval by the MCG and MCSAH boards, the integrated annual reports, annual/provisional/abridged financial statements, interim and preliminary reports, long form and short form financial results announcements and any other MultiChoice Group press releases and SENS announcements with material financial or internal control impacts.
- 4.7 Disclose in the integrated annual reports of MCG and MCSAH significant matters that the committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
- 4.8 Review the documented assessment of the viability of MCG, MCSAH, MCSA, Showmax and other subsidiaries in the MultiChoice Group (where necessary) on a going-concern basis, making recommendations to the board relating thereto. The committee should be



alert to the general viability of the MultiChoice Group with regard to its reliance and effects on the total resources it uses and affect, its solvency and liquidity, and its status as a going concern.

4.9 Receive the external auditors' reports directly from the external auditors, including the receipt and review of reports, which furnish, in a timely fashion, information relating to:

4.9.1 all critical accounting policies and practices used in the preparation of the financial statements including the IFRS matters identified by the JSE in the JSE's annual proactive monitoring of financial statements report;

4.9.2 all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the external auditors' preferred treatment;

4.9.3 the external auditors' internal quality control procedures describing any material issues raised by the most recent internal quality control review or peer review (such reports to be received annually), or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issue;

4.9.4 a written statement in respect of relationships between the external auditors and the MultiChoice Group, which the committee will use to investigate any relationships disclosed therein that may impact the external auditors' objectivity and independence, and take appropriate action to oversee the external auditors' independence;

4.9.5 confirmation that the external auditors:

4.9.5.1 are not prohibited from signing the audit report;

4.9.5.2 are still registered with their regulator

4.9.5.3 have at least three individual auditors who are registered as assurance registered auditors with their regulator;

4.9.5.4 have had a firm-wide independent quality management inspection on the audit firm by its regulator either in its regulator's current inspection cycle or a prior inspection cycle; and

4.9.5.5 are not prohibited by its regulator from performing the relevant assurance engagement;

4.9.6 the external auditors having necessary resources to carry out the relevant engagement, as required in the "auditing pronouncements" defined in Section 1 of the Auditing Profession Act, which includes paragraph 30 of ISQM 1;



- 4.9.7 confirmation that the lead audit partner appointed to sign the assurance engagement report/s, has the experience described in paragraph 3.90 of the JSE Listings Requirements; and
- 4.9.8 other required disclosures to the committee by the external auditors.
- 4.10 Annually review external audit and disclose the committee's views on the quality of the external audit, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators, including:
- 4.10.1 the latest results (including related remedial action plan) of all inspections performed by its regulator;
  - 4.10.2 any new result of an inspection performed by its regulator, between the date of appointment of the auditor and the date of signature of the audit report on the annual financial statements;
  - 4.10.3 a summary, by the auditor, of the ongoing communication related to monitoring and remediation referred to in paragraph 46 of International Standard on Quality Management 1 (ISQM 1); and
  - 4.10.4 a summary of any legal or disciplinary proceedings completed or pending, as determined by the head of risk or a person with similar authority within the past seven years. Legal or disciplinary proceedings include those instituted through any legislation or by any regulatory/professional body.
- 4.11 Evaluate the lead partner of the external auditors, who will be subject to regular rotation as required by applicable regulations.
- 4.12 Present the committee's conclusions in respect of the nomination for appointment as external auditors to the MCG and MCSAH boards and consideration of audit firm rotations as required by applicable regulations, preceding the annual request to MCG or MCSAH shareholders to approve the appointment of the external auditors.
- 4.13 Approve the external auditor's terms of engagement and remuneration. Evaluate and provide commentary on the external auditors' audit plans, scope of findings, identified issues and reports.
- 4.14 Pre-approve all audit and audit-related services provided by the external auditors.
- 4.15 Develop a policy for the MCG, MCSAH, MCSA and Showmax boards to approve non-audit services performed by the external auditor. Approve non-audit services provided by the external auditors in accordance with the policy.



- 4.16 Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- 4.17 Oversee the management of financial and other risks that affect the integrity of reports issued by MCG and MCSAH to external stakeholders.
- 4.18 Evaluate the effectiveness of internal financial controls and disclose the committee's views on the effectiveness of the design and implementation of internal financial controls, and on the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views must be reported to the relevant board and included in the relevant company's integrated annual report.
- 4.19 Approve and recommend to the MCG board for approval the internal audit charter, which must be reviewed periodically.
- 4.20 Oversee the internal audit function and assist the MultiChoice Group in fulfilling the following responsibilities:
  - 4.20.1 Setting the direction for internal audit to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes.
  - 4.20.2 Ensure that internal audit has the necessary skills and resources to address the complexity and volume of risk faced by the MultiChoice Group, and that internal audit is supplemented by independent specialists where required.
  - 4.20.3 Confirm the appointment or dismissal of the head of the MultiChoice Group's internal audit function and periodically review his or her performance.
  - 4.20.4 Monitor that internal audit follows an approved risk-based internal audit plan, review the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
  - 4.20.5 Ensure internal audit provides a statement annually as to the effectiveness of the organisation's governance, risk management and control processes.
  - 4.20.6 Ensure the internal audit function is subjected to an external, independent quality assurance review every four years.
  - 4.20.7 Ensure the internal audit function develops and maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity and



incorporates internal and external assessments in addition to the external independent quality assurance review mentioned in 4.20.6.

4.20.8 Obtain confirmation annually from the head of the MultiChoice Group's internal audit function that internal audit conforms to the Institute of Internal Auditors' Global Internal Audit Standards as set out per the International Professional Practices Framework (IPPF). Incidents of non-conformance are to be reported to the committee for consideration.

4.21 Evaluate and disclose the committee's views on the effectiveness of the head of internal audit and the internal audit function, as well as approving the annual internal audit plan and any material changes thereto.

4.22 Review internal audit's and the risk management's reports.

4.23 Review procedures to ensure that the requirements of the JSE is complied with.

4.24 Review practices in light of the King Code on Corporate Governance for South Africa as amended from time to time and make specific disclosures recommended by the King Code.

4.25 Monitor compliance with the board-approved group levels of authority and the related delegation of authority from executive directors to management.

#### 4.26 Related-party transactions

4.26.1 Within the confines and requirements of the Companies Act and JSE Listings Requirements, approve all MultiChoice Group related-party transactions (except those between wholly owned, direct and indirect subsidiaries of MCG, which would be reviewed in the context of accounting disclosure requirements) as defined by the JSE and IAS 24 between R30m (US\$2m equivalent) and R300m (US\$20m equivalent). Transactions in excess of R300m must be recommended to the board for approval.

4.26.2 All related-party transactions as defined by the Companies Act, JSE Listing Requirements and IAS 24 with a value of less than R30m (US\$2m) must be approved by the group CEO and brought to the attention of the committee at the most convenient meeting closest to when the transaction is concluded.

#### 4.27 Evaluate:

4.27.1 whether the MultiChoice Group has established appropriate financial reporting procedures and whether those procedures are operating effectively. These should



incorporate all entities included in the consolidated MCG annual financial statements;

4.27.2 legal matters, which may affect the financial statements;

4.27.3 matters of significance reported by the internal and external auditors, and any other assurance providers, including implied potential risks to the MultiChoice Group and recommendations on appropriate improvements to the management of those risks;

4.27.4 major unresolved accounting or auditing issues; and

4.27.5 progress in respect of the completion of all unfinished matters reported by the internal and external auditors.

4.28 Establish procedures for the receipt, retention and treatment of complaints received by the MultiChoice Group regarding accounting, internal control, auditing matters, risk management, management or fraudulent activities, including procedures for confidential, anonymous reporting by employees in respect of questionable matters.

4.29 Annually evaluate the performance of and appropriateness of the expertise and experience of the chief financial officer (financial director) and the finance function. The results of the review are to be disclosed in the integrated annual report.

4.30 Compile a report to be inserted in the financial statements, describing how the committee carried out its functions and stating whether the committee is satisfied that the external auditors were independent of the MultiChoice Group. Include in that report a statement regarding the effectiveness of the internal controls and, specifically, of the internal financial controls.

#### 4.31 Combined Assurance

4.31.1 Assisting the board in fulfilling the following responsibilities:

4.31.1.1 Ensuring that arrangements for assurance services are effective in achieving the following objectives:

- (i) enabling an effective internal control environment;
- (ii) supporting the integrity of information used for internal decision-making by management, the board, and its committees; and
- (iii) supporting the integrity of external reports.

4.31.1.2 Ensuring that a combined assurance model is applied that incorporates and optimises the various assurance services and



functions so that, taken as a whole, these support the objectives for assurance.

- 4.31.1.3 Ensure that the combined assurance model is designed and implemented to effectively cover the organisation's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the MultiChoice Group.
- 4.31.1.4 Disclosing in the integrated annual report the arrangements in place for combined assurance and the committee's views on its effectiveness.
- 4.31.1.5 Report to the shareholders at the annual general meeting how it has fulfilled its duties in terms of the Companies Act during the financial year.
- 4.31.1.6 Execute assignments commissioned by the MCG, MCSAH, MCSA and Showmax boards.

## 5. Remuneration



- 5.1 The chair and committee members will receive remuneration for their responsibilities as members of this committee as recommended by the board and approved by shareholders from time to time.
- 5.2 Such remuneration is in addition to the remuneration payable for services as directors.
- 5.3 Audit committee members may not, with the exception of remuneration mentioned above and fees for serving on any other board committee or trust in the MultiChoice Group, receive additional remuneration or consultation fees, whether directly or indirectly, from the MultiChoice Group entities.

## 6. General

- 6.1 The committee may, during the execution of its duties in terms of this charter obtain, at MCG's expense, such external or other independent advice as it may deem appropriate to fulfil any of its responsibilities in accordance with MCG's Obtaining independent professional advice policy.
- 6.2 The committee has unrestricted access to the MultiChoice Group's information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities.



## 7. Document Properties

MultiChoice Group		Document Number	
		MCG-GRP-BRD-TOR-001	
Audit Committee Charter		Effective Date	
		01/04/2025	
Originated By:	Reviewed By:	Approved By:	
Carmen Miller	Tim Jacobs	MCG	
Group Company Secretary	Group chief financial officer	Board of directors	
		27 March 2025, board meeting	
Rev. No.	Rev. Date	Section/s	Description of Change
1	10 Dec 2018	n/a	New charter
2	2 April 2020		Semantic and grammar related amendments.
3	31 March 2021		Addition of IFRS monitoring and minor wording changes
4	31 March 2022	Para 1.1	Insert definition of "committees."
		Para 4.12	Include consideration of audit firm rotation as a committee responsibility.
5	30 March 2023	Para 4.6	Alignment of paragraph to JSE wording
		Entire document	Minor semantic changes – change reference to "MCG" officers and committees to "group;" change references to "MCG board" to "board"
6	28 March 2024	Para 1.2, 2.3, 3.7, 4.8, 4.15 and 4.31.1.6	Expanding scope of committee to include duties delegated from Showmax.
		Para 1.3.4 and 4.9	Align external audit requirements and oversight to amended JSE listing requirements (Dec 2023 amendments).
		Para 3.6, 4.20, 4.23, 4.26.2 and 4.28	Minor wording cleanup for clarification purposes.
7	27 March 2025	Para 4.9.10	Align external audit assessments and oversight to the JSE listings requirements, as amended.
		Para 1.3.6, 4.4, 4.9.5.3, 4.20.8	Minor wording cleanup for clarification purposes.
		6.1	Made reference to the MCG Obtaining independent professional advice policy

