Bapcor Limited
Internal Audit Charter

Version	Authorised by	Date
1	Andrew Harrison, Audit and Risk Committee Chair, and Greg Fox, Chief Financial Officer	22/03/2018
2	Board of Directors	17 August 2021
3	Board of Directors	20 August 2024
4	Audit and Risk Committee	26 August 2025

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1 Purpose

1.1 The Bapcor Limited (Bapcor) Internal Audit Charter (Charter) provides the functional and organisational framework within which Internal Audit operates in within the organisation. It also establishes the function's objectives and scope; position, responsibilities and relationship to other assurance functions within the business; and its accountabilities.

2 Objective and Scope

2.1 The principal objective of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the business operations at Bapcor. The Internal Audit function will help Bapcor accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control, risk and governance processes.

2.2 Internal audits may focus on any aspect of the Bapcor business – this will not be limited by segment, geography, function or any other defining aspect of the business.

2.3 However, the internal audit plan will not inefficiently duplicate work conducted by other assurance providers i.e. regulatory audits undertaken by third party authorities.

2.4 Internal Audit work may include, but is not restricted to, control reviews of operational and financial processes, information technology activities, project governance reviews, compliance audits, strategic advice and other ad-hoc advisory or consulting services.

3 Authority and Access

3.1 The Internal Audit function has strict accountability for the confidentiality and safeguarding of records and information, is fully authorised to have free and unrestricted access to any and all of Bapcor's records, physical properties and personnel pertinent to carrying out any engagement.

3.2 The Internal Audit function will also have free and unrestricted access to Bapcor's Audit and Risk Management Committee (ARC).

3.3 All Bapcor employees are required to assist in Internal Audit activity as part of their role and responsibility within the organisation.

4 Organisation

4.1 The Internal Audit function will report to the ARC and administratively (day-to-day operations) to the Chief Financial Officer, with right of direct access to the Bapcor Executive Chair and Chief Executive Officer preserved.

4.2 In accordance with the Global Internal Audit Standards and to support independence, authority and accountability of the internal audit function, the role of Chief Audit Executive (CAE) shall be created, and will be held by the Group Head of Internal Audit, Risk and Insurance.

4.3 The ARC will:

- Approve this Internal Audit Charter;
- Approve the annual risk based Internal Audit Plan;
- As part of the overall budget setting process, approve the annual Internal Audit budget;

- Review and concur with the Chief Financial Officer on the appointment, replacement, dismissal, performance assessment and remuneration of the Group Head of Internal Audit, Risk and Insurance. Receive communications from Internal Audit on the status of its activities relative to the Internal Audit plan, findings and other matters; and

- Make appropriate inquiries of Bapcor Management and Internal Audit to determine the appropriateness of scope and resources applied to Internal Audits activities.

Internal Audit will communicate and interact directly with the ARC, including informal committee meetings and in-between meetings as appropriate.

5 Accountability and Responsibility

The Internal Audit function will have accountability and responsibility for:

5.1 Audit Planning

- Preparing an annual Internal Audit plan for review and approval by Management and the ARC that references the Bapcor corporate risk universe and includes any additional areas of focus that have been identified by Management or the ARC; and

- Regularly reviewing the plan to ensure it continues to reflect the operations, processes and risks of Bapcor.

5.2 Reporting

- Issuing written reports to key stakeholders and the Chair of the Audit and Risk Committee for each Internal Audit project. Reports will where relevant include Management's response and details of planned corrective actions to be taken in respect of specific findings and recommendations; and

- Providing regular reports to Management and the Audit and Risk Committee on Internal Audit activities, the status of the Internal Audit plan, key findings from internal audits and other projects completed, and the status of actions to address Internal Audit recommendations.

5.3 Competence and Standards

- Developing and maintaining an appropriately skilled and professional Internal Audit team with sufficient knowledge, skills and experience to deliver the requirements of the Internal Audit plan and this Charter; and

- Adhering to the guidance provided in the Global Internal Audit Standards published by the Institute of Internal Auditors, including the Definition of Internal Auditing and the Code of Ethics)

5.4 Advice and Process Improvement

- Fostering awareness of risk and control – encouraging a culture that seeks continual improvement in the management of risks and effectiveness of controls and business processes;

- Providing advice with respect to internal controls and business processes;

- Keeping Management and the ARC informed of any development trends and successful practices in Internal Auditing; and

- Ensuring conformance with the Global Internal Audit Standards, by establishing and maintaining a Quality Assurance and Improvement Program (QAIP). The QAIP will include ongoing internal monitoring of quality, performance, and continuous improvement of the internal audit function and periodic external assessments of conformance to the GIAS and the IIA Code of ethics at least once every five years, as required by the Standards.

6 Resourcing

6.1 The Internal Audit function will be lead by the General Manager Risk Internal Audit and Insurance, who will be responsible for determining the most appropriate resourcing structure to deliver the requirements of the Internal Audit plan and this Charter.

6.2 The operations of Internal Audit may be carried out with the assistance of a service provider who can demonstrate the skill-sets, sufficient knowledge, experience, professional certifications, geographic reach and independence required to deliver an objective and value adding assurance function.

7 Independence and Objectivity

7.1 Internal Audit will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency timing or report content to permit maintenance of a necessary independent and objective mental attitude.

7.2 Internal Audit will assess the design of and compliance of Bapcor's processes, procedures and activities. It is not responsible for the execution of those processes, procedures and activities. An internal audit engagement does not in any way relieve the underlying business management of their individual responsibilities for implementing and maintaining effective processes, systems and controls.

7.3 Internal Audit will not conduct a review of any activity it is responsible for, nor audit any work where it may be seen to have taken responsibility for processes or controls in place.

7.4 Internal Audit will exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal Audit will make balanced assessments of all relevant circumstances and will not be unduly influenced by its own interests or by others in forming judgements.

7.5 Internal Audit will communicate to the Chief Financial Officer and the ARC any perceived or potential conflicts that may compromise the objectivity or independence of the function.

7.6 Internal Audit will confirm its independence to the Management activities of Bapcor to the ARC at least annually.

8 Performance management

8.1 A defined set of performance measures will be developed in consultation with Management and tabled for endorsement by the ARC.

8.2 Performance measures will be evaluated throughout the year by the Chief Financial Officer and provided to the ARC as feedback as to the performance of the Internal Audit function.

9 Relationship with External Auditors and other assurance functions

9.1 Internal Audit activities will be mindful of all External Audit activities and other assurance functions in order to maximise audit coverage, minimise duplication of effort and ensure awareness of key issues arising from audit fieldwork.

9.2 Periodic meetings between the Internal and External Auditor may be held to discuss matters of mutual interest such as where reliance on the work of the Internal Auditor is required.

9.3 The External Auditor may also have access to Internal Audit working papers and reports upon request.

10 Relationship with Risk Management

10.1 The output from the Risk Management function will form a key input into the annual Internal Audit planning process. It should be a key driver across all functions, particularly in relation to planned business improvement reviews.

10.2 All Internal Audits will be planned taking into consideration an assessment of risks associated with processes and activities, the internal control environment, the results of previous audit and materiality to the area subject to audit.

10.3 Outputs and insights from Internal Audit activity will be considered as inputs into any future Risk Management assessments or workshops.

11 Changes to and Review of the Charter

11.1 The Internal Audit Charter will be reviewed at least annually by Bapcor Management to ensure it remains current with its Internal Audit objectives.

11.2 Any significant proposed changes will require endorsement by the Chief Financial Officer, Executive Chair and Chief Executive Officer, and the ARC.