

B&M EUROPEAN VALUE RETAIL S.A.

TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE

These terms of reference have been approved by the board of directors (the "**Board**") of B&M European Value Retail S.A. (the "**Company**" and together with its subsidiaries, the "**Group**") to identify and formalise the roles and responsibilities of the Audit and Risk Committee for compliance with the UK Corporate Governance Code:

1. COMPOSITION AND MEETINGS OF AUDIT AND RISK COMMITTEE

- 1.1 The Audit and Risk Committee comprises not less than three non-executive directors of the Company, to be selected by the Board, on the recommendation of the Nomination Committee in consultation with the chairman of the Audit and Risk Committee. Members of the Audit and Risk Committee shall be independent in character and judgement and free from any relationships or circumstances which are likely to affect, or could appear to affect, the Audit and Risk Committee member's judgement. At least one member of the Audit and Risk Committee has recent and relevant financial experience such as a professional qualification from one of the professional accountancy bodies. Appointments to the Audit and Risk Committee shall be for a period of up to three years which may be extended by two further three-year periods, provided the member remains independent. The chairman of the Company shall not be a member of the Audit and Risk Committee.
- 1.2 If any member of the Audit and Risk Committee is unable to act for any reason, the chairman of the Audit and Risk Committee may appoint any other independent non-executive director of the Company to act as his alternate.
- 1.3 The chairman of the Audit and Risk Committee shall be appointed by the Board and shall be an independent non-executive director. In the absence of the chairman of the Audit and Risk Committee, the remaining members shall elect one of their number to chair the meeting.
- 1.4 The Company Secretary (or his or her nominee) shall be the secretary of the Audit and Risk Committee.
- 1.5 The quorum for meetings of the Audit and Risk Committee is any two of its members.
- 1.6 No one other than an Audit and Risk Committee member is entitled to attend meetings of the Audit and Risk Committee but others may attend by invitation. The chairman of the Company, the chief executive officer, other directors, the heads of risk, compliance and internal audit and representatives from the finance function may be invited to attend all or part of any meeting as and when appropriate.
- 1.7 The external auditor and finance director will be invited to attend meetings of the Audit and Risk Committee on a regular basis.
- 1.8 Meetings of the Audit and Risk Committee are to be held at least three times a year at appropriate times in the financial reporting and audit cycle and otherwise as required. Any of the Audit and Risk Committee members, the finance director, head of internal audit (if appointed) or the Company's external auditors may request a meeting of the

Audit and Risk Committee if he or she considers it necessary, to be arranged by the secretary.

- 1.9 The chairman of the Audit and Risk Committee will maintain a dialogue outside the formal meeting dialogue with key individuals involved in the Company's governance, including the chairman of the Company, the chief executive officer, the finance director, the external audit lead partner and the head of internal audit.

2. AUTHORISATIONS

The Audit and Risk Committee is authorised by the Board:

- 2.1 to investigate any activity within its terms of reference;
- 2.2 to obtain any information it requires from any employee of a Group company and to call any employee to be questioned at a meeting of the Audit and Risk Committee as and when required (and all employees are directed to co-operate with any request made by the Audit and Risk Committee);
- 2.3 to obtain, at the Company's expense, such independent, legal, accounting or other professional advice on any matter it deems necessary;
- 2.4 to secure the attendance of other persons at its meetings if it considers this necessary; and
- 2.5 to have the right to publish in the Company's annual report details of any issues that cannot be resolved between the Audit and Risk Committee and the Board.

3. DUTIES OF THE AUDIT AND RISK COMMITTEE

The duties of the Audit and Risk Committee are:

External audit

- 3.1 in respect of the external audit:
 - 3.1.1 to consider and make recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors. If an auditor resigns, the Audit and Risk Committee shall investigate the issues leading to this and decide whether any action is required;
 - 3.1.2 to ensure that at least once every ten years the audit services contract is put out to tender to enable the committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms; and in respect of such tender oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process;
 - 3.1.3 to consider and approve the remuneration of the external auditors, including fees for both audit and non-audit services and that the level of fees are appropriate to enable an effective and high quality audit to be conducted;

- 3.1.4 to approve the terms of engagement of the external auditors, including the engagement letter issued at the start of each audit and the scope of the audit and to discuss with the external auditors before the audit starts the nature and scope of the audit and to ensure co-ordination where more than one firm of external auditors is involved;
- 3.1.5 to meet regularly with the external auditors, including once at the planning stage before the audit and once after the audit at the reporting stage. The Audit and Risk Committee shall meet the external auditors at least once a year, without management being present, to discuss its remit and any issues arising from the audit;
- 3.1.6 to review the findings of the audit with the external auditors. This shall include, but not be limited to, the following:
 - (a) a discussion of any major issues which arose during the audit;
 - (b) key accounting and audit judgements;
 - (c) level of errors identified during the audit; and
 - (d) the effectiveness of the audit process;
- 3.1.7 to keep under review the scope and results of the audit, the audit fee and its cost effectiveness, taking into consideration relevant professional and regulatory requirements;
- 3.1.8 to review:
 - (a) any representation letters requested by the external auditors before they are signed by management; and
 - (b) the external auditor's management letter and response to the auditor's findings and recommendations;
- 3.1.9 to develop and implement a policy on the supply of non-audit services by the external auditors to avoid any threat to auditor objectivity and independence, taking into account any relevant ethical guidance on the matter, and to keep such policy under review;
- 3.1.10 to assess annually the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the external auditors as a whole, including the provision of any non-audit services;
- 3.1.11 to satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditors and the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;

- 3.1.12 to agree with the Board a policy on the employment of former employees of the Company's external auditors, then monitoring the implementation of this policy;
- 3.1.13 to monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of external audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements;
- 3.1.14 to assess annually the qualifications, expertise and resources of the external auditors and the effectiveness of the audit process which shall include a report from the external auditors on their own internal quality procedures;
- 3.1.15 where an internal audit function exists, to seek to ensure co-ordination of the external audit function with the activities of the internal audit function;
- 3.1.16 to evaluate the risks to the quality and effectiveness of the financial reporting process and to consider the need to include the risk of the withdrawal of their auditor from the market in that evaluation;
- 3.1.17 to discuss problems and reservations arising from audits and any matters the auditors may wish to discuss (in the absence of executive directors, where necessary); and
- 3.1.18 if the external auditor resigns, to investigate the issues leading to this and decide whether any action is required;

Audit Plan

- 3.2 to review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement having regard to the seniority, expertise and experience of the audit team;

Financial statements

- 3.3 to review and monitor the integrity of the financial statements of the Company including its half-year financial statements and annual accounts, interim management statement, preliminary results' announcements and reports to shareholders and any other formal announcement concerning the Company's financial position, reviewing and reporting to the Board on significant financial reporting issues and judgements which they contain having regard to matters communicated to it by the auditor. The Audit and Risk Committee shall also review the strategic report, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of price sensitive information;
- 3.4 the Audit and Risk Committee shall review and challenge where necessary:
 - 3.4.1 the consistency of, and any changes to, significant accounting policies both on a year-on-year basis and across the Company and the Group;
 - 3.4.2 the methods used to account for significant or unusual transactions where different approaches are possible;

- 3.4.3 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditors;
- 3.4.4 the clarity and completeness of disclosure in the Company's financial reports and the context in which statements are made;
- 3.4.5 all material information presented with the financial statements, such as the strategic report and the corporate governance statements relating to the audit and to risk management; and
- 3.4.6 where the Audit and Risk Committee is not satisfied with any aspect of the proposed financial reporting by the Company, to report its views to the Board;
- 3.5 to submit the documents referred to in paragraph 3.3 to the Board for its approval and to determine what information should be brought to the Board's attention in connection with that submission;

Narrative Reporting

- 3.6 where requested by the Board the Audit and Risk Committee should review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;

Risk Management Systems

- 3.7 to assist the Board with the definition and execution of a risk management strategy, risk policies and current risk exposures;
- 3.8 in support of the Board's risk management strategy, the Audit and Risk Committee shall:
 - 3.8.1 ensure that it delivers effective monitoring of risk management systems and risk appetite across the Company by working closely at all times with the compliance officer;
 - 3.8.2 review the Company's compliance system of corporate standards and procedures and assess the effectiveness of these standards and procedures;
 - 3.8.3 access the policies and systems within the Company for ensuring compliance with safety and environmental regulatory requirements;
 - 3.8.4 assess the performance of the Company with regard to the impact of safety and environmental decisions and actions upon employees, communities, other third parties and the overall reputation of the Company;
 - 3.8.5 evaluate or oversee, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning safety and environmental issues;
 - 3.8.6 ensure the adequacy of insurance coverage for the Company;

- 3.8.7 maintain a risk register which will identify all material risks, evaluate any financial impact of such risks, identify actions to mitigate or avoid any potential impact from such risks, and, going forward, monitor and review the risks; and
- 3.8.8 review the results of independent audits of the Company's performance in regard to safety and environmental matters, review any strategies and action plans developed by management in response to issues raised and, where appropriate, make recommendations to the Board concerning the same;
- 3.9 to review and approve any external disclosures, including the statement to be included in the annual report concerning the risk management system of the Company and provide an annual statement of effectiveness to the Board;

Internal controls

- 3.10 to keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems; and
- 3.11 to review and approve any external disclosures including the statement to be included in the annual report concerning internal controls and provide an annual statement of effectiveness to the Board;

Internal audit

- 3.12 where an internal audit function exists:
 - 3.12.1 review and approve the charter of the internal audit function and ensure the function has the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with appropriate professional standards for internal auditors;
 - 3.12.2 ensure the internal auditor has direct access to the chairman of the Board and to the chairman of the Audit and Risk Committee, and is accountable to the Audit and Risk Committee;
 - 3.12.3 to approve the appointment and removal of the head of the internal audit function;
 - 3.12.4 to review and assess the annual internal audit plan;
 - 3.12.5 receive a report on the results of the internal auditor's work on a periodic basis;
 - 3.12.6 to review and monitor management's responsiveness to the findings and recommendations of the internal auditor;
 - 3.12.7 to meet the head of internal audit at least once a year, without management being present; and
 - 3.12.8 monitor and review the effectiveness of the Company's internal audit function, in the context of the Company's overall risk management system;

- 3.13 where external auditors are being considered to undertake aspects of the internal audit function, to consider the effect this may have on the effectiveness of the Company's overall arrangements for internal control and investor perceptions;

Whistleblowing, Compliance and Fraud

- 3.14 to review the adequacy and security of Company's procedures by which employees and contractors may, in confidence, raise concerns about possible wrongdoing in matters of financial reporting or other matters. The Audit and Risk Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;
- 3.15 to review the Company's procedures for detecting fraud;
- 3.16 to review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;
- 3.17 to review regular reports from the head of legal and compliance and keep under review the adequacy and effectiveness of the Company's compliance function;

Recommendations, reports and actions

- 3.18 to have the chairman of the Audit and Risk Committee report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and also formally report to the Board on how it has discharged its responsibilities. This report shall include:
- 3.18.1 the significant issues that it considered in relation to the financial statements (required under paragraph 3.3) and how these were addressed;
 - 3.18.2 its assessment of the effectiveness of the external audit process (required under paragraph 3.1.14) and its recommendation on the appointment or reappointment of the external auditor;
 - 3.18.3 the results of its risk management and internal compliance and control systems; and
 - 3.18.4 any other issues on which the Board has requested the Committee's opinion;
- 3.19 to consider the major findings of internal investigations and management's response;
- 3.20 to make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 3.21 to prepare a report to shareholders on its activities to be included in the Company's annual report. The report should include an explanation of how the committee has addressed the effectiveness of the external audit process; the significant issues that the Audit and Risk Committee considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditor; and all other information requirements set out in the UK Corporate Governance Code;

- 3.22 to review the annual financial statements of the pension funds where not reviewed by the Board as a whole;
- 3.23 to oversee any investigation of activities which are within its terms of reference and act for internal purposes as a court of the last resort; and
- 3.24 to, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary for Board approval.

4. OTHER MATTERS

The Audit and Risk Committee shall:

- 4.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 4.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; and
- 4.3 give due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Financial Conduct Authority's Listing Rules, Prospectus Rules and Disclosure and Transparency Rules and Luxembourg's Company Law and Disclosure and Transparency Rules and any other applicable rules, as appropriate.

5. AUDIT AND RISK COMMITTEE CHAIRMAN

The Audit and Risk Committee chairman shall:

- 5.1 report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- 5.2 attend the Company's annual general meeting prepared to answer shareholders' questions on the Audit and Risk Committee's activities.

6. SECRETARY

The Company Secretary shall:

- 6.1 minute the proceedings and resolutions of all meetings of the Audit and Risk Committee, including recording the names of those present and in attendance;
- 6.2 ascertain, at the beginning of each meeting the existence of any conflicts of interest and minute them accordingly; and

- 6.3 shall promptly circulate minutes of Audit and Risk Committee meetings to all members of the Audit and Risk Committee and, once agreed, to all members of the Board, unless a conflict of interest exists.

Approved 10 March 2025