



Audit Charter

Re-certified by the Group Audit Committee on 6th July 2026

FNZ Group Internal Audit

Internal Audit Charter – Annual Review (1/3)

Purpose

The purpose of this Charter is to provide a summary of the role of Internal Audit within FNZ. It should give managers and staff an overview of the part Internal Audit has to play in the success of FNZ.

Role

The primary role of FNZ Internal Audit is to help the Board and Executive Management to protect the assets, reputation and sustainability of FNZ. It does this by assessing whether all significant risks are identified and appropriately reported by management and the Risk function to the Board and Executive Management, assessing whether they are adequately controlled, and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

Scope

The scope of Internal Audit is unfettered and there is no aspect of FNZ Group that Internal Audit is restricted from looking at as part of its mandate.

In setting its scope, Internal Audit will take into account business strategy and will form an independent view of whether the key risks to the organisation have been identified, including emerging and systemic risks, and assess how effectively these risks are being managed. The identification and assessment of these risks will be informed, but not determined, by the views of management and the Compliance and Risk function. In setting its priorities and deciding where to carry out more detailed work, Internal Audit will focus on the areas where it considers risk to be higher.

Internal Audit will make a risk-based decision as to which areas within its scope should be included in the audit plan. It will not cover all of the potential scope areas every year.

Organisation

Internal Audit reports directly to the Chairperson of the Board Audit Committee, with a secondary reporting line into the Group Chief Risk Officer.

The Board Audit Committee will:

- ❑ Approve the internal audit charter.
- ❑ Support and sponsor the delivery of Independent Internal Audit activity within FNZ.
- ❑ Review and approve the annual audit plan and any proposed changes to this plan during the audit cycle.
- ❑ Approve the internal audit budget and resource plan.
- ❑ Receive progress updates on the delivery of the audit plan at each scheduled meeting and a summary of Issues rated Critical or Significant as documented in audit reports.
- ❑ Be made aware of management actions agreed to address issues that fall overdue during the current reporting period.
- ❑ Approve decisions regarding the appointment and removal of the Group Head of Internal Audit.
- ❑ Make appropriate inquiries of management and the Group Head of Internal Audit to determine whether there is inappropriate scope or resource limitations, at least annually.

The Group Head of Internal Audit will report to the Board Audit Committee, results and any associated actions from:

- ❑ Independent audit file reviews conducted on an ongoing basis by an external firm
- ❑ External Quality Assessment Review (EQAR) conducted at least every five years

The Group Head of Internal Audit will communicate and interact directly with the Board Audit Committee, including in executive sessions and between Audit Committee meetings as appropriate.

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Independence and Objectivity

The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content. Such independence is necessary to maintain objective and unbiased opinions free from undue influence.

All members of Internal Audit will have no direct operational responsibility over any of the activities they review and, accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which may be subject to audit that may impair internal auditor's judgment.

Internal auditors will exhibit professional objectivity, honesty and professional courage in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be influenced by their own interests or by others in forming judgments.

The Group Head of Internal Audit will confirm to the Group Board and all applicable subsidiary boards, at least annually, the organisational independence of the internal audit activity.

Responsibility

Internal Audit is responsible for:

- ❑ Working with the Audit Committee and senior management to identify and mitigate or minimise strategic, operational, financial and compliance risks to FNZ.
- ❑ Developing and implementing a flexible, risk-based audit plan based on the FNZ's risk universe, and other concerns identified by management and the Audit Committee.
- ❑ Working with senior management to bring cost-effective and efficient leading practices to the way FNZ does business.
- ❑ Being the investigative arm of the Audit Committee.
- ❑ Helping maintain the "Tone at the Top" for ethical behaviour and actions throughout the organisation.
- ❑ Maintaining a professional internal audit staff with sufficient knowledge, skills and experience, and access to (and use of) appropriate tools and technology to meet the requirements of this Charter.
- ❑ Reporting periodically on the internal audit's performance relative to its plan.

Internal Audit delivers these objectives by conducting independent reviews across FNZ's global business activities as documented in the Internal Audit Plan and agreed by the Audit Committee. This results in audit reports which identify risk mitigation and internal control improvement opportunities, and action plans developed by management to address the improvement opportunities.

As part of internal audit services, Internal Audit will also:

- ❑ Provide advice and counsel on risk management activities, controls and processes working with operational risk and compliance.
- ❑ Support Management in their responsibility to continuously evaluate the system of internal control.
- ❑ Report to the Board Audit Committee on the overall internal control environment and organisation's ethics and code of conduct.
- ❑ Participate, from a risk management perspective, in key capital and operational programs such as system implementations, information security, business continuity, mergers and acquisitions, and others as requested by management.
- ❑ Attend key operational committees as an observer.

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Professionalism

FNZ Internal Audit will govern itself by adherence to The Institute of Internal Auditors' mandatory guidance including the Global Internal Audit Standards, and the International Professional Practices Framework (IPPF) (the Standards). This mandatory guidance constitutes the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers will also be adhered to as applicable to guide operations. In addition, FNZ Internal Audit shall ensure compliance with the internal audit requirements promulgated by relevant regulators within all jurisdictions of FNZ and will adhere to FNZ's relevant policies and procedures and Internal Audit's Audit Practices Manual.

Internal Audit Plan

Internal Audit adopted a 6+6 risk-based audit plan. The 6+6 audit plan is developed using Internal Audit's risk-based methodology and will be reviewed 6 months based on business and operating changes, and new or emerging business risks.

Any significant deviation from the formally approved audit plan shall be communicated to the Audit Committee's chairperson for approval along with periodic activity reports. Upon approval, the audit plan will also be presented to business unit management.

Authority

Internal Audit was established by the Board of Directors, and responsibilities are defined by the Board Audit Committee as part of their oversight function. Authority is granted for full, free, and unrestricted access to any and all of FNZ Group's records, physical properties, and personnel relevant to any function under review. All employees are required to assist Internal Audit in fulfilling their function. Internal Audit shall also have free and unrestricted access to the Audit Committee and any other member of the Board of Directors as needed to fulfil its responsibilities.

Reporting and Monitoring

A written report will be prepared and distributed by Internal Audit following the conclusion of each internal audit review. A copy of the audit report will be forwarded to appropriate levels of management, and a findings summary will be sent to the Audit Committee and senior management.

The internal audit report will include management's response, the name and role of the accountable executive, and the corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

Internal Audit will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until requests for closure, accompanied by appropriate supporting evidence, are received from management. Internal Audit will validate appropriate closure of identified issues.

Internal Audit Resources

Internal Audit will evaluate the resource needs and related costs based on the 6+6 risk-based audit plan and confirm its resource requirements to complete the audit plan. The resource needs and related costs are then subject to approval by the Audit Committee.