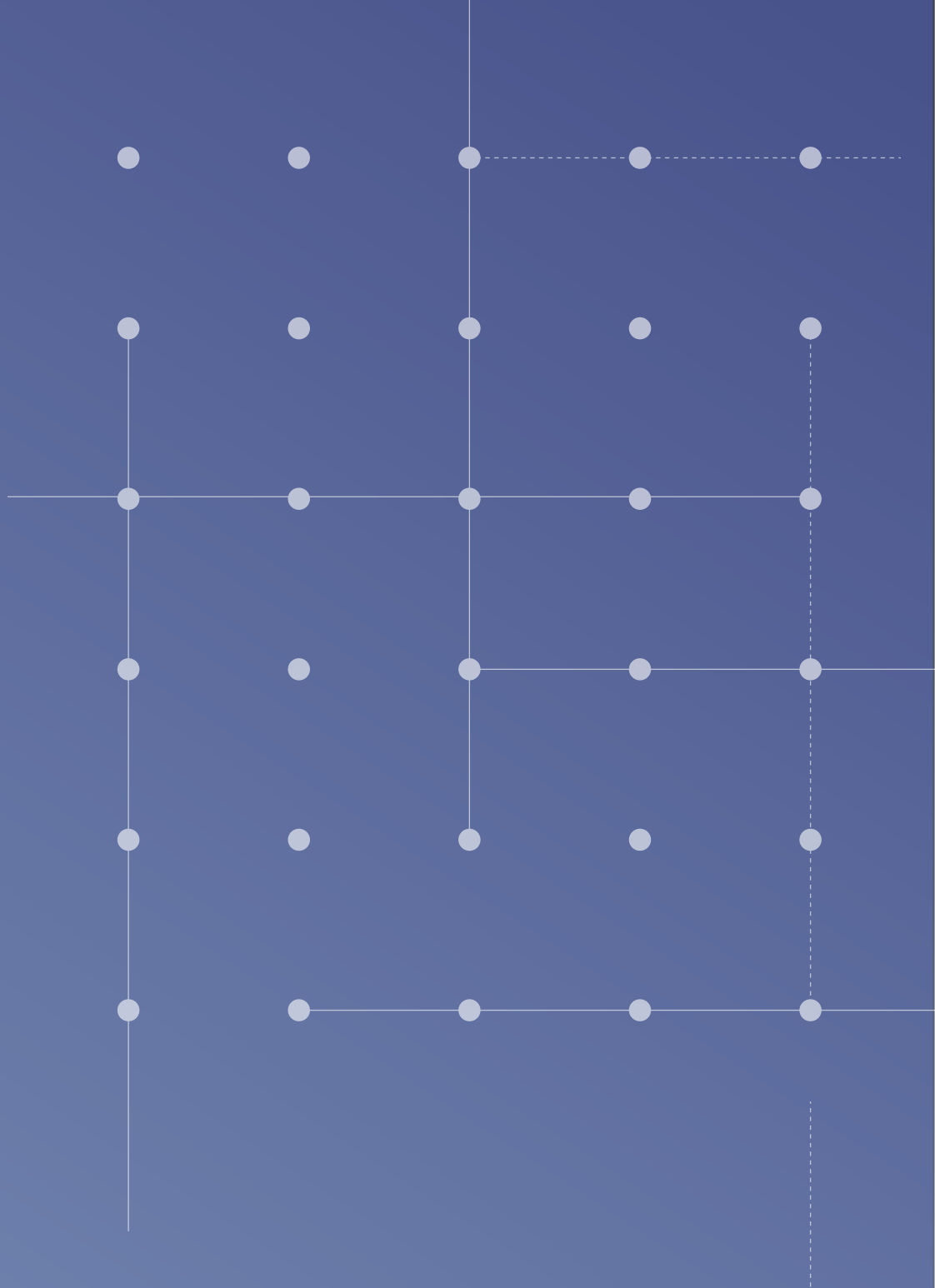




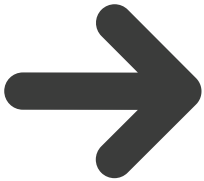
Equiniti Group plc

**GROUP INTERNAL  
AUDIT CHARTER**



## PURPOSE

The purpose of this Charter is to define the role, responsibilities and authority of Group Internal Audit (GIA) with regard to Equiniti Group plc (EG) and its subsidiary companies.



## ROLE AND OBJECTIVES

The goal of GIA is to be a trusted advisor to the Board and management.

Equiniti Group has a risk management framework, which uses a “three lines of defence” model, namely:

### LINE 1

Operational management’s proactive risk identification and application of systems and controls in line with policy;

### LINE 2

Risk and Compliance oversight and challenge, including independent compliance monitoring and escalation. The second line owns the development and maintenance of Equiniti’s policies, which are approved by the Risk Committee; and

### LINE 3

GIA provides an independent assessment of the completeness and effectiveness of line 1 and line 2.

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of EG. It assists EG in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organisation’s governance, risk management and internal control. The objectives of GIA are to ensure that:

- Key risks are being appropriately identified, assessed and managed such that corporate objectives, plans and programmes are being achieved;
- Policies, standards and procedures are appropriate and are being adhered to;
- Financial and operational information is reliable and has integrity; and
- Applicable laws and regulations are being complied with.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

## ACCOUNTABILITY

GIA is an EG function. The Chief Audit Executive (CAE) reports functionally to the Chair of the EG Audit Committee and administratively to the EG Chief Financial Officer.

The EG Audit Committee is authorised by the EG Board to:

- Assess the annual GIA work plan in relation to EG and any significant changes thereto;
- To receive reports on the results of GIA’s work in relation to EG, monitoring management’s responsiveness to the findings and recommendations; and
- To monitor and review the effectiveness of the GIA function in relation to EG.



## RESPONSIBILITY

GIA will provide the following Internal Audit service for EG:

- Develop a flexible audit plan using an appropriate risk based methodology. In developing the audit plan, GIA will seek the views of the Audit Committee and the Board on its content;
- Submit the plan for review and approval by the EG Audit Committee. The plan will include third line of defence review coverage in relation to subsidiary companies that have appointed separate Audit Committees. This will include:
  - Services as outlined in Equiniti Financial Services Ltd's (EFSL) Audit Charter, including coverage in relation to EFSL's adherence with the Client Assets ("CASS"), Conduct and Prudence regulations of the Financial Conduct Authority ("FCA"); and
  - Services as outlined in the Equiniti Trust Company (EQ TC) Audit Charter, including coverage in relation to EQ TC's adherence with New York State Department of Financial Services regulations;
- Deliver the approved Internal Audit Plan in a cost effective manner, subject to any amendments tabled to the Audit Committee;
- Maintain a professional audit function with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter and deliver the audit plan. Where appropriate GIA supplements its resource with the use of external personnel to lend particular subject matter expertise, or to cover unexpected staff shortages;;
- Evaluate and assess emerging risks, including those related to projects that are intended to help the Company achieve its strategic priorities and/or deliver new or changed services and processes. GIA should determine whether corporate events are sufficiently high risk to warrant involvement on a real time basis;
- Perform audit activity to evaluate the completeness, accuracy, relevance and timeliness of information that is presented to the Board and other decision-making bodies on an ongoing basis;
- On an annual basis, assess and provide an opinion on the overall effectiveness of the Board in relation to the governance of the Company;

- Perform audit activity to evaluate whether the Board has defined, agreed and reviewed its appetite for risk and whether risk appetite is embedded and reflected in the Group's activities, limits and reporting. GIA will report to the Audit Committee its conclusions on whether the Group's risk appetite framework is being adhered to;
- Perform audit activity to evaluate the design and operating effectiveness of the Group's internal governance structures and processes;
- Perform audit activity to evaluate whether the Group delivers fair outcomes for its customers and in its interaction with relevant markets. This may include, but is not restricted to, the design and control of products, services and supporting processes in line with customer interests and conduct regulation;
- Perform audit activity to review any post-mortem and 'lessons learned' analysis following the Group suffering a significant adverse event. This review activity will assess the roles of both the "first and second lines of defence" and GIA's own role;
- Perform audit activity to evaluate whether processes, decisions taken, risks, controls and observed behaviours are in line with the Group's values;
- Perform audit activity to evaluate the adequacy and effectiveness of both "first line of defence" and "second line of defence" functions in discharging their responsibilities within the Group's risk management model. This assessment will include both the processes used and the quality of "first and second line of defence" work;
- Perform audit activity to evaluate the design and operational effectiveness of the Group's policies, processes and procedures by assessing the actual outcomes resulting from their application against the Group's values, ethics, risk appetite and policies;
- Evaluates the potential for the occurrence of fraud and how the Company manages fraud risk;
- Supervise and review audit activity, identifying areas for improvement and putting in place suitable action plans;
- For the avoidance of doubt, GIA audit activity will include evaluating how the Group models and manages its capital, liquidity, credit, operational and regulatory risks. IA will also decide from time to time whether audit activity is required with regards to significant corporate transactions including, but not limited to, decisions to use outsourcing, and acquisitions or divestments;
- Issue periodic reports to the Audit Committee and management summarising results of audit activities. This reporting will include analysis of the causes of significant control weaknesses identified, the identification of common themes from audit activity, and opinion on the adequacy of management's own reporting of risk management.
- Perform Internal Audit work in a professional manner;
- Report objectively and issue Internal Audit reports to appropriate senior management. Agree action plans, responsibilities and timescales with management in relation to risk and control issues identified;
- Track progress and completion of management actions to address Internal Audit findings;
- Perform formal verification of the actions taken by management in response to findings included in audit reports;
- Where required, escalate overdue actions to senior management and the Audit Committee;
- Provide reporting, as required, to the Remuneration Committee on any significant control issues;
- Seek approval from the Audit Committee for significant changes to audit working practices;
- Develop and maintain a Quality Assurance and Improvement Programme and provide the Audit Committee with reports at least annually setting out the results of internal quality assurance reviews undertaken on the activities of GIA;
- Provide consultancy services at Board or management's request, provided the nature of the consulting will not impair independence and objectivity; and
- Liaise with the external auditors for the purpose of providing cost effective and optimal audit coverage.



## INDEPENDENCE AND OBJECTIVITY

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

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the objectivity of GIA's judgment.

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

The CAE will confirm to the Audit Committee, at least annually, the organisational independence of the GIA activity.

## AUTHORITY

GIA is authorised by the Audit Committee to:

- Have unrestricted access to all functions and activities, property, records and explanations from staff concerning any business activity or transaction;
- Have complete access to the Audit Committee; and
- Meet with the Audit Committee at least once each year without the presence of management.

## AUDIT STANDARDS

GIA is guided by the Professional Practices Framework of the Chartered Institute of Internal Auditors (IIA), including the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. Conformance to these standards are mandatory. GIA also conform to the Chartered Institute of Internal Auditors (CIIA) issued the Chartered Institute's Guidance on Effective Internal Audit in Financial Services ('the FS Code'). The IIA's Practice Advisories, Practice Guides, and Position Papers will also, where appropriate, be used to guide operations. All audit engagements are performed in accordance with these standards, which are operationalised through GIA's methodology and procedures.

## QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

GIA will maintain a quality assurance and improvement programme that covers all aspects of the GIA activity. The programme will include an evaluation of GIA's compliance with the Definition of Internal Auditing and the International Standards for the Professional Practice of Internal Auditing, the FS Code and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the GIA activity and identifies opportunities for improvement.

The CAE will communicate to the Audit Committee on GIA's quality assurance and improvement programme, including results of ongoing internal assessment and external assessments conducted at least every five years.

**This Internal Audit Charter was approved by the Audit Committee on 23rd June 2020.**