

# Group Internal Audit Charter

CERTAINTY

INGENUITY

ADVANTAGE

Computershare

# Group Internal Audit Charter

The Group Internal Audit charter defines the mandate, responsibility and authority of Group Internal Audit.

## INTRODUCTION

Group Internal Audit is an independent and objective function, and is an integral part of Computershare's management control and governance systems. The purpose of Group Internal Audit is to provide risk-based assurance and consulting services designed to add value and improve Computershare's operations and to assess the adequacy and effectiveness of governance and risk management processes in reducing risk exposures to acceptable levels. In addition, the role played by Group Internal Audit assists the Computershare Risk and Audit Committee, and therefore the Board of Directors, in discharging its corporate governance obligations through the reports and opinions it provides the committee.

Computershare operates under the guiding principle that managers are required to manage all aspects of risk within their areas of responsibility.

The internal audit review and appraisal process does not in any way relieve business unit management of the responsibilities assigned to them..

## MISSION STATEMENT

*"We protect and enhance the value of Computershare and our clients by providing an independent, objective voice."*

## AUTHORITY

In discharging their responsibilities Group Internal Audit is authorised by the Board and senior management to review, without the need for prior approval, all areas of the Computershare group.

Group Internal Audit also has full and unrestricted access to all records, all property, all functions, all IT systems and all staff, including any related information. All internal audit work will adhere to the:

- > Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing;
- > Institute of Internal Auditors Code of Ethics;
- > Institute of Internal Auditor's Definition of Internal Auditing; and
- > Computershare Group Internal Audit Handbook

Internal audit will govern itself by adherence to the Institute of Internal Auditors' (IIA) Mandatory Guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The IIA's Mandatory Guidance constitutes the fundamental requirements for the professional practice of internal auditing and the principles against which to evaluate the effectiveness of internal audit's performance. Instances of non-conformance will be reported to the Risk Audit Committee along with actions to address the gaps. If Group Internal Audit is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Audit Executive (CAE) will disclose these to the Risk and Audit Committee and will ensure conformance with all other parts of the Standards. The CAE will ensure emerging trends and successful practices in internal auditing are considered for incorporation into Group Internal Audit's procedures.

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## ORGANISATION

The CAE has a functional reporting line to the Risk and Audit Committee and reports administratively to the Chief Executive Officer.

Group Internal Audit, through the CAE, reports directly to the Risk and Audit Committee, and has open access to this committee as an escalation point for matters it considers relevant.

The Risk and Audit Committee has the authority to appoint and remove the CAE as well as approve the remuneration of the CAE.

## INDEPENDENCE AND OBJECTIVITY

Internal Audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective view. This will include the pursuit of all lines of enquiry, including those outside the initial scope, if Internal Audit deems these to be appropriate.

Group Internal Audit members will have no direct operational responsibility or authority over any of the activities they are auditing. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or any other activity that may impair rendering an impartial and unbiased opinion. Internal Audit members will not assess specific operations for which they had responsibility within the previous year.

Internal auditors will exhibit the highest level of professional objectivity 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 unduly influenced by their own interests or by others forming judgment. Internal Auditors will disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.

The CAE will confirm to the Risk and Audit Committee, at least annually, the organisational independence of the internal audit activity. Where the CAE has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

## SCOPE OF ACTIVITIES

The scope of Internal Audit's activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Risk and Audit Committee, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for Computershare. Internal Audit assessments include evaluating whether:

- > Risks relating to the achievement of Computershare's strategic objectives are appropriately identified and managed;
- > The actions of Computershare's officers, directors, employees, and contractors are compliant with Computershare's policies, procedures, and applicable laws, regulations, and governance standards;
- > The results of operations or programs are consistent with established goals and objectives;
- > Operations or programs are being carried out effectively and efficiently;
- > Established processes and systems enable compliance with Computershare policies, procedures, and laws, and regulations that could significantly impact Computershare;
- > Information, and the means used to identify, measure, analyze, classify, and report such information is reliable and has integrity; and

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- › Business resources and assets are acquired economically, used efficiently, and protected adequately.

The CAE also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed, this includes where subject matter expertise is required to complete specific reviews, and placing reliance on independent control assurance reports.

## **DUTIES AND RESPONSIBILITIES**

The role of Group Internal Audit is to examine and evaluate the adequacy and effectiveness of the organisation's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organisation's stated goals and objectives.

Specific responsibilities are to:

- › Establish and ensure adherence to policies and procedures designed to guide Group Internal Audit;
- › Provide risk-based and objective assurance, advice, and insight;
- › Evaluate and appraise the adequacy and effectiveness of Computershare's system of risk management and internal controls established to ensure compliance with policies, procedures, business objectives and applicable legislation;
- › Evaluate the means of safeguarding assets and, as appropriate, verify the existence of such assets;
- › Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties;
- › Follow up on engagement findings and corrective actions, and report periodically to senior management and the Risk & Audit Committee any corrective actions not effectively implemented;
- › Monitor and evaluate the effectiveness of the organisation's risk management processes;
- › Report periodically on internal audit's purpose, authority, responsibility and performance relative to its plan.
- › Evaluate specific operations at the request of the Board, Risk and Audit Committee or senior management, as appropriate;
- › Ensure trends and emerging issues that could impact Computershare are considered and communicated to senior management and the Risk and Audit Committee as appropriate;
- › Help Computershare accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes;
- › Highlight opportunities for improving the efficiency of governance, risk management, and control processes identified during engagements; and
- › Adhere to Computershare's relevant policies and procedures, unless such policies and procedures conflict with the Internal Audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Risk and Audit Committee.

In addition to the above, Internal Audit can provide Risk Advisory Services (RAS), also known as consultation services, to Computershare. The nature and scope of RAS engagements will vary based on the business needs however, the overall aim is to add value and assist the organisation in improving its governance processes and risk management. Group Internal Audit will not undertake Risk Advisory

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activities if the activity impairs or could impair the independence and objectivity of Group Internal Audit. Any subsequent conflicts of interest or impairment of independence and objectivity that arise as a result of Risk Advisory activities will be managed by the Heads of Audit and CAE and reported to the Risk and Audit Committee.

## **INTERNAL AUDIT PLAN**

At least annually, the CAE will submit to the Risk and Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal year. The impact of resource limitations and significant interim changes will be communicated by the CAE to senior management and the Risk and Audit Committee. Where current resources are not sufficient (quantity and/or skills and experience) to deliver the internal audit plan; or in the event that Group Internal Audit is prohibited by law or regulation from having full access to records, all property, all functions, all IT systems and all staff, including any related information, the CAE will consider employing external specialised assurances services, also known as co-sourcing to complete specific engagements.

The Internal Audit plan will be developed based on the Computershare Audit Universe using a risk-based methodology, including input from the Boards of group subsidiaries, the Board Risk and Audit Committee, and senior management. The CAE will review and adjust the plan, as necessary, in response to changes in the organisation's business, internal audits assessment of the risk environment, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Risk and Audit Committee through periodic activity reports.

The CAE is responsible for ensuring that Group Internal Audit collectively possesses or obtains the knowledge, skills, and other competencies needed to effectively deliver the internal audit plan.

## **REPORTING AND MONITORING**

Each engagement of the internal audit plan will be assigned appropriate and adequately supervised resources and will include documentation of the work program and testing results. A written report will be prepared and issued following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal Audit results will also be communicated to the Risk and Audit Committee.

The Internal Audit report may include management's response and corrective action taken or planned in regard to the specific findings and recommendations. Management's response, whether included within the original report or thereafter will include a timetable, action plan and explanation for any corrective action that will not be implemented. All internal audit findings with action plans will remain open until the actions are completed. Internal Audit will validate completion of selected findings, including all extreme and high rated findings once management has confirmed closure.

The CAE will periodically report to senior management and the Risk and Audit Committee on performance relative to the plan, management's progress against the closure of identified internal audit findings and any significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the Risk and Audit Committee. The CAE will also pursue lines of enquiry, including those outside the scope of the audit plan, if Internal Audit deems these to be appropriate.

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## **QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME**

Internal Audit will maintain a quality assurance and improvement programme that covers all aspects of internal audit's activities. The program will include an evaluation of Internal Audit's conformance with the IIA's International Standards and IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of Internal Audit and identify opportunities for improvement. The CAE will communicate to senior management and the Risk and Audit Committee on the Internal Audit quality assurance and improvement programme, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Computershare.

## **CONFIDENTIALITY**

Internal Audit staff and those who have access to internal audit work papers and reports are expected to maintain the confidentiality of any information which may be considered to be of a sensitive or confidential nature.

## **APPROVAL OF CHARTER**

This charter has been approved by the Computershare Risk and Audit Committee on 9 November 2021.

All amendments to the charter also require Risk and Audit Committee approval.

