Internal Audit Charter

Context

This document details the Internal Audit Charter for Invest International's Internal Audit Function and is an evolving document. The Charter provides the organization a blueprint for how Internal Audit will operate and help the governing body to clearly signal the value it places in Internal Audit's independences, which will be further refined over time. The Charter will be adopted by the Board of Directors Hereafter, the Internal Audit Function will review the Charter annually and discussed with the Board of Directors and the Audit & Risk Committee.

Document Management

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Introduction

The Internal Audit Charter ("Charter") is a formal document that defines the internal audit function ("IAF") activity's purpose, authority, and responsibility. The Charter establishes the internal audit activity's position within the organization, including the nature of the Chief Audit Executive's ("CAE", or Head of Internal Audit) functional reporting relationship with Invest International. The Charter authorizes access to records, personnel, and physical properties relevant to the performance of engagements and defines the scope of internal audit activities. Final approval of the Charter resides with the Board of Management and the Supervisory Board of Invest International. The Charter also recognizes and establishes the mandatory nature of the core principles for the Professional Practice of Internal Auditing, the Code of Ethics, the IIA Standards, and the definition of internal auditing.

The IAF is responsible for reviewing and – if needed – updating the Charter annually. Updates of the Charter will be approved by the Board of Management and the Supervisory Board.

Mission and scope of work

The mission of the IAF is to provide independent and objective assurance and consulting services designed to add value and improve Invest International's operations. It serves to help Invest International accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of Invest International's risk management, internal control and governance processes.

As the IAF supports Invest International in the realization of its business goals and objectives, its contributions will be in the form of testing the design and operating effectiveness of the established, risk mitigating internal control systems and processes. Management relies on these systems and processes for safeguarding Invest International's assets and resources.

The IAF will determine to what extent Invest International's network of policies, procedures, controls, risk management, compliance and overall governance processes, as designed and represented by management, is adequate and functioning in a manner that supports the achievement of Invest International's stated goals and objectives.

The scope of work includes:

- Evaluating policies and procedures to confirm that significant risks are appropriately, timely and completely identified and managed (first line of defence).
- Monitoring and evaluating the Company's governance, risk and compliance processes (second line of defence).
- Evaluating the systems and controls established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.

- Evaluating policies and procedures to confirm that significant financial, managerial, and operating information is accurate, reliable, and timely.
- Performing independent and objective risk advisory services related to the scope of work as defined in this section, and as approved by the Board of Management and the Supervisory Board.
- Evaluating policies and procedures to confirm that significant financial, managerial, and operating information is accurate, reliable, and timely.
- Performing independent and objective risk advisory services related to the scope of work as defined in this section, and as approved by the Board of Management and the Supervisory Board.

Opportunities for (further) improving the internal control systems and processes may be identified during audits. If such opportunities are identified, they will be addressed in our reports and communicated to the appropriate level of management.

Accountability

The CAE of Invest International shall be accountable to the Board of Management (delegated to the Chief Financial and Risk Officer) and the Supervisory Board to:

- Report on the results of the tests of the design and operating effectiveness of the established, risk mitigating internal control systems and processes, in the areas as defined in the section titled "Mission and scope of work".
- Report significant issues related to the processes for controlling the activities of Invest International, including potential improvements to those processes, and provide information concerning such issues through resolution, or any corrective actions not effectively implemented.
- Provide information periodically on the status of, progress in and results of the risk based internal audit plan and the sufficiency of department resources.
- Coordinate with other monitoring functions or outside auditors as appropriate (e.g., Chief Risk Officer, Chief Compliance Officer, Chief Information Security Officer, the Office of General Counsel, and External Auditor).
- Evaluate specific operations at the request of the Board of Management and the Audit & Risk Committee or senior management, as appropriate.
- Promote the principles of integrity, objectivity, confidentiality and competency to members of the IAF in support of the IIA's Code of Ethics.

Independence

Independence is the fundamental principle that guides the reporting relationship of the internal auditor. Internal auditor independence is strongly emphasized by the Institution of Internal Auditors (´IIA"), as independence encompasses integrity, a commitment to ethics, professional scepticism, intellectual honesty and freedom from conflicts of interest. The independence features of the IAF are in accordance with the standards promulgated by the IIA as follows:

- The IAF reports to the Board of Management (delegated to the Chief Financial and Risk Officer) and functionally to the Supervisory Board through the Audit & Risk Committee.

- The Board of Management and the Supervisory Board approve the Internal Audit Charter, and the (annual) risk based Internal Audit Plan (included the required resources and budget).
- The Board of Management and the Audit & Risk Committee receive communications from the CAE on the internal audit activity's performance relative to the Internal Audit Plan, resources and other matters.
- The Board of Management and Supervisory Board must concur in the appointment, replacement, or dismissal of the CAE as appropriate.

The CAE of Invest International will have unrestricted access to, and communicate and interact directly with, the Board of Management and the Supervisory Board through the Audit & Risk Committee, including in private meetings without management present. The CAE will confirm to the Audit & Risk Committee, at least annually, the organizational independence of the IAF.

Objectivity

The CAE will ensure that the IAF remains free from all conditions that threaten the ability of the IAF and the internal auditors to carry out their responsibilities in an objective manner. Objectivity means an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. The objectivity features of the IAF are in accordance with the standards promulgated by the IIA as follows:

- Internal auditors will have no direct operational responsibility or authority over any of the activities audited.
- Internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment such as:
    - Assessing specific operations for which they had responsibility during the last 12 months.
    - Performing any operational duties for Invest International or its affiliates.
    - Initiating or approving transactions not related to IAF.
    - Directing the activities of any Invest International employee not employed by the IAF, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

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.

In situations where independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties including the Supervisory Board through the Audit & Risk Committee. Furthermore, the CAE shall disclose in writing whether the IAF has experienced any improper influence by management that may infringe upon the independence of the IAF.

Responsibility

The responsibility of the IAF is to serve Invest International in a manner that is consistent with the Standards for the Professional Practice of Internal Auditing.

The CAE and staff have the responsibility to:

- Develop a risk-based Internal Audit Plan aligned with the strategies, objectives, and risks of Invest International, which includes input from amongst others the Board of Management, second line functions and the Supervisory Board through the Audit & Risk Committee for the purpose of optimizing resources and value derived through the internal audit process.
- Submit the Internal Audit Plan to the Management Board (delegated to the Chief Financial and Risk Officer) for review and approval and communicate the impact of resource limitations and significant interim changes to senior management and the Supervisory Board (Audit & Risk Committee).
- Implement the approved Internal Audit Plan, including any special tasks or projects requested by (members of) the Management Board or the Supervisory Board (Audit & Risk Committee).
- Adjust the Internal Audit Plan, as necessary, in response to any changes to Invest International's business, risk, operations, programs, systems and controls and submit updates, as necessary, to the Management Board (delegated to the Chief Financial and Risk Officer) and Supervisory Board (Audit & Risk Committee) for review and approval.
- Confirm that the engagements on the Internal Audit Plan are executed according to relevant Standards. These Standards include, for example, 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 and applying due professional care.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications, or work with co-source providers, as necessary, for efficient audit coverage, or in areas requiring specialized skills, to meet the requirements of this charter.
- Establish a quality assurance program by which the CAE evaluates the operations of internal auditing activities and identifies opportunities for improvement.
- Issue periodic reports to the Supervisory Board (Audit & Risk Committee) summarizing the results of the recent audit activities.
- Provide periodic updates to the Board of Management and the Supervisory Board (Audit & Risk Committee) related to emerging trends and successful practices in internal auditing.
- As requested by the Management Board or the Supervisory Board (Audit & Risk Committee), assist in the investigation of significant suspected fraudulent activities within Invest International and notify the Board of Management and the Supervisory Board (Audit & Risk Committee) of the results.
- Consider the scope of work related to risk and internal control of the second line of defence, or other auditors and/or service providers, as appropriate, for the

purpose of providing optimal internal audit coverage to the organization at a reasonable overall cost.

In the context of the General Data Protection Regulation (GDPR), the IAF will handle any information that is considered personal data with care. The starting principle is the IAF will adhere to data minimization, thereby retaining as little personal information as possible in its audit files. Where possible, personal data is anonymized or pseudonymized insofar as this is possible according to the audit objective and does not require a disproportionate effort on the part of the IAF.

Authority

The CAE and IAF staff are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Have full and free access to the Supervisory Board (Audit & Risk Committee), as needed.
- Allocate resources, set frequencies, select subjects, determine scope of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel within Invest International where they perform audits, as well as other specialized services from within or outside the organization, as required to achieve the objectives of the audit plans.

Quality Assurance and Improvement Program

The IAF will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The CAE will communicate to the Board of Management (delegated to the Chief Financial and Risk Officer) and the Supervisory Board (Audit & Risk Committee) on the internal audit activity's quality assurance and improvement program, including results of ongoing internal assessments and external assessments.

A. Appendix – Reporting lines Internal Audit

	Auditcharter and auditplan	Interne audit scoping document	Audit reports	Follow up audit findings & reporting findings
1	**Interne Audit function** Issue draft	**Interne Audit function** Issue draft	**Interne Audit function** Issue draft	**Interne Audit function** Issue draft
2	**Board of Management (CFRO)** Approval	**Resp. Auditee** Align	**Resp. Auditee** Align	**Board of Management (CFRO)** Approval
3	**Audit & Risk Committee** Advice	**Board of Management (CFRO)** Approval	**Board of Management (CFRO)** Approval	**Audit & Risk Committee** Inform
4	**Supervisory Board** Approval		**Audit & Risk Committee** Inform	