

**PEEL  
HUNT**

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## INTERNAL AUDIT CHARTER

September 2025

## INTRODUCTION

This charter defines internal audit's purpose, scope of work and responsibilities, and establishes the foundation for an effective internal audit function that creates, protects, and sustains value.

### 1. PURPOSE

The purpose of the internal audit function is to strengthen Peel Hunt Limited ("Peel Hunt"), together with its subsidiary undertakings and its ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances Peel Hunt's:

- Successful achievement of its objectives
- Governance, risk management, and control processes
- Decision-making and oversight
- Reputation and credibility with its stakeholders
- Ability to serve the public interest

Peel Hunt's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Institute of Internal Auditors' Global Internal Audit Standards
- The internal audit function is independently positioned with direct accountability to the board
- Internal auditors are free from undue influence and committed to making objective assessments

### 2. COMMITMENT TO ADHERING TO THE GLOBAL INTERNAL AUDIT STANDARDS

Peel Hunt's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements.

Internal audit will operate in compliance with the Global Internal Audit Standards published by the global Institute of Internal Auditors, which includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the Standards and the Definition of Internal Auditing; and the Internal Audit Code of Practice.

The Chief of Internal Audit will report periodically to the audit committee and executive management regarding the internal audit function's conformance with the Global Internal Audit Standards, which will be assessed through a quality assurance and improvement programme.

### 3. MANDATE

#### 3.1 SCOPE OF WORK

The role of internal audit is to support the board and executive management to protect the assets, reputation and sustainability of Peel Hunt. This helps Peel Hunt to achieve its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. Internal audit will achieve this by:

- Assessing whether all significant risks have been identified and reported appropriately to the board and executive management
- Providing a view on whether the design and operation of key controls are effective in mitigating risk
- Supporting executive management to improve the effectiveness of the governance, risk management and internal controls
- Supporting executive management to identify opportunities to improve business performance

Internal audit operates as the third line within the Three Lines Model, which helps facilitate strong governance and risk management. The scope of internal audit's work is unrestricted and includes the assessment of:

- the identification, reporting and mitigation of risks
- internal governance mechanisms and internal controls (including strategic and operational decision making, the promotion of appropriate ethics and the Peel Hunt values and all aspects of the first and second line)
- the risk and control culture
- the setting of, and adherence to, risk appetite
- the integrity, reliability and timeliness of information used in operational and strategic decision making
- the recognition of significant legislative or regulatory requirements and compliance with policies, standards, procedures, and applicable laws and regulations
- the efficient deployment of resources and the safeguard of assets including against financial crime risks
- the achievement of business strategy, programmes, plans and objectives
- Significant corporate transactions, process changes, new services and outsourcing arrangements

### 3.2 TOPICAL REQUIREMENTS

When cybersecurity or other topics covered by Topical Requirements are within the scope of internal audit engagements, internal auditors must apply the relevant Topical Requirements in conformance with the Global Internal Audit Standards when providing assurance services. Topical Requirements are recommended but not required for advisory services.

## 4. AUTHORITY

The Peel Hunt board grants the internal audit function the mandate to provide the board and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the board.

The board authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities
- Internal auditors are accountable for confidentiality and safeguarding records and information
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives
- Obtain assistance from the necessary personnel of Peel Hunt and other specialised services from within or outside Peel Hunt to complete internal audit services

The Chief of Internal Audit and staff from the Co-source provider have unrestricted access to all functions, records, property, and personnel or attendance at meetings, as required for the effective delivery of audit activities. (A holder of highly confidential or sensitive information is entitled to restrict access to the Chief of Internal Audit or the Co-source engagement partner).

Internal audit will receive the necessary assistance of Peel Hunt staff to execute their duties.

## 5. INDEPENDENCE, ORGANISATIONAL POSITION, AND REPORTING RELATIONSHIPS

### 5.1 INDEPENDENCE AND OBJECTIVITY

The Chief of Internal Audit is positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.

The Chief of Internal Audit reports functionally to the audit committee and administratively to the Chief Executive.

The Chief of Internal Audit has unrestricted access to the board Chair and to the audit committee Chair. This positioning provides the organisational authority and status to bring matters directly to senior

management and escalate matters to the board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Chief of Internal Audit will confirm to the audit committee, at least annually, the organisational independence of the internal audit function.

The Chief of Internal Audit will disclose to the audit committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

The Chief of Internal Audit, under the governance of the audit committee, will remain free to decide which audits to perform, the scope, frequency and timing of its work, the procedures it follows and the contents of its reports.

Internal audit will not perform any operational management duties or have any authority over 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 their judgement.

The Chief of Internal Audit is approved by the audit committee to be a nominated recipient of whistle-blowing reports.

## 5.2 CO-SOURCE ARRANGEMENTS

The audit committee is responsible for the appointment and removal of the Chief of Internal Audit and the Co-source provider. The Chair of the audit committee will recommend the performance objectives and remuneration of the Chief of Internal Audit to the remuneration committee for their review and approval.

Co-source staff working on the internal audit engagement will report to the Engagement Partner, who will work alongside the Chief of Internal Audit. The Co-source staff will comply with the principles of the audit charter and must be independent of the area to be reviewed.

The Co-source provider Engagement Partner will ensure that the internal audit team have not undertaken, or plan to undertake, activities that compromise, or appear to compromise, internal audit's independence and objectivity. Should such situations occur, the Engagement Partner will report the matter to the Chief of Internal Audit for resolution. The Chief of Internal Audit will report these to the audit committee, together with the actions taken. The audit committee can appoint another internal audit service provider to undertake audit work where the Co-source provider is conflicted.

The Co-source provider may not be engaged on any assignment within Peel Hunt, without the written approval of the Chief of Internal Audit who will assess whether the engagement would compromise, or appear to compromise, internal audit's independence and objectivity.

The Chief of Internal Audit will confirm to the audit committee, at least annually, the continued independence of internal audit including of the Co-source partner.

Internal audit will ensure that confidentiality is maintained over all information and records obtained in carrying out audits.

## 6. BOARD OVERSIGHT

To establish, maintain, and ensure that Peel Hunt's internal audit function has sufficient authority to fulfil its duties, the audit committee will:

- Discuss with the Chief of Internal Audit and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function
- Ensure the Chief of Internal Audit has unrestricted access to and communicates and interacts directly with the audit committee, including in private meetings without senior management present
- Discuss with the Chief of Internal Audit and senior management other topics that should be included in the internal audit charter
- Participate in discussions with the Chief of Internal Audit and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function

- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services
- Review the internal audit charter annually with the Chief of Internal Audit to consider changes affecting the organisation, such as the employment of a new Chief of Internal Audit or changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter annually
- Approve the risk-based internal audit plan
- Approve the internal audit function's human resources administration and budgets
- Approve the internal audit function's expenses
- Collaborate with senior management to determine the qualifications and competencies the organisation expects in a Chief of Internal Audit, as described in the Global Internal Audit Standards
- Authorise the appointment and removal of the Chief of Internal Audit
- Approve the remuneration of the Chief of Internal Audit
- Review the Chief of Internal Audit's performance
- Receive communications from the Chief of Internal Audit about the internal audit function including its performance relative to its plan
- Ensure a quality assurance and improvement programme has been established
- Review the results of the quality assurance and improvement programme annually
- Make appropriate inquiries of management and the Chief of Internal Audit to determine whether scope or resource limitations are inappropriate

## 7. CHIEF OF INTERNAL AUDIT ROLES AND RESPONSIBILITIES

### 7.1 ETHICS AND PROFESSIONALISM

The Chief of Internal Audit will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations
- Encourage and promote an ethics-based culture in the organisation
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures

### 7.2 MANAGING THE INTERNAL AUDIT FUNCTION

The Chief of Internal Audit has the responsibility to:

#### Planning:

- At least annually, submit a risk-based internal audit plan to the audit committee and senior management for review and approval
- Develop a flexible annual internal audit plan and budget using an appropriate risk-based methodology, including any risks or control concerns identified by executive management
- Align the annual internal audit plan to the internal audit longer-term strategy
- Consider the scope of work of the external auditors and other sources of assurance, as appropriate, for the purpose of providing optimal audit coverage to the organisation at a reasonable overall cost
- Communicate the impact of resource limitations on the internal audit plan to the audit committee and senior management

- Review and adjust the internal audit plan, as necessary, in response to changes in Peel Hunt's business, risks, operations, programmes, systems, and controls
- Periodically evaluate and assess changes to Peel Hunt's risk profile (such as through changing services, processes, operations) or control environment and update the annual internal audit plan to reflect these following audit committee approval
- Communicate with the audit committee and senior management if there are significant interim changes to the internal audit plan

#### Execution:

- Deliver the annual internal audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management (subject to audit committee approval), the regulator and the audit committee
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards
- Ensure that audits are appropriately scoped to provide assurance over the highest risks
- Ensure the adequacy of corrective actions agreed with management to address control weaknesses identified
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the audit committee and senior management periodically and for each engagement as appropriate
- Liaise with the external auditor and other assurance providers on a regular basis to ensure there is effective communication and collaboration

#### Quality:

- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate
- Ensure internal audit work is conducted with proficiency and due professional care and appropriately supervised
- Develop and maintain a Quality Assurance and Improvement Programme
- Establish and ensure adherence to methodologies designed to guide the internal audit function
- Ensure adherence to Peel Hunt's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards
- Any such conflicts will be resolved or documented and communicated to the audit committee and senior management
- Assess conformance with the Global Internal Audit Standards on an annual basis and to undertake an external assessment review at least every five years
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services

#### Reporting:

- Issue reports on audit engagements detailing the findings arising and the action plans that management have agreed to address those findings
- Issue periodic reports to the audit committee and management summarising the key results of audit activities and track progress in the completion of management actions to address findings arising from audit reports
- Report to the audit committee, at least annually, with an assessment of the overall effectiveness of the governance, and risk and control framework of the organisation, together

with an analysis of themes and trends emerging from internal audit work in line with the Institute of Internal Auditors' published recommendations

- Report to the audit committee on the progress of the internal audit function in meeting its key performance indicators, including progress against the annual internal audit plan, performance against the budget, the sufficiency of resources allocated to internal audit activity, and the outcomes of the Quality Assurance and Improvement Programme
- Report, as required, to the remuneration committee on any significant control issues
- Report annually a summary of additional services provided by the Co-source providers, including subject matter specialist service engagements or advice that supports consideration of their independence
- Keep the audit committee informed of emerging trends and practices in internal auditing
- Identify and consider trends and emerging issues that could impact Peel Hunt and communicate to the audit committee and senior management as appropriate

#### Resourcing:

- Maintain access to professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter

#### Issue Closure Validation:

- Validate that the actions implemented by management to address very high, high and medium findings included in audit reports adequately address the control weaknesses identified and track their completion

#### Consultancy:

- Undertake advisory consultancy work in line with arrangements agreed with the audit committee

Opportunities for improving management control, profitability or Peel Hunt's standing may be identified during audits. These will be communicated to executive management.

### **7.3 COMMUNICATION WITH THE AUDIT COMMITTEE AND SENIOR MANAGEMENT**

The Chief of Internal Audit will report periodically to the audit committee and senior management regarding:

- The internal audit function's mandate
- The internal audit plan and performance relative to its plan
- Internal audit budget
- Significant revisions to the internal audit plan and budget
- Potential impairments to independence, including relevant disclosures as applicable
- Results from the quality assurance and improvement programme, which include the internal audit function's conformance with Institute of the Internal Auditors' Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the audit committee
- Results of assurance and advisory services
- Resource requirements
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Peel Hunt's risk appetite

## 8. ACCOUNTABILITIES

PeelHunt has co-sourced internal audit. The accountabilities of the Chief of Internal Audit and the Co-source Engagement Partner are laid out below:

### 8.1 THE CHIEF OF INTERNAL AUDIT

The Chief of Internal Audit, in the discharge of their duties, is accountable to the audit committee Chair to:

- Develop an annual internal audit plan that is aligned to Peel Hunt's strategic direction and business, industry and regulatory changes and supported by an up-to-date audit universe and risk assessment. This includes liaising with the external auditor and other assurance providers to ensure the most efficient use of resources
- Periodically evaluate and assess changes to Peel Hunt's risk profile (such as through changing services, processes, operations) or control environment periodically, and update the annual internal audit plan to reflect these following audit committee approval
- Develop and implement, a three-year strategy for internal audit within the Peel Hunt Group, including assessing whether the operating model for internal audit remains appropriate, and making recommendations to the audit committee as necessary regarding future changes
- Annually assess and report on the adequacy and overall effectiveness of governance, risk and the control framework of the organisation, including the risk culture
- Oversee the efficiency of work performed by the Co-sourced internal audit firm, including agreeing the appropriate scheduling of audits throughout the year
- Develop and maintain a Quality Assurance and Improvement Programme to oversee the quality of work performed by the Co-sourced internal audit firm, including assessing the quality, accuracy and relevance of internal audit reports produced and the management responses to issues raised in audits
- Support the Co-source internal auditors in delivering the annual internal audit plan by assisting in the finalisation of reports. This includes overseeing the adequacy of corrective actions agreed with management to address control weaknesses identified and the timely completion of audits by the Co-source internal auditors
- Oversee the scoping of audit engagements to ensure audits are appropriately scoped to provide assurance over the highest risks
- Escalate matters to executive management and the audit committee (including any cultural issues observed)
- Approve the issuance of reports on audit engagements which detail the findings arising and the action plans that management have agreed to address those findings
- Validate that the actions implemented by management to address very high, high and medium findings included in audit reports adequately address the control weaknesses identified and tracking their completion
- Issue periodic reports to management and to the audit committee on internal audit activity undertaken and the progress in implementing agreed management actions to address findings arising from audit reports
- Issue periodic reports to management and the audit committee on the progress of the internal audit function in meeting its key performance indicators, including the progress against the annual internal audit plan and performance against the budget, the sufficiency of resources allocated to internal audit activity and the outcomes of the Quality Assurance and Improvement Programme. Oversee the tone and content of such reporting
- Define the required format for the reporting on emerging trends and practices in internal auditing
- Report as required to the remuneration committee on any significant control issues

- Annually assess and report on the effectiveness of the Co-sourced internal auditors and internal audit's compliance with all relevant Global Internal Audit Standards and guidance
- Act as the primary contact with the FCA and any other regulator for any internal audit related matters
- Provide advisory consultancy services in line with the scope agreed with the audit committee, while always maintaining independence and objectivity

## 8.2 THE CO-SOURCE ENGAGEMENT PARTNER

The Co-source Engagement Partner, in the discharge of their duties, is accountable to the Chief of Internal Audit to:

- Support the development of an annual internal audit plan that is aligned to Peel Hunt's strategic direction and business, industry and regulatory changes and supported by an update to the audit universe and risk assessment. This includes liaising with the external auditor and other assurance providers to ensure the most efficient use of resources
- Periodically evaluate and assess changes to Peel Hunt's risk profile and control environment in light of the audit findings, both individually and in aggregation, and inform the Chief of Internal Audit
- Support the Chief of Internal Audit's annual assessment of the adequacy and overall effectiveness of governance, risk and the control framework of the organisation (including the risk culture and themes and trends emerging from internal audit's work)
- Present to the audit committee in the agreed format on emerging trends and practices in internal auditing
- Allocate resources with the necessary knowledge, skills and experience to audit work and provide appropriate training and development to the internal audit team to ensure they have the capability to meet their responsibilities
- Deliver the annual internal audit plan agreed with the audit committee ensuring that all audit work is performed with proficiency and professionalism, including the application of sufficient knowledge, skills and competence to perform audits effectively. Ensure audits are delivered within agreed timeframes, subject to timely access to management and information. In cases of limited access, a list of outstanding information and/or meetings will be provided to the Chief of Internal Audit
- Ensure that audits are appropriately scoped to provide assurance over the highest risks
- Ensure the adequacy of corrective actions agreed with management to address control weaknesses identified
- Prepare for review by the Chief of Internal Audit reports on audit engagements detailing the findings arising and the action plans that management have agreed to address those findings
- Support the validation that the actions implemented by management to address very high, high and medium findings included in audit reports adequately address the control weaknesses identified
- Provide periodic update to the Chief of Internal Audit on internal audit activity undertaken, including the status of the annual internal audit plan
- Ensure all work is conducted with proficiency and due professional care in line with the agreed methodology and appropriately supervised
- Address feedback identified through the Quality Assurance and Improvement Programme
- Provide an annual summary of additional services provided by the Co-source providers, including subject matter specialist service engagements or advice that supports consideration of their independence
- Provide advisory consultancy services in line with the scope agreed with the audit committee, while always maintaining independence and objectivity

- Support the Chief of Internal Audit in liaising with the external auditor and other assurance providers on a regular basis to ensure there is effective communication and collaboration

## 9. SCOPE AND TYPES OF INTERNAL AUDIT SERVICES

The scope of internal audit services covers the entire breadth of the organisation, including all of Peel Hunt's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the audit committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Peel Hunt.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of Peel Hunt's strategic objectives are appropriately identified and managed
- The actions of Peel Hunt's officers, directors, management, employees, and contractors comply with Peel Hunt's policies, procedures, and applicable laws, regulations, and governance standards
- The results of operations and programmes are consistent with established goals and objectives
- Operations and programmes are being carried out effectively and efficiently
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Peel Hunt
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately

Internal audit may place a degree of reliance on the work of other assurance providers, but only after a thorough evaluation of their effectiveness.

## 10. ADVISORY CONSULTANCY WORK

Internal audit's main purpose is to provide assurance in accordance with this charter to the audit committee and management.

However, internal audit may perform special reviews and/or consulting activities from time to time as requested by management, the audit committee, the board/management committee or the FCA. Approval must be sought from the audit committee prior to commencement of such work.

The Chief of Internal Audit will ensure that the function's involvement in consulting activities does not compromise internal audit's independence and objectivity. Where situations occur that may affect the function's independence and objectivity, the Chief of Internal Audit will report the matter to the audit committee for resolution.

Internal audit does not provide assurance to parties outside Peel Hunt except for any work requested by the regulator.

## 11. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Chief of Internal Audit will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.

The programme will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing.

Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Chief of Internal Audit will communicate with the audit committee and senior management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside Peel Hunt; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

## **12. CHANGES TO THE CHARTER**

Circumstances may justify a follow-up discussion between the Chief of Internal Audit, audit committee, and senior management on the internal audit mandate or other aspects of the internal audit charter.

Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards
- A significant acquisition or reorganisation within the organisation
- Significant changes in the Chief of Internal Audit, audit committee, and/or senior management
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates
- New laws or regulations that may affect the nature and/or scope of internal audit services

## **13. PERIODIC ASSESSMENT**

The Chief of Internal Audit will self-assess conformance with this charter at least annually. The audit committee will review the charter at least annually.

Approved by the audit committee on 25 September 2025.