



Internal Audit Charter

Contents

1	About this document	3
1.1	Background	3
1.2	Purpose	3
1.3	Scope	3
1.4	Audience	3
1.5	Governance	3
2	Mandate	4
2.1	Purpose	4
2.2	Authority and access	4
2.3	Role, scope and activities	4
2.4	Resources	5
3	Independence and objectivity	6
3.1	Compliance	6
3.2	Reporting	6
3.3	Operational responsibility	6
3.4	Remuneration and performance	6
4	Responsibilities of IA	7
4.1	Audit planning	7
4.2	Audit execution	7
4.3	Reporting	7
4.4	Other interactions	8
4.5	Quality Assurance and Improvement Programme	8
5	Responsibilities of Management	9
5.1	Chief Executive Officer and the Executive Committee	9
5.2	Reporting to supervisors	9
5.3	Standards of Audit Practice	9
	Appendix A Conformance Mapping	10

1 About this document

1.1 Background

The Flood Re Audit & Compliance Committee (ACC) requires a charter to be in place relating to Internal Audit (IA) activities.

1.2 Purpose

This document governs the relationship between the IA function and the ACC, as well as the working relationships with the Executive Committee.

1.3 Scope

This IA Charter covers the following:

- The mandate and authority of the IA Team;
- The importance of IA's objectivity;
- The roles and responsibilities of IA across all areas of Flood Re; and
- Management's responsibilities relating to IA issues.

1.4 Audience

This document is intended for use by the public, employees of Flood Re, Chief Internal Auditor (CIA), IA and the ACC.

1.5 Governance

This document is owned by the CIA or equivalent (Head of Internal Audit). It is reviewed and approved by the CIA at least annually. This helps ensure it remains appropriate and relevant. Additional reviews may be performed as required and as detailed in the Documentation Policy.

2 Mandate

2.1 Purpose

The primary purpose of the Flood Re Limited (Flood Re) Internal Audit function is to assist the Board of Flood Re in meeting the strategic and operational objectives of the company. It achieves this through the IA strategy which focuses on the provision of independent, objective assurance and, where appropriate and subject to approval from ACC chair, consulting services/advice on good industry practice, to assist management in appropriately managing the key risks to which it is exposed and to add value to the business by improving its operations and identifying efficiency gains.

2.2 Authority and access

IA is established, and its responsibilities are defined by, Flood Re's ACC. Authority is granted, with strict responsibility for safe-keeping and confidentiality, for full, free and unrestricted access to any and all records, information, properties and personnel relevant to any function or area within Flood Re under review. All employees and contractors are required to provide all reasonable assistance to IA that it requires in fulfilling its role.

Internal Audit shall have free and unrestricted access to the Chair of the ACC and the Chair of Flood Re's Board of Directors.

The adequacy of IA's budget and resources will be reviewed and approved annually by the ACC as part of the IA Annual Plan.

2.3 Role, scope and activities

The role of IA involves the review of the design and operating effectiveness of Flood Re's governance processes, risk management procedures, internal control environment and information systems. To fulfil its responsibilities, IA shall:

- Identify and continually validate the key risks to Flood Re's operations, in conjunction with the Risk & Compliance function and other key stakeholders;
- Review the adequacy of the design and effective operation of controls to manage the organisation's key risks and to help ensure adherence to its policies, procedures and business objectives as established by Management;
- Identify where improvements are required to procedures and controls to help ensure that key risks are adequately controlled and mitigated and that operations are managed in line with good industry practice;
- Evaluate the potential for the occurrence of fraud and assess the mitigation put in place by management to manage fraud risk;
- Selectively attend management committees and sub-committees, to stay abreast of important topics, without taking on management responsibilities or making decision on behalf of management, in accordance with paragraph 3.3;

- Where necessary and subject to approval from the ACC Chair, provide a consulting service (including requests from management) to provide guidance to help manage key risks;
- Undertake planned reviews (risk based and cyclical) as agreed by the ACC;
- Report the outcomes of its work to the Executive Committee and the ACC; and
- Maintain a Quality Assurance and Improvement Programme to confirm that expected IA standards are being met, with the results reported to the ACC at least annually.

In carrying out the above duties, Internal Audit will prioritise requests from the CEO to review specific areas, subject to the approval of the ACC.

2.4 Resources

The CIA shall ensure that the audit team has the skills and experience, including technical subject matter expertise, commensurate with the scale of operations and risks at Flood Re. This may entail training, recruitment or secondment from other parts of the organisation, or co-sourcing with external third parties. Employees are recruited in line with Flood Re's Inclusion and Diversity Policy.

The CIA shall ensure that IA has the appropriate tools and technology to support the function's impact and effectiveness.

3 Independence and objectivity

3.1 Compliance

All members of the IA function are accountable for adhering to ethical principles and standards from the Institute of Internal Audit (IIA) Code of Ethics, which emphasises integrity, objectivity, confidentiality and competence.

3.2 Reporting

To help ensure independence, IA is directly accountable to the Chair of the ACC in order to preserve independence of the IA Function from any particular business area or function. For administrative purposes and day-to-day communication, IA will liaise with Chief Executive Officer.

The ACC will review the scope and nature of planned IA work to help ensure the latter's ongoing independence and objectivity.

3.3 Operational responsibility

To maintain objectivity, IA is not authorised to perform any day-to-day control procedures or take operational responsibility for any part of the company outside of IA. As such, Management is responsible to the Board for the maintenance of an efficient and effective system of internal controls.

3.4 Remuneration and performance

The ACC Chair will monitor and review the internal audit function including providing input to the performance evaluation of the Chief Internal Auditor.

4 Responsibilities of IA

4.1 Audit planning

Having consulted with stakeholders including Risk & Compliance, IA shall prepare a rolling annual audit plan setting out the proposed timing for each audit assignment. The plan is to be based on a risk assessment, identifying business objectives, key risks impacting those objectives and taking into consideration inputs from management and other key stakeholders. The order of priority, the proposed resource requirements and the scope for each audit assignment will be decided according to type of audit and risk.

The plan will be presented to the ACC for their approval. If needed, adjustments can be made to the plan during the year (e.g. as a result of emerging risks and issues). Changes will require advance approval by the ACC Chair and must be communicated to the ACC at the earliest opportunity.

In line with the Global IA Standards issued by the IIA, IA will liaise with Risk & Compliance team to produce a Combined Assurance plan designed to ensure proportionate and coordinated assurance for Flood Re. The Combined Assurance Plan is submitted to the RCC or ACC annually for review and approval.

4.2 Audit execution

IA shall be responsible for planning, conducting, reporting and following up on audit assignments included in the audit plan, and deciding on the scope and timing of audits through liaison with Management.

Audit fieldwork shall be conducted in a professional and timely manner. Key IA documents such as the Audit Programme should be reviewed by the CIA for every audit. Reporting of results will include a transparent process to agree with Management the facts, as well as the validity and practicality of implementing recommended remedial actions within agreed timeframes.

4.3 Reporting

IA shall be responsible for reporting to Management, the Executive Committee, and the ACC any significant issues relating to the processes and activities identified in an audit assignment including potential improvements to those processes. IA will monitor the timely action by management in response to audit findings and will be responsible for the formal acceptance of closure of issues on a periodic basis. IA will provide to the ACC information on the status and results of the annual audit plan.

On an annual basis, IA will generate a report summarising the key audit observations for the year and an opinion on the quality of the control environment across Flood Re. Where applicable, this will include a trend analysis comparing current year to the previous year. The annual report should also highlight positive observations, opportunities and provide a view on the organisation's culture towards controls.

4.4 Other interactions

IA shall communicate on an on-going basis with the second line functions in order to help ensure optimal and efficient provision of assurance for Flood Re at a reasonable overall cost. In addition, IA will regularly liaise with external auditors to discuss areas of high risk and help ensure a coordinated audit coverage. The CIA shall have an open, constructive and cooperative relationship with relevant regulators to support sharing of information relevant to carrying out their respective responsibilities.

4.5 Quality Assurance and Improvement Programme

IA will maintain a Quality Assurance and Improvement Programme that covers all aspects of IA activity. The programme will include an evaluation of the IA function's conformance with the relevant regulations and best practice guidelines. The programme will also assess the efficiency and effectiveness of IA and identify opportunities for improvement.

The CIA will report on the Quality Assurance and Improvement Programme to the Executive Committee and the ACC annually. This reporting should include the results of internal assessments and external assessments, which are conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

5 Responsibilities of Management

5.1 Chief Executive Officer and the Executive Committee

The Chief Executive Officer and members of the Executive Committee have the following responsibilities:

- Ensuring that IA has the active support of management and full cooperation in discharging its responsibilities;
- Ensuring timely access to all relevant information that is required by IA to assess the control environment;
- Responding to all issues raised by IA including the agreement of remediation actions; and
- Implementing agreed remedial actions and providing evidence to IA that issues have been appropriately resolved.

5.2 Reporting to supervisors

IA may, from time to time, encounter issues about which the relevant Supervisor should be informed. In the first instance any such matter should be discussed with the Chief Risk Officer/Head of Legal and a decision made on an appropriate course of action. Should the CIA not concur with the firm's chosen course of action then they may raise the matter directly with the ACC Chair with a view to communicating the matter directly to the Supervisor.

5.3 Standards of Audit Practice

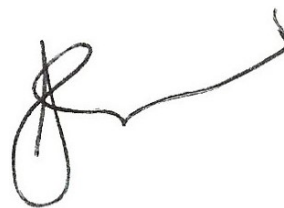
The Flood Re Audit Procedures set out the IA methodology for undertaking IA activities across Flood Re. The Procedures set out the way in which the audits should be planned, performed and reports made to management, the Executive Committee and the ACC.

IA will meet or exceed the IIA's Global Internal Audit Standards (2024) and Code of Practice.

Approved by:

Signed by:

ACC Chair, recorded in minutes of meeting held on 28 April 2026



10 April 2026

ACC Chair, Flood Re

Head of Internal Audit, Flood Re

Appendix A Conformance Mapping

The following table demonstrates how this IA Charter delivers conformance with the Global Internal Audit Standards by mapping the relevant principle/standard to the section of this document.

Domain	Principle	Standard	Requirement	Section reference	Page
III Governing the Internal Audit Function	6. Authorised by the Board	6.2 Internal Audit Charter	Purpose of Internal Auditing	Section 2.1 Purpose	4
			Commitment to adhering to the Global Internal Audit Standards	Section 5.3 Standards of Audit Practice	9
			Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function	Section 2 Mandate and Section 2.3 Role, scope and activities	4
			Organisational position and reporting relationships	Section 5 Responsibilities of Management	9

The following table demonstrates how this IA Charter delivers conformance with the Internal Audit Code of Practice by the Chartered Institute of Internal Auditors.

Outcome/Principle	Section reference	Page
A. Purpose and mandate of internal audit	Section 1.2 Purpose	3
	Section 2 Mandate	4
B. Scope and priorities of internal audit	Section 1.3 Scope	3
	Section 2.3 Role, scope and activities	4
C. Reporting results	Section 4.3 Reporting	7
D. Interaction with risk management, compliance, finance and control functions	Section 2.3 Role, scope and activities	4
	Section 4.1 Planning	7
	Section 4.4 Other Interactions	8
E. Independence and authority of internal audit	Section 3 Independence and Objectivity	6
F. Resources	Section 2.4 Resources	5
G. Quality Assurance and Improvement Programme (QAIP)	Section 4.5 QAIP	8
H. Relationship with regulators and external audit	Section 4.4 Other Interactions	8
I. Wider considerations	Section 4.5 QAIP	8