




**INTEGRATED MICRO-ELECTRONICS, INC.**

Global Internal Audit

# **INTERNAL AUDIT CHARTER**


Version No. 1, Revision No. 4  
Revision on March 5, 2025

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## A. Introduction

The Internal Audit Charter documents the internal audit function's authority, role and responsibilities from the mandate received from the Audit and Risk Committee (the Committee) of the Board of Directors (the Board). The Chief Audit Executive must provide the Committee with the information necessary to establish the internal audit mandate.

The internal audit mandate must be reviewed periodically, at least annually, by the Chief Audit Executive to assess whether changes in circumstances justify a discussion with the Board to evaluate whether the authority, role and responsibilities continue to enable the internal audit function to achieve its strategy and accomplish its objectives.

The Internal Audit Charter must be aligned with the changes in the internal audit mandate and shall be approved by the Board.

## B. Policy Statement

Integrated Micro-Electronics, Inc.'s (IMI) policy establishes and recognizes an internal audit function as a fundamental part of its corporate governance practices. The Global Internal Audit division reports functionally to the Audit and Risk Committee of the Board of Directors and administratively to the Chief Financial Officer. The Audit and Risk Committee will approve decisions regarding the appointment, replacement, re-assignment, or dismissal of the Chief Audit Executive.


Members of the Global Internal Audit will have full, free and unrestricted access to all organizational activities, records, property and personnel in carrying out their duties and responsibilities.

The Chief Audit Executive will confirm to the Audit and Risk Committee of the Board, at least annually, the organizational independence of the internal audit activity, including incidents where independence may have been impaired, and the actions or safeguards employed to address the impairment.

## C. Purpose

### Vision

The Global Internal Audit strives to be a world-class group of multi-skilled internal audit professionals recognized as valuable business partners to our stakeholders.

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### **Mission**

The Global Internal Audit aims to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insights.

### **Purpose**

The purpose of the Global Internal Audit is to strengthen IMI's ability to create, protect, and sustain value by providing the Board and IMI Management with independent, risk-based, and objective assurance, advice, insight, and foresight through independent, objective assurance and consulting services within IMI. The Global Internal Audit aims to assist all members of the organization accomplish their objectives by bringing a systematic approach to evaluating and improving the efficiency and effectiveness of IMI's governance, risk management and control processes.

## **D. Mandate**

Integrated Micro-Electronics Inc.'s Board of Directors grants the internal audit function the mandate to provide the Board and Senior Management with objective assurance, advice, insight, and foresight.

### **Authority**


The internal audit function's authority is created by its direct and unrestricted reporting relationship to the Board of Directors through the Audit and Risk Committee.

The Board authorizes the Global Internal Audit 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 IMI and other specialized services from within or outside IMI to complete internal audit services.

### **Independence, Organizational Position, and Reporting Relationships**

The Chief Audit Executive is positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference

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from management, thereby establishing the independence of the internal audit function. The Chief Audit Executive will report functionally to the Board and administratively (for example, day-to-day operations) to the Chief Financial Officer. This positioning provides the organizational 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 Audit Executive will confirm, at least annually, with the Board the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the Chief Audit Executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Audit Executive will disclose to the Board 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 fulfill its mandate.

#### **Changes to the Internal Audit Mandate and Internal Audit Charter**


Circumstances may justify a follow-up discussion between the Chief Audit Executive, the Board, 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 reorganization within the organization.
- Significant changes in the chief audit executive, board, and/or senior management.
- Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.


### **E. Board Oversight**

To establish, maintain, and ensure that IMI's internal audit function has sufficient authority to fulfill its duties, the Board, through the Audit and Risk Committee, will:

- Discuss with the Chief Audit Executive and Senior Management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.

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- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the board, including in private meetings without senior management present.
- Discuss with the Chief Audit Executive and Senior Management other topics that should be included in the Internal Audit Charter.
- Participate in discussions with the Chief Audit Executive 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 Charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the Internal Audit Charter periodically, at least annually, with the Chief Audit Executive to consider changes affecting the organization, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization; and approve the Internal Audit Charter periodically, at least 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 organization expects in a Chief Audit Executive, as described in the Global Internal Audit Standards.
- Authorize the appointment and removal of the Chief Audit Executive.
- Approve the remuneration of the Chief Audit Executive.
- Review the Chief Audit Executive’s performance.
- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of Senior Management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

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## F. Responsibilities

### **Ethics and Professionalism**

The Chief Audit Executive shall 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 organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.


### **Objectivity**

The Chief Audit Executive shall ensure that the internal audit function remains free from all conditions that threaten the ability of Global Internal Auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

The Global Internal Auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

The Global Internal Auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, the Global Internal Auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for IMI or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any IMI employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

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- Drafting and/or implementing business system procedures or other internal control systems. The Global Internal Audit may, however, be consulted on the adequacy of the related controls.


The Global Internal Auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, board, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

### **Managing the Internal Audit Function**

The Chief Audit Executive is responsible for effectively managing the internal audit function in accordance with the Internal Audit Charter and Global Internal Audit Standards (GIAS). These responsibilities are to:

- At least annually, develop and discuss a risk-based Internal Audit Plan that considers the input of the Board and Senior Management, and submit the Internal Audit Plan to the Board for review and approval.
- Communicate the impact of resource limitations on the Internal Audit Plan to the Board and Senior Management.
- Review and adjust the Internal Audit Plan, as necessary, in response to changes in IMI's business, risks, operations, programs, systems, and controls.
- Communicate with the Board and Senior Management if there are significant interim changes to the Internal Audit Plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow-up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Board and Senior Management periodically, at least annually, and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.

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- Identify and consider trends and emerging issues that could impact IMI and communicate to the Board and Senior Management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to IMI'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 Board and Senior Management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Chief Audit Executive cannot achieve an appropriate level of coordination, the issue must be communicated to Senior Management and if necessary escalated to the Board.
- Establish an approach to recruit, develop, and retain internal auditors who are qualified to successfully implement the internal audit strategy and achieve the internal audit plan.


The Global Internal Audit, in support to Audit and Risk Committees' oversight function, shall be responsible for the following:

#### **Financial Reporting**

- Review the effectiveness by which risks that may threaten the achievement of organizational and financial reporting objectives are identified and managed.
- Review the reliability and integrity of the financial reporting process and operating information and the business processes used to identify, measure, classify and report such information.

#### **Risk Management**


- Assist the Audit and Risk Committee in reviewing the adequacy of IMI's risk management process.
- Participate in risk assessment workshops and other activities.
- Contribute and/or provide quality assurance in the creation and updating of IMI's risk portfolio and common risk language.
- Provide quality assurance on risk mitigation strategies designed by the risk owners.
- Assist the Audit and Risk Committee in monitoring the risk management activities of the Company and evaluating the effectiveness of the risk mitigation and action plans.

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- As part of planned audit reviews, provide assurance on the integrity of critical risk information and measures.

### **Governance and Compliance**

- Provide assistance to the Audit and Risk Committee in the discharge of the Committee's oversight function with regards to corporate governance. Such activities include establishing the communication process to discuss with the Audit and Risk Committee issues and controls affecting the financial reporting and risk management processes, compliance with laws and regulations and internal controls.
- Update the Audit and Risk Committee and Senior Management on developments and emerging trends and issues in corporate governance (local and international), especially in areas directly affecting their roles and responsibilities.
- Provide reasonable assurance that the IMI's key organizational and procedural controls are complied with and that the Internal Audit cover the evaluation of the adequacy and effectiveness of controls, including fraud prevention and detection.
- Submit an Internal Audit Plan for review by the Audit and Risk Committee. The Internal Audit Plan will consist of a work schedule as well as budget and resource requirements for the next calendar year.
- Seek the approval from the Audit and Risk Committee relative to any deviations from the approved Annual Internal Audit Plan.
- Communicate to Senior Management and the Audit and Risk Committee the impact of resource limitations on the Internal Audit Plan.
- Submit periodic reports to the Audit and Risk Committee on the status of the Internal Audit activity, accomplishments, key findings and recommendations.
- Submit an Annual Internal Audit Report to the Audit and Risk Committee on the Global Internal Audit's activity, purpose, authority, responsibility and performance; such annual report should contain the results of the review of the risk management process and significant exposures, as well as a report on governance issues.
- Submit a report to the Audit and Risk Committee that IMI's Internal Audit activity for the given year has been performed in accordance with the provisions of the International Standards on the Professional Practice of Internal Auditing (ISPPIA). Otherwise, the Chief Audit Executive shall disclose to the Audit and Risk Committee of the Board of Directors and to Management that it has not yet achieved full compliance with the ISPPIA.

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### **Internal Control**

- Review the adequacy of the system of internal controls, planned and in use, to safeguard the Company's assets and operations.
- Review the effectiveness of management controls meant to ensure the economic and efficient utilization of resources and achieve the IMI's corporate vision and objectives.
- Review the adequacy, existence and degree of adherence to IMI policies, procedures and sound business practices.
- Appraise the adequacy of action taken by management in response to reported risk issues, including fraud risks, control weaknesses and opportunities for improvement.
- Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organization but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.


### **Other Activities and Administrative Support**

The Global Internal Audit may conduct other activities as may be requested by the Audit and Risk Committee, the President and other members of Senior Management, with certain requests of the latter subject to further clearance from the Audit and Risk Committee depending on the materiality of such requests.

The Global Internal Audit shall provide administrative assistance to the Audit and Risk Committee in the discharge of its functions, specifically:

- Internal Audit shall provide all the secretariat support to the Audit and Risk Committee .
- The Chief Audit Executive shall attend all the Audit and Risk Committee meetings.
- The Global Internal Audit shall review all papers for submission to the Audit and Risk Committee, including any proposals from Management before these are submitted to the Audit and Risk Committee for approval. If there are unresolved differences in opinion on any proposal between the action owner and Global Internal Audit, these shall be highlighted to the Audit and Risk Committee for consideration and decision.

In relation to the these responsibilities, the Global Internal Audit will govern itself in adherence to the Institute of Internal Auditors' Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics; and will undertake its work in

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accordance with ISPPIA, the Definition of Internal Auditing and COSO framework of Internal Control.

The Global Internal Audit shall provide professional development opportunities to keep members abreast on emerging and significant developments in the ISPPIA, global and industry best practices.

## **G. Scope and Types of Internal Audit Services**

### **Scope**

The scope of internal audit activities covers objective examinations of evidence to provide independent assurance and advisory services to the Board and Management on the adequacy and effectiveness of governance, risk management, and control processes for IMI.


### **Assurance Services**

The Global Internal Audit performs independent and objective assessments to provide statements about conditions compared against established criteria. These statements are intended to give stakeholders confidence on IMI's governance, risk management and control processes. Assurance services include, but are not limited to, financial, performance, compliance and technology evaluation on whether:

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

### **Advisory Services**

The Global Internal Audit performs advisory engagements and other advisory activities undertaken at the request of Senior Management, the Board, or the

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management of an activity. The nature and scope of advisory services are subject to agreement with the party requesting the services, provided that the Global Internal Audit does not assume management responsibility. Advisory services include, but are not limited to:

- Providing advice on the development and implementation of new policies and the design of processes and system,
- Providing investigation services,
- Providing training and workshops; and
- Facilitating discussions about risk and controls.

Performance of advisory services will take the following into consideration:

- Acceptance of advisory engagements will depend on the competency of the internal auditors, urgency and perceived risk to IMI.
- Advisory services which impact the completion of the approved annual audit plan shall require an approval from the Audit and Risk Committee.
- The internal audit function may provide assurance services where it had previously performed advisory services, provided the nature of the advisory did not impair the Global Internal Audit's objectivity, and that individual objectivity is managed when assigning resources to the engagement. Advisory activities which impact the completion of the approved annual audit plan shall require an approval from the Audit and Risk Committee. When potential impairments exist, it must be disclosed to the party requesting the services before accepting the engagement.

## H. Reporting and Working Relationships


### Reporting Lines

The Chief Audit Executive reports directly to the following:

- Functionally to the Board of Directors, through the Audit and Risk Committee, and
- Administratively to the Chief Financial Officer of IMI.

The Chief Audit Executive communicates and interacts directly with the Board, through the Audit and Risk Committee, including in executive session at least once a year.

The Chief Audit Executive must abstain from assuming responsibility for processes beyond the internal audit function. In special cases where additional role is necessary, safeguards must be in place to limit impairments to independence or objectivity.

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### **Communications with the Board and Senior Management**

The Chief Audit Executive will report periodically to the Board 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 program, which include the internal audit function's conformance with The IIA's 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 board.
- 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 IMI's risk appetite.

### **Audit and Risk Committee**

The Global Internal Audit supports the Audit and Risk Committee in the effective discharge of the Committee's oversight role and responsibilities. A functioning relationship between the Global Internal Audit and the Audit and Risk Committee is very vital. It is part of the Audit and Risk Committee's responsibility to work closely with the Chief Audit Executive to maintain an effective internal audit function within IMI. In turn, part of the Global Internal Audit's responsibilities is to work with the Audit and Risk Committee to co-develop expectations and reporting requirements, frequency and escalation protocols, and provide day-to-day assistance. A reporting protocol and process is defined and observed to ensure that the right information is provided at the appropriate time and effective interaction is achieved.

### **Management**

The Global Internal Audit should seek to achieve an effective and objective working relationship with IMI's Management at all times. The Global Internal Audit should always discharge its duties and responsibilities to provide value-adding activities to Management, while, at the same time, exercising independence and objectivity. Reporting process and protocols that ensure independence and objectivity should be observed at all times. The Global Internal Audit shall report the results of audit reviews and other activities in a manner that helps management address the

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identified risk issues/concerns and take appropriate action within a reasonable period of time. Global Internal Audit shall follow up on engagement findings and corrective actions, and report periodically to Senior Management and the Audit and Risk Committee any corrective actions not effectively implemented.

### **Process and Activity Owners**

The process and activity owners provide the information on which the Global Internal Audit makes its evaluation, assessment and recommendations. Co-developing the expectations, discussing the audit objectives and methodology and observing reporting protocols should always form part of the Global Internal Audit's service delivery process to ensure an effective and objective working relationship with process and activity owners. Collectively, the work performed by the Global Internal Audit together with the process and activity owners, should provide value to management in terms of process controls assurance and improvement.

### **Other Service Providers**

The Chief Audit Executive should share information, coordinate activities, and consider relying upon the work of other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.


### **Other Stakeholders**

The Global Internal Audit may, at certain times, need to work with other parties within or outside the IMI organization. The working relationship with outside consultants and other parties should be discussed with IMI's President and Chief Executive Officer, and with the Audit and Risk Committee Chairman.

## **I. Quality Assurance and Improvement Program**


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

- Include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, evaluation of whether internal auditors apply The IIA's Code of Ethics, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.
- Assess, if applicable, compliance with laws and/or regulations relevant to internal auditing.

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- Include, if applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Chief Audit Executive will communicate with the Board and Senior Management about the internal audit function's quality assurance and improvement program, 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 IMI; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.


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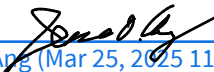
Prepared by:

  
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 LORLYN M. ARCEO  
 Chief Audit Executive

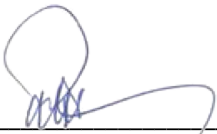
Noted by:

  
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 ROBERT HEESE  
 Chief Finance Officer


Approved this 5<sup>th</sup> of March 2025.

  
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 Jesse Ang (Mar 25, 2025 11:06 GMT+8)

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 JESSE ANG  
 Chairman


  
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 RAFAEL C. ROMUALDEZ  
 Member

  
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 HIROSHI NISHIMURA  
 Member


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Version No.	Revision No.	Remarks	Approval by ARC	Approval by BoD
1	-	Initial issue	12 Sep 2007	
1	1	Updated to align with the Institute of Internal Auditors' (IIA) Revised International Standards for the Professional Practice of Internal Auditing	05 Feb 2014	
1	2	Updated to include the ff: <ul style="list-style-type: none"> <li>• Alignment with the mandatory elements of the International Professional Practices Framework (IPPF).</li> <li>• Mission aligned with the Institute of Internal Auditors, Vision, and comprehensive purpose.</li> <li>• Detailed Authority</li> <li>• Reporting and Working Relationships: Management and Other Service Providers</li> <li>• Detailed Responsibilities on Financial Reporting</li> </ul>	06 Nov 2017	
1	2	Annual review of the charter – No changes	30 Oct 2018	
1	2	Annual review of the charter – No changes	30 Oct 2019	
1	2	Annual review of the charter – No changes	29 Oct 2020	10 Dec 2020
1	2	Annual review of the charter – No changes	29 Oct 2021	09 Dec 2021
1	2	Annual review of the charter – No changes	16 Nov 2022	16 Dec 2022
1	3	Updated to include the ff: <ul style="list-style-type: none"> <li>• Added to purpose "independent, objective" for emphasis on Internal Audit (IA) assurance and consulting services purpose of IA</li> <li>• Added responsibility statement on:</li> <li>• Communication of IA impact of audit plan resource limitations to Senior Management and Audit &amp; Risk Committee</li> <li>• Access of IA to appropriate resources regarding competency and skill</li> <li>• Communication of work results and following up on agreed-to corrective actions</li> <li>• Performance of IA activity in an unbiased manner</li> <li>• Disclosure of any independence or objectivity impairment in fact or appearance</li> <li>• Set safeguard to CAE roles and/or responsibilities to limit impairments to</li> </ul>	06 Nov 2023	24 Nov 2023

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		<p>independence and objectivity that fall outside of internal auditing</p> <ul style="list-style-type: none"> <li>• Added section and content for the Quality Assurance and Improvement Program</li> <li>• IA quality assurance and improvement program (QAIP) covering IA activities including conformance review to IIA Standards</li> <li>• QAIP periodic reporting to Senior Management and the Audit and Risk Committee</li> <li>• External assessment of the IA activity at least once every five years</li> </ul>		
1	4	<p>Updated to align with Global Internal Audit Standards of 2024, to include minor revisions on:</p> <ul style="list-style-type: none"> <li>• Introduction - Restated from "mandatory elements of IPPF" to "mandate", and explicit statement on annual review of internal audit mandate</li> <li>• Policy Statement - Revise CAE responsibility on organization independence to state "including incidents where independence may have been impaired"</li> <li>• Purpose - Revise to emphasize GIA purpose to "strengthen IMI's ability to create, protect, and sustain value by providing the Board and Senior Management (SM) with independent, risk-based, and objective assurance, advice, insight, and foresight</li> <li>• Mandate - Explicit statement on: <ul style="list-style-type: none"> <li>○ Board granting the internal audit function the mandate to provide the Board and SM with objective assurance, advice, insight, and foresight</li> <li>○ Internal audit function's authority is created by its direct and unrestricted reporting relationship to the Board of Directors through the Audit and Risk Committee</li> <li>○ CAE, the Board, and SM discussing circumstances justifying changes on the</li> </ul> </li> </ul>	05 Mar 2025	07 Mar 2025

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		<p>internal audit mandate or other aspects of the IA Charter</p> <ul style="list-style-type: none"> <li>• Board Oversight - Explicit statement on: <ul style="list-style-type: none"> <li>◦ Establish, approve and support the mandate</li> <li>◦ Establish and protect the internal audit function's independence and qualifications</li> <li>◦ Oversee the internal audit function to ensure the function's effectiveness</li> </ul> </li> <li>• Responsibilities - Explicit statement on: <ul style="list-style-type: none"> <li>◦ IA function/operation in accordance with the Internal Audit Charter and conformance to GIAS, including principles of Ethics and Professionalism</li> <li>◦ IA function maintains an unbiased mental attitude, and disclose incidents of impairment, in fact or appearance</li> </ul> </li> <li>• Scope and Types of Internal Audit Services - Explicit statement on: <ul style="list-style-type: none"> <li>◦ Global Internal Auditors will have no direct operational responsibility and authority</li> <li>◦ Internal audit function provides independent assurance services and advisory services on the adequacy and effectiveness of governance, risk management, and control processes</li> <li>◦ Performance of advisory services considerations include competency of auditors, urgency, perceived risks to IMI, impact to approved audit plan, and potential impairment to organizational independence</li> </ul> </li> <li>• Reporting and Working Relationships - Emphasis on CAE's periodic reporting with the Board and SM to state internal audit mandate and potential impairments to independence.</li> <li>• Quality Assurance and Improvement Program - Emphasis on:</li> </ul>		

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		<ul style="list-style-type: none"> <li>○ relevant laws/ regulations; and plans to address deficiencies/ opportunities for improvement, if applicable</li> <li>○ Annual communication of QAIP results with the Board and SM including results of internal assessments (ongoing monitoring and periodic self-assessments)</li> </ul>		