



Internal Audit Charter

Version 5.0

March 2026

1 Purpose

The primary role of Internal Audit (IA) is to help the Board and Executive Management of AJ Bell (the company) protect the assets, reputation, and sustainability of the organisation.

It does this by assessing whether all significant risks are identified and appropriately reported by management to the Board and Executive Management; assessing whether they are adequately controlled; and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

IA will fulfil this role by providing an independent and objective opinion to the Board, through the Audit Committee, on the adequacy and effectiveness of the system of internal control at AJ Bell. These opinions will specifically cover whether the risk management, control and governance processes are appropriately designed and operating as intended. This work is delivered in line with professional standards.

2 Scope and Responsibilities

The scope of Internal Audit covers all activities of the Company. Any limitation of scope, access or resourcing that could impair delivery of the audit plan or Internal Audit's mandate will be promptly escalated to the Audit Committee, documented, and reflected in Internal Audit reporting and opinions.

The scope of work undertaken each year is determined by the IA plan which is approved annually by the Audit Committee. The purpose of the IA plan is to prioritise assurance activity over the key risks facing the Company and to identify areas where controls may be inadequate. The audit plan is risk-based and dynamic. The Head of Internal Audit may adjust coverage in-year in response to significant events, emerging risks or regulatory change, with timely notification to the Audit Committee and formal approval where changes are material. Appropriate recommendations will be agreed with management to address any identified weaknesses.

Through its activities, IA will provide management with information to help facilitate improvement in the company's risk management and control environment.

Specific areas of responsibility include:

- Undertake a programme of reviews (as per the annual plan) of key functional areas, processes and systems to provide assurance that material risks are identified and managed. These reviews will include, but will not be limited to:
 - reviews of design and operating effectiveness of the internal governance structures and processes of the organisation;
 - assessing the controls designed to protect and ensure the reliability and integrity of information;
 - evaluating the control framework for the setting of and adherence to risk appetite;
 - a review of controls designed to mitigate the risk and control culture of the organisation;
 - the risk of poor customer treatment giving rise to conduct or reputational risk and/or unfair customer outcomes;
 - the management of capital and liquidity risk; and
 - assessing the company's compliance with policies, plans, procedures, laws and regulations.
- Deliver consulting, assurance and supporting project activities in accordance with Audit Committee, Executive Management and/or Regulatory requests.
- Provide assurance over the governance, risk management, project and financial controls together with quality assurance processes operated within key business initiatives.
- Provide an independent assessment of the progress made by management in implementing actions agreed to manage risk issues and control weaknesses reported in external and internal audit reports. Report outstanding and overdue actions to the Audit Committee on a quarterly basis. Issue details of all outstanding and overdue actions to Executive Management monthly.

- Provide independent assurance that the risk management process is functioning as designed, as the third line of defence within the company's Three Lines of Defence model.
- Maintain close co-operation with the Risk and Compliance function including the exchange of relevant information and meeting regularly to discuss risks and controls, complimentary assurance activity and to develop and maintain effective working relationships.
- Internal Audit will coordinate with internal and external assurance providers to optimise assurance coverage, and will maintain a Combined Assurance Model, providing an update to the Audit Committee and the Risk and Compliance Committee at least annually as part of annual planning and assurance-coordination processes.
- Make a recommendation to the Audit Committee at least annually about the appropriate level of professional audit staff which IA should have for the purpose of ensuring it maintains an adequate level of knowledge, skills, qualifications and experience to meet the requirements of this Charter.
- Evaluate and assess emerging risks and their potential impact on the company's operations. IA may make recommendations to the Audit Committee in respect of the instigation of additional review(s) to address new and emerging risks during the year. When doing so IA will assess and report to the Audit Committee the impact of performing the additional review(s) on the annual plan.
- Report to the Audit Committee and relevant Executive Management committees summarising the results and other outcomes of audit activities.
- Report to the Audit Committee, as appropriate, a review of any post-mortem and lessons learned analysis if a significant adverse event has occurred (e.g., a regulatory breach). Any such review will assess the adequacy of response by both the role of the first and second lines of defence and Internal Audit's own role as appropriate.
- At least annually, Internal Audit will report to the Audit Committee its assessment of the overall effectiveness of the governance and risk and control framework of the company, and its conclusions on whether the organisation's risk appetite framework is being adhered to, together with an analysis of themes and trends emerging from IA work and their impact on the company's risk profile.
- Remain up to date with an understanding of the company, industry and regulatory developments to ensure a high-quality service can be provided by sufficiently competent staff.

Where Internal Audit uses third-party providers to support delivery, Internal Audit remains accountable for the scope, quality and conclusions of the work and will ensure providers operate in line with applicable professional standards and confidentiality requirements.

3 Authority

The following characterise IA's rights and authority:

- The Head of Internal Audit reports directly to the Audit Committee chair with an administrative reporting line to the Chief Financial Officer and has a right of access to the Chair of the Board.
- The Head of Internal Audit has unrestricted access to the Chair of the Audit Committee, including private meetings held without management present
- Internal Audit has the right to attend relevant executive and governance committees where necessary to fulfil its responsibilities.
- Internal Audit has full, free, and unrestricted access to all activities, records, data, systems, premises and personnel – including outsourced service providers and third parties – necessary to fulfil the Internal Audit mandate.
- Ability to call an Audit Committee meeting, if required, through agreement with the Audit Committee Chair.

4 Accountability

In discharging their duties, the Head of Internal Audit shall be accountable for:

- Providing an assessment of the company's processes for controlling its activities and managing risks.
- Reporting on material control issues that impact the achievement of the company's goals and objectives.
- Reporting on management's response to addressing significant control issues.
- Reporting on the progress of the company's IA department in meeting its objectives and the adequacy of its resources, including the management and coordination of external co-source resources for subject matter expertise and support purposes.
- Ensuring all members of the Internal Audit function are aware of their responsibilities for protecting information and demonstrating respect for the confidentiality, privacy and ownership of information acquired when performing internal audit services or as a result of professional relationships.

The Audit Committee oversees the appointment, performance evaluation, and—where necessary—the removal of the Head of Internal Audit.

5 Status and Independence

Management is responsible for establishing and maintaining effective risk management practices and internal controls within the company and for periodically confirming their operation.

IA is a review function that does not relieve management of the responsibility for maintaining effective controls. IA is not authorised to perform line activities as this would impair its objectivity and it does not have direct responsibility or authority over the activities it reviews.

Internal Audit is free from interference in determining the scope of internal audit work, performing its duties and reporting its results. Internal Audit maintains arrangements to identify and manage conflicts of interest and will apply appropriate safeguards where any potential impairment is identified. Any actual or perceived impairment to independence or objectivity will be reported to the Chair of the Audit Committee.

6 Professional Standards and Disclosure

Internal Audit will perform its work in conformance with the Global Internal Audit Standards (effective 9 January 2025) and applicable Topical Requirements, and will apply the Chartered IIA Internal Audit Code of Practice (January 2025). Internal Audit will disclose any nonconformance to the Audit Committee and agree remediation actions.

Internal Audit adheres to the IIA Code of Ethics. All members of the Internal Audit function are required to uphold the principles of integrity, objectivity, confidentiality and competency in the execution of their duties.

Internal Audit will maintain an audit methodology aligned to the Global Internal Audit Standards and relevant Topical Requirements.

The company's external auditors and regulators have the right to request any information from the company, including IA reports to allow these external parties discharge their individual obligations.

7 Relationship with External Auditors

The external auditors fulfil a statutory duty. Effective collaboration between IA and the external auditors is imperative to ensure effective and efficient audit coverage and resolution of issues of mutual concern. IA ensures that internal control issues raised by the external auditors are addressed. Internal and external audit will meet, at least annually or upon request, to plan respective audits, discuss emerging issues, and support efficient assurance coverage.

8 Quality Assurance

Internal Audit will maintain a quality assurance and improvement programme (QAIP) that covers all aspects of Internal Audit activity, including efficiency and effectiveness of the function. The QAIP includes ongoing internal assessments and periodic independent reviews to support continuous improvement. The QAIP will evaluate conformance with the Global Internal Audit Standards and the Chartered IIA Internal Audit Code of Practice. Results, improvement actions, and progress will be reported to the Audit Committee. External Quality Assessments will be performed at least every five years.

Internal Audit will maintain documented minimum performance standards (including service levels and KPIs) covering delivery, quality, stakeholder engagement, and continuous improvement. IA will report performance at least annually to the Audit Committee.

Document Governance and Version Control

Approval and Review

The Internal Audit Charter will be reviewed at least annually by the Head of Internal Audit and any recommended changes will be proposed to the Audit Committee for approval.

Document ownership

The Head of Internal Audit is responsible for developing and maintaining this charter and ensuring that it is in line with regulatory requirements and industry best practice.

Document Owner	Head of Internal Audit
Contact	Andrew Wallwork
Approval Authority	Audit Committee
Version Number	V5.0
Approval Date	March 2026
Next Review Date	March 2027

* Review date brought forward to accommodate review of a revised version of the Charter in readiness for the implementation of the new Global IIA Standards in January 2025. The review cycle will return to its normal frequency after this ad hoc review date.

Version history

Version	Date	Updated by	Comments / Significant changes
v1.0	01/09/2022	Deloitte	Approved by Audit Committee - September 2022
v1.1	21/03/2023	P Sloney	IA Charter document updated to reflect IA function brought inhouse from November 2022 and to prepare a more concise document.
v1.2	26/04/2023	P Sloney	Updated draft following feedback from Legal and Risk and Compliance review, post March 2023 Audit Committee.
v2.0	03/05/2023	P Sloney	Approved by Audit Committee – May 2023
v2.1	26/03/2024	P Sloney	Submitted to Audit Committee for annual approval. No changes.

v3.0	26/03/2024	P Slaney	Approved by Audit Committee – March 2024.
v3.1	27/11/2024	P Slaney	Updated draft highlighting requirement to Protect Information (section 4) and enhanced commentary on Quality Assurance and Continuous Improvement - new section 8 added. Submitted to Audit Committee for review and approval.
V4.0	27/11/2024	P Slaney	Approved by Audit Committee – November 2024.
V5.0	11/03/2026	A Wallwork	Updated to align with the 2025 Global Internal Audit Standards and UK Internal Audit Code of Practice, strengthening independence, access rights, combined assurance wording and quality assurance provisions TBC [Approved by Audit Committee – March 2026]