

Ashmore Group plc Internal Audit Function

Internal Audit Charter

The operation of the internal audit function of Ashmore Group plc and its in-scope legal entities (“Group internal audit”) is governed by this Charter, supplemented by the Group Internal Audit functions “Mandate and Strategy”, methodology (“Procedures”), and the internal audit section of the Ashmore Group plc Audit and Risk Committee (“ARC”) Terms of Reference¹.

Mandate

Group internal audit has an organisation-wide remit and mandate.

Purpose and role

The purpose of internal audit is to assist the Board of Directors of Ashmore Group plc (“the Board”) in enhancing and protecting organisational value, assets, reputation and sustainability by providing independent risk-based and objective, relevant and timely assurance, advice, insight and foresight reporting.

Organisational position

The Global Internal Audit Standards require the Head of Internal Audit to be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Board, and ARC, when necessary.

Authority

Group internal audit derives its authority from the Board. The Board has delegated authority for the oversight of Group internal audit to the ARC, as set out in the ARC Terms of Reference, which includes ensuring that Group internal audit has appropriate access to information to perform its role effectively and that the function has adequate standing and is free from management and other restrictions and that there is support for, and acceptance of, Group internal audit at all levels of the Company. ARC expects senior management to fully support the internal audit function in the delivery of its mandate.

Group internal audit has no authority to provide assurance to parties outside Ashmore and no authority to assess the reliability of the work of third-party assurance providers unless specifically requested by ARC.

Operation

Group internal audit operates in accordance with the professional standards of the International Professional Practices Framework (“IPPF”)² developed by the Global Institute of Internal Auditors (IIA Global) and as set out in the Global Internal Audit Standards as well as the Chartered Institute of Internal Auditors’ in the UK and Ireland’s (“CIIA”) Internal Audit Code of Practice guidance. This includes the maintenance of a proportionate quality assurance and improvement programme (“QAIP”). ARC is responsible for ensuring that the internal audit activity has an external quality assurance review every five years.

¹ This Charter was first approved in February 2023 and reviewed and reapproved by ARC as part of the annual review and reapproval of the internal audit Terms of Reference in January 2024.

² Group internal audit qualifies as a Small Internal Audit Activity per the IPPF Practice Guide.

Independence and objectivity

Group internal audit operates independently of the day-to-day operations of the Group and is functionally accountable to the ARC. The Head of Internal Audit reports functionally to the Chair of the ARC and has the right of direct access to Chair of the Board and to the Committee.

The Head of Internal Audit has direct access to the Group CEO at any time to discuss internal audit findings and other internal audit-related matters, as well as scheduled formal semi-annual meetings. The Head of Internal Audit reports administratively to the Head of Risk Management and Control.

The Head of Internal Audit provides an annual confirmation to ARC on the organisational independence of the internal audit activity and also provides a recommendation with regard to this ancillary reporting line, for ARC consideration and ratification.

The internal audit function has no direct responsibility for, nor authority over, the activities it reviews.

Appropriate and Adequate Resource

The Head of Internal Audit provides an annual confirmation with regard to appropriate resources, to enable ARC to satisfy the Internal Audit Code of Practice guidance that it is satisfied that Group internal audit has “appropriate resources”. “Resources” in this context consists of human, financial and technological resources. More generally, the ARC is responsible for ensuring that Group internal audit has adequate resources to perform its role effectively.

Key Accountabilities and Responsibilities

The Head of Internal Audit has overall accountability and responsibility for the direction and performance of the Group internal audit function, which includes the following activities and duties:

- i. Maintaining an up-to-date internal audit Terms of Reference, internal audit Strategy and internal audit methodology (Procedures), for periodic approval by ARC;
- ii. Establishing the annual internal audit plan in accordance with the approved Strategy, for review by CEO and ARC and final approval by ARC;
- iii. Execution of audits within the plan, using the approved internal audit methodology (Procedures);
- iv. Establishing the scale of any co-sourcing required to execute the approved internal audit plan and providing a recommendation to ARC where additional resource needs (be they human, financial or technological) are identified;
- v. Providing relevant objective timely assurance, advice, insight and foresight reporting to ARC on internal audit activity vs plan, agreed risk management, control and governance processes and other relevant matters;
- vi. Coordinating as necessary with other internal and third party assurance providers and Regulator(s);
- vii. Providing an “annual opinion” to ARC on the overall effectiveness of the governance, and risk and control framework and adherence to the risk appetite framework;
- viii. Reviewing the “assurance map” and providing an independent assessment of assurance on an annual basis to ARC per the agreed process;
- ix. Implementing a proportionate and appropriate QAIP in accordance with the criteria of the Global Internal Audit Standards and guidance in the Internal Audit Code of Practice;
- x. Providing an annual confirmation to the ARC of the organisational independence and authority of the internal audit function, and a recommendation with regard to the Head of Internal Audit’s reporting lines functionally to the Chair of the ARC and administratively to the Head of Risk Management and Control for ARC consideration and ratification;
- xi. Supporting Ashmore’s responsible investment and corporate responsibility efforts, actively contributing where relevant to the role.