

Internal Audit Charter

The operation of Internal Audit ('IA') in 3i Group plc and its subsidiary companies ('the Group') is governed by this Charter.

Constitution

IA is established to assist the Board of Directors of 3i Group plc and, where required, the Boards of the Group's principal regulated entities, in protecting the Group's assets, reputation and sustainability by independently and objectively evaluating the effectiveness of internal controls, risk management and governance processes.

Independence

IA operates independently of the day to day operations of the Group and is functionally accountable to the Audit & Compliance Committee ('A&CC'), which is responsible for setting out the overall direction of the function and approving its plan of work. The Head of IA has unrestricted access to members of the Board and Executive Committee. The Head of IA confirms to the A&CC at least annually the organisational independence of internal audit activity.

The A&CC should approve the appointment or termination of appointment of the Head of IA and should review the performance evaluation and compensation arrangements with regard to the independence of the function. On operational matters, the Head of IA reports to the General Counsel and Company Secretary.

Authority

IA is authorised by the A&CC, on behalf of the main Board of Directors, to examine the internal controls, risk management and governance arrangements in all areas of the Group. In order to discharge this responsibility, IA has:

- unrestricted access to all of the Group's records, offices and personnel, including, where appropriate, attendance at management meetings and visiting outsourced operations, pertinent to carrying out any engagement. All employees are required to assist IA in carrying out its engagements and respond to any requests within a reasonable time period;
- the right to be informed promptly of any significant actual or potential control failures relevant to the Group, and any organisational developments that may have a material impact on the Group's risk profile or control environment; and
- the right to communicate directly with the External Auditors and key regulators.

IA may provide copies of reports, edited as necessary, to external parties where required and, if necessary, in consultation with Executive Management or the A&CC.

Resources

The headcount and other resources of IA are determined and reviewed at least annually by the A&CC in consultation with the Head of IA and, where appropriate, Executive Management based on an assessment of the requirements of the agreed audit plan. This includes consideration of the appropriate use of third parties, for example through co-sourcing, where there is an identified need for additional resource and / or specialist skills.

Operation

The Head of IA is responsible for ensuring that IA:

- operates in accordance with the Code of Ethics, International Standards for the Professional Practice of Internal Auditing, and Financial Services Code (Effective internal audit in the financial services sector) issued by the Chartered Institute of Internal Auditors. Instances of non-compliance are reported to the A&CC;
- upholds the principles of integrity and objectivity;
- does not undertake work where there is an actual or perceived conflict of interest or where independence could be significantly impaired;
- maintains appropriate levels of confidentiality, safeguarding records and information held for audit purposes;
- co-ordinates its audit work with Group Compliance and the External Auditors in the interests of efficiency and effective audit coverage; and
- underpins standards of professional competency through appropriate controls over the quality of its work and ensuring there is an adequate basis to support its judgements and opinions.

Duties

The principal duties of IA are to:-

- prepare and execute a risk based audit plan, which is reviewed and approved quarterly by the A&CC;
- identify and agree with management, opportunities and specific actions to improve internal controls, risk management and governance processes, taking into consideration the risks, costs and benefits involved, together with the appropriate timeframe and ownership;
- report the results of its audit work to management within an acceptable timeframe, including an overall opinion on the control environment and any matters where agreement cannot be reached;
- provide summaries of work performed in quarterly and annual reports to the A&CC, including an overall opinion on the governance, risk management and internal control framework;
- verify that audit actions agreed with management are implemented within the specified timeframe;
- perform special investigations and ad hoc reviews as directed by the A&CC, requested by Executive Management, or determined by the Head of IA;
- perform independent reviews of compliance with regulatory requirements, where such independent reviews are stipulated in the regulations and it is both appropriate and cost effective for IA to do so;
- assist the Group Risk Committee in the review of the effectiveness of risk identification and management across the Group; and
- provide ad hoc advice or consultancy support on projects on the appropriate design of internal controls to manage significant risks identified in existing or new areas of the business and to issue written reports if appropriate, subject to considerations of independence and resourcing.

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