



INTERNAL AUDIT CHARTER

The Internal Audit Team provides trusted independent assurance which delivers timely risk and control insight to support the Company in meeting its key objectives.

Support to the Board and Executive Management

The role of Internal Audit is to assist and support the Board of Directors and the Executive Management Team in their objective to protect the assets, reputation and sustainability of the Company, to achieve their strategic and operational objectives, and in the discharge their general corporate governance responsibilities.

Specific functions of the Internal Audit Team:

1. To review processes and controls that support strategic and operational decision making and assessing the appropriateness and reliability of information presented to the Board and the Executive Management Team;
2. To provide assurance that the risk management processes and controls established by management are adequate, effective and sustainable to manage key business risks, including reviewing any 'lessons learned' analysis if a significant event has occurred;
3. To assist the Executive to improve governance, risk management and control activities, including challenging the definition and monitoring of risk appetite performed by the Risk function;
4. To assess whether all significant risks are identified by management and duly reported to the Board and the Executive;
5. To offer, in conjunction with the Risk function, an assessment of management's risk behaviors and attitudes;
6. To provide a company-wide view of specific risk and control themes emerging from the general audit work, including considering current and emerging factors and how business processes support compliance with regulatory requirements;
7. To provide, on request, assurance over key corporate events, such as new products and services, outsourcing, acquisitions or divestments; and

8. To be available to the Board/ as required, to provide an independent investigations service.

Independence

The independence and objectivity of the Internal Audit Team are maintained through being exempt from undertaking any executive or operational duties, or any other activity, that may impair their judgment. They should remain free from interference by any element, including matters of audit selection, scope, procedures, frequency, timing or report content.

The scope of the Internal Audit is unrestricted and covers all activities undertaken by, and on behalf of, the Company.

Interaction with Other Assurance Providers and External Parties

We work with other assurance providers within DLG, across all lines of defence, to facilitate clarity of roles, the sharing of information and to minimise duplication of effort. We also work Group Audit Charter closely with the external auditors to ensure effective communication, to minimise any duplication of effort and to ensure that there is adequate audit coverage given to all significant risk activities.

Reports and Reporting Lines

The Internal Audit Team presents a quarterly report to the Audit Committee summarizing the results and analysis of audit activity in the preceding quarter.

An annual report is also presented which includes:

1. An independent opinion on the Company's self-assessment of the Company-wide control environment;
2. An analysis of key issues identified from audit work performed in the period;
3. An assessment of the enterprise risk management framework; and
4. An assessment of management's risk behaviors and attitudes.

To both preserve and reinforce the independence and objectivity of the Internal Audit, the primary reporting line for the Head of Audit is to the Chair of the Audit Committee, who is an independent non-executive director. The Audit Committee is responsible for the appointment and removal of the Head of Audit. The Chair of the Audit Committee sets objectives for the Head of Audit and recommends remuneration for the Head of Audit to the Remuneration Committee.

The Head of Audit communicates and interacts directly with the members of the Audit Committee or its Head, including where escalation is required. The Internal Audit Team reports at least annually to the Audit Committee on the results of quality assurance reviews and any improvement actions. The Audit Committee formally reviews the effectiveness of Audit on at least an annual basis and determines the nature and basis of that review.