

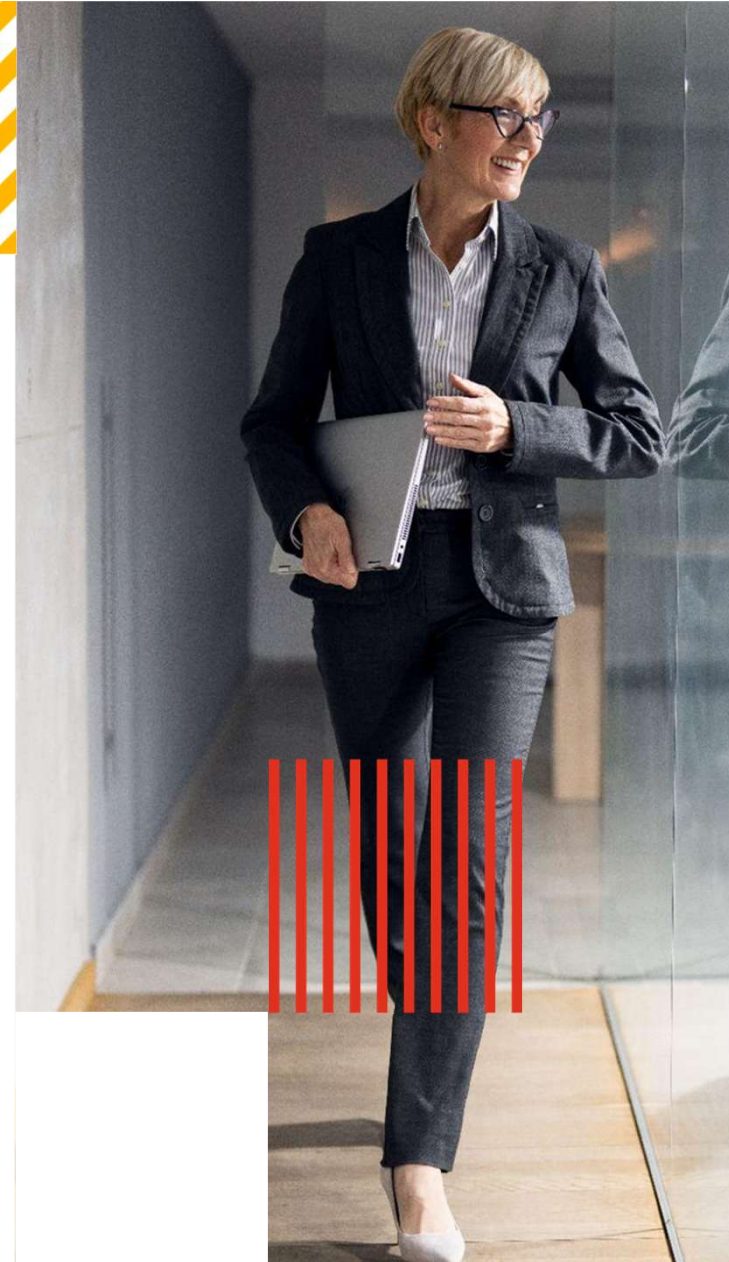
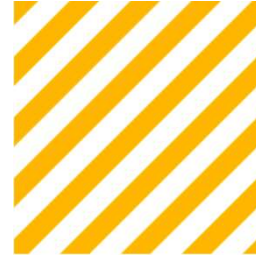
Internal Audit Charter Progressive Building Society

Final
December 2025

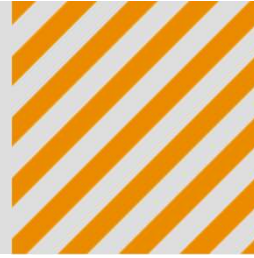


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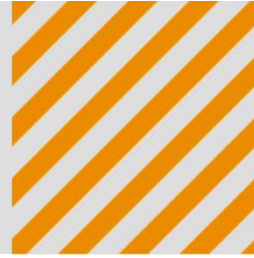
Purpose



This Internal Audit Charter provides the framework for the conduct of the Internal Audit function in Progressive Building Society and has been approved by the Audit Committee. It has been created with the objective of formally establishing the purpose, authority and responsibilities of the Internal Audit function.

Internal auditing is an objective assurance and consulting activity designed to add value and improve the Society's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope

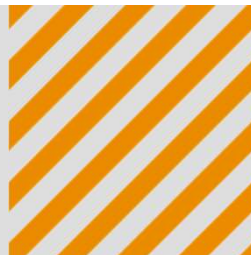


All of Progressive Building Society's activities (including outsourced activities) and legal entities are within the scope of Internal Audit. Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk based approach. Internal Audit does not necessarily cover all potential scope areas every year. The audit program includes obtaining an understanding of the processes and systems under audit, evaluating their adequacy, and testing the operating effectiveness of key controls. Internal Audit can also, where appropriate, undertake special investigations and consulting engagements at the request of the Audit Committee, senior management and regulators.

Notwithstanding Internal Audit's responsibilities to be alert to indications of the existence of fraud and weaknesses in internal control which would permit fraud to occur, the Internal Audit activity will not undertake specific fraud-related work.

Internal Audit will coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimise duplication of efforts.

Authority



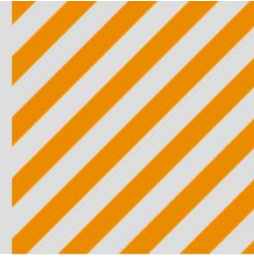
The Internal Audit function of Progressive Building Society derives its authority from the Board through the Audit Committee. Authority is granted to the internal audit function by the Audit Committee to have full and complete access to any of the organisation's records, properties and personnel.

The Chief Audit Executive is also authorised to designate members of the audit staff to have such full and complete access in the discharging of their responsibilities, and may engage experts to perform certain engagements which will be communicated to management. Internal Audit will ensure confidentiality is maintained over all information and records obtained in the course of carrying out audit activities.

Documents and information given to the internal audit function during an internal audit project will be handled in the same prudent manner as by those employees normally accountable for them.

Internal audit will work with management in the execution of its responsibility. The internal audit function shall also have free and unrestricted access to the Chairman of the Board of the Directors and the Audit Committee of the Board of Directors.

Responsibility



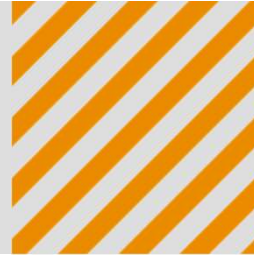
The Chief Audit Executive is responsible for preparing the annual audit plan in consultation with the Audit Committee and senior management, submitting the audit plan, internal audit budget, and resource plan for review and approval by the Audit Committee, implementing the approved audit plan, and issuing periodic audit reports on a timely basis to the Audit Committee and senior management.

The Chief Audit Executive is responsible for ensuring that the Internal Audit function has the skills and experience commensurate with the risks of the organisation. The Audit Committee should make appropriate inquiries of management and the Chief Audit Executive to determine whether there are any inappropriate scope or resource limitations.

It is the responsibility of management to identify, understand and manage risks effectively, including taking appropriate and timely action in response to audit findings. It is also management's responsibility to maintain a sound system of internal control and improvement of the same. The existence of an Internal Audit function, therefore, does not in any way relieve them of this responsibility.

Management is responsible for fraud prevention and detection. As Internal Audit performs its work programs, it will be observant of manifestations of the existence of fraud and weaknesses in internal control which would permit fraud to occur or would impede its detection.

Reporting and monitoring



Internal Audit shall report functionally to the Audit Committee and administratively to the Chief Financial Officer.

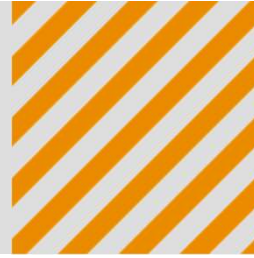
At the end of each audit, the Chief Audit Executive or designee will prepare a written report and distribute it as appropriate. Internal Audit will be responsible for appropriate follow-up of audit findings and recommendations. All significant findings will remain in an open issues file until cleared by the Chief Audit Executive or the Board / Audit Committee.

The Audit Committee will be updated regularly on the work of Internal Audit through periodic and annual reports. The Chief Audit Executive shall prepare reports of audit activities with significant findings along with any relevant recommendations and provide periodic information on the status of the annual audit plan.

Periodically, the Chief Audit Executive will meet with the Chair of the Audit Committee in private to discuss internal audit matters.

The performance of Internal Audit will be monitored through the implementation of a Quality Assurance and Improvement Programme, the results of which will be reported periodically to Senior Management and the Board / Audit Committee.

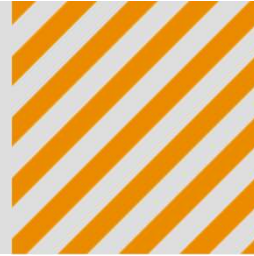
Standards of practice



The internal audit profession is covered by the International Professional Practices Framework of The Institute of Internal Auditors. This framework includes mandatory elements consisting of the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. Internal Audit will meet or exceed these mandatory requirements of the profession.

Internal Audit will also adhere to the recommendations from the Chartered Institute of Internal Auditors' Guidance (Effective Internal Audit in the Financial Services Sector) published in January 2021.

Independence and objectivity



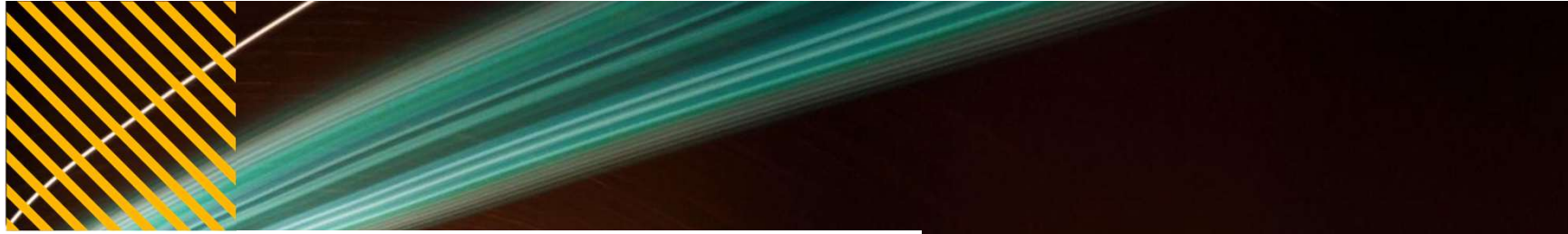
Internal Audit will remain independent of the business and shall report functionally to the Audit Committee and administratively to the Chief Financial Officer. Internal Audit staff shall have no direct operational responsibility or authority over any of the activities they review. Therefore they shall not develop nor install systems or procedures, prepare records or engage in any other activity which they would normally audit.

Internal Audit staff with real or perceived conflicts of interest must inform the Chief Audit Executive, then the Board / Audit Committee, as soon as these issues become apparent so that appropriate safeguards can be put in place.

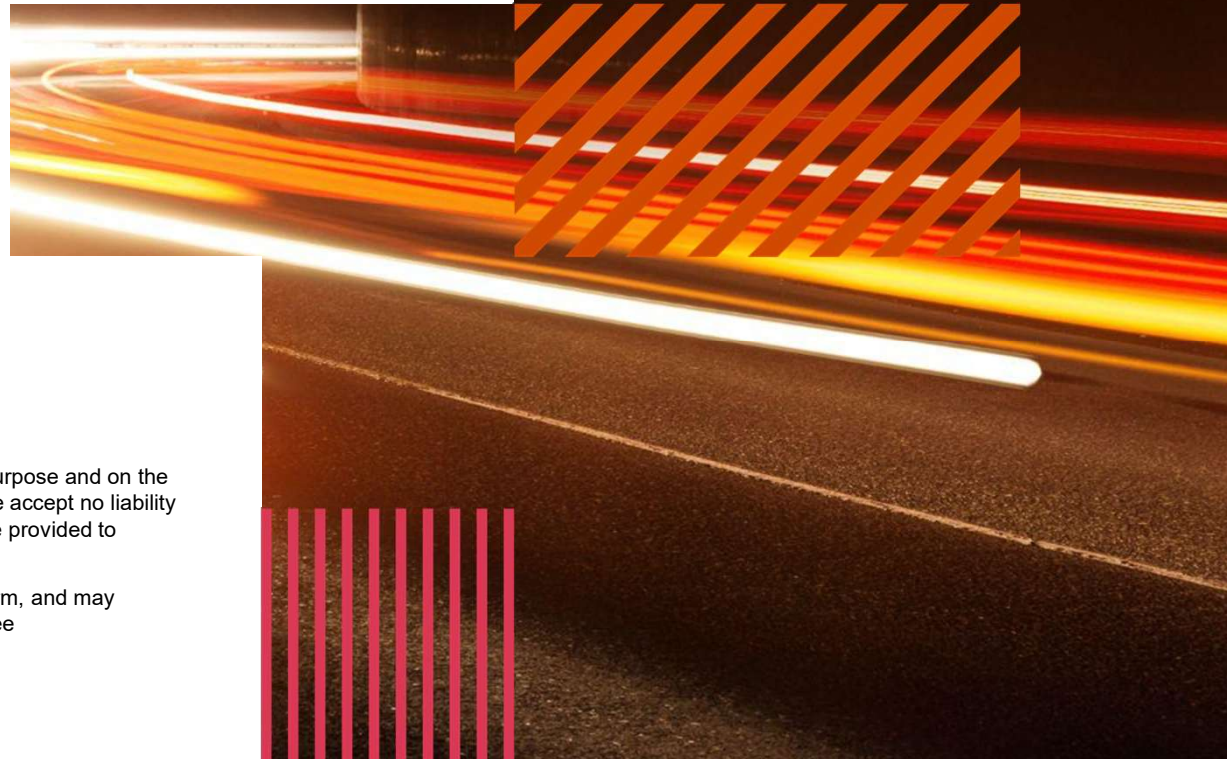
Internal Audit will include as part of its reports to the Audit Committee a report annually on the independence of internal auditing and any unwarranted restrictions on internal audit scope, communications, access, and resources.

Because of the importance of Audit Committee visibility to internal auditing to support independence and objectivity of the internal audit activity, the Audit Committee should be involved in:

- Approving the internal audit charter;
- Approving the risk based internal audit plan;
- Receiving communications from Internal Audit on its performance relative to its plan and other matters,
- Approving decisions regarding major changes in the Internal Audit program; and
- Making appropriate inquiries of management and Internal Audit to determine whether there are inappropriate scope or resource limitations.



Thank you



This document has been prepared only for Progressive Building Society and solely for the purpose and on the terms agreed with Progressive Building Society in our agreement dated December 2025. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

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