

INTERNAL AUDIT CHARTER

Reliable Insurance Brokers, Inc.

Section 1: Purpose

The Internal Audit Charter establishes the purpose, authority, and responsibility of the Internal Audit Function of Reliable Insurance Brokers, Inc. (the “Company”).

The Internal Audit Function provides independent and objective assurance and consulting services designed to add value and improve the Company’s operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and enhance the effectiveness of risk management, control, and governance processes.

Section 2: Authority

The Internal Audit Function is authorized by the Board of Directors, through the Audit Committee, to:

- (a) Have full, free, and unrestricted access to all records, physical properties, systems, personnel, and information relevant to its audit activities;
- (b) Obtain the necessary assistance from Company employees and management to perform its duties;
- (c) Communicate directly with the Board of Directors, the Audit Committee, and senior management; and
- (d) Allocate resources, determine audit priorities, and apply audit techniques, scope, and procedures as it deems necessary in accordance with approved audit plans and applicable standards.

All actions and recommendations of the Internal Audit Function shall be subject to review and oversight by the Audit Committee and confirmation by the Board.

Section 3: Independence and Objectivity

- (a) The Internal Audit Function shall be independent of the activities it audits to ensure impartiality and professional judgment.
- (b) The Head of Internal Audit shall report functionally to the Audit Committee and administratively to the President/CEO.
- (c) The Internal Audit Function shall not be involved in day-to-day operational activities or in the design or implementation of internal controls that it audits.
- (d) Internal auditors shall maintain objectivity and avoid conflicts of interest, and shall not perform audit assignments where personal relationships or prior responsibilities could impair independence.

Section 4: Professional Standards

The Internal Audit Function shall adhere to the International Standards for the Professional Practice of Internal Auditing (IPPF), the Code of Ethics of The Institute of Internal Auditors, and other relevant professional standards such as those issued by ISACA and the Association of Certified Fraud Examiners. It shall also comply with the Company's internal policies and applicable regulatory requirements.

Section 5: Scope of Work

The Internal Audit Function shall perform assurance and consulting activities that include, but are not limited to:

- (a) Reviewing the reliability and integrity of financial and operational information;
- (b) Evaluating the adequacy and effectiveness of governance, risk management, and internal control systems;
- (c) Reviewing the Company's systems for safeguarding assets and verifying their existence;
- (d) Evaluating the effectiveness and efficiency of operations and programs;
- (e) Reviewing compliance with laws, regulations, and internal policies;
- (f) Conduct special audits or investigations, including those related to suspected fraud, misconduct, or regulatory breaches, and coordinate with management, legal counsel, and other relevant departments as necessary; and
- (g) Coordinating with external auditors and other assurance providers to ensure adequate coverage and minimize duplication of efforts.

All audit engagements shall be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (IPPF Standards).

Section 6: Responsibilities

The Internal Audit Function shall perform the following responsibilities:

- (a) Develop a risk-based annual audit plan for review and approval by the Audit Committee;
- (b) Conduct audits in accordance with the approved plan and report significant findings to the Audit Committee and management;
- (c) Recommend improvements to management processes, internal controls, and risk management practices;
- (d) Monitor the implementation of audit recommendations and report unresolved issues to the Audit Committee;
- (e) Provide periodic reports on audit results, resource utilization, and emerging risk trends; and
- (f) Support the Audit Committee in fulfilling its oversight responsibilities.

Section 7: Coordination and Reporting

The Internal Audit Function is established by the Board through the Audit Committee and reports functionally to the Audit Committee and administratively to the President/CEO.

- (a) The Head of Internal Audit shall attend Audit Committee meetings and report on the progress of audit activities and significant issues identified.
- (b) Internal Audit reports shall be submitted to the Audit Committee and shared with the President/CEO and relevant Department Heads.
- (c) Management shall be responsible for implementing audit recommendations, and Internal Audit shall validate completion and adequacy of corrective actions.
- (d) The Internal Audit Function shall coordinate with external auditors and regulators to ensure effective and aligned audit coverage.
- (e) Internal Audit shall monitor the implementation status of recommendations and maintain an open issues file until findings are fully resolved. Audit reports shall include management's responses, timelines, and corrective actions.

All actions and recommendations of the Internal Audit Function shall be subject to Board confirmation or ratification through the Audit Committee.

Section 8: Quality Assurance and Improvement Plan

The Internal Audit Function shall maintain a Quality Assurance and Improvement Program (QAIP) that includes:

- (a) Ongoing supervision and periodic internal assessments;
- (b) External quality assessments by an independent reviewer at least once every five (5) years; and
- (c) Continuous professional development of internal audit staff through relevant training and certification.

Results of quality assessments shall be reported to the Audit Committee and used to enhance audit performance and methodology.

Section 9: Charter Review

This Charter shall be reviewed at least every three (3) years or earlier as necessary to ensure alignment with regulatory requirements, professional standards, and organizational needs. The Internal Auditor may initiate earlier review if there are changes in structure, regulation, or operational scope. Any revisions shall be recommended by the Head of Internal Audit and endorsed by the Audit Committee for approval by the Board.

This Remuneration / Compensation Committee Charter of Reliable Insurance Brokers, Inc. was adopted by the Board of the Company on _____ 2025 at Mandaluyong City.

Attest:

FELICISIMO M. NACINO, JR.
Chairman of the Board

ESPERANZA M. ATANACIO
Assistant Corporate Secretary