



GINEBRA SAN MIGUEL INC.

CHARTER OF INTERNAL AUDIT

PURPOSE

It is the policy of Ginebra San Miguel Inc. (GSMI or the “Company”) to establish and maintain an internal audit function (“Ginebra San Miguel Group Audit” or “GSMGA”), to provide the Board and the Management with an independent, risk-based, and objective assurance and advisory services designed to add value and improve the operations of GSMI and its Subsidiaries.

Standards of Professional Practice

GSMGA will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' (IIA) International Professional Practices Framework, consisting of the Global Internal Audit Standards (the “Standards”), and the “Topical Requirements” designed to enhance the consistency and quality of internal audit services. The IIA’s “Global Guidance” that provides detailed approaches to support the “Standards” will also be adhered to as applicable to guide the internal audit function. In addition, GSMGA will adhere to GSMI’s relevant policies and procedures and the internal audit function’s standard operating procedures manual.

MANDATE

Authority

GSMGA, with strict accountability for confidentiality and safeguarding records and information, is authorized and granted full, free and unrestricted access to any and all of the Company’s records, physical properties, and personnel pertinent to carrying out any internal audit function and engagement. GSMGA will also have free and unrestricted access to the Board.

Independence, Objectivity and Reporting Relationships

GSMGA will be free from interference on matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor’s judgment, including the items specified below.

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for GSMI or its Subsidiaries.
- Initiating or approving transactions external to the internal audit function.

- Directing the activities of any employee of GSMI or its Subsidiaries, who is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Audit Executive, Board, Management, or others;
- Exhibit professional objectivity in gathering, evaluating, and communicating information;
- Make balanced assessments of all available and relevant facts and circumstances; and
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

GSMGA Internal Auditors report to the Chief Audit Executive (CAE), who will report functionally to the Audit Committee, and administratively to the President and the General Manager of the Company.

The CAE will confirm to the Board, at least annually, the organizational independence of the internal audit Function of the GSMGA.

CHIEF AUDIT EXECUTIVE ROLES AND RESPONSIBILITIES

Ethics and Professionalism

The CAE shall ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Assist in the promotion of an ethics-based and law-abiding culture in the organization; report behavior within the organization that is inconsistent with its law compliance and ethical expectations, as described in applicable policies and procedures.
- Possess sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter.

Managing the Internal Audit Function

At least annually, the CAE will submit to Senior Management and the Audit Committee, which shall be endorsed to the Board for approval, an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next year.

The internal audit plan will be developed based on prioritization of the audit universe using a risk-based methodology, including input of Senior Management and the Board. The CAE will review and adjust the plan, as necessary, in response to changes in the Company's business, risks,

operations, programs, systems and controls. Any significant deviation from the approved audit plan will be communicated to Senior Management and the Audit Committee through periodic activity reports.

A written report will be prepared and issued by the CAE following the conclusion of each internal audit engagement and will be distributed as appropriate. Significant internal audit results will also be communicated to the Audit Committee.

GSMGA will be responsible for appropriate follow-up on the resolution of audit findings and/or the implementation of recommendations. All significant findings will remain in an open issues file until cleared.

Communication with the Board and Senior Management

The CAE will periodically report to Senior Management and the Audit Committee regarding the following items, namely.

- The internal audit function's mandate;
- The internal audit plan and performance relative to its plan;
- Internal audit budget and resource requirements;
- Significant revisions to the internal audit plan and budget;
- Potential impairments to independence, including relevant disclosures, as applicable;
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Senior Management and/or the Board
- Results of assurance and advisory services;
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Company's risk appetite; and
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards

Quality Assurance and Improvement Program

GSMGA will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include an evaluation of the internal audit function's conformance with the Global Internal Audit Standards. The program shall assess the efficiency and effectiveness of the internal audit function and identify opportunities for improvement.

The CAE will communicate to Senior Management and the Audit Committee on the internal audit function's quality assurance and improvement program, including results of internal assessments (ongoing monitoring and periodic self-assessments), and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team.

SCOPE AND TYPES OF INTERNAL AUDIT SERVICES

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives and shall include the items specified below.

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.

- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets, including the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating the effectiveness of the organization's risk management and governance processes.
- Performing advisory services related to governance, risk management and control as appropriate for the organization.
- Assisting in, or independently carrying out validation of suspected fraudulent activities within the Company and notifying the Management and the Audit Committee of the results.
- Considering the scope of work of the external auditors, regulators, and/or internal Company functions, as appropriate, for the purpose of providing optimal audit coverage at a reasonable overall cost.
- Evaluating specific operations at the request of the Board and/or Management, as appropriate.

Approved by the Board at its meeting on March 5, 2025.