

# PETROGEN INSURANCE CORPORATION

## AMENDED INTERNAL AUDIT CHARTER

### I. PURPOSE

It is the policy of Petrogen Insurance Corporation (the “Company”) to maintain an internal audit function (the “Petrogen Internal Audit”), to provide the Board and the Management with independent, risk-based, and objective assurance and advisory services designed to add value and improve the operations of the Company.

### II. STANDARDS OF PROFESSIONAL PRACTICE

Petrogen Internal Audit will govern itself by adherence to The Institute of Internal Auditors’ (IIA) International Professional Practices Framework, consisting of the Global Internal Audit 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 Global Internal Audit Standards will also be adhered to as applicable to guide the internal audit function. In addition, Petrogen Internal Audit will adhere to the Company’s relevant policies and procedures and the internal audit function’s standard operating procedures manual.

### III. MANDATE

#### ***Authority***

Petrogen Internal Audit, 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 engagement. Petrogen Internal Audit will also have free and unrestricted access to the Board.

#### ***Independence, Objectivity and Reporting Relationships***

Petrogen Internal Audit will remain 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:

- (a) assessing specific operations for which they had responsibility within the previous year;
- (b) performing operational duties for the Company;
- (c) initiating or approving transactions external to the internal audit function; and
- (d) directing the activities of any employee of the Company, 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:

- (a) disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Internal Audit Group Head, Board, Management, or others;
- (b) exhibit professional objectivity in gathering, evaluating, and communicating information;
- (c) make balanced assessments of all available and relevant facts and circumstances; and
- (d) 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.

Internal auditors report to the Internal Audit Manager (“IA Manager”), who will report functionally to the Audit and Risk Oversight Committee, and administratively to the President and Chief Executive Officer.

The IA Manager will confirm to the Board, at least annually, the organizational independence of the internal audit function.

#### **IV. INTERNAL AUDIT MANAGER ROLES AND RESPONSIBILITIES**

##### ***Ethics and Professionalism***

The Internal Audit Manager will ensure that internal auditors:

- (a) conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality;
- (b) 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; and
- (c) possess sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter.

##### ***Managing the Internal Audit Function***

At least annually, the IA Manager will submit to Senior Management and the Audit and Risk Oversight Committee, which Committee shall endorse to the Board 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 a prioritization of the audit universe using a risk-based methodology, including input of Senior Management and the Board. The IA Manager 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 and Risk Oversight Committee through periodic activity reports.

A written report will be prepared and issued by the IA Manager 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 and Risk Oversight Committee.

Petrogen Internal Audit 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 IA Manager will periodically report to Senior Management, and to the Audit and Risk Oversight Committee during the scheduled meetings of the Audit and Risk Oversight Committee, regarding:

- (a) the internal audit function's mandate;
- (b) the internal audit plan and performance relative to its plan;
- (c) internal audit budget and resource requirements;
- (d) significant revisions to the internal audit plan and budget;
- (e) potential impairments to independence, including relevant disclosures, as applicable;
- (f) significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by Senior Management and/or the Board;
- (g) results of assurance and advisory services;
- (h) 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
- (i) results from the quality assurance and improvement program, which include the internal audit function's conformance with Global Internal Audit Standards.

### ***Quality Assurance and Improvement Program***

Petrogen Internal Audit 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 also assesses the efficiency and effectiveness of the internal audit function and identifies opportunities for improvement.

The IA Manager will communicate to Senior Management, and to the Audit and Risk Oversight Committee during the scheduled meetings of the Audit and Risk Oversight 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.

## **V. SCOPE AND TYPES OF INTERNAL AUDIT SERVICES**

The scope of internal auditing encompasses, but is not limited to, 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.

The Petrogen Internal Audit shall perform the following responsibilities and functions, among others:

- (a) provide an independent risk-based assurance service to the Board, Audit and Risk Oversight Committee and Senior Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Senior Management;

- (b) perform regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment;
- (c) perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- (d) review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the Corporation;
- (e) evaluate 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;
- (f) monitor and evaluate governance processes;
- (g) evaluate the reliability and integrity of information and the means used to identify, measure, classify, and report such information;
- (h) evaluate the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization;
- (i) evaluate the means of safeguarding assets and, as appropriate, verifying the existence of such assets, including the effectiveness and efficiency with which resources are employed;
- (j) evaluate the 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;
- (k) monitor and evaluate the effectiveness of the organization's risk management and governance processes;
- (l) perform assurance and advisory services related to governance, risk management and control as appropriate for the organization;
- (m) report periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan during scheduled meetings of the Audit and Risk Oversight Committee;
- (n) report significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board or Senior Management;
- (o) assist in, or independently carry out validation of suspected fraudulent activities within the Company and notify the Senior Management and the Audit and Risk Oversight Committee of the results;
- (p) provide optimal audit coverage at a reasonable overall cost, considering the scope of work of the external auditors, regulators, and/or internal Company functions, as appropriate;
- (q) maintain professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter; and
- (r) evaluate specific operations at the request of the Board and/or Senior Management, as appropriate.

***Adopted by the Board of Directors of Petrogen Insurance Corporation on 23 March 2023, as amended on 26 March 2025.***