



INTERNAL AUDIT CHARTER

[AXA]

October 2018



A. Mission Statement

AXA Internal Audit exists to help the Board and Executive Management protect the assets, reputation and sustainability of the organisation by providing an independent and objective assurance activity designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

This recognises two roles for internal audit:

- a) To provide independent assurance to the Board, Audit Committee, and Management; focussing on reviewing the effectiveness of the governance, risk management and control processes that management has put in place; and,
- b) To provide advice and assistance to management on governance, risks and controls.

The assurance provided generically covers whether:

- i) The organisation has a formal governance process which is operating as intended: values and goals are established and communicated, the accomplishment of goals is monitored, accountability is ensured and the Group's values are preserved.
- ii) Significant risks are being reported, managed and controlled to an acceptable level as determined by the Board.

B. Independence

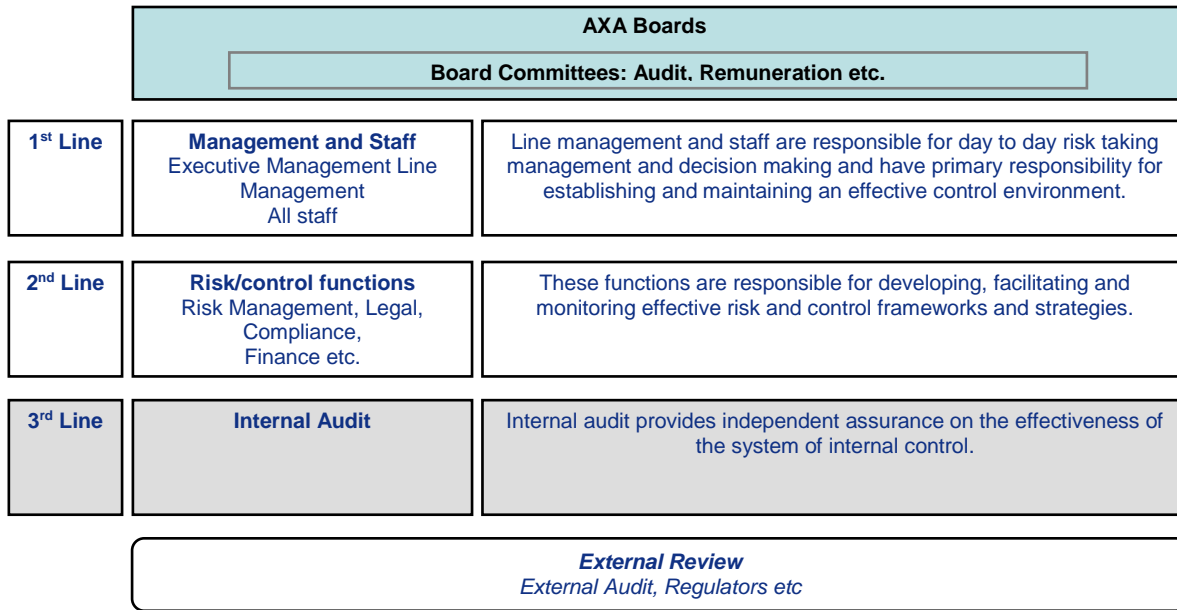
To help demonstrate the independence of AXA Internal Audit:

- Heads of Internal Audit have a direct and unfettered reporting line to the relevant Audit Committee Chairman.
- All AXA Internal Audit personnel functionally report through to the Global Head of Internal Audit who reports to the Group Audit Committee Chairman.
- Heads of Internal Audit retain an administrative reporting line to the local CEO.
- The proposed appointment and dismissal of the Head of Internal Audit must be reviewed and approved by the relevant local Audit Committee Chairman and the Global Head of Internal Audit.
- The global budget for AXA Internal Audit is set and approved by the Group Audit Committee.
- The global budget for AXA Internal Audit and the remuneration of all internal audit staff are managed by the Global Head of Internal Audit independently from local executive management.
- Heads of Internal Audit propose an internal audit plan to the relevant Audit Committee for their approval. This plan must allow for coverage of the entity compliant with Group requirements.
- AXA Internal Audit can make additions to the approved internal audit plan in line with Audit Committee requests or on AXA Internal Audit's own initiative.
- Executive management may not influence the Group's coverage requirements, or place restrictions on the scope of audits within the plan, or place restrictions on the reporting by AXA Internal Audit of its findings and assessments.
- The resources required to execute the approved internal audit plan will be provided by the AXA Internal Audit function using staff who need not be employed by the entity being covered.



C. Corporate Governance Model

AXA's Corporate Governance Model has AXA Internal Audit as the 3rd line of defence:



D. Scope of Work

The AXA Internal Audit function assesses and reports to both Executive Management and Independent Audit Committees on whether AXA's governance and control processes, as designed and implemented by management, are relevant, adequate and functioning in a manner to help ensure:

- Accomplishment of strategic plan objectives;
- Effectiveness, efficiency and economy of operations and related controls;
- Reliability and integrity of significant financial, managerial, and operating information;
- Compliance with policies, standards, procedures, and applicable laws and regulations; and that,
- Risks are appropriately identified and managed, and assets are safeguarded.

The Group has set one common definition of what the AXA Internal Audit function may do, and may not do, which is detailed in the AXA Internal Audit Policy. AXA Internal Audit may only perform activities outside this definition with the prior approval of the Global Head of Internal Audit and provided that it does not compromise their independence or significantly disrupt their scheduled internal audit plan.

The scope of AXA Internal Audit includes all activities and entities under the management control of the AXA SA Group; including all branches, subsidiaries and outsourced activities. The entities and activities covered are formally allocated to the scope of the relevant Head of Internal Audit and Audit Committee.

E. Accountability

Each Head of Internal Audit within AXA Internal Audit is accountable to three Stakeholders:

1. To the Audit Committee for:

- providing an assessment of the risks inherent in the entities activities and the effectiveness of risk management, control and governance processes.
- proposing an internal audit plan for the forthcoming year and the resources required to deliver it.
- reporting on the status of the internal audit plan and the adequacy of available resources.
- reporting on the results of internal audit work.
- reporting on the status of internal audit issues until their resolution by management.
- Reporting on the oversight and control of their internal audit function.

2. To the relevant CEO and Executive Committee for providing an independent assessment of the effectiveness of the governance, risk management and control processes.

3. To the Group's Internal Audit Head Office for following the requirements set out in the AXA Internal Audit Policy and managing the function appropriately.



F. Responsibility

The AXA Internal Audit function has the responsibility to:

- Confirm to the relevant Audit Committee the legal entities under their scope.
- Report to Group Internal Audit and the Audit Committee any limitation of scope imposed by management.
- Develop a risk-based internal audit plan, in compliance with relevant local legal and regulatory provisions and the requirements set in the AXA Internal Audit Policy. Inter Alia this takes into account significant internal and external events, changes in strategy or any risk or control concerns identified by AXA Internal Audit, Management, external auditors, regulators or the relevant Board Committees.
- Ensure that the internal audit plan covers each Audit Universe Component within the time horizon set in the AXA Group Policy and agreed by the relevant Audit Committee.
- Consider the on-going relevance of the internal audit plan on a continuous basis; reporting cancellations, additions and deferrals to Group Internal Audit and the Audit Committee. Approval from the Audit Committee must be sought in retrospect when AXA Internal Audit makes amendments to their plan.
- Implement the internal audit plan on its own initiative as approved by the Audit Committee and, in addition, any special reviews or assignments requested or approved by the Audit Committee.
- Formally report any significant issues arising from internal audit reviews to Management and the Audit Committee.
- Compile and issue quarterly reports to Executive Management, Group Internal Audit and the Audit Committee summarising a) progress against the internal audit plan; b) a summary of significant issues arising from internal audit work; and c) the status of issue resolution.
- Compile and issue at least an annual report to Senior Management, Group Internal Audit and the Audit Committee summarising the relevant Internal Audit budget and resources available.
- Proactively track the status of issues raised during the course of internal audit work and confirm the resolution of issues as reported by management in line with AXA Group requirements.
- Establish a local quality assurance programme and participate in the AXA-wide internal audit quality assurance programme to assure the efficient and effective operation of internal audit activities in line with AXA Group requirements. This includes responsibility for the quality and quantity of internal audit activities, whether performed by staff who are permanent AXA Internal Audit staff, seconded to AXA Internal Audit, or as part of an outsourcing arrangement.
- Assist, as appropriate, in the investigation of suspected fraudulent or irregular activities within the organisation and notify Senior Management, Group Internal Audit and the Audit Committee of the result.
- Manage professional audit staff with sufficient knowledge, skills, experience and professional certifications to meet the requirements of this Charter.
- Manage allegations in line with the Group whistleblowing requirements and local laws and regulations.
- Plan audit work having due regard to the activities of the 2nd line of defence functions; ensuring any reliance placed upon them is done so as a professional judgement and only after assessment of their work.
- Maintain a close relationship with internal control functions and meet periodically to ensure work is coordinated without impairment of internal audit duties and results shared.
- Maintain regular communication with key senior management members and governance forums to ensure that AXA Internal Audit keeps informed of key new developments, initiatives, project, products and operational changes.
- Maintain a close relationship with external auditors and meet at least twice a year so as to ensure co-ordination and appropriate reliance on each other's work; also informing the external auditors of significant issues arising from internal audit work and the status of issue resolution as well as allowing them free access to all Internal Audit reports issued.
- Comply with the AXA Internal Audit Policy and develop and document local supporting procedures where necessary to reflect any local requirements or procedures in a manner which is consistent with the AXA Internal Audit Policy.
- Proactively understand the governance and developments within the business under their remit.



G. Authority

Internal Audit has:

- Unfettered access to systems, records, property, and personnel, within the scope of its mission set out above unless prohibited by law;
- Unfettered access to the papers of Board and Executive Committees unless prohibited by law;
- Unfettered access to the members of the Audit Committee;
- The right to oblige assistance of personnel in units of the organisation under review, as well as other specialized services from within or outside the organisation; and,
- The right, when directed by the relevant Audit Committee, to use resources from outside of the AXA Group for the performance of internal audit activities where it has been agreed with the Group's Internal Audit Head Office that:
 - specific knowledge or competencies are not available internally as only the external resource has the requisite experience, qualifications and/or professional memberships required;
 - the assignment provides an opportunity to acquire new expertise from outside the function with the prospect of future internal re-use;
 - internal resource is not available to complete the plan in the timescale required;
 - only the external resource is able to assert that it has no conflicts of interest to perform the work.

Management is responsible for the effectiveness of their systems of internal control and for implementing corrective actions where necessary. Consequently, the Head of Internal Audit and staff of AXA Internal Audit are not authorised¹ to:

- Perform any operational duties for the organisation and or its affiliates; or,
- Direct the activities of any employee not employed by the internal audit function, except to the extent they have been temporarily assigned to AXA Internal Audit to assist the internal auditors.

H. Standards

Group Internal Audit sets the Professional Standards required of all Internal Audit functions within the AXA Group through the AXA Internal Audit Policy. All AXA Internal Audit staff must comply with the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing (*the Standards*), and the Definition of Internal Auditing.

The Head of Audit will report periodically to the Audit Committee regarding the Internal Audit function's conformance to the Code of Ethics and the Standards.

These standards apply to all staff performing internal audit activities, whether permanent AXA Internal Audit staff, staff seconded to AXA Internal Audit, or staff provided as part of an outsourcing arrangement.

Ian Robinson
Head of Internal Audit
[AXA]

Stefan Lippe
Chairman of the Audit Committee
[AXA]

Thomas Buberl
Chief Executive Officer
[AXA]

Date:
Signature:

Date:
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Date:
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¹ Unless specifically authorised by Group Internal Audit and the Audit Committee for temporary periods.