BUTTERFIELD

Group Internal Audit Charter

July 2026

BUTTERFIELD

1. Introduction

1.1 The Group Internal Audit Charter governs the operation of Group Internal Audit in the Bank of N.T. Butterfield & Son Limited including its subsidiaries ("the Group"). It is reviewed and approved at least annually by the Audit Committee of the Board.

2. Purpose & Mission

2.1 In line with the Purpose of Internal Auditing in the Institute of Internal Auditors' ("IIA") Global Internal Audit Standards, Group Internal Audit function helps the Board and Executive Management protect and strengthen the Group's assets, reputation and sustainability by providing an independent, risk-based and objective assurance, advice, insight and foresight of the Group's risk management, control and governance processes.

2.2 It achieves the above by assessing whether all significant risks are identified and appropriately reported to the Board and Executive Management; assessing whether they are adequately controlled; and challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

3. Organization and Role of Internal Audit

3.1 Group Internal Audit function is established by the Board of Directors. Responsibility for Group Internal Audit is delegated to the Audit Committee of the Board.

3.2 The Group Head of Internal Audit reports functionally to the Chairman of the Audit Committee and administratively to the Chairman and Chief Executive Officer.

3.3 Group Internal Audit operates as the third line of defence within the Group risk management framework by providing independent and objective assurance over the design and effectiveness of controls in place to manage the key risks impacting the Group.

4. Authority

4.1 Group Internal Audit receives its authority from the Audit Committee.

4.2 The Group Head of Internal Audit has access to the Chairman and Chief Executive Officer, and Chair of the Audit Committee whenever it is required and reports directly to the Audit Committee.

4.3 The Group Head of Internal Audit has the right of attendance at any executive or governance committees, as may be appropriate.

4.4 Group Internal Audit, with strict accountability for confidentiality and safeguarding records and information, is authorized to have full, free and unrestricted access to any and all of Butterfield's records, physical properties, and personnel pertinent to carrying out any engagement.

5. Independence and Objectivity

5.1 The Group Internal Audit function will remain free from interference by any element in the Group including matters of audit selection, scope, procedures, frequency, timing, or report content in order to preserve necessary independence of the Group Internal Audit function.

5.2 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 internal auditor's judgment.

5.3 Internal auditors are required to follow the honesty, professional courage, legal and ethical behaviour requirements of the Global Internal Audit Standards and the Group's Code of Conduct and Ethics Policy.

5.4 The Group Head of Internal Audit will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

5.5 Where the internal auditor has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity. To enhance their independence, internal auditor will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances; and take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

6. Audit Committee Responsibilities

6.1 The responsibilities of the Audit Committee are set out in the Audit Committee Charter, Section 3.3 Oversight of the Company's Internal Audit Function.

6.2 Where the tenure of the Group Head of Internal Audit exceeds seven years, the Audit Committee will explicitly discuss annually the assessment of the Group Head of Internal Audit's independence and objectivity.

7. Group Head of Internal Audit Responsibilities

7.1 The responsibilities of the Group Head of Internal Audit include:

- Developing an audit universe based on independent assessment of the Group's key risks and the effectiveness of their management, including, where appropriate, placing reliance on other internal and external assurance providers, with documented rationale and coverage obtained.
- Submitting, at least annually, to the Audit Committee a dynamic, risk-based internal audit plan for review and approval.
- Delivering the internal audit plan, including any regulatory or other special tasks or projects requested by regulators, Audit Committee, other committees or senior management.
- Applying a risk-based approach to follow-up, including full validation of high-risk issues and selective validation of medium-risk issues.
- Disclosing to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results.
- Providing oversight and management over the Group Internal Audit function.
- Recruiting, developing and retaining personnel with appropriate skills, knowledge, experience and professional certifications to meet the requirements of this Charter.
- Ensuring Group Internal Audit has the appropriate resources with regard to competency and skill. This may include accessing additional expertise through the use of third parties as co-source partners. In such instances Group Internal Audit retains accountability for the quality of

the audit work.

- Communicating to the Audit Committee the impact of resource limitations on the internal audit plan.
- Supporting and promoting conformance with the principles and standards in Domain II: Ethics and Professionalism of the Global Internal Audit Standards and provide, at least annually, assessment of compliance to the Audit Committee.
- Ensuring internal auditors conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Attending and presenting reports as appropriate, at the Audit Committee, other relevant committees and to the senior management. This reporting will include reporting of significant issues and providing opinions periodically on the overall effectiveness on the governance, risk management , control environment, emerging trends and issues. Communicating the results of internal audit activity's quality assurance and improvement program and external assessments to the Audit Committee.
- Disclosing details, including safeguards, to the Audit Committee, if Group Internal Audit's independence or objectivity becomes impaired.
- Serving as the investigation officer of reported whistleblowing concerns and reporting as appropriate the results of the investigations to the Chairman of the Audit Committee.
- Coordinating activities and considering relying upon the work of other internal and external providers of assurance and advisory services.

7.2 Group Internal Audit may perform advisory or consulting activities as appropriate. Group Internal Audit should not assume management or operational responsibility which may impair its independence in these activities. Additionally, the nature and scope of the work must be agreed in advance with the client.

8. Quality Assurance

8.1 Group Internal Audit operates a Quality Assurance and Improvement Program (QAIP) to evaluate and conclude on all aspects of internal audit activity and lead to recommendations for appropriate improvement.

8.2 The program also includes an evaluation of the internal audit department's conformance with the Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF) which includes Global Internal Audit Standards and Topical Requirements.

8.3 External assessment of Group Internal Audit's conformance with the IPPF will be conducted at least every five years by a qualified, independent assessor or assessment team from outside the Group; at least one assessor will hold an active Certified Internal Auditor credential.

8.4 The results of QAIP and external assessments will be communicated to the Audit Committee.

8.5 The Quality Assurance Officer reports directly to the Group Head of Internal Audit and is responsible to evaluate conformance with the IPPF and Internal Audit Methodology Manual.

9. Standards of Audit Practice

9.1 Group Internal Audit will adhere to the IIA's International Professional Practices Framework (2024) which includes requirements and essential conditions within the Global Internal Audit Standards and Topical Requirements. In addition, Internal Auditors must comply with the Group's Code of Conduct and Ethics.

9.2 The IIA's Implementation Guides and Supplemental Guidance will also be adhered to as applicable to guide operations.

9.3 Group Internal Audit team must also comply with the Internal Audit Methodology Manual which sets the audit approach, methodology and governing principles as well as other relevant organizational policies.