

STELLANTIS N.V.

INTERNAL AUDIT CHARTER

INTRODUCTION

The Internal Audit charter is a formal document that defines the Internal Audit purpose, authority, and responsibility. The following document has been approved by the Audit Committee.

The Internal Audit charter includes the following:

- Establishes the Audit activity's position within the organization, including the department's functional reporting relationship with the Board;
- Authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and
- Defines the scope of Internal Audit activities.

Internal Audit is responsible for performing an independent assessment of the adequacy of internal controls and processes to ensure these processes contribute to the accomplishment of Stellantis objectives. Separately, Stellantis Management is responsible for assessing risk, defining and maintaining an adequate system of internal controls, and ensuring that appropriate corrective actions are implemented to remediate deficiencies identified.

This charter specifies Stellantis' Internal Audit authority, purpose, and scope of responsibilities. It provides general guidelines for effective cooperation between all involved organizations, as well as, documentation of authority and responsibilities for all Internal Audit activities within Stellantis.

The provisions of this charter apply to all Stellantis corporate organizations and include all units, functions, locations, processes and projects worldwide. Internal Audit activities with joint ventures and other business partners, of which Stellantis ownership is less than 50 percent, can be performed with the approval of the respective governing bodies.

All Stellantis organizations shall fully cooperate with Internal Audit, as described in this Chapter.

1.1 MISSION

Internal Audit is an independent, objective assurance activity designed to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. Internal Audit processes are designed to ascertain if business procedures, including controls, are appropriate, adequate, and effective. In addition, the processes identify if measures are taken to protect and preserve assets and if processes are consistent with the Company's strategy and goals.

Internal Audit is responsible for the assessment of effectiveness of the Internal Control and Risk Management system. Management is responsible for assessing risk, maintaining an adequate system of internal controls, and ensuring that appropriate corrective action is enforced to remediate deficiencies identified.

Internal Audit supports the Audit Committee and management in managing opportunities and mitigating risks in the following areas:

- Achievement of the organization's strategic objectives.
- Reliability of internal and external reporting.
- Effectiveness and efficiency of operations including the safeguarding of corporate assets.
- Compliance with applicable laws and regulations.

1.2 SCOPE OF WORK

The scope of Internal Audit activity includes assessing whether the organization's system of internal control, governance, and processes designed and implemented by management are adequate in ensuring:

- Risks are appropriately identified and managed (including risks concerning Company integrity and reputation);
- Operations are managed efficiently;
- Significant financial, managerial, and operating disclosures are accurate, reliable, and timely; and
- Management and staff actions comply with policies, standards, procedures, and applicable laws and regulations.

Opportunities for improving management control, profitability, and the organization's reputation may be identified during audits. These opportunities will be communicated to the responsible level of management.

Internal Audit may provide, to the extent such activities do not impair its independence or objectivity, a range of consulting services including:

- Assist with the definition of key requirements and the development of processes and procedures;
- Make recommendations for standards of controls or for modifications to improve controls and/or enhance operational effectiveness; and
- Develop and deliver training;
- Participate in an advisory role on key business initiatives that impact financial reporting, with the limited role to assessing the proper design and execution of key controls over financial reporting.

Advisory services will be provided in alignment with the Company's mission. These services, as long as they do not compromise independence or objectivity, will primarily focus on evaluating the effects of proposed or implemented changes on the organization's risk management, internal control, governance, and quality improvement processes.

1.3 INDEPENDENCE & OBJECTIVITY

Internal Audit activity must be independent, and auditors must be objective in performing their work. Independence is defined by the International Audit Standards as, *“the freedom from conditions that threaten the ability of the Audit activity to carry out Audit responsibilities in an unbiased manner.”*

The reporting line to the board provides the Chief Audit Executive (CAE) with direct board access for sensitive matters and enables sufficient organizational status.

The CAE cooperates with board and senior management to determine the organizational independence and placement for Internal Audit.

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

All Internal Audit activity must remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content. This allows Internal Audit to maintain independence and objectivity. Auditors have no direct operational responsibility or authority over any of the activities audited. The CAE reports functionally to the Audit Committee and administratively to the Chief Human Resources & Transformation Officer. He/she provides the Audit Committee a regular report, at least annually, on the qualification of all internal auditors.

At least annually, the CAE will disclose any potential impairments to the independence and objectivity of the Internal Audit Executive role, including any roles maintained by the Internal Audit Executive that fall outside of Audit. The disclosure will include the relevant safeguards in place to limit any potential impairments to the independence and objectivity of the Internal Audit Executive.

1.4 RESPONSIBILITY & AUTHORITY

The CAE and the staff derive their authority from the Stellantis Audit Committee. The Internal Audit activity, with strict accountability for confidentiality and safeguarding records, is authorized with full, free, and unrestricted access to all of the organization's records, physical properties, and personnel as it is pertinent to carrying out any engagement. All employees are requested to assist the Internal Audit activity in fulfilling their roles and responsibilities. In addition, the Internal Audit activity will have unrestricted access to the Audit Committee.

1.4.1 AUDIT COMMITTEE

The Audit activity is empowered to be independent by its appropriate reporting relationship to key management and to the Audit Committee.

Audit Committee reviews the company's internal controls, governance and risk management systems. To do this, it uses the skills and expertise of the Audit function, convening the scope of its work, its priorities and resources.

The Audit Committee meets periodically with the CAE and approves the Internal Audit charter when changes are necessary, and at least annually. The Audit Committee regularly communicates with the CAE about the performance and the improvement of the Audit activity as a whole.

The Audit Committee monitors and reviews the effectiveness of the organization's Internal Audit function by ensuring:

- Internal Audit is free to work independently and objectively (e.g., free from the influence of auditable entities);
- Internal Audit has the necessary resources and access to information to enable it to fulfil its mandate; and
- Internal Audit is equipped to perform in accordance with appropriate professional standards for auditors (Code of Conduct and the International Standards for the Professional Practice of Auditing).

The Audit Committee plays a direct role in decisions concerning the CAE's appointment, appraisal, and termination. In addition, the Audit Committee has the responsibility and authority outlined further in the Audit Committee Charter.

1.5 REPORTING & MONITORING

A written communication (e.g., report, memo, dashboard) will be prepared and issued by the CAE or designee following the conclusion of each Internal Audit engagement and distributed as appropriate. The Internal Audit communication may include management's response and corrective action plan regarding specific findings and/or recommendations. Internal Audit will conduct a periodic follow-up on the appropriate implementation of management's responses and corrective actions.

If the final communication contains a significant error or omission, the CAE or designee must communicate the corrected information to all parties who received the original communication.

1.6 STANDARDS OF PRACTICE

Internal Audit activities adhere to the International Standards for the Professional Practice of Auditing of the Institute of Internal Auditors (IIA) and will be compliant with Stellantis' principles as stated in the Code of Conduct. Adherence with guidelines contained in the International Professional Practices Framework allows the organization to:

- Provide a framework for performing and promoting a broad range of value-added internal auditing services;
- Establish the basis for the evaluation of Internal Audit performance; and
- Foster improved organizational processes and operations.

1.7 CORE PRINCIPLES

Conformance with the International Standards from the Professional Practice of Internal Auditing is essential to meet the responsibilities of Internal Audit activity.

International Standards consist of attribute, performance, and implementation standards. Standards describe the nature of internal auditing and provide quality criteria, against which the performance of these services can be measured to meet the requirements applicable to assurance activities.

The International Standards list the following ten items as the Core Principles for the Professional Practice of Internal Auditing:

1. Demonstrates integrity;
2. Demonstrates competence and due professional care;
3. Is objective and free from undue influence (independent);
4. Aligns with the strategies, objectives and risks of the organization;
5. Is appropriately positioned and adequately resourced;
6. Demonstrates quality and continuous improvement;
7. Communicates effectively;
8. Provides risk-based assurance;
9. Is insightful, proactive and future-focused; and
10. Promotes organizational improvement.

1.8 CODE OF ETHICS

The Code of Ethics of the IIA states the principles and expectations governing behavior of individuals and organizations in the conduct of internal auditing. It describes the minimum requirements for conduct and behavioral expectations rather than specific activities. The Code of Ethics applies to both entities and individuals that perform Audit services.

- **Principles** are relevant to the profession and practice of internal auditing. Internal auditors are expected to apply and uphold the following:
 - **Integrity** – The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.
 - **Objectivity** – Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.
 - **Confidentiality** – Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
 - **Competency** – Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

- **Rules of Conduct** describe behavior norms expected of auditors. These rules are an aid to interpreting the Principles into practical applications guiding the ethical conduct of auditors.
 - **Integrity** – Internal auditors:
 - Shall perform their work with honesty, diligence, and responsibility.
 - Shall observe the law and make disclosures expected by the law and the profession.
 - Shall not knowingly be a party to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization.
 - Shall respect and contribute to the legitimate and ethical objectives of the organization.
 - **Objectivity** – Internal auditors:
 - Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
 - Shall not accept anything that may impair or be presumed to impair their professional judgment.
 - Shall disclose all material facts known to them that, if not disclosed, may distort the reporting or activities under review.
 - **Confidentiality** – Internal auditors:
 - Shall be prudent in the use and protection of information acquired in the course of their duties.
 - Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.
 - **Competency** – Internal auditors:
 - Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
 - Shall perform internal audit services in accordance with the International Standards for the Professional Practice of Internal Auditing.
 - Shall continually improve their proficiency and the effectiveness and quality of their services.

In addition to the IIA Code of Ethics, internal auditors must agree to abide by the Stellantis Group Code of Conduct and must inform management when there is any concern regarding their ability to adhere to the above requirements. Specifically, auditors cannot perform assurance services in an area they have assumed operational responsibility for in the previous year.