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INTERNAL AUDIT CHARTER

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INTERNAL AUDIT CHARTER

1. PURPOSE

This charter is to describe the purpose, authority, and responsibility for internal audit activity. It also establishes the position of internal audit activity within the organization, including the nature of functional reporting from the chief audit executive to the Audit and Risks Committee, authorizes access to records, personnel, and physical facilities relevant to the performance of audit work, and defines the scope of internal audit activities.

2. APPLICABILITY / SCOPE

This charter applies to all employees, third parties, and Jaguar's representatives, its subsidiaries, in addition to all companies that make up the business units.

3. INTERNAL AUDIT


Internal auditing activity is regulated by compliance with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, including:

- Standards.
- Fundamental Principles for the Professional Practice of Internal Auditing.
- Definition of Internal Auditing.
- Institute of Internal Auditors Code of Ethics.
- Jaguar's Code of Ethics and Conduct.
- Internal policies and procedures.

Internal audit is **defined** as an independent, objective assessment and consulting activity created to add value and improve an organization's operations. It helps the organization to achieve its objectives by applying a systematic and disciplined approach to assessing and improving the effectiveness of governance, risk management and control processes.

The **mission** of internal audit is to increase and protect Jaguar Mining's organizational value by providing objective, risk-based assessment, advice, and knowledge.

The **purpose** of internal audit is to perform independent and objective assessment and consulting services designed to add value and improve Jaguar Mining's operations. The internal audit activity assists Jaguar Mining in achieving its objectives by applying a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

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4. INTERNAL AUDIT PLAN

The internal audit plan consists of a work schedule with the internal audit activities that will be carried out in the year, developed based on the prioritization of the audit universe using a risk-based methodology.

Annually, the Audit, Risks and Compliance Manager submits the internal audit plan to the Audit and Risks Committee for review and approval.

Any significant deviation from the approved internal audit plan must be reported to the Audit and Risks Committee.

5. AUTHORITY

Audit, Risks and Compliance is an independent area and performs functional reporting to the Audit and Risks Committee and administrative reporting to the Chief Financial Officer (CFO).

Functional reporting to the Audit and Risks Committee requires:

- Approval of the internal audit policy.
- Approval of the risk-based audit plan.
- Approval of the internal audit budget and resource plan.
- Appointment or removal of the Audit, Risks and Compliance Manager as well as compensation and salary adjustment.
- Receipt of communication regarding the performance of the internal audit activity based on its plan.


Administrative reporting to the CFO ensures the necessary authority for internal audit to perform its responsibilities without impediment.

6. INDEPENDENCE AND OBJECTIVITY

The internal audit activity remains free from interference from any element of the organization, ensuring an independent and objective mental attitude. This includes:

- Having full and unrestricted access to the Audit and Risks Committee.
- Having full, free, and unrestricted access to all Jaguar records, information systems, physical property, and personnel pertinent to the conduct of any engagement.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply techniques necessary to accomplish the objectives of the audit.
- Obtain necessary assistance from Jaguar employees, as applicable, and other specialized services within or outside the organization.

Internal auditors will have no direct operational responsibility or authority over any of the audited processes. As such, they are not responsible for implementing internal controls, developing procedures, installing systems, preparing records, or engaging in any other activity that might impair their judgment.

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The objectivity of internal auditors must be maintained through an impartial and independent attitude, avoiding any conflict of interest.

The scope of internal audit activities includes, but is not limited to, the examination of evidence for an independent evaluation of the effectiveness and efficiency of governance, risk management and control processes. A restriction imposed on internal audit activity that prevents the achievement of its objectives and plans is a scope limitation and must be communicated to the CFO and the Audit and Risks Committee.

At the end of each job, the Audit, Risks and Compliance Manager will report to the CFO and the Audit and Risks Committee on the results of the internal audit activity.

The Audit, Risks and Compliance Manager may assume responsibilities in addition to internal auditing as long as they do not limit the damage to independence or objective.

7. RESPONSABILITY


7.1. Internal Audit

Jaguar Mining's internal audit responsibilities are as follows:

- Preparation of an annual internal audit plan for submission to the CFO and the Audit and Risks Committee for review and approval.
- Execution of the annual internal audit plan as approved, including, as appropriate, any tasks or projects requested by Jaguar Mining's management and/or the Audit and Risks Committee.

Internal audit projects will be assigned to:

- Ensure the design and operational effectiveness of internal control practices to manage risk to an acceptable level.
- Ensure compliance with policies, procedures, and regulations applicable to Jaguar.
- Review the reliability, integrity and security of critical business systems and the means used to measure, classify, and report information.
- Determine whether or not transactions are performed in accordance with the Approval Matrix, recognized and reported in accordance with generally accepted accounting principles.
- Assess the adequacy of methods used to prevent and detect fraud, including safeguarding of assets.
- Communication of internal audit reports to Senior Management and the Audit and Risks Committee, highlighting the results of internal audit reviews and follow-ups and summarizing findings, recommendations, action plans and remediation deadlines.


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- Management of the Whistleblower Hotline covering:
 - Management of appropriate access permissions to the Whistleblower Hotline system.
 - Providing the Chairperson of the Audit and Risks Committee with immediate information on reported items and recommendation of the plan to move forward with the investigation.
 - Performing any investigative procedures necessary to evaluate reported incidents, as determined by the CFO or Audit and Risks Committee.
 - Regular reporting to the CFO and the Audit and Risks Committee, as appropriate, based on reported issues and the results of any investigation procedures performed.
- Coordination of the scope of Internal Audit activities with the independent auditor, to avoid duplication whenever possible and optimize, where practicable, the effectiveness of the time spent by the independent auditor.
- Providing assistance to Senior Management in identifying, assessing, treating, reporting and monitoring business risks and strengthening a risk management culture.
- Keeping Senior Management and the Audit and Risks Committee informed of emerging trends and successful practices in risk management.

The scope of internal audit includes, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process, as well as the quality of performance in carrying out assigned responsibilities to achieve the company's goals and objectives. This includes:

- Evaluate the means of safeguarding assets and, if appropriate, verify the existence of those assets.
- Evaluate the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to verify that results are consistent with established objectives and goals and that operations or programs are being carried out as planned.
- Monitoring and evaluation of governance processes.
- Evaluating the effectiveness of the organization's risk management processes.
- Perform consulting and advisory services related to governance, risk management, and control, as appropriate to the organization.
- Report on significant risk exposures and control issues, including fraud risks, governance issues, and other matters required or requested by the Audit and Risks Committee.
- Evaluate specific operations at the request of the Audit and Risks Committee or Management, as appropriate.

Internal audit activity is not authorized to:

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- Perform any operational tasks for Jaguar, its affiliates, or subsidiaries.
- Initiate or approve accounting transactions outside the internal audit function.
- Direct the activities of any of Jaguar's employees who are not engaged in the Internal Audit function, except to the extent that such employees have been appropriately assigned to review teams or to assist a specific review.

7.2. Managers

It is the responsibility of Jaguar's managers:

- Establish effective and appropriate internal control policies and procedures to promote a strong control environment that ensures proper protection of assets, efficient use of resources, and the reliability, accuracy, and integrity of financial and non-financial data. During the review of controls, Internal Audit will make recommendations to management for improvement of those internal controls.
- Support the internal audits carried out in the business areas, allowing free access to the necessary documentation.
- Implement on time the action plans proposed as a result of the audits performed.

Although Internal Audit assists managers in carrying out their internal control responsibilities, it is not responsible for the day-to-day management of the internal control systems at the various sites and departments.

7.3. Audit and Risks Committee


- Approve the annual internal audit plan.
- Approve the budget and resources for internal audit.
- Appoint, reassign, or remove the Audit, Risks and Compliance Manager as well as approve the compensation and salary adjustment.

8. COMMUNICATION OF RESULTS

All conclusions of the internal audit activity should be communicated to the Manager of the business process under review. The verbal communication should ideally occur when the conclusions are confirmed or at the conclusion of the internal audit in a validation meeting with the Manager. It is expected that the accuracy of the audit conclusions and related risks will be confirmed verbally prior to the issuance of the draft Internal Audit report.

8.1. Internal Audit Report

An internal audit report will be issued to the Manager of the area under review to ensure his agreement with the content and language before the final report is issued. This report is discussed through a closing meeting held between Internal Audit and the Area Manager to finalize the audit. At the meeting it is verified:

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- If the Area Manager agrees or disagrees with the internal audit conclusions and recommendations.
- Designation of the person responsible for implementing the recommendation or alternative course and expected implementation date.
- Severity rating, root cause survey, and risk for occurrence of the nonconformity presented.

The internal audit report is signed by the responsible Manager and then forwarded for implementation of the actions. The final reports will also be provided to the CFO and the Audit and Risks Committee.

Then the recommended actions are followed up monthly with the Managers. For completed actions it is necessary to send evidence for analysis by the internal audit team.

8.2. Audit and Risks Committee Meeting

The Audit, Risks and Compliance Manager reports quarterly to the Audit and Risks Committee on the execution of the internal audit plan, risks, and compliance activities. This report contains information such as:

- Internal audit plan approved for the year.
- Completed, ongoing and not yet started internal audit projects.
- Monitoring of actions by manager, focusing on actions opened in delay.
- Special requests made by the Audit, Risks and Compliance area.
- Risk management carried out quarterly with the area managers and detailing of the risks classified as high.
- Actions related to maintaining the Compliance Program, such as indicators of the reports received in the Whistleblower Hotline, information about the review of policies and procedures, communication, and training, in addition to the Due Diligence of third parties.

9. PREPARATION AND REVIEW

The Internal Audit Policy should be reviewed every year or whenever there are changes in the process.

| Revision | Date | History | Revised Item | Prepared by: | Approved by: |
|----------|-------------------------------|------------------------|--------------|----------------|---------------------------|
| 1.0 | April 19 th , 2013 | Audit Charter | All document | Internal Audit | Board of Directors |
| 2.0 | March 20 th , 2017 | Audit Charter | All document | Internal Audit | Audit and Risks Committee |
| 3.0 | April 16 th , 2024 | Internal Audit Charter | All document | Internal Audit | Audit and Risks Committee |