



Charter for the Internal Audit Department at Helen of Troy

Charter Review and Update

This charter was reviewed on August 24, 2021 by the Audit Committee.

General

It is the policy of the Company to provide and support an Internal Auditing Department (IAD) as an independent and objective assurance and consulting group guided by a philosophy of adding value to improve the operations of the Company. It assists the Company to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

Scope of Work

The scope of Internal Audit work encompasses the examination and evaluation of whether the organization's governance, risk management, and control processes, as designed and represented by management, are adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various Company governance groups occurs as needed.
- Financial, managerial, and operating information is accurate, reliable, and timely.
- Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Legislative or regulatory issues impacting the organization are recognized and addressed properly.
- Review of specific operations at the request of the Audit Committee or management, as appropriate.
- Monitoring and evaluating the effectiveness of the organization's risk management system.
- Review of the quality and performance of external auditors and the degree of coordination with internal audit.
- Review of the internal control statement by senior management and the related opinion by the attest auditor for audit planning.
- Quality and continuous improvement are fostered in the organization's control process.

Opportunities for improving management control, profitability, and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

Accountability

The chief audit executive (CAE), in the discharge of his/her duties, shall be accountable to the Audit Committee and management to:

- Provide annually an assessment on the adequacy and effectiveness of the organization's internal controls over its activities and managing its risks in the areas set forth under the scope of work.
- Report issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit).

Independence

All internal audit activities shall remain free of influence for matters such as audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.



To provide for the independence of the IAD; its personnel will report to the chief audit executive, who reports functionally to the Audit Committee and administratively to the Chief Financial Officer in a manner outlined in the above section on Accountability.

Responsibility

The CAE and staff of the IAD have responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well as periodic updates.
- Implement the annual audit plan and annual budget, as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the Audit Committee and management summarizing results of audit activities.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
- Provide a list of significant measurement goals and results to the Audit Committee.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Audit Committee of the results.
- Under the direction of the Audit Committee, consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.
- Establish a quality assurance program by which the CAE assures the effective operation of internal auditing activities on an ongoing basis. The results of this assessment shall be presented in a written report addressed to the Audit Committee annually.

Authority

The CAE and staff of the IAD are authorized to:

- Have unrestricted access to all functions, records, property, and personnel.
- Have full and free access to the Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where audits are performed, as well as other specialized services from within or outside the organization.

The CAE and staff of the IAD are not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Initiate or approve accounting transactions external to the IAD.
- Direct the activities of any organization employee not employed by the IAD, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.

Professional Standards

The IAD will meet or exceed the *International Standards for the Professional Practice of Internal Auditing* and abide by the “Code of Ethics” as set forth by The Institute of Internal Auditors.

Periodic Assessment

The CAE should annually assess whether the elements defined in this charter continue to be adequate to enable the IAD to accomplish its objectives. The result of this periodic assessment should be communicated to the Audit Committee.