

**Semiconductor Manufacturing International Corporation**  
**(incorporated in the Cayman Islands with limited liability)**

**Internal Audit Charter**

**(adopted by the Board on October 26, 2004 and amended by the Board on July 26, 2005, November 10, 2015, September 13, 2019, April 30, 2020 and August 11, 2022 respectively)**

**Chapter 1 General Principles**

**Article 1** This Internal Audit Charter (hereinafter referred to as the “Charter”) is formulated in order to further strengthen the internal audit work management, improving internal audit work quality, giving full play to the role of internal audit work in promoting the company's economic management and improving economic benefits of Semiconductor Manufacturing International Corporation in accordance with the *Corporate Governance Code* (the “Code”) issued by the Stock Exchange of Hong Kong Limited, "the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange" issued by Shanghai Stock Exchange and other relevant laws, regulations and regulatory documents, combining with the "Semiconductor Manufacturing International Corporation (SMIC International Integrated Circuit Manufacturing Co., Ltd.) organization charter and Articles of Association "(hereinafter referred to as "Articles of Association" ") and the Company’s actual situation.

**Article 2** The purpose of this Charter is to establish the Internal Audit Department within the Company, authorize its access to records, personnel, and physical properties relevant to the performance of audits, and to define the responsibilities of internal audit.

**Article 3** This Charter is applicable for the Company and enterprises within the scope of the consolidated statement.

**Chapter 2 Functions of the Internal Audit Department**

**Article 4** Internal audit is an independent and objective assessment function within the Company to evaluate and contribute to the improvement of risk management, internal control, and governance systems.

**Article 5** The Company will set up an independent Internal Audit Department under the Board, appoint the person in charge of the Internal Audit Department and full-time auditors to implement internal audit. The Internal Audit Department is accountable to and will report to the Audit Committee of the Board.

**Article 6** The Internal Audit Department shall have an independent status within the Company and shall not be involved in the day to day operation and management of the Company. The Internal Audit Department has no operating responsibility or authority over the operations of the departments that it audits.

**Article 7** It is the responsibility of the management to establish, improve and effectively implement internal control to prevent, discover and correct fraudulent and unethical behavior against the Code of Business Conducts. The Internal Audit Department is responsible for examining and evaluating the adequacy and the effectiveness of the anti-fraud controls and whistleblower programs implemented by management to fulfill their function.

### **Chapter 3 Authority of the Internal Audit Department**

**Article 8** The Internal Audit Department has full access to cooperate with any relevant departments, records, properties and personnel relevant to the performance of its audit functions (which for avoidance of doubt, shall not include Board related matters). The person in charge of the Internal Audit Department shall provide reports to the Audit Committee semi-annually and shall submit the annual internal audit report within two months after the end of each fiscal year. The person in charge of the Internal Audit Department may separately meet with members of the Audit Committee when necessary without members of management or the external auditors present.

### **Chapter 4 Responsibilities of the Internal Audit Department**

**Article 9** The Company's system of risk management and internal control is designed to ensure the achievement of business objectives in operations, authenticity, accuracy and integrity of financial reporting, and the compliance of the Company and related personnel with applicable laws and regulations. The Internal Audit Department is responsible for evaluating the adequacy and effectiveness of the risk management and internal control structure of the Company.

**Article 10** The responsibilities of Internal Audit Department include:

(I) Reviewing the management's internal control measures, ensuring authenticity, accuracy and integrity of financial and operation information and ensuring the reliability and soundness of approaches for identification, measurement, classification and reporting;

(II) Reviewing the internal control systems established or to be established, ensuring that the Company is currently in compliance with plans, procedures, systems, regulations and laws that have a significant impact on operations and reporting;

(III) Reviewing the means of asset protection and verifying the existence of assets when appropriate;

(IV) Identifying major risks affecting the Company's achievement of business objectives, reporting related risks to the management and supervising the management to take appropriate protective measures;

(V) Reviewing whether internal control measures supporting operation of the Company are effective and putting forward suggestions on problems detected;

(VI) Ensuring that the work of internal and external auditors on internal control is coordinated;

(VII) Assisting in establishing and improving the anti-fraud mechanism, identifying the key areas, key links and main contents of anti-fraud, and rationally concerning and reviewing possible fraud in the internal audit process.

## **Chapter 5 Skills and Experience of the Internal Audit Department**

**Article 11** The Company is committed to building a progressive and qualified internal audit team and support career development of team members of the internal audit team. Internal auditors should possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit team collectively should possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

## **Chapter 6 Internal Audit Approach and Standards**

**Article 12** The Company shall abide by the Code), the *Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange* and other applicable laws, regulations and normative documents, and shall also implement the *Basic Standards for Internal Control of Enterprises* jointly issued by the Chinese Ministry of Finance, the Audit Office of China and the China Securities Regulatory Commission. The Internal Audit Department shall conduct enterprise risk assessment once every year, develop an audit plan based on the results of risk assessment, and identify specific subject areas and business processes that shall be assessed.

**Article 13** The person in charge of the Internal Audit Department shall submit the annual audit plan, the budget and the staffing plan to the Audit Committee and the Chairman for approval. The Internal Audit Department shall check and investigate major problems identified by senior managers.

**Article 14** Internal audit will be carried out in accordance with the *International Professional Practices Framework* issued by IAA (Institute of Internal Auditors), the *Basic Rules for Internal Auditing*, the *Code of Ethics for Internal Auditors* and the *Specific Standards for Internal Audit* issued by China Institute of Internal Audit. All audit results shall be reported to the management and the management will determine and implement necessary corrective measures to eliminate defects of the internal control system. Internal audit will be tracked to verify whether the corrective measures implemented by the management are effective in strengthening internal control.

**Article 15** Major internal control audit results, corrective measures taken by the management and tracking results of the management's corrective measures will be reported to the Audit Committee, the Chairman and the Chief Executive Officer.

**Article 16** The Internal Audit Department shall communicate with related parties under the guidance of the Audit Committee with regard to major audit results and any fraud of the management or other employees playing an important role on internal control.

## **Chapter 7 Reviews**

**Article 17** The effectiveness of the Internal Audit function should be assessed at least once a year. The review should focus on issues such as the organizational status within the Company, independence and objectivity, performance, qualifications and experience of members of the Internal Audit Team, adequacy of resources, training programs and budget.

## **Chapter 8 Supplementary Articles**

**Article 18** Any matter uncovered in this Charter shall be governed by applicable laws, regulations, normative documents and the Articles (hereinafter referred to as “applicable provisions”) and other relevant provisions. If this Charter conflicts with applicable provisions, the Company shall promptly amend the Charter and ensure compliance with the applicable provisions at all times.

**Article 19** This Charter is examined and approved by the Board and shall become effective and be implemented as of the date of the IPO RMB common shares the listing of the Company on the Science and Technology Innovation Board of Shanghai Stock Exchange.

**Article 20** The Charter shall be interpreted and amended by the Board.