



Just Group Internal Audit Charter

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Owner	Acting Head of Audit
Policy Manager	Senior Audit Manager
Reviewing Bodies	Just Group Executive Office & Just Group Audit Committee
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Proprietary statement

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Purpose

GIA is an independent, objective assurance and advisory activity designed to add value and improve the organisation's operations. In delivering against this purpose they will improve the probability that the organisation will achieve its business objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

GIA has responsibility for providing Internal Audit Services to Just UK and South Africa.

Role and Strategy

The primary role of Internal Audit is to help the Board and Executive Management protect the assets, reputation and sustainability of the Just Group. It does this by assessing and challenging whether the control frameworks implemented to manage the significant risks of the business are identified, evaluated and appropriately reported by Management to the Board and Executive Management. Internal Audit activity and responsibilities are defined and established by the Board of Directors and the Audit Committee as part of their oversight role.

Under Article 47 of the SII EU Directive it states that an Insurer is required to have an effective Internal Audit function and further details the responsibilities and requirements that the function should perform or demonstrate.

This charter provides a framework to adhere to these requirements with additional processes, procedures, governance and ethics that support the delivery of such. The charter is subject to formal review/approval by the Group Audit Committee on at least an annual basis.

Scope and Planning

Group Internal Audit's (GIA) scope is unrestricted and there are no aspects of the organisation which GIA is prohibited from looking at. Key business risk areas and industry themes, identified both internally and externally, will be prioritised to be considered for more extensive coverage, regular ongoing review and opinion formation.

Audit Plans have the flexibility to deal with unplanned events to allow GIA to prioritise emerging assurance needs. Changes to the audit plan are considered through GIA's ongoing assessment of risk and control. GIA plans, and material changes to plans, are approved by the AC.

In setting its plans, GIA takes into account business strategy, risk and control culture, and forms an independent view of whether the key risks to the organisation have been identified, including emerging and systemic risks. GIA's independent view is informed, but not determined, by the views of Management, Risk Management and 3rd party expertise. In deciding where to carry out more detailed work, GIA focuses on the areas where it considers risk to be higher and therefore does not cover all auditable entities as defined in the Audit universe every year.

Assurance

The role of GIA in its assurance remit is to understand the key risk areas of the Just Group including each entity within the Group. To examine and evaluate the adequacy of the design, implementation and operational effectiveness of the systems of internal control operated by the business to mitigate these risks.

GIA will provide an independent appraisal over the activities of the Just Group, as defined in the Audit Universe. A 12 month rolling Risk Based Audit Plan will be reviewed and updated at the start of each quarter to ensure it remains appropriate; any material changes to the plan will be agreed with the AC.

GIA's ultimate vision through its assurance work is to support the growth and development of Just through effective and efficient monitoring and assessment of the strategic, operational, financial and

regulatory internal controls, with the aim to add value and improve the operational efficiencies, governance processes and internal control systems.

GIA's assurance activities are shared with the Group Executive Committee but defined and ratified by the Audit Committee. The Audit Committee has the further and more specific responsibility for monitoring and reviewing the effectiveness of GIA's activities, resources and structure.

Advisory

The role of GIA in its advisory remit is to provide the operational business areas access to GIA expertise to investigate and challenge elements of the control environment without the need for a formal audit. This will enable the GIA function to be proactive in the business to support the controlled growth of Just as a company.

GIA's ultimate vision through its advisory work is to increase the business' awareness of processes requiring attention, support or understanding with regards to the controls implemented, and additionally to support control effectiveness in new business developments.

GIA's advisory activities are established and defined by the business operations.

For clarity GIA's work in an advisory capacity will not involve the design, implementation or any ownership for the control framework. This allows the function to stay appropriately independent and robust in discharging its core accountabilities.

To ensure objectivity, independence, and integrity of the advisory process, conflict of interest are assessed before the engagement starts. If any conflict of interests arise, these will be assessed and evaluated to identify if controls can be put in place to reduce the level of conflict. At the end of the assignment, potential conflicts will be reassessed to ensure appropriate allocation of audit work.

Reporting Results

GIA advisory and assurance final reports will be shared with all Executives, the Director of Compliance and the Director of Risk Enterprise.

The Director of Group Internal Audit (DoGIA) presents his reports to the Group Executive Committee (GEC) and the AC. The DoGIA will meet at least annually in a private meeting with the Audit Committee.

GIA's key reporting to the GEC and AC will include completed engagements including significant control weaknesses, progress against plan, Group progress against closure of audit recommendations, proposed changes to the Audit Plan and the subsequent resources required to deliver these. In addition at least annually GIA will report on a number of pre-defined areas as required by the AC, these will be outlined in the annual Audit Plan.

Interaction with Other Assurance Providers

Effective Risk Management, Compliance and Actuarial Assurance functions are an essential part of Just Group's corporate governance structure. GIA is independent of these functions and is neither responsible for, nor part of them.

In evaluating the effectiveness of internal controls and management processes, in no circumstances does GIA rely exclusively on the work of these other assurance providers. GIA exercises informed judgement as to when to place reliance on the work of other assurance providers, and will undertake specific audits on each of the 2nd line functions using a risk based approach to get comfort over the effectiveness and quality of these functions work.

Independence and Authority

The DoGIA is the Approved Person (SIMF 5); he has no first or second line responsibilities. The DoGIA reports directly to the Group Audit Committee Chairman for Internal Audit matters with regular dialogue and reporting to the Group Executive Committee (GEC) and the AC. The DoGIA also attends the Group Audit Committee meetings. The DoGIA also has a dotted reporting line into the CEO for day to day operational matters.

Via the Chairman of the AC, the Board's AC will participate in matters relating to the performance evaluation, appointment or removal of the DoGIA as well as input into his annual remuneration terms as set by the Remuneration Committee.

The GIA team have a right of access and escalation to the CEO and the Chairman of the Audit Committee should they not be able to raise anything directly with their line manager or the DoGIA.

GIA in its assurance capacity, within the boundaries of strict accountability for confidentiality and safeguarding of records and information, is authorised to full, free, and unrestricted access to any and all of the Just Group records, physical properties, and personnel pertinent to carrying out any engagement. All Just employees are requested to assist GIA in fulfilling its assurance role. GIA also has free and unrestricted access to the Board and Senior Management.

Resources

The DoGIA ensures that the audit team has the skills and experience commensurate with the risks of the organisation. This includes training, recruitment and co-sourcing with external third parties.

The DoGIA provides the AC with a regular assessment of the skills required to conduct the work needed, and whether the GIA budget is sufficient to allow the function to deliver against its accountabilities with the expertise and experience necessary to provide effective challenge throughout the organisation and to the Executive.

The AC is responsible for approving the budget and, as part of the Board's overall governance responsibility, discloses in the annual report whether it is satisfied that GIA has the appropriate resources.

Quality Assessment

The DoGIA will maintain annually (unless in the year an external review of the function has been commissioned) a quality assurance and improvement programme that covers all aspects of internal audit activity. The programme will cover an evaluation of the internal audits activity's conformance with the Definition of Internal Auditing and the International (IIA) standards, CIIA Recommendations and an evaluation of whether internal auditors apply the code of ethics, as set out by the Chartered Institute of Internal Auditors. In addition ongoing quarterly assessments of the operational performance of internal audit activity will be completed with lessons learnt being implemented.

The DoGIA will communicate to Senior Management and the Audit Committee on Internal Audit's quality assurance and improvement program, including the results of ongoing internal assessments, and of external assessments which will be conducted every 3 to 5 years in alignment to both internal standards and IIA requirements. This will support the Audit Committees continual assessment on the effectiveness of GIA.

Professional Standards

GIA aims to continually operate in compliance with the IIA's International Standards for the Professional Practice of Internal Auditing, the Internal Audit Code of Ethics, and the Guidance on Effective Internal Audit in the Financial Services Sector and all Just Policies.

In-line with the IIA Standard 1220, Due Professional Care, risk and sample-based assurance procedures, even when performed with due professional care, do not guarantee that all significant

risks will be identified and assured. This is clearly disclosed to all audit stakeholders within the audit report to ensure the level of assurance being provided is transparent.

Relationship with the Regulators

The DoGIA and GIA team will have an open, constructive and co-operative relationship with Just's regulators which supports the sharing of relevant information.