

**JUST GROUP PLC (THE “COMPANY”)**  
**GROUP RISK AND COMPLIANCE COMMITTEE TERMS OF REFERENCE**

Adopted by the Board on 4 March 2024

**1. PURPOSE**

- 1.1 The Group Risk and Compliance Committee (the “**Committee**”) is constituted by the Board of Directors of the Company (the “**Board**”) with the purpose to:
- (a) assist the Board in discharging its responsibility to maintain effective systems of risk management, compliance and internal control for the Company and all its subsidiary undertakings (the “**Group**”);
  - (b) oversee and provide effective challenge on the continued appropriateness and effectiveness of the risk management and internal control framework and risk strategy of the Group, and the principal and emerging risks inherent in the business; and
  - (c) oversee regulatory compliance matters.
- 1.2 The Committee shall in particular consider matters within its remit from the perspectives of the Company and each of Just Retirement Limited (**JRL**) and Partnership Life Assurance Company Limited (**PLACL**) as well as from the perspective of other Group entities as appropriate.
- 1.3 These terms of reference replace the terms of reference for the Committee of the Board adopted before the date above.

**2. DUTIES OF THE COMMITTEE**

- 2.1 The Committee shall ensure the Risk, Compliance and Chief Actuary Functions have adequate resources and appropriate access to information to enable them to perform their duties effectively and in accordance with the relevant professional standards.
- 2.2 The Committee shall *approve*:
- (a) the mandates of the Risk and Compliance Functions on an annual basis or following a material change in the responsibilities of the Functions; and
  - (b) the Internal Model validation plan of the Group.

Risk

- 2.3 The Committee shall *review and recommend to the Board for approval*:
- (a) material changes to the Company, JRL or PLACL’s risk management and internal control framework, including Group policies which support the framework, and risk strategy;

- (b) material changes to the Company, JRL or PLACL's risk appetite statements and tolerances;
- (c) material changes to the Company or any regulated subsidiaries' internal models;
- (d) the Group Own Risk and Solvency Assessment (ORSA) and embed the outcomes into the Group's overall decision-making framework; and
- (e) the appointment and/or removal of the Group Chief Risk Officer.

2.4 The Committee shall *oversee and challenge and report to the Board* on:

- (a) the continued appropriateness and effectiveness of the risk management and internal control framework and risk strategy on at least an annual basis;
- (b) the Company, JRL and PLACL's principal risks relative to risk appetite tolerances including the effects of emerging, sustainability and climate-related risks, as well as the results of capital and liquidity modelling, and how these may affect the likely achievement of the Group's strategic objectives and continued viability of its business model;
- (c) actual or likely material breaches of risk appetite and comment on the adequacy of management's response, including recommending further actions where appropriate;
- (d) stress testing and scenario analysis results including the effectiveness of proposed or actual risk responses in stressed conditions; and
- (e) the methodology and reasonableness of key risks and assumptions underlying: (i) capital and liquidity modelling; and (ii) recovery and run-off planning.

2.5 The Committee shall *oversee and challenge*:

- (a) the effectiveness of the Group's risk management policies and procedures for the identification, measurement, assessment and reporting of risks;
- (b) the design and execution of ORSA processes;
- (c) the design and execution of stress testing and scenario analyses, and propose additional or alternative stresses or scenarios where appropriate;
- (d) the adequacy of operational resilience arrangements over the provision of internal, intra-group and outsourced services;
- (e) proposed material corporate actions, including large acquisitions and disposals, major change programmes and significant changes to governance or legal structures, ensuring the inherent risks have been considered and mitigated, and taking independent external advice as appropriate;
- (f) the appropriateness of risk management responsibilities and accountabilities of executive management as set out in the Group policies which support the risk management and internal control framework;
- (g) the appropriateness of the Group's values and culture for managing risk and internal controls, and whether the risk culture expectations of the Company, JRL and PLACL's are appropriately embedded and reflected in observed behaviours and decisions at all levels;

- (h) data protection standards and reports;
  - (i) maintenance, development and validation of the Internal Model; and
  - (j) the quality, appropriateness and effectiveness of the Company, JRL and PLACL's risk information, reporting and challenge to the first line by the Risk Function.
- 2.6 The Committee shall review:
- (a) deep-dive reports into the Company, JRL and PLACL's material risks where, in the Committee's view, further scrutiny is required;
  - (b) reports on the Company, JRL, PLACL, and other subsidiaries, as appropriate, from the Group Chief Risk Officer; and
  - (c) management's responsiveness to the findings and recommendations of the Group Chief Risk Officer.
- 2.7 The Group Chief Risk Officer, on the Committee's behalf, shall work with the Remuneration Committee to ensure that risk management is properly considered in setting the remuneration policy for the Group and in executive remuneration.
- 2.8 The Committee shall safeguard the independence and objectivity, and oversee the performance, of the Group Chief Risk Officer and the Risk Function.
- 2.9 The Group Chief Risk Officer shall be given the right of unfettered direct access to the Chair of the Board and to the Chair of the Committee.
- 2.10 The Data Protection Officer shall be given the right of unfettered direct access to the Chair of the Board and to the Chair of the Committee.

#### Regulatory and Compliance

- 2.11 The Committee shall oversee regulatory compliance matters to determine whether they have been subject to adequate monitoring and control, and review and approve the Group Compliance Monitoring Plan (including any changes to the Plan).
- 2.12 The Committee shall review:
- (a) the effectiveness of systems of monitoring compliance with regulation and laws;
  - (b) specific regulatory focus areas and findings and requirements of regulatory bodies, and the oversight of management's response to significant findings (for example, the Prudential Regulation Authority ("PRA") Periodic Summary Meeting ("PSM") letter and the Financial Conduct Authority ("FCA") Risk Mitigation Programme ("RMP"));
  - (c) the implementation and ongoing adherence to the requirements of regulatory bodies (including the FCA's expectations relating to Conduct Risk and the delivery of good customer outcomes). This shall include ongoing oversight and challenge to ensure that the FCA Consumer Duty requirements are being considered as a key focus in relevant aspects of the work conducted by the Risk and Compliance functions;
  - (d) the effectiveness of the Group's regulatory and compliance policies and procedures for the identification, assessment and reporting of regulatory risks;

- (e) regular reports from the Money Laundering Reporting Officer(s) and the adequacy and effectiveness of the Company's anti money laundering systems and controls; and
- (f) the Conduct and Prudential Compliance Oversight Report and supporting Group Regulatory Risk Dashboards, to ensure appropriate oversight of the identification, mitigation and monitoring of both Conduct Risk and Prudential Risk across the Group.

Other

- 2.13 The Committee shall review other disclosures and documents as determined by the Board.

**3. COMPOSITION**

- 3.1 The Committee shall comprise at least three members, all of whom shall be independent non-executive directors. The Committee shall include at least one member of the Group Audit Committee.
- 3.2 Members of the Committee shall be appointed by the Board on the recommendation of the Nomination and Governance Committee in consultation with the Chair of the Committee. Appointments to the Committee shall be for a period of up to three years, extendable for two further three-year periods, provided the director still meets the criteria for membership of the Committee.
- 3.3 At least one member of the Committee shall have been determined by the Board to have recent and relevant financial, risk and compliance experience. Members shall have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy. The Committee as a whole shall have competence relevant to the sector in which the company operates.
- 3.4 Only members of the Committee have the right to attend Committee meetings. However, the Group Chief Risk Officer and Group Chief Financial Officer shall be expected to attend all meetings. The Committee Chair shall decide with the Group Chief Executive Officer, whether the Group Chief Executive Officer should be present at meetings. Other individuals may be invited to attend all or part of any meeting as and when appropriate.
- 3.5 The Board shall appoint one member of the Committee to act as its Chair. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

**4. QUORUM**

- 4.1 The quorum necessary for the transaction of business shall be two members.
- 4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**5. MEETING ADMINISTRATION**

- 5.1 The Committee shall meet as often as it deems necessary but in any case at least four times per year, at appropriate times in the financial reporting and audit cycle, at such times and places as determined by the Committee Chair, with further meetings to occur, or actions to be taken agreed by unanimous written consent (including consent by

electronic means), when deemed necessary or desirable by the Committee or its Chair. The Committee shall approve the annual calendar of its meetings.

- 5.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members or at the request of external or internal auditors if they consider it necessary.
- 5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and remote access details (if required), together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend as soon as practicable and, where possible, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.
- 5.4 All members of the Committee may participate in a meeting of the Committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other or otherwise be party to all elements of the discussion. A member of the Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.
- 5.5 Any conflicts of interest of members of the Committee are to be declared at the start of each meeting in relation to the matters to be discussed and recorded accordingly in the minutes.

## **6. SECRETARY**

- 6.1 The Group Company Secretary or such person as the Group Company Secretary nominates shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 6.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.3 Minutes of Committee meetings shall be circulated to all members of the Committee for approval.
- 6.4 Final signed copies of the minutes of the meetings of the Committee should be maintained for the Company's records.

## **7. SELF EVALUATION**

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval. The evaluation shall be coordinated by the Group Company Secretary.

## **8. REPORTING RESPONSIBILITIES AND SHAREHOLDER ENGAGEMENT**

- 8.1 The Committee Chair shall report formally to the Board of the Company and to the Boards of JRL and PLACL on its proceedings after each meeting on all matters within its duties and responsibilities.

- 8.2 The Committee shall make such recommendations to the Board of the Company and to the Boards of JRL and PLACL as it deems appropriate on any area within its remit where action or improvement is desirable.
- 8.3 The Committee shall compile a report to shareholders on its activities to be included in the Company's Annual Report.
- 8.4 The directors' report in the annual report and accounts should set out risk management objectives and policies including in relation to financial instruments.
- 8.5 The Committee Chair shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities. In addition, the Committee Chair should seek engagement with shareholders on significant matters related to the Committee's areas of responsibility.

## **9. OTHER MATTERS**

9.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Group Company Secretary for advice and assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to all relevant laws and regulations, the provisions of the UK Corporate Governance Code, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference;
- (e) liaise as necessary with all other Board committees ensuring interaction between committees and with the Board is reviewed regularly, taking particular account of the impact of risk management and internal controls on the work of other committees; and
- (f) act as an escalation route for matters considered appropriate by the Chief Risk Officer, including matters considered at the Executive Risk Committee.

## **10. AUTHORITY**

10.1 The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference or as otherwise directed by the Board from time to time;
- (b) seek any information that it requires from any Group employee, consultant, contractor or any other provider of services to the Company (for example, legal and tax advisers, management consultants) in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the Committee;

- (d) call any Group employee or contractor to be questioned at a meeting of the Committee, as and when required;
- (e) publish in the Company's annual report details of any issues that cannot be resolved between the Committee and the Board, and
- (f) delegate any of its powers to one or more of its members or the secretary.