



GROUP INTERNAL AUDIT CHARTER

FEBRUARY 2023

IntegraFin Holdings plc Group

1. GROUP INTERNAL AUDIT DEPARTMENT STRATEGY

The Group Internal Audit department is focused on the delivery of high quality internal audit services to all entities in the IntegraFin Holdings plc Group ('IHP Group').

Its mission is to protect and enhance the value, reputation and sustainability of the IHP Group, and to help the Board and executive management of the IHP Group to meet its objectives centred on making financial planning and investment easier for UK financial advisers and their clients.

To accomplish this the Group Internal Audit department perform independent, objective assurance and consulting services designed to add value and improve the IHP Group operations. This is achieved by:

- Providing independent assurance on the adequacy and effectiveness of the Group's risk management and major business process control arrangements – including bringing a systematic and disciplined approach to assessing whether all significant risks are identified, appropriately reported to the Board, and adequately controlled to facilitate reducing risk exposures down to acceptable levels.
- Reporting on the implementation and effectiveness of the Group's Risk Management Policy, Framework, and internal controls.
- Challenging and advising executive management on ways of improving the effectiveness of governance, risk management, and internal controls across the IHP Group.
- Undertaking advisory work for management, provided that this does not threaten Group Internal Audit's independence and objectivity.

Within the IHP Group, the Boards, Committees and executive management set the right 'tone at the top' to ensure support for, and acceptance of, Group Internal Audit at all levels of the organisation.

2. STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The Group Internal Audit department will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' ('IIA') International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. The Group Internal Audit department will also adhere to the UK Chartered Institute of Internal Auditors ('CIIA') Code for Internal Audit in Financial Services ('FS Code') and all other regulatory, legislative, and governance requirements for internal audit applicable to the Group's entities. Other recommended guidance or position papers by the CIIA will also be considered to guide its work.

The Group Head of Internal Audit will report periodically to senior management, and the IHP Audit & Risk Committee ('ARC'), Integrated Financial Arrangements Limited ('IFAL') ARC, IntegraLife UK Limited ('ILUK') ARC and the IntegraLife International Limited ('ILInt') ARC regarding the Internal Audit department's conformance to the Code of Ethics and the Standards.

3. AUTHORITY

The Group Head of Internal Audit will report functionally to the Chairs of the IHP, IFAL, ILUK and ILInt ARC's, and administratively (i.e., day-to-day operations) to the IHP Group Chief Executive Officer. To establish, maintain, and ensure that the IHP Group's Internal Audit department has sufficient authority to fulfil its duties, the IHP, IFAL, ILUK and ILInt ARC will:

- Approve the Group Internal Audit department's Charter.
- Approve the risk-based Group Internal Audit Plan (and regulated entity plans as required).

- Approve the Group Internal Audit department's resource plan and budget.
- Receive communications from the Group Head of Internal Audit on the Group Internal Audit department's performance relative to its Plan and other matters.
- Approve decisions regarding the appointment and removal of the Group Head of Internal Audit.
- Make appropriate inquiries of management and the Group Head of Internal Audit to determine whether there is inappropriate scope or resource limitations.

The remuneration of the Group Head of Internal Audit will be approved by the Chair of the IHP ARC with support from the IHP Chief Executive Officer. In respect to remuneration approval, as the Group Head of Internal Audit is a Remuneration Code staff role for the Group, this can be delegated by the Chair of the IHP ARC to the IHP Remuneration Committee (that includes three Non-Executive Director members) who are responsible for reviewing the appropriateness of remuneration.

The Group Head of Internal Audit will have unrestricted access to, and communicate and interact directly with, the IHP, IFAL, ILUK and ILInt ARC's, including in private meetings without management present. Group Internal Audit also has the right to attend other key management decision fora and will be presented with sufficient and timely access to all Board and executive management information excluding any information prohibited by law or regulation.

The IHP, IFAL, ILUK and ILInt ARC's authorise the Group Internal Audit department to:

- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information. It will be the Group Head of Internal Audit's responsibility to ensure sensitive and confidential information is appropriately shared should any third parties require access to support the provision of internal audit services.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of the IHP Group, as well as other specialised services from within or outside the IHP Group, in order to complete the engagements.

4. INDEPENDENCE AND OBJECTIVITY

The Group Head of Internal Audit will ensure that the Group Internal Audit department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Group Head of Internal Audit determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others. Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the IHP Group or its affiliates.
- Initiating or approving transactions external to the Group Internal Audit department.
- Directing the activities of any IHP Group employee not employed by the Group Internal Audit department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Group Head of Internal Audit has, or is expected to have, roles and/or responsibilities that fall outside of internal auditing, for example assisting or advising the business in the development of new or existing controls, safeguards will be established to limit impairments to independence or objectivity. Where the Group Head of Internal Audit tenure exceeds seven years, the IHP, IFAL, ILUK and ILInt ARC Chairs will explicitly assess their independence and objectivity annually.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Group Head of Internal Audit will confirm to the IHP, IFAL, ILUK and ILInt ARC's, at least annually, the organisational independence of the Group Internal Audit department. The Group Head of Internal Audit will disclose to the IHP, IFAL, ILUK and ILInt ARC's any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

5. SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the IHP, IFAL, ILUK and ILInt ARC's, senior management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the IHP Group. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the IHP Group's strategic objectives are appropriately identified and managed, and Board approved risk appetites are adhered to.
- The actions of the IHP Group's officers, directors, employees, and contractors are in compliance with the IHP Group's policies, procedures, prescribed culture and values, and applicable laws, regulations, and governance standards.
- The results of operations or programmes are consistent with established goals and objectives.
- Operations or programmes are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the IHP Group.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The Group Internal Audit department may also perform consulting advisory engagements, the nature and scope of which will be agreed with senior management. Group Internal Audit will not assume any management responsibility. Management is ultimately responsible for considering the output of any consulting advisory engagements and deciding what action should be taken. Any consulting engagements requested by senior management that are expected to require more than 2 days of Group Internal Audit department resources will not commence until the resource allocation has been reviewed and approved by the Chairs of the IHP, IFAL, ILUK and ILInt ARC's. All consulting advisory engagements performed by the Group Internal Audit department will be subsequently listed in an updated Group Internal Audit Plan that will be reported to the IHP, IFAL, ILUK and ILInt ARC's. Any

deliverables relating to consulting advisory engagements will also be made available to the relevant ARC's unless stated otherwise by the Chairs of the ARC's.

The Group Internal Audit department will use an Internal Audit Methodology for performing internal audit engagements and consulting engagements. The Internal Audit Methodology, and any subsequent material changes to it, will be approved by the Chairs of the IHP, IFAL, ILUK and ILInt ARC's.

The Group Head of Internal Audit will report periodically to senior management and the IHP, IFAL, ILUK and ILInt ARC's regarding:

- The Group Internal Audit department's purpose, authority, and responsibility.
- The Group Internal Audit department's Plan, and performance relative to its Plan.
- The Group Internal Audit department's conformance with the IIA's Code of Ethics, Standards and FS Code, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, organisational risk culture weaknesses, governance issues, root-cause analysis, thematic issues and other matters requiring the attention of, or requested by, the IHP, IFAL, ILUK and ILInt ARC's.
- Results of audit engagements or other activities including an annual opinion on the governance, risk management and the control environment, which supports the IHP Board and ARC in their related disclosures and duties for their annual report and accounts
- Resource and skill requirements.
- A review of any post-mortem and 'lessons learnt' analysis if a significant adverse event has occurred.
- Any response to risk by management that may be unacceptable to the IHP Group.

Where appropriate and in agreement with the relevant ARC's, Group Internal Audit may also be required to present and report on audit activity directly to Boards within the IHP Group.

The Group Head of Internal Audit also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. In no circumstances does Group Internal Audit rely exclusively on the work of other assurance providers.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

6. RESPONSIBILITY

The Group Head of Internal Audit has the responsibility to:

- Submit, at least annually, to senior management and the IHP, IFAL, ILUK and ILInt ARC's a risk-based Group Internal Audit Plan covering a 12 month period for review and approval (and regulated entity plans as required). In setting the plan, Group Internal Audit take into account the business strategy, regulatory priorities and its independent view of current, emerging and systematic risks. This view is informed, but not determined, by views of management, Executive Directors and the second line. In deciding the plan, Group Internal Audit focus on areas where it considers risks to be higher and will not necessarily cover all risk areas each year. The plan will include, but will not be limited to, areas such as internal governance, key management information, risk appetites, risk and control culture, risk of poor consumer outcomes, capital and liquidity risks, technology and information security risks, people risks, critical operations and key corporate events.
- Communicate to senior management and the IHP, IFAL, ILUK and ILInt ARC's the impact of resource limitations on the Group Internal Audit Plan.

- Review and adjust the Group Internal Audit Plan, as necessary, in response to changes in the IHP Group's business, risks, operations, programmes, systems, and controls.
- Communicate to senior management, and the IHP, IFAL, ILUK and ILInt ARC's, any significant interim changes to the Group Internal Audit Plan, including any additional consultancy engagements requested by senior management or non-executives.
- Ensure each engagement of the Group Internal Audit Plan is (are) executed in accordance with the Internal Audit Methodology, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programmes and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Ensure where external third party support is required, for example through co-sourcing, that the selection and on-boarding process follows internal policies and the engagement continues to be executed in accordance with the Internal Audit Methodology.
- Follow up on engagement findings and corrective agreed management action plans, and report periodically to senior management and the IHP, IFAL, ILUK and ILInt ARC's on any corrective actions not effectively and timely implemented including rationale for any delays and the sustainability and robustness of any interim measures.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure an open, constructive and co-operative relationship with the Group's regulators and other authorities including supporting the sharing of information relevant to carrying out their respective responsibilities.
- Liaise with the Group's external auditors to discuss risks and to develop effective working relationships.
- Ensure the Group Internal Audit department collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Group Internal Audit Charter and escalates to the IHP, IFAL, ILUK and ILInt ARC if the budget allocated is insufficient to recruit and retain staff with the experience and expertise required
- Ensure trends and emerging issues that could impact the IHP Group are considered and communicated to senior management and the IHP, IFAL, ILUK and ILInt ARC's as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Establish and ensure adherence to the Internal Audit Methodology, and policies and procedures designed to guide the Group Internal Audit department.
- Ensure adherence to the IHP Group's relevant policies and procedures, unless such policies and procedures conflict with the Group Internal Audit Charter. Any such conflicts will be resolved or otherwise communicated to senior management and the IHP, IFAL, ILUK and ILInt ARC's.
- Ensure conformance of the Group Internal Audit department with the Standards, with the following qualifications:
 - (i) If the Group Internal Audit department is prohibited by law or regulation from conformance with certain parts of the Standards, the Group Head of Internal Audit will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - (ii) If the Standards are used in conjunction with requirements issued by applicable regulatory authorities, the Group Head of Internal Audit will ensure that the Group Internal Audit department conforms with the Standards, even if the Group Internal Audit department also conforms with the more restrictive requirements of the applicable regulatory authorities.

7. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Group Internal Audit department will maintain a quality assurance and improvement programme that covers all aspects of the Group Internal Audit department. The programme will include an evaluation of the Group Internal Audit department's conformance with the Standards, the FS Code, and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The programme will also assess the efficiency and effectiveness of the Group Internal Audit department via stakeholder feedback surveys and identify opportunities for improvement.

The Group Head of Internal Audit will communicate at least annually to senior management and the IHP, IFAL, ILUK and ILInt ARC's on the Group Internal Audit department's quality assurance and improvement programme, including results of internal assessments (both ongoing and periodic) and external assessments conducted by a qualified, independent assessor or assessment team from outside the IHP Group. An External Quality Assessment (EQA) will be conducted between every three and five years as agreed and commissioned by the IHP, IFAL, ILUK and ILInt ARC's.

8. APPROVALS

Following preparation by the Group Head of Internal Audit this Charter is updated annually and has been subject to the below most recent approvals:

- IHP Chief Executive Officer – 09/01/2023
- IHP Audit & Risk Committee – 23/02/2023
- IFAL Audit & Risk Committee – 16/02/2023
- ILUK Audit & Risk Committee – 16/02/2023
- ILInt Audit & Risk Committee – 14/02/2023.

