

# Just Life Group Limited

## Audit & Risk Committee Charter

### 1. Overall Purpose and Objective

The Audit & Risk Committee ("the Committee") is a committee of the Board of Directors of the Company.

The objective of the Committee is to recommend the principles and standards with respect to internal controls, accounting policies, the nature, scope, objectives and functions of internal audit, if any and external audit to assist the Board in producing accurate financial statements in compliance with the appropriate legal requirements, listing rules and accounting standards.

In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external and internal auditors, if any. Although the Committee can assist the Board in proper efficient discharge of its responsibilities, the Committee does not relieve the Board of its responsibilities.

### 2. Authority

The Committee will:

- Perform activities within the scope of its terms of reference and not have the power or authority to make a decision in the Board's name or on its behalf unless specifically authorised.
- Engage independent advisers as it deems necessary to carry out its duties at the Company's expense.
- Ensure the attendance of management at meetings as appropriate.
- Have unrestricted access to members of management, employees and relevant information.
- Maintain direct lines of communication with the CEO, the Group COO/CFO, and the internal auditors (if any), the external auditors and management in general.
- Establish procedures for dealing with concerns of employees regarding accounting, internal control or auditing matters.
- Report to the Board any suspected irregularities, failures of internal control or suspected infringements of laws, rules and regulations which come to its attention.
- Have the ability to delegate any of its responsibilities to the Chair of the Committee from time to time and on such conditions as the Committee considers appropriate.

### 3. Membership

The Committee will be comprised solely of non-executive Directors ("the Members") appointed by the Board.

There will be at least three Members, with a majority of the Members to be independent Directors.

The Board will appoint the Chair of the Committee who will not be the Chair of the Board.

The quorum will be two Members, at least one of whom must be an independent Director.

The Committee must have at least one Member who has a financial background. This person may be someone who:

- is a member of the Institute of Chartered Accountants of New Zealand; or
- has held a Chief Financial Officer position at an issuer for a period greater than 24 months; or
- has completed a course approved by NZX for Audit Committee membership; or
- as a result of acting as a public accountant or auditor or due to other relevant experience has appropriate knowledge of both Generally Accepted Accounting Practices (GAAP), financial reporting proceedings, internal controls and Audit Committee functions.

## 4. Meetings and Papers

Meetings will be held not less than twice a year having regard to the Company's reporting and audit cycle, and at such other times as necessary to enable the Committee to fulfil its responsibilities.

The external auditors and the internal auditors, if any will be encouraged to meet as appropriate with the Committee, independent of management. The Chair of the Committee may generally meet with management, the internal auditors, if any and the external auditors (either together or separately as the Chair deems appropriate).

All papers prepared for the Committee will be circulated to all Directors of the Company at the same time as they are circulated to Members of the Committee.

Directors who are not Members of the Committee will be entitled to attend all Committee meetings.

## 5. Responsibilities

The responsibilities of the Committee will be those agreed by the Board from time to time and will include (without limitation):

### 5.1. Financial Reporting

Review accounting policies and practices, in particular new policies or amendments to existing policies, to ensure appropriateness and compliance with generally accepted accounting practice and applicable financial reporting standards.

Review significant accounting and reporting issues and provide advice to the Board as appropriate.

Receive, review and recommend to the Board, the adoption of the Half Yearly financial statements.

Receive and review the draft group annual financial statements and notes to the financial statements and recommend to the Board approval of the final financial statements.

Receive and review management's representation letter and recommend to the Board approval of the final management letter.

### 5.2. External Audit

Recommend to the Board the appointment and termination of the external auditor and recommend to the Board the approval of the audit engagement term and fees.

Review on an annual basis the independence of the external auditor and any potential conflicts of interest.

Review on an annual basis the performance of the external auditors.

Approve the external auditors' proposed audit scope and emphasis of the annual external audit plan.

Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.

Ensure that significant findings and recommendations made by the external auditors are received, discussed and appropriately acted on.

Discuss with the external auditor the appropriateness of the accounting policies applied in the financial reports.

Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Ensure that the lead audit partner is changed at least every five years.

Review and recommend to the Board the approval or otherwise of the provision of non-audit services by the external auditor.

### **5.3. Internal Audit**

Recommend to the Board the appointment and termination of any internal auditor and the internal audit engagement term and fees.

Review and recommend to the Board the nature, scope, function and priorities of internal audit.

Review issues identified by the internal audit function and the resolution of such by management.

Meet separately with the internal auditors, if any to discuss any appropriate matters.

Ensure the continued independence of the internal audit function and that it complements, and is consistent with, the external audit programme, including assurance of compliance with corporate policies and procedures.

Review on an annual basis the performance of the internal auditors, if any.

### **5.4. Other**

Review Audit & Risk Committee policy responsibilities (including Continuous Disclosure Policy; Risk Management Framework & Policy; Insider Trading Policy; Dividend Policy; Forex Policy; Whistle blower Policy; Takeover Protocol: Delegated Authority Policy) and recommend any changes to the Board.

Review for reasonableness annually the Directors' expenses.

## **6. Reporting Procedures**

The Committee will have direct lines of communication with the external auditors, the CEO, the Group COO/CFO, the internal auditors, if any and with management generally including those responsible for non-financial risk management to the extent necessary to enable it to discharge its responsibilities.

The CEO and the Group COO/CFO will be responsible for drawing to the Committee's immediate attention any material matter that relates to the financial position of the Company, any material breakdown in internal controls, and any material event of fraud or malpractice.

Minutes of all Committee meetings will be kept and circulated to all Directors together with the papers for the Board meeting immediately following the Committee meeting.

The Chair will report back to the Board the recommendations and findings of the Committee at the Board meeting immediately following the Committee meeting.

## 7. Charter Approval Date

This charter was approved at the Just Life Group Limited Board Meeting held on the 19<sup>th</sup> June 2020.



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Tony Falkenstein  
Chair  
Just Life Group Limited

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| Policy Owner: Audit and Risk Committee | Approved Date: 19 June 2020 | Next Review Date: June 2021 |
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