

Purpose

This Charter provides a summary of the role of Internal Audit within Jupiter Fund Management Plc (Jupiter).

Introduction

Internal Audit is a professional, objective and independent provider of assurance over the effectiveness of Jupiter's business processes and governance with regards to risk and internal control.

Jupiter operates under a three lines of defence model whereby:

- The business is the first line of defence. They are responsible and accountable for identifying, assessing, controlling and recording the risks of their business and operating within clearly defined risk limits.
- The second line of defence comprises Jupiter's control functions, including Risk, Compliance and Legal departments. Each of these functions, working closely with the business units, ensures that risks in the business units have been appropriately identified and managed and perform on-going independent monitoring as appropriate.
- The third line of defence is the internal audit function that independently assesses the effectiveness of the processes, controls and mitigants in the first and second lines of defence.

The primary role of the internal audit function is to help the Board and Executive Management to protect the assets, reputation and sustainability of Jupiter. It does this by assessing whether all significant risks are identified and appropriately reported to the Board and Executive Management; assessing whether they are adequately controlled; and by challenging Executive Management to improve the effectiveness of governance, risk management and internal controls.

Roles and Responsibilities: Internal Audit is responsible for:

- Reporting to the Audit and Risk Committee and senior management to identify and assess all potential risks and associated controls and processes.
- Developing and implementing a flexible, risk-based audit plan based on Jupiter's risk universe, and other concerns identified by management and the Audit and Risk Committee.
- Working with senior management to bring cost-effective, efficient, well controlled and scalable practices to the way Jupiter does business.
- Being the investigative arm of the Audit and Risk Committee.
- Helping maintain the "Tone at the Top" for ethical behaviour and actions throughout the organisation. Actively considering the risk & control culture of the Group through the execution of its internal audit plan.
- Maintaining a professional internal audit staff with sufficient knowledge, skills and experience to meet the requirements of this Charter.

This results in audit reports which identify risk mitigation and internal control improvement opportunities, and define action plans developed by management to address the improvement opportunities.

As part of internal audit services, Internal Audit will also:

- Provide advice and counsel on risk management activities, controls and processes.

- Support Management in their responsibility to continuously evaluate the effectiveness of the business processes and systems of internal control.
- Report to the Audit and Risk Committee on the effectiveness of the overall internal control environment and the fulfilment of the organisation's values and code of conduct.
- Internal audit will also evaluate whether key capital and operational programmes will warrant concurrent assurance work from a risk and controls perspective through the lifecycle of the programme. Examples may include significant business process changes such as system implementations, information security, business continuity, mergers and acquisitions, and others as requested by management.
- Attend key operational and Governance committees as an observer.

Scope:

The scope of Internal Audit is unrestricted; there is no aspect of Jupiter that Internal Audit is restricted from looking at as part of its mandate.

In setting its scope, Internal Audit will take into account business strategy and will form an independent view of whether the key risks to the organisation have been identified, including emerging and systemic risks, and assess how effectively these risks are being managed. The identification and assessment of these risks will be informed, but not determined, by the views of management and the systems and control functions. In setting its priorities and deciding where to carry out more detailed work, Internal Audit will focus on the areas where it considers risk to be higher.

Internal Audit will make a risk-based decision as to which areas within its scope should be included in the audit plan – it will not cover all of the potential scope areas every year.

Audit Planning:

Internal Audit will submit and present a half yearly risk-based audit plan to the Audit and Risk Committee. The half yearly audit plan is to be developed using Internal Audit's risk-based methodology and will be reviewed twice per annum based on business and operating changes, and new or emerging business risks.

Any significant deviation from the formally approved audit plan shall be communicated to the Audit and Risk Committee's Chairman for approval along with periodic activity reports.

In addition a staffing plan, and budget for the following fiscal year will be presented to the Audit and Risk Committee for review and approval.

Internal Audit Resources:

Internal Audit will evaluate the resource needs and related costs based on the annual risk-based audit plan and confirm its resource requirements to complete the audit plan.

Organisational Reporting:

Internal Audit reports directly to the Chairman of the Audit and Risk Committee and with a secondary reporting line to the Chief Executive Officer. It reports to every Audit and Risk Committee meeting setting out a summary of the internal audits planned to take place each year, a summary of issued Internal Audit Reports and an update on outstanding implementation of previous findings.

Authority:

Internal Audit was established by the Board of Directors, and responsibilities are defined by the Audit and Risk Committee of the Board of Directors as part of their oversight function. Authority is granted for full, free and unrestricted access to any and all of the company's and its affiliates records, physical properties, and personnel relevant to any function under review. All senior management and staff are required to assist Internal Audit in fulfilling their function. Internal Audit shall also have free and unrestricted access to the Audit and Risk Committee and any other member of the Board of Directors as needed to fulfil its responsibilities.

Professional Standards:

Internal Audit Services shall govern themselves in accordance with the Company's business conduct and code of ethics, and the Institute of Internal Auditors' (IIA) "Code of Professional Standards." The IIA's "*International Standards for the Professional Practice of Internal Auditing*" (*Standards*) shall constitute the operating procedures for the department and the function shall ensure compliance with the FCA's requirements to Internal Audit. The IIAs "Practice Advisories" will be adhered to as applicable. The Audit and Risk Committee functions under the 'Guidance on Audit Committees' (published by the Financial Reporting Council in April 2016) in their operations, including engagement with internal audit.

Independence:

All internal audit activities will remain independent of any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content. Such independence is necessary to maintain objective and unbiased opinions free from undue influence. All members of Internal Audit will have no direct operational responsibility over any of the activities they review and, accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which may be subject to audit.