TERMS OF REFERENCE

The Royal London Mutual Insurance Society Limited

Audit Committee

(the ‘Committee’)

The Royal London Mutual Insurance Society Limited

Audit Committee terms of reference

1 Role

1.1 The role of the Committee is to support the board of directors (the 'Board') of The Royal London Mutual Insurance Society Limited (the 'Company') and its subsidiaries (the 'Group') in overseeing financial and regulatory reporting, financial reporting controls, and internal and external audit.

2 Membership

2.1 The Committee shall comprise at least three independent Non-Executive Directors of the Company, at least one of whom shall be a member of the Risk and Capital Committee. At least one member shall have recent and relevant financial experience, and at least one member shall have relevant insurance and/or asset management experience.

2.2 The Board shall appoint the Committee Chair. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the Committee meeting.

2.3 Only members of the Committee have the right to attend Committee meetings. Other individuals may be invited by the Committee Chair to attend all or part of meetings.

3 Secretary

3.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.

4 Quorum

4.1 The quorum for a Committee meeting shall be two members. Members may attend a meeting of the Committee in person, by phone or by videoconference.

4.2 The Committee may consider and decide matters by email, or by a written resolution which shall be recorded by the Secretary.

5 Frequency of meetings

5.1 The Committee shall meet at least four times a year.

6 Notice of meetings

6.1 Committee meetings shall be called by the Secretary at the request of the Committee Chair or of any member of the Committee.

6.2 Unless otherwise agreed with the Committee Chair, notice of meetings confirming the venue (or medium), time and date, together with the agenda and supporting papers, shall be sent to each member of the Committee.

7 Minutes of meetings

7.1 The Secretary shall minute the proceedings and resolutions of meetings, including recording the names of those present and in attendance.

7.2 Draft minutes of Committee meetings shall be circulated promptly to the Committee Chair, and subsequently to the Committee for approval.

8 Duties

8.1 Financial and regulatory reporting

8.1.1 Make recommendations to the Board for approval of the content of the Group's annual report and accounts on the basis that, taken as a whole, the Committee considers the reporting to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model, strategy and risk disclosures. The review shall encompass the going concern and viability statements.

8.1.2 Make recommendations to the Board for approval of the preliminary announcement, the half yearly, other interim reports and any financial content (including working capital statements, profit forecasts and pro forma financial information) and related commentary in respect of any regulatory announcement, circular or prospectus.

8.1.3 Make recommendations to the Board for approval of the Group's Climate Report, prepared in accordance with recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

8.1.4 Make recommendations to the Board for approval of the Single Group Solvency and Financial Condition Report.

8.2 Financial reporting controls

8.2.1 Review and challenge all financial reporting matters including but not limited to application of and changes to accounting policies; estimates, significant issues, and judgements; treatment of complex transactions; compliance with standards; clarity and completeness of disclosures; adequacy of the data control framework and internal financial reporting control systems, including any necessary remedial actions; and all material information in the financial statements.

8.2.2 Provide oversight of the Royal London Asset Management Holdings ('RLAMH') sub-group in line with the Committee's duties and ensure that the Board of RLAMH is informed of any material issues identified.

8.2.3 Identify events that have been detrimental to the Group, including financial errors and events that have exceeded the Board's risk appetite, for the Remuneration Committee's consideration in making proportionate adjustments to executive directors' and/or Designated Employees' remuneration.

8.2.4 On an exception basis, report to the Disclosure Committee on the control environment over financial and regulatory reporting which supports the accuracy and completeness of financial and regulatory reporting.

8.2.5 At least every three years review and approve the following:

8.2.5.1 Group Financial Reporting and Disclosure Policy

8.2.5.2 Policy for the Independence of the external auditor

8.2.5.3 Transitional Measures on Technical Provisions Manual

8.2.5.4 The Analysis of Change Framework

8.2.5.5 Group Asset and Liability Investment Valuation Policy

8.2.5.6 Tax Policy

8.2.5.7 Matching Adjustment Attestation Framework

8.3 Internal audit

8.3.1 Review and approve the internal audit function's role, mandate, resourcing, budget, annual charter and the internal audit plan and any required changes.

8.3.2 Review internal audit findings on risk management and controls across the Group.

8.3.3 Monitor the effectiveness of internal audit, ensuring that it has unrestricted access to information, operates to professional standards and is adequately resourced.

8.3.4 Conduct an annual effectiveness assessment and at least once every five years commission an external quality review of the internal audit function.

8.3.5 Approve the appointment, removal or suspension of the Group Chief Audit Officer.

8.4 **External audit**

8.4.1 Review the external auditor's findings, any errors identified during the audit, and external auditor effectiveness and capability.

8.4.2 Review the management letter and management's response to the external auditor's findings and recommendations.

8.4.3 Make recommendations to the Board for approval of any representation letter requested by the external auditor.

8.4.4 Oversee the external auditor relationship, including engagement terms, audit scope, independence, compliance with ethical standards and coordination between external and internal audit functions.

8.4.5 Approve the annual external audit plan and the external auditor's fees (including audit and non-audit fees).

8.4.6 Make a recommendation to the Board, to be put to the Company's members for approval at the Company's Annual General meeting, for a resolution to appoint or reappoint or remove the Company's external auditor.

8.4.7 If the external auditor resigns, investigate the issues leading to the resignation and decide on any action required.

8.4.8 Lead periodic tenders for the external auditor, ensuring fair access to information for all firms and selection based on audit quality, independence and challenge.

9 Reporting

9.1 The Committee Chair shall update the Board on the Committee's proceedings after each meeting.

9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit.

10 Other matters

10.1 As applicable to the Committee's duties, the Committee shall comply with applicable laws and regulations, including the UK Corporate Governance Code, the Audit Committees and the External Audit: Minimum Standard, and the rules of the Prudential Regulation Authority and the Financial Conduct Authority.

10.2 The Committee will have access to sufficient resources to carry out its duties.

10.3 The Committee will 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.

10.4 The Committee is authorised to obtain, at the Company's expense, external accounting and other professional advice on any matter within its terms of reference.

10.5 The Committee shall review its performance against its terms of reference and recommend any changes to its terms of reference to the Board for approval on an annual basis.

10.6 Committee members shall meet at least twice annually with each of the Group Chief Audit Officer, the external auditor, the Group Chief Actuary and the Group Chief Financial Officer, to discuss their respective remits and any matters within the remit of the Committee.

10.7 The Committee shall act as the mandatory Audit Committee for RL Finance Bonds No. 3 plc and RL Finance Bonds No. 4 plc pursuant to the Disclosure and Transparency Rules 7.1, as well as acting as the Audit Committee for RL Finance Bonds No.6 plc.

10.8 The Committee shall assist the Chair of the Committee in safeguarding the independence and objectivity of the external and internal auditors and oversee the performance of the external auditors, the Group Chief Audit Officer and the Internal Audit function. In doing so, the Committee shall ensure that the Group Chief Audit Officer, or their delegate, is a regular attendee at meetings of the Committee and has unmediated access to the Committee Chair, the Chair of the Board, the Board, the external auditor and regulatory authorities, as necessary.