

HELIOS UNDERWRITING PLC (THE 'COMPANY')

AUDIT COMMITTEE - (THE 'COMMITTEE')

TERMS OF REFERENCE

A. Purpose

The role of the Company's audit committee is to provide confidence to shareholders on the integrity of the financial statements relating to the Company's financial performance, oversee the effectiveness of risk management and internal control systems and maintain an appropriate relationship with the Group's auditors. The board of directors (the 'Board') has adopted the Quoted Companies Alliance's Corporate Governance Code and seeks to be fully compliant with its principles.

B. Membership

1. Members of the Committee shall be appointed by the Board, in consultation with the Chairman of the Committee. The Committee shall be made up of at least 2 members.
2. All members of the Committee shall be independent non-executive directors who shall have between them recent and relevant financial experience.
3. Appointments to the Committee shall be reviewed on an annual basis, provided the directors remain independent.
4. The Board shall appoint the Committee Chairman who shall be an independent non-executive director
5. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chairman of the Board, or other directors, may be invited to attend all or part of any meeting as and when appropriate.
6. The Company Secretary or their nominee shall act as the Secretary of the Committee.

C. Meetings

1. The Committee shall meet at least twice a year at appropriate times in the reporting and audit cycle, and otherwise as required.
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 auditors if they consider it necessary.
3. Unless otherwise agreed notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee, any other person required to attend 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.

4. The quorum necessary for the transaction of business shall be two members of the Committee. A duly convened meeting 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. In the absence of the Chairman, and/or appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
6. Resolutions of the Committee will be passed by a majority of votes. Each member of the Committee will have one vote on each resolution proposed. Save where he has a personal interest, the Committee Chairman will have a casting vote.
7. The Secretary will keep minutes of the proceedings and resolutions of the Committee.
8. Draft minutes of Committee meetings shall be circulated promptly to the Committee Chairman for approval. Following receipt of the Committee Chairman's approval, the draft minutes shall be circulated to all members of the Committee for approval.
9. Once approved, minutes shall be circulated to all other member of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

D. Duties

The duties of the Committee will be to:

Financial reporting

1. Monitor the integrity of the group's financial statements relating to the Company's financial performance and review significant financial reporting issues and judgements which they contain. The Committee shall also review any summary financial statements, significant financial returns to regulators and any financial information contained in certain other documents, such as announcements of a price sensitive nature.
2. Review and challenge the actions and judgements of management where necessary on the following matters before financial statements are submitted to the Board:
 - 2.1 the consistency of, and any changes to, accounting policies both on a year on year basis and across the company/group;
 - 2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
 - 2.3 whether the company has followed appropriate accounting standards and made appropriate estimates and judgements, including the going concern assumption, taking into account the views of the external auditor
 - 2.4 the clarity of disclosure in the company's financial reports and the context in which

statements are made; and

2.5 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

Internal Controls and Risk Management

3. Keep under review the Group's controls and procedures for the evaluation, monitoring and management of all risks, including emerging and principal risks, attributable to the Group's business and to consider the effectiveness of those controls and risk management systems.
4. Review and approve the statements to be included in the annualReport concerning internal controls and risk management.

External audit

5. Consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the Company's external auditor.
6. Oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required.
7. Recommend to the Board the remuneration of the external auditor including both the fees for audit or non-audit services and whether the level of fees is appropriate to enable an adequate audit to be conducted.
8. Review their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit and to monitor performance thereof
9. Meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and at least once a year without an executive member of the Board or other member of the Company's management being present to discuss any areas of concern that it may have from issues arising from its work.
10. Review periodically the provision of non-audit services by the Company's external auditor.
11. Review the external auditor's independence and objectivity taking into account relevant UK professional and regulatory requirements and the volume, extent and cost of any non-audit services provided and make recommendations to the Board in respect thereof.
12. Monitor the auditor's compliance with relevant ethical and professional guidance on

amongst other matters, rotation of audit partners, employment of former employees, level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements.

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14. Receive, review and comment on all reporting documents arising from the external auditor's work in relation to the control environment and system of internal controls within the group.
15. Discuss reservations arising from the audit and any matters which the external auditors may wish to discuss (in the absence of management where necessary).
16. Review any representation letter(s) requested by the external auditor before they are approved by the Board and signed by management.
17. Review the external auditor's management letter and management's response to the auditor's findings and recommendations.

Narrative Reporting

18. Review the content of the annual report and accounts and any interim report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders and potential shareholders to assess the Company's performance, business model and strategy.

General

19. Consider other topics as requested by the Board from time to time
20. Make recommendations to the Board arising out of the above matters.

E. Authority

The Committee will be entitled to:

1. Instigate and oversee any investigation of activities which are within its terms of reference.
2. Request and receive any information which it considers necessary to enable it to fulfil its remit from the internal and external auditors and employees of, or consultants or professional advisers to, the Company or any other member of the Group.
3. Obtain any independent legal and other professional advice which it considers necessary for the fulfilment of its duties, all at the Company's expense.

4. Seek any information it requires from any employee of the Company in order to perform its duties
5. Review its terms of reference on an annual basis and propose any amendments to the Board for approval.

F. Reporting

1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
2. The Committee's activities shall be included in the Company's annual report.

Approved by the Board March 2019