

## HELIOS UNDERWRITING PLC (THE 'COMPANY')

### NOMINATION AND REMUNERATION COMMITTEE (THE 'COMMITTEE')

#### TERMS OF REFERENCE

##### **A. Purpose**

The purpose of the Company's nomination and remuneration committee is to determine and recommend to the board of directors (the 'Board') terms and conditions of employment of members of the Board and senior executives; and establish with the executive an appropriate employment and remuneration policy for all remaining staff, including incentives and bonuses. 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 two members.
2. All members of the Committee shall be non-executive directors, the majority of whom shall be independent non-executive directors.
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 and external advisers may be invited by the Committee to attend the whole or any part of any meeting of the Committee
6. The Company Secretary or an alternate agreed with the Committee Chairman shall act as Secretary of the Committee.

##### **C. Meetings**

1. The Committee shall meet at least twice a year and otherwise as required.
2. Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chairman.
3. Unless otherwise agreed, notice of each meeting confirming the venue time and date together 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 5 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 of the Committee 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.
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 members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

**D. Remuneration Committee duties**

The Committee shall in respect of its remuneration duties:

1. Determine and agree with the Board:
  - 1.1 the framework and policies for pay; bonuses, incentives and other rewards; employee benefits; and conditions of termination of employment for all executive directors and the Chairman of the Company; The terms and conditions of employment of non-executive directors shall be determined by the Board or the shareholders (within the limits set in the articles of association). No director or manager shall be involved in any decisions as to their own remuneration. The Committee will review the ongoing appropriateness and relevance of the remuneration policy;
  - 1.2 the Committee shall recommend and monitor the level and structure of remuneration for senior management.

2. Aim that the policy adopted should try to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are in a fair and responsible manner rewarded for their individual contribution to the success of the company without paying more than is necessary and having regard to views of shareholders and other stakeholders. The policy should have regard to the risk appetite of the Company and alignment to the Company's long-term strategic goals, as well as pay ratios more widely where appropriate. A significant proportion of the remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the long-term success of the Company.
3. To approve the design of and determine targets for any performance related pay schemes operated by the Company, including any malus and clawback and equivalent arrangements, and approve the total annual payments made under such schemes.
4. The policy for pension arrangements for executive director's and other senior management.
5. Review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other designated senior executives and the performance targets to be used and where appropriate post-employment shareholding requirements.
6. Ensure the contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
7. Oversee any major changes in employee benefits structures throughout the Company.
8. Agree the policy for authorising claims for expenses from the directors and once a year review a schedule of expenses claimed by directors in the preceding financial year of the Company.
9. Within the terms of the agreed policy and in consultation with the Chairman and Chief Executive, as appropriate, determine the total individual remuneration package of each executive director, management team member and staff member including bonuses, incentive payments, share options and other awards.

10. In determining such arrangements the Committee will bear in mind any regulatory and/or legal requirements.
11. Review and note annually the remuneration trends across the Company, especially when determining annual salary increases.
12. Obtain reliable up-to-date information about remuneration in other companies of comparable scale and complexity. The Committee shall have full authority to commission or purchase the results of any report or surveys, which it deems necessary to help fulfil its obligation within any budgetary restraints imposed by the Board
13. Through the Chairman of the Company, ensure that the Company maintains contact as required with its principle shareholders about remuneration.
14. Work and liaise as necessary with all other Board Committees.

**E. Nomination Committee duties**

The Committee shall in respect of its nomination duties:

1. Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board, compared to its current position, consider the company's strategy and how this would impact future changes to the Board and make recommendations to the Board with regard to any changes.
2. Give full consideration to the issues of succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board and its subsidiaries in the future.
3. Be responsible for identifying and nominating for the approval of the Board or subsidiary boards, where appropriate, candidates to fill board vacancies as and when they arise.
4. Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee may where appropriate:
  - 4.1 use open advertising or the services of external advisers to facilitate the search;
  - 4.2 consider candidates from a wide range of backgrounds; and

- 4.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.
5. Prior to the appointment of a director, require that the proposed appointee disclose any other business interests that may result in a conflict of interests and also require that any future business interests that could result in a conflict of interest be reported.
  6. For the appointment of a Chairman, prepare a job specification, including the time commitment expected. A proposed Chairman's other significant commitments should be disclosed to the Board before appointment and any changed to the Chairman's commitments should be reported to the Board as they arise.
  7. Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
  8. Keep up to date and fully informed about strategic issues and commercial changes affecting the Company and the market in which it operates;
  9. Review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties.
  10. Review the results of the board performance evaluation process that relate to the composition of the Board.
  11. Ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside board meetings.
  12. The Committee shall also make recommendations to the Boards concerning:
    - 12.1 formulating plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
    - 12.2 suitable candidates for the role of senior independent director as required in the Company or subsidiary companies;
    - 12.3 membership of any other Committees, in consultation with the chairmen of those Committees;
    - 12.4 the re-appointment by the shareholders of directors having given due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;

12.5 any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provisions of the law and their service contract; and / or

12.6 the appointment of any director to executive or other office.

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

**F. Authority**

The Committee will be entitled to:

1. Instigate and oversee any investigation which it considers necessary of activities within its terms of reference.
2. Request and receive any information which it considers necessary to enable it to fulfil its remit from the employees of, consultants or professional advisers to, the Company or any other member of the Group.
3. Obtain any independent legal and other professional advice (including the advice of independent remuneration consultants) which it considers necessary for the fulfilment of its duties, all at the Company's expense, and to rely upon any such advice
4. Exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, as well as wider circumstances.
5. Seek any information it requires from any employee of the Company in order to perform its duties.
6. Commission any reports or surveys, within the budgetary restraints imposed by the Board, which it deems necessary to help it to fulfil its obligations.
7. Review its terms of reference on an annual basis and its performance on a periodic basis and propose any recommendations to the Board.

**G. 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.
3. The Committee Chairman shall attend the annual general meeting to answer any shareholder questions on the Committee's activities.

Approved by the Board May 2021