

DATE 20 May 2026

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**TERMS OF REFERENCE**

**AUDIT COMMITTEE**

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**AUDIT COMMITTEE**  
**OF HELIOS UNDERWRITING PLC**  
**TERMS OF REFERENCE**

*(As adopted by the Board on 20 May 2026 pursuant to its power to delegate under Art 80.1 of its Articles of Association.)*

**1. PURPOSE**

The purpose of the Audit Committee (Committee) is to assist the board in fulfilling its oversight responsibilities by reviewing and monitoring:

- 1.1 the integrity of the financial and narrative statements and other financial information provided to shareholders.
- 1.2 the Company's system of internal controls and risk management.
- 1.3 the internal and external audit process and auditors.
- 1.4 the process(es) for compliance with laws, regulations and ethical codes of practice.

**2. INTERPRETATION**

- 2.1 In these Terms of Reference, the following terms have the following meanings:
- (a) "Board" means the board of directors of the Company;
  - (b) "Chair" means the chair of the Board;
  - (c) "CEO" means the chief executive officer of the Company;
  - (d) "Committee" means this Audit Committee of the Board;
  - (e) "Directors" means the directors of the Company and "Director" means any one of them;
  - (f) "Group" means the Company and its consolidated subsidiaries;
  - (g) "independent non-executive Director" means a non-executive Director who is determined by the Board to be independent for the purposes of the QCA Code; and
  - (h) "QCA Code" means the QCA Corporate Governance Code (2023).

**3. CONSTITUTION**

- 3.1 The Committee is constituted in accordance with the articles of association of the Company.

- 3.2 The Committee has the delegated authority of the Board in respect of the functions and powers set out in these terms of reference.
- 3.3 The Committee may sub-delegate any or all of its powers and authority as it thinks fit to one or more of its members or the Company Secretary, including, without limitation, the establishment of sub-committees which are to report to the Committee.

#### 4. MEMBERSHIP

- 4.1 **Appointment of committee chair:** The board shall appoint the Committee chair who shall be an independent non-executive director. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the board. The chair of the board shall not be chair of the Committee.
- 4.2 **Appointment of committee members:** The members of the Committee shall be appointed by the Board on the recommendation of the Nomination and Remuneration Committee of the Company.
- 4.3 **Independence:** The Committee shall comprise at least of a majority of independent non-executive directors.
- 4.4 **Financial experience:** At least one Committee member at all times shall have recent and relevant financial experience. The Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 4.5 **Terms:** Subject to annual re-election of directors at the Company's annual general meeting and subject to annual review of Committee composition, appointments to the Committee shall be for periods of up to three years, which may be extended for no more than two additional three-year periods provided the members continue to be independent. In exceptional circumstances, the Board may extend a term beyond the foregoing for a limited period.
- 4.6 **Minimum number of members:** The Committee shall have at least three members, the majority of whom shall be independent non-executive directors. It is recognised that the number of members may fall below three for temporary periods due to departures pending new appointments.
- 4.7 **Chair of the Board:** The chair of the Board may not serve on the Committee.
- 4.8 **Other attendees at meetings:** Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisors may be invited by the Committee or its chair to attend whole or part of any meeting of the

Committee. It is expected that the finance director, the financial controller and representatives of the external auditor will normally be invited to attend meetings.

- 4.9 **Private sessions:** Notwithstanding the foregoing, the Committee shall meet with each of the finance director and the financial controller and the external auditors at least once per year without executive Directors being present.

## 5. QUORUM

- 5.1 A quorum shall be any two members of the Committee.

## 6. SECRETARY

- 6.1 The company secretary or his or her nominee shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

## 7. DUTIES AND TERMS OF REFERENCE

### 7.1 *Financial reporting*

The Committee shall:

- (a) monitor the integrity of the financial statements of the Company, including:
  - (i) the annual and half-yearly reports; and
  - (ii) any other formal statements relating to its financial performance;
- (b) review significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain having regard to matters communicated to it by the external auditor;
- (c) review and challenge where necessary:
  - (i) the application and appropriateness of significant accounting policies,
  - (ii) any changes to significant accounting policies both on a year on year basis and across the Company and the Group, including the application of new accounting policies in interim accounts, and the plan to communicate those changes to shareholders and the market;
  - (iii) management's assessment of the impact of new accounting policies on the distributable reserves of the Company and its subsidiaries;
  - (iv) whether the Company has made appropriate estimates and judgements, taking into account the external auditor's views;
  - (v) the clarity and completeness of financial reporting disclosures and any changes to those disclosures, including the review of any correspondence between the Company and the external auditor;

- (vi) the methods used to account for significant or unusual transactions (including any off balance sheet arrangements) where different approaches are possible;
  - (vii) significant adjustments resulting from the external audit;
  - (viii) the assumptions or qualifications in support of the going concern statement (including any material uncertainties as to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements) and the longer term viability statement (including an assessment of the prospects of the Company looking forward over an appropriate and justified period), including the robustness of stress-testing and scenario planning, and disclosures around such analysis; and
  - (ix) the legality of any proposed dividend and the company's ability to pay it and remain a going concern;
- (d) monitor compliance with financial reporting standards and the AIM Rules and related guidance and other financial and governance reporting requirements;
  - (e) review all material information presented with the financial statements, such as the strategic report and the corporate governance statements, insofar as it relates to audit and risk management;
  - (f) review first any other statements that contain financial information and require board approval, if carrying out a review before board approval would be practicable and consistent with any prompt reporting requirements under any law or regulation including the AIM Rules; and
  - (g) where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, report its views to the board.

## 7.2 ***Narrative reporting***

Where requested by the board, the Committee shall review the content of the annual report and accounts and advise the board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

## 7.3 ***Risk management systems and internal controls***

The Committee shall:

- (a) review the Company's internal financial controls and identify, assess and monitor all financial and relevant non-financial risks and other internal control and risk management systems;
- (b) review the risk register;
- (c) review and approve the statements to be included in the annual report and accounts concerning internal control and risk management; and

- (d) raise any issues with the Board of which becomes aware, if required.

#### 7.4 **Internal audit**

The Company has no internal audit function. The Committee shall consider at least annually the need for an internal audit function, make any recommendation to the board and explain the reasons for the absence of such a function, how internal assurance is achieved and how this affects the external audit work to the board for disclosure in the annual report. The Committee shall assess whether the processes applied by management to ensure that the internal controls systems are functioning as intended provide sufficient and objective assurance.

#### 7.5 **External audit**

The Committee shall, taking into account any applicable law and legislation, other professional requirements and the Financial Reporting Standard's Revised Ethical Standard 2019 (Ethical Standard):

##### (h) **Appointment, reappointment and resignation**

- (i) consider and make recommendations to the board, to be put to shareholders for approval at the Company's AGM, on the appointment, reappointment or removal of the Company's external auditor;
- (ii) ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and, in respect of such tender, conduct such tender process and develop and oversee the selection process, ensuring that all tendering firms have such access as is necessary to information and individuals during the tendering process;
- (iii) if any external auditor resigns, investigate the issues leading to this and decide whether any action is required; and
- (iv) evaluate the risks to the quality and effectiveness of the financial reporting process in light of the external auditor's communications with the Committee and consider the need to include the risk of the withdrawal of the external auditor from the market in that evaluation;

##### (i) **Terms of engagement**

Approve the terms of engagement with the auditor, including any engagement letter issued at the start of each audit, the scope of the audit and agree and approve their remuneration (including fees for both the audit and non-audit services) to ensure that the level of fees is appropriate to enable an effective and high quality audit to be undertaken;

##### (j) **Independence and expertise**

- (i) review and assess on an annual basis;
    - (A) the external auditor's independence and objectivity taking into account the relevant UK law, the Ethical Standard and other professional and regulatory requirements and the relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards to mitigate those threats including the provision of any non-audit services; and
    - (B) the qualifications, expertise and resources of the external auditor and, taking into account relevant UK professional and regulatory requirements, the effectiveness of the external audit process, which shall include a report from the external auditor on their own internal quality procedures;
  - (ii) seek reassurance from the external auditor and their staff and satisfy itself that they have no relationships with the Company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;
  - (iii) at least annually, seek information from the external audit firm about, and monitor, the external audit firm's policies and processes for maintaining independence and its compliance with the relevant UK law, regulation and other professional requirements and the Ethical Standard, including guidance on the rotation of the audit partner and staff;
- (k) **Fees of external auditor**
- monitor the level of fees paid by the Company to the external auditor compared to the overall fee income of the firm, office and partner and assess these in the context of the legal, professional and regulatory requirements, guidance and the Ethical Standard;
- (l) **Non-audit services**
- (i) Approve and implement, the policy on the external auditor's provision of non-audit services, including the Committee's approval of non-audit services and the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements.
  - (ii) ensure that the provision of the non-audit services does not impair the external auditor's independence or objectivity, satisfying itself that there are no relationships between the auditor and the Company outside the ordinary course of business (including the level of non-audit fees) that could adversely affect the auditor's independence and objectivity, or the audit process; and
  - (iii) keep the policy for the provision of non-audit services under review;
- (m) **Audit cycle**

- (i) review and approve the annual audit plan at the start of the audit cycle and ensure it is consistent with the scope of the audit engagement;
- (ii) 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 the executive directors or management being present, to review and discuss the auditor's remit and the findings of the audit including (but not limited to) any major resolved or unresolved issues that arose during the audit, the auditor's explanation of how risks to audit quality were addressed, key accounting and audit judgements, the auditor's view of their interactions with senior management and levels of errors identified during the audit;
- (iii) consider communications from the external auditor on audit planning and findings on material weaknesses in accounting and internal control systems that come to the auditor's attention, including a review of material items of correspondence between the Company and the external auditor;
- (iv) review any representation letter(s);
- (v) review, before its consideration by the board, the external auditor's report to the directors and their management letter, including management's response to the auditor's findings and recommendations;
- (vi) at the end of the audit cycle, assess the effectiveness of the audit process including:
  - (A) reviewing whether the auditor has met the agreed audit plan and whether the external auditor identified any risks to audit quality and, if so, how these were addressed;
  - (B) understanding reasons for changes to the audit plan;
  - (C) considering the external auditor's robustness and perceptiveness in handling key accounting and audit judgements and responding to the Committee's questions;
  - (D) obtaining feedback from key people on the conduct of the audit; and
  - (E) reviewing and monitoring the content of the external auditor's management letter and reporting to the board on the effectiveness of the audit process;

## 7.6 ***Whistleblowing, Fraud and Compliance***

- (a) review the adequacy and security of the Company's arrangements for its contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action;

- (b) review the Company's procedures for detecting fraud;
- (c) review the Company's systems and controls for the prevention of bribery and tax- evasion and receive reports on non-compliance;
- (d) review the adequacy and effectiveness of the Company's anti-money laundering systems and controls; and
- (e) review the adequacy and effectiveness of the Company's compliance function.

**7.7 Related to Remuneration**

- (a) **Annual Short-Term Incentive/Bonus Plan:** The Committee shall confirm to the Nomination and Remuneration Committee the achievement of financial performance conditions under any short-term incentive or bonus plan.
- (b) **Annual LTIP Grants:** The Committee shall confirm to the Nomination and Remuneration Committee the achievement of financial performance conditions of any LTIP grants.
- (c) **Risk:** The Committee shall work to ensure that the design of remuneration arrangements and the selection and calibration of metrics do not encourage excessive risk taking or short termism, in line with the Company's risk policies. Ensure that both the risk profile and risk events are appropriately taken into consideration in the determination of remuneration outcomes at both the individual and firm-wide level.

**7.8 Policies:** The Company shall consider, approve and regularly review and amend as necessary the following policies:

- (a) Non-Audit Services Policy
- (b) Auditor Independence Policy
- (c) Whistleblowing Policy
- (d) Anti-Bribery and Corruption Policy
- (e) Related Party Transactions Policy
- (f) Gifts and Hospitality Policy

**7.9 Other matters:** The Committee shall consider such other matters as may be requested by the Board and work and liaise as necessary with all other board committees.

7.10 The Committee may make recommendations to the Board arising out of the above matters.

**8. VOTING ARRANGEMENTS**

8.1 Resolutions of the Committee shall be passed by a majority of votes.

- 8.2 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee (whether in person or by audio or video conference.)
- 8.3 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting in respect of that matter.

## **9. NOTICE AND CONDUCT OF MEETINGS AND REPORTING**

- 9.1 The Committee will meet at least four times per year at appropriate times in the Company's financial reporting and audit cycle. The Committee may meet at other times during the year as required.
- 9.2 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of the members of the Committee.
- 9.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend a reasonable period before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time. Electronic notices, agendas and supporting papers may be circulated electronically.
- 9.4 Meetings may be conducted when members are physically present together or in the form of either video or audio conference as anticipated by the Company's Articles of Association.
- 9.5 In the absence of the chair, the remaining members present shall elect one of their number to chair the meeting.
- 9.6 The Secretary will keep minutes of the proceedings and resolutions and shall notify the chair of any declared conflicts of interest.
- 9.7 Draft minutes shall be circulated promptly to the chair and subsequently to all members of the Committee for their review. Once the minutes have been approved by the Committee, they shall be circulated to all other members of the Board unless, in the opinion of the chair, it would be inappropriate to do so.
- 9.8 A resolution in writing agreed by all Committee members for the time being entitled to receive notice of a Committee meeting shall be as valid and effective as if it had been passed at a meeting of the Committee duly convened and held. Such written resolution is adopted when all Committee members have signed one or more copies of it or otherwise indicated their agreement to it in writing (which may include by electronic means).

9.9 The Committee shall have power to delegate as the Committee thinks fit, including (without limitation) power to delegate authority to finalise matters approved in principle by the Committee, to deal with matters arising between meetings and to deal with matters not warranting being dealt with by the Committee.

## 10. GENERAL MATTERS

10.1 **Chair attendance at AGM:** The chair of the Committee should make him or herself available at each Annual General Meeting of the company to answer questions concerning the Committee's work.

10.2 **Self-Evaluation:** The Committee shall arrange for periodic reviews of its own performance.

10.3 **Review of ToR:** The Committee shall at least once a year, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

10.4 **Resources:** The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members

10.5 **Due regard to external views:** The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations audit and risk matters of listed/non listed companies and formation and operation of share schemes as appropriate.

10.6 **Recommendations to the Board:** The Committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.

10.7 **Reports in Annual Report:** The Committee shall approve a letter and report on the Committee's work to be included in the Company's annual report and accounts.

10.8 **Investigation/information:** The Committee shall oversee any investigation of activities that are within its terms of reference. The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the company's expense, legal or professional advice on any matter within its terms of reference. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

Approved by the Board on 20 May 2026.