

<p style="text-align: center;"><b>RISK COMMITTEE</b> <b>TERMS OF REFERENCE</b></p>
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The following are the Terms of Reference of the Risk Committee (“the Committee”) of esure Group plc (“the Company”) and each of its principal subsidiaries in the esure Group (“the Group”). Reference to the Board shall mean the Board of Directors of the Company. Reference to the Group shall mean the Company and its subsidiaries.

## **1 Membership**

- 1.1 The Committee shall comprise at least three members. Members of the Committee shall be appointed by the Board in consultation with the Chair of the Committee. At least one member shall also be a member of the Audit Committee.
- 1.2 All members of the Committee shall be independent Non-executive Directors.
- 1.3 The Board shall appoint a Committee Chair. 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.
- 1.4 At least one member of the Committee should have significant, recent and relevant finance or risk management experience. The Committee as a whole shall have competence relevant to the sector in which the Company operates.
- 1.5 The quorum necessary for the transaction of business shall be two members. 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.
- 1.6 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the Director still meets the criteria for the membership of the Committee.

## **2 Secretary**

- 2.1 The Company Secretary or their nominee shall act as the Secretary of the Committee (“Committee Secretary”) and will attend all its meetings and circulate the papers to the Committee and its attendees in a timely manner to enable full and proper consideration to be given to the issues. Information and papers for each meeting shall also be made available to any Directors who are not a member of the Committee, unless the Committee Chair considers it inappropriate to do so.

## **3 Proceedings of the Committee**

- 3.1 Only Committee members of the Committee have the right to attend Committee meetings. However, the Committee may invite any Directors or other executives of the Company or require other persons to attend meetings where appropriate to assist in the effective discharge of the Committee’s duties. The Chief Executive Officer, the Chief Finance Officer and the Chief Risk Officer and nominated Directors or representatives of the Shareholder will normally be in attendance at meetings. Other individuals may be invited to attend all or part of any meeting at the request of the Committee Chair as and when deemed appropriate and necessary to assist the Committee to fulfil its duties. Attendees are not members of the Committee and may be asked to withdraw from meetings at the request of the Committee Chair.
- 3.2 At least once a year the Committee will meet the Chief Risk Officer without Executive Directors or other management present.

- 3.3 Similarly, the Committee may meet separately with any of the Directors or employees without any other Director or employee being present.
- 3.4 The Committee Chair will be available to the Chief Risk Officer to discuss any matters of concern in relation to risk management, solvency matters, or compliance with the Group's regulatory obligations, should this be considered necessary.

## **4 Meetings**

- 4.1 The Committee shall meet at least four times a year or more frequently as the Committee Chair shall require. Outside the formal meeting programme, the Committee Chair, and to a lesser extent the other Committee members, will maintain regular dialogue with key individuals involved in the Company's governance relating to these terms of reference.
- 4.2 Meetings of the Committee shall be convened by the Committee Secretary at the request of the Committee Chair, any of its members or at the request of the Chief Risk Officer if they consider it necessary.
- 4.3 Unless otherwise agreed by the Committee, notice of each meeting confirming venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, all other Directors and any other person required to attend no later than five working days before the meeting.
- 4.4 Notices, agendas and supporting papers can be sent or made available in electronic form.
- 4.5 Committee meetings may be held either in person or by using technology that allows members to participate remotely or by a mixture of both. The meeting shall be duly constituted and its proceedings valid if the Committee Chair is satisfied that the technology permits each person attending the meeting to communicate with each other.

## **5 Authority**

The Committee is authorised to:

- 5.1 undertake any activity within its Terms of Reference;
- 5.2 obtain, at the Company's expense, independent external legal or other professional advice on any matter within its Terms of Reference where required;
- 5.3 request the attendance of any Director or employee at a meeting of the Committee as and when required; and
- 5.4 seek any information it requires from any Director, or employee of the Company in order to perform its duties.

## **6 Principal Duties**

The Committee is concerned with the business of the whole of the Group. Its authority and duties extend to all relevant matters within this business scope and these Terms of Reference.

In general, the Committee shall:

- i) consider and advise the Board on the Company's overall risk appetite, risk tolerance, risk limits and risk strategy, taking into account the current and prospective macro-economic and financial environment; and
- ii) oversee and advise the Board on the current risk exposures of the Company and future risk strategy.

- 6.1 In respect of the Risk Management Framework, the Committee's responsibilities are to:

- 6.1.1 provide advice to the Board on risk strategy, including the oversight of the Group's current risk exposures in relation to risk limits, with particular emphasis on prudential and conduct risks;
- 6.1.2 keep under review the effectiveness of the Company's risk management systems and review and approve any statement to be included in the Annual Report and accounts concerning risk management;
- 6.1.3 evaluate potential emerging trends, including but not limited to environmental, social and governance trends, that may result in future adverse developments against the Group's risk appetite or new risk issues facing the Group, including their potential impact on the Group's business model;
- 6.1.4 develop proposals and recommendations for consideration by the Board in respect of overall risk appetite and tolerance, as well as the metrics to be used to monitor the Group's risk management performance;
- 6.1.5 review the principal risk policies for consistency with the Group's risk appetite and approve any material changes to those policies;
- 6.1.6 oversee and challenge the design and execution of stress and scenario testing, including reverse stress testing;
- 6.1.7 oversee and challenge management's day-to-day risk management and oversight arrangements;
- 6.1.8 review the Group's overall risk assessment processes and methodology, ensuring that both qualitative and quantitative metrics are used;
- 6.1.9 oversee and challenge due diligence on risk issues relating to material transactions and strategic proposals that are subject to approval by the Board;
- 6.1.10 provide advice, oversight and challenge necessary to embed and maintain a supportive risk culture and review the effectiveness of its embedding and maintenance throughout the Group;
- 6.1.11 review the capital adequacy of the Group taking into account the forward-looking assessment of risks from the outcomes of the Own Risk and Solvency Assessment (ORSA) process;
- 6.1.12 recommend to the Board for approval the Group ORSA report prior to it forming the basis of risk and solvency submissions to the Group's regulatory supervisor;
- 6.1.13 satisfy itself on an ongoing basis that risk-based information is used effectively by management and the Board in the running of the business;
- 6.1.14 receive and review reports from the Chief Risk Officer and the Risk Management Function, which are designed to assist the Committee in its consideration of the risks that the business faces;
- 6.1.15 review and monitor management's responsiveness to the findings and recommendations from the Chief Risk Officer and the Risk Management function;
- 6.1.16 consider and approve the remit and annual objectives of the Risk Management Function, ensuring it has adequate resources, independence and has appropriate access to information to enable it to perform its function effectively;
- 6.1.17 review the approach by which each principal risk is controlled and the capability to identify and manage new and emerging risks and review reports including management information and key performance indicators on the risk profile of the Group and adhere and to risk policies, limits and standards;

- 6.1.18 receive notification of any material breaches of risk limits and discuss possible actions and solutions; and
- 6.1.19 consider the implications of any changes proposed to regulations and legislation that could be material to the Group's risk appetite, risk exposure, management of risk and regulatory compliance.

## **7 Reporting Responsibilities**

- 7.1 The Committee Chair shall report formally to the Board, either verbally or in writing, on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 7.3 The Committee Chair shall attend the Annual General Meeting to answer shareholder(s) questions on the Committee's activities throughout the year.
- 7.3 The Committee shall produce a report of its activities, including the Group's risk management and strategy, risk management objectives and policies to be included in the Group's Annual Report and accounts. The Committee should furthermore assist Directors to confirm they have carried out a robust assessment of the principal risks facing the Company, those that would threaten its business model, future performance or solvency and describe those risks and how they are being mitigated or managed.

## **8 Other Matters**

The Committee shall:

- 8.1 have access to sufficient resources in order to carry out its duties, including access to the Chief Risk Officer, who shall have independent access to the Committee Chair, and to the services of the Committee Secretary for assistance on Committee matters as required;
- 8.2 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 and key developments in regulatory requirements;
- 8.3 in its decision making, give due consideration to any relevant legal or regulatory requirements, and associated best practice guidance, including but not limited to general duties of Directors set out in the Companies Act 2006, the Provisions of the Wates Corporate Governance Principles for Large Private Companies 2018, the Guidelines for Disclosure and Transparency in Private Equity 2019 and the rules of the UK Listing Authority and other applicable rules as appropriate as well as to the risk and risk management implications of its decisions;
- 8.5 arrange for periodic reviews of its own performance and, at least annually, review its constitution and Terms of Reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval or confirm to the Board that no changes are required;
- 8.6 assess at least annually the nature, quality and timeliness of management information provided to the Committee;
- 8.7 oversee any investigation of activities which are within its Terms of Reference and consider other topics that may be referred to it by the Board;
- 8.8 recommend to the Board the appointment and/or removal of the Chief Risk Officer; and
- 8.9 work and liaise as necessary with all other Board committees.

## **9 Minutes**

- 9.1 The Committee Secretary or their nominee shall minute the proceedings of all meetings of the Committee, including recording the names of those present and in attendance. The Committee Secretary shall also ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 9.2 Draft minutes of the Committee shall be agreed with the Committee Chair and then circulated promptly to all members of the Committee and final signed copies of the Committee minutes should be maintained for the Company's records, in hard and soft copy where possible.

Approved and adopted by the Board on 22 November 2022.

## **Appendix**

Principal Risk Policies for Risk Committee Review are listed below. As amended from time to time these include but are not limited to:

- Conduct Risk Policy
- Conflicts of Interest Policy
- Health & Safety Policy
- Privacy & Data Protection Policy
- Environmental Social and Governance (“ESG”) Policy
- Financial Crime Policy
- Outsourcing and Material Third Party Arrangements Policy
- Supplier Code of Conduct
- Risk Management Policy