

ADMIRAL GROUP PLC (the “Group”)

TERMS OF REFERENCE OF THE GROUP RISK COMMITTEE (the “Committee”)

Approved: March 2024

1. Membership

- 1.1 Members of the Committee shall be appointed by the Group Board, on the recommendation of the Group Nomination and Governance Committee in consultation with the Chair of the Committee. The Committee shall be made up of at least three members.
- 1.2 The majority of members of the Committee shall be independent non-executive directors and may include the Chair of the Board.
- 1.3 Any member of the Group Board of Directors is able to attend Committee meetings. However, usually meetings will be attended only by Committee members. Other individuals such as the Chief Financial Officer, Chief Executive Officer, Chair of the Group Board, Chief Risk Officer, the Heads of Compliance and Internal Audit and representatives from within the Group may be invited to attend all or part of any meeting as and when appropriate and necessary.
- 1.4 The Group 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.

2. Secretary

- 2.1 The Company Secretary or their nominee shall act as 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 issues.

3. Quorum

- 3.1 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.

4. Frequency of Meetings

- 4.1 The Committee shall meet at least four times a year at appropriate times, and otherwise as required.

5. Notice of Meetings

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair of the Group Risk Committee or any of its members, or at the request of the Group Heads of the Risk or Compliance functions, if they consider it necessary.

- 5.2** Unless otherwise agreed, notice of each meeting confirming the venue, time and date of the meeting, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, and 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.

6. Minutes of Meetings

- 6.1** The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2** The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 6.3** Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Group Board, unless it would be inappropriate to do so.

7. Annual General Meeting

- 7.1** The Chair of the Committee should attend the Annual General Meeting to answer shareholder questions on the Committee's activities. In addition, the Committee Chair should support engagement with stakeholders, including shareholders, where appropriate on significant matters related to the Committee's areas of responsibility, in consultation with the Group Board Chair.

8. Duties

The Committee should carry out the duties below for the Group, as appropriate.

8.1 Risk Management Framework

- 8.1.1** Recommend to the Group Board the Group's overall risk management strategy including periodic assessment of its effectiveness.
- 8.1.2** Consider and recommend to the Group Board for approval the Group's risk appetite, including any changes to risk appetite for each material type of risk faced by the Group.
- 8.1.3** Where a breach of KRI trigger and / or limit is identified, the Committee will manage this in accordance with the Group Risk Management Policy and Group Risk Appetite Statement.
- 8.1.4** Oversee the development, implementation and maintenance of the Group's overall risk management framework and mitigation strategies and ensure these are in line with emerging regulatory, corporate governance and best practice guidelines.
- 8.1.5** Review the Group's ability to identify new risk types and approve risk policies and minimum standards for each key risk and ensure they are in line with emerging regulations, corporate governance and best practice.
- 8.1.6** Reviews of risks relating to major new strategic and product initiatives.

- 8.1.7** Recommend to the Group Board for approval for inclusion in the Annual Report and Accounts a statement confirming that a robust assessment of the principal risks facing the Group has been carried out, including those that would threaten its business model, future performance, climate related risks, solvency or liquidity. The Committee should confirm in the Annual Report and Accounts that it has completed this assessment, including a description of the Group's principal risks and uncertainties, what procedures are in place to identify emerging risks, notable risk drivers impacting the Group's principal risks and an explanation of how these are being managed and mitigated.
- 8.1.8** Monitor compliance with the Group's risk management strategy, risk appetite and risk policies and satisfy itself that action plans to address significant breaches are in place.
- 8.1.9** Consider and approve the remit of the Group Risk function and ensure that it has adequate resources and appropriate access to information to enable it to perform its functions effectively. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions. The reports associated with Internal Audit reviews of the Group Risk function shall be reviewed by Committee.
- 8.1.10** Approve the annual plan for the Group Risk function, including principal activities. The progress against the plan is reviewed on a quarterly basis. The approval of the Committee will be sought for any changes to the plan.
- 8.1.11** Monitor and review the Group's risk exposures, both gross and net of controls/mitigation, with ultimate responsibility for determining the appropriateness of the internal control framework to mitigate risks.
- 8.1.12** Periodically review summary reports on significant breaches of regulations and risk events (including operational).
- 8.1.13** Oversee and challenge the Consolidated Risk Report on a quarterly basis.
- 8.1.14** Review significant findings and recommendations of the internal auditors in risk management and related areas.
- 8.1.15** Review and approve a half yearly proposal from the CRO outlining risk events that should be considered when determining the application of risk adjustment, malus and / or clawback to be applied to the performance objectives and remuneration arrangements. Once approved, this proposal is provided to the Group Remuneration Committee confirming the Committee's view.
- 8.1.15.1** The GRC's review of the proposal will confirm that the events are complete and consistent and have been described in accordance with the information that was reported to the GRC in the relevant period.
- 8.1.15.2** The GRC's review of the proposal will not include information relating to accountability, this may be requested by the Group Remuneration Committee separately from management.
- 8.1.16** Oversee major issues reported from the Risk Management Governance Structure which is composed of the Group Asset and Liability Committee, Investment Committee, subsidiary boards, risk committees (if applicable) and executive risk management committees.
- 8.1.17** Meet the Chief Risk & Compliance Officer at least once a year, without management being present, to discuss their remit and any issues arising from the risk reviews carried out. In addition, the Chief Risk Officer shall be given the right of direct access to the Chair of the Group Board and to the Committee.

8.2 Prudential Risk

- 8.2.1** Review and monitor the Group's current and future prudential risk exposure via the Risk Management Information, for example the Own Risk and Solvency Assessment ("ORSA") and stress and scenario testing presentations, taking account of the current and prospective macroeconomic and financial environment.
- 8.2.2** Oversee and challenge the design and execution of the Group's stress and scenario testing, to understand under what situations the Group would fail, be satisfied with the level of current mitigation and what actions would be taken if such circumstances occurred.
- 8.2.3** Oversee and challenge the design and execution of the Group's capital policy setting process, including any changes to methodology and bases, giving due regard to the business strategy and risk tolerance. The Committee will review the Group's proposed final dividend payments.
- 8.2.4** Set a standard for the accurate and timely monitoring of any predictive models used with the assessment of the Group's capital requirement; and ensure that 'use test' requirements for internal models are satisfied.
- 8.2.5** Review the Groups' Reinsurance Policy and monitor adherence to this Policy via risk appetite and Risk Management Information.
- 8.2.6** Review the Group's progress to IMAP implementation
- 8.2.7** In respect of the ORSA process:- review the ORSA Policy prior to Group Board approval, challenge and oversee how the process is designed and implemented, review and challenge the results and the verification of how the process was executed.
- 8.2.8** Challenge, during the ORSA process, the identification and assessment of risks, giving direction on management actions to be taken if certain risks materialise, and challenge the assumptions behind the calculation of the Solvency Capital Requirement.
- 8.2.9** Review of the Terms of Reference of the Actuarial function.
- 8.2.10** Review the Actuarial Function Reports in relation to the Adequacy of Reinsurance and the Underwriting Policy.
- 8.2.11** Provide oversight and challenge of due diligence on risk issues relating to material transactions and strategic proposals, ensuring the potential consequences of any such transactions are appropriately considered.
- 8.2.12** At least on a three-yearly basis, review and provide feedback to the Group Remuneration Committee on the Directors Remuneration Policy (draft). The GRCs review of the draft policy will consider whether the Policy evidences regard for and alignment to the risk appetite of the Company.
- 8.2.13** At least annually, review and provide feedback to the Group Remuneration Committee on the Group Remuneration Policy (draft), to assist in ensuring that the Policy and the remuneration of the Executive Directors, Solvency II Staff and Senior Managers strikes an appropriate balance between incentivisation of performance and the conduct of the business in accordance with the Group's agreed risk appetite and risk management strategy. The Policy should be designed to; support strategy, promote long-term sustainable success, not create conflict of interest, promote ethical behaviour, and be aligned with the company culture, risk policies and systems.

8.2.14 Review and provide feedback to the Group Remuneration Committee, on a half yearly basis, regarding the appropriateness of the formulaic calculations utilised in determining remuneration adjustments. The Committee will consider the appropriateness of calculation by considering its implications for risk management and compliance. Such considerations, where appropriate, will apply to the financial and non-financial metrics.

8.3 Conduct Risk

8.3.1 Consider and recommend for Admiral Group Board approval a risk appetite for conduct risk.

8.3.2 Consider and approve appropriate indicators of adherence to the conduct risk appetite.

8.3.3 Review and monitor the Group's current and future conduct risk exposure via the Risk Management Information.

8.3.4 Consider and approve any changes to conduct risk indicators for principal conduct risks.

8.3.5 Reconfirm, on at least an annual basis, that the indicators continue to reflect the established conduct risk appetite and that the principal conduct risks identified remain appropriate.

8.3.6 Review a summary of the Complaint MI and associated root cause analysis conducted by the business.

8.3.7 Review Compliance or Audit Reports escalated to the Committee that provide an opinion on the effectiveness of conduct risk controls within the business.

8.3.8 Review any significant conduct risk issues that have a material impact on the customers of the business.

8.3.9 Monitor and review the key conduct risk concerns of the regulator and any business participation in thematic reviews.

8.3.10 Provide an opinion on any product developments of sufficient materiality to warrant the Committee's oversight as escalated by relevant Group functions and / or entity Boards.

8.4 Financial Crime

8.4.1 Review the Company's systems and controls for the prevention of bribery and corruption and receive periodic reports on the topic.

8.4.2 Review the adequacy and effectiveness of the Group's financial crime systems and controls and receive reports from the Money Laundering Reporting Officer.

8.4.3 Review the adequacy and effectiveness of the company's data protection systems and controls and receive reports from the Data Protection Officer.

8.4.4 Review material financial crime breaches and instances of tax evasion.

8.4.5 Where the Committee identifies any matters in relation to the above that it deems material, the Committee will report on these matters to the Group Audit Committee.

8.4.6 The Committee shall provide a summary of its activities in relation to financial crime to the Group Audit Committee on a half-yearly basis (as part of the half and full year reporting).

8.5 Compliance

- 8.5.1** Monitor and review the effectiveness of the Group's Compliance functions in meeting FCA and other regulators requirements, with particular reference to conflict of interest, customer outcomes conduct risk, rule breaches, compliance monitoring and complaints.
- 8.5.2** Consider and approve the remit of the Compliance functions and ensure they have adequate resources and appropriate access to information to enable them to perform their functions effectively. The Committee shall also ensure the functions have adequate standing and are free from management or other restrictions. The reports associated with Internal Audit reviews of the Group Compliance function shall be reviewed by the Committee;
- 8.5.3** Annually review and approve the Group Minimum Standards (GMS) Framework and control population. The Committee will be provided with updates of the application of the GMS in the GRC reading room for reference;
- 8.5.4** Review and approve the annual Group Compliance Plan;
- 8.5.5** Review reports from the Compliance functions;
- 8.5.6** Review and monitor management's responsiveness to the findings and recommendations of the compliance reviews; and
- 8.5.7** Meet the Head of Compliance at least once a year, without management being present, to discuss their remit and any issues arising from the compliance reviews carried out. In addition, the Head of Compliance shall be given the right of direct access to the Chair of the Group Board and to the Committee.

8.6 Reporting Responsibilities

- 8.6.1** The Committee Chair shall report formally to the Group Board on its proceedings after each meeting on all matters within its duties and responsibilities. Meeting minutes will also be provided to the Group Board when approved.
- 8.6.2** A summary report of key points of discussion will be provided to the Group Board, together with a summary of the Group Risk Report (CRR), the Group Compliance Report and any risk reviews relating to major strategic and product initiatives.
- 8.6.3** The Committee shall provide advice and feedback to the Group Remuneration Committee in accordance with its responsibilities outlined in paragraphs 8.1.15, 8.2.12, 8.2.13 and 8.2.14.
- 8.6.4** The Committee shall make whatever recommendations to the Group Board it deems appropriate on any area within its remit where action or improvement is needed.
- 8.6.5** The Committee shall compile a report of its activities to be included in the Group Annual Report, describing the work of the Committee.
- 8.6.6** As part of informing the Group Audit Committees view of the Annual Report and Accounts the Committee Chair is responsible for providing a report at least annually (or more frequently if requested) to the Group Audit Committee on the following to facilitate their recommendation of the Annual Report and Accounts to the AGp Board. This includes providing the Group Audit Committee with the relevant draft disclosure, and an overview of the supporting evidence that enable the Directors to be comfortable in approving the disclosures:

- 8.6.6.1** Confirmation that a robust assessment of the emerging and principal risks, as well as key risk drivers, to the Group has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity);
- 8.6.6.2** The effectiveness of the Group's risk management systems including the extent to which principle risks could impact on the integrity of the Group's reported financial performance;
- 8.6.6.3** The annual viability statement, taking account of the Group's position and principal risks, confirmation of how the Group's prospects have been assessed, over what period and why the period is regarded as appropriate. The Committee shall also advise on whether there is a reasonable expectation that the Group will be able to continue to meet its liabilities as they fall due over the said period, drawing attention to any qualifications or assumptions as necessary;
- 8.6.6.4** Whether any risks are sufficient, in certainty and/or materiality, to have affected the Group's judgment as a going concern;
- 8.6.6.5** Advise the Group Audit Committee of the risk implications of any material transactions and strategic proposals that are being reported on in the Group's Annual Report and Accounts; and

8.7 Other Matters

- 8.7.1** The Committee shall have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.
- 8.7.2** The Committee shall have access to appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 8.7.3** The Committee shall give due consideration to relevant laws and regulations, the provisions of the UK Corporate Governance Code and published guidance, the requirements of the FCA's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules sourcebook and any other applicable rules, as appropriate.
- 8.7.4** The Committee shall oversee any investigation of activities which are within its terms of reference.
- 8.7.5** The Committee shall work and liaise, as necessary, with all other Group Board Committees and relevant local entity committees ensuring that interaction between the Committees and the Group Board is reviewed regularly, taking particular account of the impact of risk management and internal controls on the work of other Committees.
- 8.7.6** The Committee shall 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 Group Board for approval.

9. Authority

- 9.1** The Committee is authorised to seek any information it requires from any employee of the Group in order to perform its duties.
- 9.2** The Committee is authorised to request the attendance of any employee at a meeting of the Committee and/or seek any information it requires from any employee in order to perform its duties.
- 9.3** The Committee is authorised to obtain, at the Group's expense, independent legal or other professional advice on any matter within its terms of reference if it believes it necessary to do so.

9.4 To the extent that a significant matter cannot be agreed by the Committee such matters will be referred to the Group Board.

10. Policies

10.1 The Committee is required to provide effective oversight over the following policies which are in addition to those mentioned specifically within section eight above.

Policies	
Group Internal Control Policy (RBA)	Cloud Policy (A)
Data Protection Policy (A)	Group Outsourcing & Procurement Policy (A)
Group Conflict of Interest Policy (RBA)	Information Security Policy (A)
Financial Crime Policy (A)	Validation Policy (RBA)
Anti-Bribery Policy (RBA)	SII Data & Systems Policy (A)
Capital Management Policy (RBA)	Group Materiality Policy (RBA)
Group Conduct Risk Policy (A)	Group Model Governance Policy (RBA)
Risk Management Policy (A)	Model Change Policy (RBA)
Business Continuity Policy (A)	Group Vulnerable Customers Policy (A)
Volatility Adjustment Policy (A)	