

27 February 2024

Companies Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

**Helia Group Limited (ASX:HLI)**  
**Corporate Governance Statement**

In accordance with ASX Listing Rule 4.7.4, we attach a copy of Helia Group Limited's Corporate Governance Statement dated 27 February 2024.

The release of this announcement was authorised by the Board.

Yours faithfully

A handwritten signature in black ink that reads "Brady Weissel". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Brady Weissel**  
General Counsel and Company Secretary

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For more information, analysts, investors and other interested parties should contact:

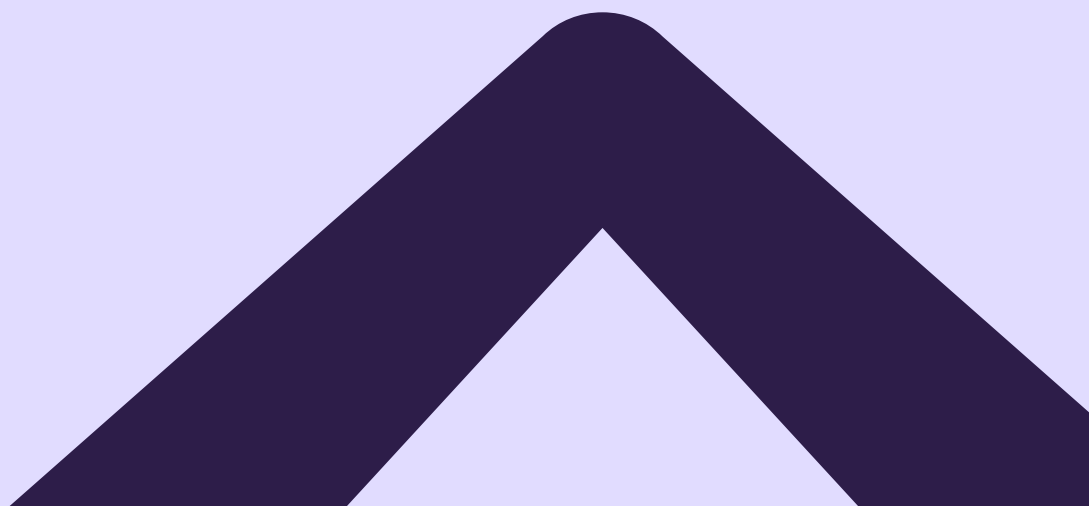
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# Corporate Governance Statement 2024





## Our purpose

To accelerate financial wellbeing through home ownership, now and for the future.



## Our vision

To be the leading partner of choice for flexible home ownership solutions.

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Helia is a leading provider of Lenders Mortgage Insurance (LMI) and capital and risk management solutions in Australia. LMI has been an important part of the Australian residential mortgage lending market since Helia was founded as Housing Loan Insurance Corporation (HLIC) by the Australian Government in 1965. Helia Group Limited and its controlled entities.

ABN 72 154 890 730

# 1. Helia's corporate governance framework

## 1.1 Introduction

Sound corporate governance is essential to supporting Helia's business performance and sustainability. Helia's Board of Directors (the Board) is committed to continuously improving the Company's governance framework, ensuring a broad focus across governance, remuneration, culture and accountability. This commitment is incorporated into interactions with Helia's shareholders, customers, employees, regulators, suppliers, home buyers and the community.

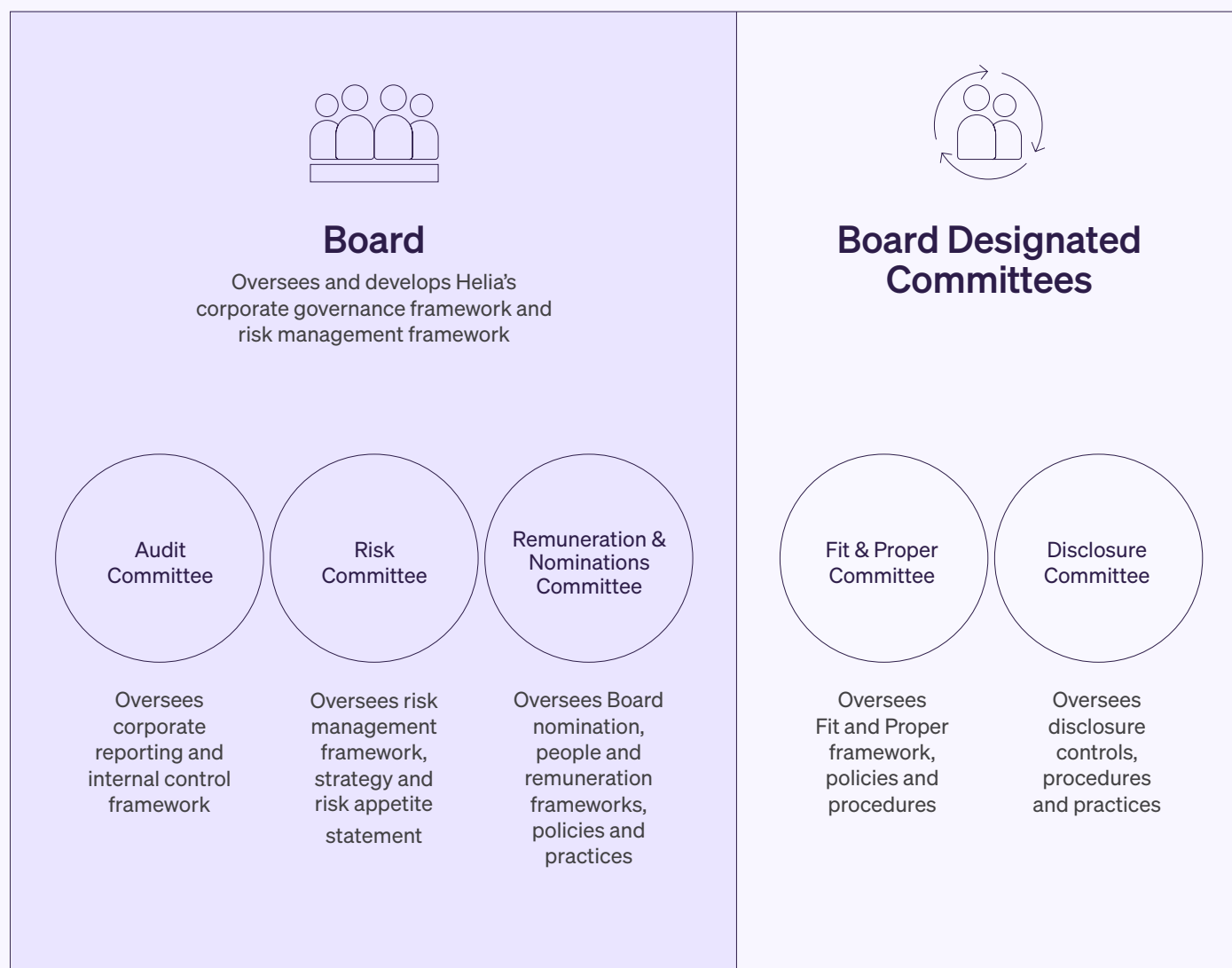
This Corporate Governance Statement (Statement) outlines the key aspects of Helia's corporate governance framework, including an explanation of practices that demonstrate compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Recommendations). Helia's governance practices are also underpinned by Helia's responsibilities as an entity regulated by the Australian Prudential Regulation Authority (APRA), Australian Securities and Investment Commission (ASIC), the Bermuda Monetary Authority (BMA)<sup>1</sup> and the Reserve Bank of New Zealand (RBNZ), as well as Helia's obligations under the *Corporations Act 2001 (Cth)* (Corporations Act).

This Statement has been approved by the Board and is current as of 27 February 2024.

## 1.2 Overview of corporate governance framework

The Board has established three Board Committees to assist it to oversee and develop the Group's corporate governance policies and risk management framework: the Audit Committee, the Risk Committee and the Remuneration and Nominations Committee. These Board Committees meet the requirements under APRA's Prudential Standard CPS 510 Governance.

In addition, two Board-designated management committees have been established and report directly to the Board: the Fit and Proper Committee and the Disclosure Committee.



1. Helia's registration with BMA as a licensed Class 3A insurer was cancelled on 10 November 2023.

## 2. The Board – oversight and responsibility

### 2.1 The Board's key accountabilities

The Board is accountable to shareholders for the long-term performance of Helia and for embedding an effective corporate governance structure. The Board is ultimately responsible for developing and setting the strategic direction, risk appetite and the desired culture of the Group.

The other key accountabilities and responsibilities of the Board include:

- demonstrating leadership, defining Helia's purpose and setting its strategic objectives;
- approving Helia's statement of values and Code of Conduct to underpin the desired culture;
- reviewing, monitoring and approving financial and business strategies;
- overseeing Helia's corporate governance and risk management frameworks (for both financial and non-financial risks);
- reviewing and approving Helia's annual budget, financial statements and reports;
- approving the Chief Executive Officer's (CEO) appointment and remuneration, and the remuneration of Helia's senior executives (Senior Leadership Team, or SLT);
- challenging management and holding management to account;
- overseeing management's implementation of Helia's strategic objectives, instilling of Helia's values and its performance generally;
- annually evaluating the performance of the Board, committees and individual directors, with respect to effectiveness and to ensure that they are fulfilling their respective responsibilities;
- approving appropriate performance scorecard measures and monitoring the progress of performance metrics and hurdles under Short Term Incentive (STI), STI Deferral and Long-Term Incentive (LTI) arrangements;
- approving and monitoring Helia's Capital Management Framework & Strategy (CMFS) and monitoring capital for consistency with risk appetite, the CMFS, ratings agency requirements and regulatory measures;
- supervising the execution of, and monitoring compliance with, the CMFS as it relates to Helia's Internal Capital Adequacy Assessment Process (ICAAP);
- approving Helia's reinsurance strategy (including new, renewal of or early cancellation of reinsurance arrangements) and new reinsurance policies;
- reviewing and approving Helia's Risk Management Strategy (RMS), Risk Management Framework (RMF) and Risk Appetite Statement (RAS);
- approving Helia's Investment Policy, Derivative Policy, Market Risk Policy, Liquidity Risk Policy and Strategic Asset Allocation; and
- overseeing Helia's process for making timely and balanced public disclosure of all material information.

A copy of the Board Charter is available at [investor.helia.com.au](https://investor.helia.com.au) under the corporate governance section.

### 2.2 Board composition

The Constitution provides that there will be a maximum of nine directors. As at 27 February 2024, the Board comprised eight directors. Seven directors are non-executive directors and one is an executive director being the CEO and Managing Director of Helia. Biographies of the directors are contained in Helia's 2023 Annual Report (directors' report) and on Helia's website.

The Chairman is responsible for ensuring that the Board fulfils its responsibilities. The Chairman provides leadership to the Board, promotes constructive and respectful relations between directors and between the Board and management, and presides at meetings of the Board and of shareholders.

In accordance with the Board Charter, the chairman is selected from the independent directors.

### 2.3 Director independence

The Helia Board is comprised of a majority of independent directors assessed in accordance with the definition of independence set out in the ASX Recommendations.

### 2.4 Directors' conflicts of interests

Directors have a continuing obligation to keep the Board advised of any interest that could conflict with the interests of Helia.

Directors are required to disclose any material personal interests in transactions or arrangements to which Helia is a party and are required to abstain from decision making with respect to these transactions and arrangements. The Board assesses conflicts on a case-by-case basis with reference to the particular circumstances involved.

Directors with potential conflicts do not serve on any committees that are appointed to oversee the implementation of transactions or arrangements with which the interests may conflict.

## 2.5 Board experience and skills

The Board has responsibility for ensuring that it has the necessary skills, experience and independence to meet its objectives and applicable regulatory requirements. Helia's size, market position, complexity and strategic focus areas are all factors taken into account when assessing the skills of directors. Helia's Fit and Proper Policy applies to all directors.

The collective skills of the Board and succession plans for directors are reviewed annually to ensure an appropriate balance of skills and experience.

The skills matrix below sets out the mix of skills that the Board currently has in place aligned to Helia's strategic priorities.

The skills matrix assists the Board in undertaking the director nomination and succession planning processes in an objective manner. Helia reviews the skills and experience of the Board on a regular basis to ensure they support the strategic direction of the Company.

Mortgage industry	Treasury/capital management/investment	Entrepreneurship
Insurance	Actuarial	People and Culture
Retail banking	Financial/accounting	Technology
Operations/process management	Legal/regulatory	International experience
Corporations Act/ASX Listing Rules	Corporate governance	
Board experience	Risk management	

## 2.6 Appointment process for directors

### Electing independent directors

The Board, through the Remuneration and Nominations Committee, assesses independent director candidates to fill a vacancy where one arises or if it considers that the Board would benefit from a new director. The desired skills coverage of the Board and the outcomes of the Board performance evaluation process (as described in section 4.2 below) are key considerations in determining Board appointments.

Factors considered by the Remuneration and Nominations Committee when recommending a person for appointment as an independent director include:

- skills and qualifications;
- fitness and propriety, including the assessment in accordance with Helia's Fit and Proper Policy;
- independence, taking into consideration APRA's Prudential Standard CPS 510 Governance, and the ASX Recommendations;
- the number of existing directorships and other commitments that may demand the attention of the appointee;
- the nature of existing positions, directorships or other relationships and the impact that each may have on the appointee's ability to exercise independent judgement; and
- the extent to which the appointee will contribute to the overall effectiveness of the Board.

### Appointment terms

All non-executive directors, including the Chairman, have been appointed pursuant to formal appointment letters. The letters formally document the basis of each non-executive director's appointment including:

- terms of appointment, including remuneration;
- the role of the Board and of non-executive directors;
- the right to obtain independent professional financial and legal advice, at Helia's expense, to assist with discharging their duties efficiently;
- the right of access to management and Helia records; and
- the requirement to abide by Helia's Code of Conduct and comply with Helia's Disclosure and Trading Policies.

Helia enters into an Access, Indemnity and Insurance Deed with directors as part of the appointment process.

## 2. The Board – oversight and responsibility continued

### Tenure

The Board recognises that Helia's interests are well served by having a mix of directors, some with a longer tenure and deep understanding of Helia and the business and some with a shorter tenure with fresh ideas and perspectives. The Board regularly assesses whether each director has served on the Board for such a period that could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of Helia and, in the case of independent directors, whether his or her independence may have been compromised. This assessment takes place annually for any director who has served in that position for more than 10 years.

Board tenure conditions do not apply to the appointment or removal of the CEO and Managing Director.

Further information in relation to the experience and qualifications of the directors can be found in the Annual Report.

### Shareholder information

The Board ensures that Helia provides to shareholders all material information in Helia's possession, including the information required under the Corporations Act and ASX Recommendations, relevant to a decision regarding the election of a director.

## 2.7 Director induction and education

Directors are required to maintain and develop the skills and knowledge required to perform their roles effectively. Each director must clearly understand the key functions of their individual role and the goals of the Board as a whole. This is achieved through several initiatives, including:

- an induction and education program for new directors to ensure they are aware of the expectations of their role and are familiar with Helia's strategy. The program generally includes meetings with the Chairman, CEO, relevant Board Committee members and the SLT. The Chairman is responsible for inducting new directors and for ensuring they have appropriate access to the business and fellow directors;
- provision of information to new directors pertaining to Helia's business strategy and to current issues before the Board;
- participation in professional development programs;
- obtaining additional perspectives from relevant external guest presenters at Board and Committee meetings; and
- ongoing engagement with the SLT and other key business representatives on a regular basis.

The Board Charter and Committee charters set out objectives and provide details of the expectations placed on directors. In addition, the annual Board performance assessment process ensures that the objectives continue to be met.

## 2.8 Committees

### Committee governance

The Board has established three committees, each comprising representatives of the Board, to assist in the discharge of its functions. A charter for each Committee sets out its composition, authority and responsibilities and is reviewed periodically by the Board.

The role of chairman of each Committee is exercised by an independent director who is not Chairman of the Board. Each Committee chairman is responsible for reporting the outcome of all Committee meetings to the Board.

The Charter for each Helia Board Committee and the membership of each Board Committee is available at [investor.helia.com.au](https://investor.helia.com.au), under the corporate governance section.

The number of times each Board Committee met during 2023 and the individual attendances of the members at those meetings is shown in the directors' report, which forms part of Helia's Annual Report for the year ended 31 December 2023.

### Remuneration and nominations committee

The Remuneration and Nominations Committee assists the Board to fulfil its responsibility to shareholders and regulators in relation to remuneration, succession planning, board effectiveness, diversity and inclusion.

The key responsibilities of the Remuneration and Nominations Committee include to:

- review and recommend to the Board for approval annually remuneration arrangement design, including total fixed remuneration, bonus, equity awards, annual goals and objectives and annual funding/budgets;
- review and recommend to the Board for approval annually, on an individual basis, remuneration outcomes including total fixed remuneration, bonus, equity awards and termination payments for the CEO, other key leaders and directors of the Company (including termination payments made to former directors and key leaders within three years of ceasing to be a director or key leader);
- review and recommend to the Board for approval annually, on a cohort basis, remuneration outcomes including total fixed remuneration, bonus and equity awards, for key functional employees to ensure the independence of these employees in carrying out their duties;

- recommend to the Board any adjustments to variable remuneration outcomes for relevant individuals and groups, including where payment or vesting conditions have not been met in relation to performance expectations, risk, compliance or misconduct matters, considering adjustment tools including in-year adjustments, malus and claw back;
- regularly review Helia's remuneration framework to ensure alignment with Helia's Remuneration Policy and Guiding Principles;
- oversee the development of executive succession plans in relation to the CEO and other senior management;
- review and recommend to the Board the attributes required to discharge competently the Board's duties at both the individual and collective (Board) level; including the size of the Board, specific qualities or skills and the appropriate mix of skills, experience, expertise and diversity, and desired Board composition in respect of the qualities and skills identified;
- make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board;
- annually review and recommend to the Board the remuneration of independent directors and the fee pool to be recommended to shareholders;
- recommend the annual Remuneration Report to the Board for approval and inclusion in Helia's Annual Report; and
- annually review and recommend to the Board Helia's Diversity and Inclusion Policy, which includes measurable objectives for achieving diversity and progress in achieving such objectives.

### Risk committee

The role of the Risk Committee is to assist the Board in its review, governance and oversight of the implementation and ongoing operation of Helia's Risk Management Framework (RMF) including:

- monitoring the application of the RMF by receiving regular reporting on the status of material risks;
- recommending the adoption of policies and procedures on risk management to effectively identify, assess, monitor and manage risk within appetite; and
- overseeing risk management, governance and operating structure within Helia's business.

The Risk Committee reviews Helia's Risk Management Strategy (RMS) and Risk Appetite Statement (RAS), and considers whether these continue to be sound. The Committee's functions include to:

- bring to the attention of the Board any circumstances in which Helia has operated outside the current risk appetite;
- recommend to the Board any changes to the RMF, RMS, RAS, including changes to Helia's risk appetite;
- establish and maintain a Whistleblower Policy and ensure there is a process in place for ensuring eligible disclosers are aware of the policy and that there is a process for dealing with matters raised by the eligible disclosers under the policy;
- establish an institution-wide view of Helia's current and future risk position relative to its risk appetite;
- oversee management's implementation of the RMS, including Helia's oversight of risk culture and compliance with regulatory requirements;
- assist the Board to review investment strategies and performance of investment managers; and
- constructively challenge management's proposals and decisions on all aspects of risk management arising from Helia's activities;
- receive and consider reports from management on new and emerging sources of risk and the controls and mitigation measures that management has put in place to deal with those risks;
- review and report to the Board on the effectiveness of Disaster Recovery (DR)/ Business Continuity Plans (BCP) and DR/BCP testing, key technology cybersecurity strategies and policies, key technology risks and technology risk mitigation strategies, including the overall technology risk profile of the Company;
- review the performance and objectives of Helia's Chief Risk Officer (CRO) and ensure the CRO has unfettered access to the Board and the Committee;
- monitoring reinsurance counterparty risk in respect of outwards reinsurance contracts entered into by the Company;
- review and consider the outcomes of enterprise-wide stress testing;
- review the composition and performance of investment portfolios and any deviations from mandates;
- assist the Board in the effective oversight of market and liquidity risk practices within the context of Helia's Capital Management Framework & Strategy; and
- oversee the management of the liquidity buffer and any change to the buffer.



## 2. The Board – oversight and responsibility continued

### Audit committee

The role of the Audit Committee is to assist the Board in reviewing the effectiveness of Helia's corporate reporting framework.

The key responsibilities of the Audit Committee include to:

- review and make recommendations to the Board in relation to the adequacy of Helia's corporate reporting processes and internal control framework, including Helia's processes to verify the integrity of any periodic corporate report it releases to the market;
- review financial statements and reports to determine whether the financial statements and reports reflect the understanding of the members of the Committee and otherwise provide a true and fair view of the financial position and performance of Helia and recommend them for adoption by the Board;
- oversee the effectiveness of accounting policies and adherence to relevant regulatory reporting requirements;
- oversee APRA statutory reporting requirements as relevant to financial reporting;
- ensure material financial risks are managed appropriately and recommend remediation steps where control weaknesses are identified;
- review and recommend to the Board the appointment and removal of the external auditor, the head of internal audit and the appointed actuary;
- monitor and evaluate the independence and performance of the external auditor and the internal audit function;
- review and approve the annual internal and external audit plans;
- recommend to the Board the adoption of insurance liabilities after receiving advice from the appointed actuary; and
- oversee the operation of Helia's actuarial advice framework.

### Other Board-designated Committees

Additionally, Helia has a Fit and Proper Committee and a Disclosure Committee. The Fit and Proper Policy and Disclosure Policy are available at [investor.helia.com.au](https://investor.helia.com.au) under the corporate governance section.

## 3. SLT – management and leadership

### 3.1 Linking Board strategy and organisational functions

The Board delegates the day-to-day management and administration of Helia to the CEO. The CEO manages Helia in accordance with the strategies, plans and delegations reviewed and approved by the Board. Formal approvals are provided by the Board on an annual basis with respect to Helia's documented business plans, risk appetite statement and related frameworks.

The CEO is supported by the SLT members, each of whom reports directly to the CEO.

The CEO and SLT provide the Board with accurate, timely and clear information to enable the Board to monitor the exercise of its delegated authority and to perform its own responsibilities. Recommendations are regularly made to the Board with respect to various issues including strategic business initiatives, financial considerations and risk management.

### 3.2 Designation of key management personnel status within the SLT

Within the SLT, five roles – CEO, Chief Financial Officer (CFO), Chief Risk Officer (CRO), Chief Commercial Officer, LMI (CCO – LMI) and Chief Operating Officer (COO) have been deemed to be responsible for planning, directing and controlling the activities of Helia. These roles were designated as executive Key Management Personnel (KMP) and accordingly the remuneration report sets out details of their individual remuneration. The remuneration report is included in Helia's Annual Report.

### 3.3 Appointment of SLT

Employment agreements with the CEO and SLT set out the details of each of their appointments. A summary of key terms as they relate to executive KMP employment agreements is contained in the remuneration report.

All members of the SLT are required to comply with Helia's Fit and Proper Policy with respect to their skills, experience and integrity. Each member of the SLT is assessed in accordance with Helia's Fit and Proper Policy before being appointed. Fit and Proper reassessments are then completed annually.

### 3.4 Company secretary

The Company Secretary plays an important role in ensuring a close link is maintained between the Board and the SLT, and in ensuring Helia operates within a robust corporate governance framework. The Board Charter provides for the Company Secretary to have a direct reporting line to the Chairman of the Board.

The Company Secretary is also responsible for assisting the Board to comply with Board and Committee procedures and for providing advice to the Board in relation to Helia's constitution, governance matters and related regulatory requirements. These processes facilitate timely and effective decision making.

### 3.5 Senior leadership attestations – reporting and risk management

Helia's financial statements are reviewed and endorsed by the CEO and the CFO. Before approving Helia's financial statements for a financial period (full year and half year), the Board receives from the CEO and CFO a declaration that, in their opinion:

- the financial records of Helia for the financial period have been properly maintained in accordance with the Corporations Act;
- the financial statements and the notes for the financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of Helia; and
- the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.

Management reporting is provided to the CEO and CFO to assist them in forming this opinion.

## 4. Remuneration – performance and shareholder value

### 4.1 Remuneration practices

Helia's Remuneration Policy outlines the strategy, governance and structure of the Company's remuneration framework. Helia's remuneration strategy is to provide market competitive remuneration that helps attract, retain and motivate highly talented people, who are dedicated to achieving the business' objectives in a manner that is consistent with the long-term interests of the Company and its stakeholders. This strategy is supported by five guiding remuneration principles:

1. Align management and shareholders interests;
2. Link remuneration outcomes with sustainable company and individual performance;
3. Encourage behaviour that aligns with Helia's expected behaviours, performance and risk management framework;
4. Ensure remuneration is competitive and flexible to attract and retain quality talent; and
5. Meet regulatory requirements and support strong governance and accountability.

The Remuneration Policy has been developed in line with relevant APRA Prudential Standards and ASX requirements. Remuneration practices for directors and the SLT are overseen by the Board, assisted by the Remuneration and Nominations Committee.

Remuneration practices and outcomes for directors and executive KMP are set out in Helia's remuneration report. Helia's remuneration practices are consistent between executive KMP and other SLT members. The remuneration report for the 2023 financial year will be put to shareholders for a non-binding, advisory vote at the Annual General Meeting (AGM).

### 4.2 Performance evaluation of directors

#### Overview

In accordance with Helia's Board Performance and Renewal Policy, the Remuneration and Nominations Committee undertakes an annual evaluation of Board performance and effectiveness, including the Board, its sub-committees and individual directors.

Helia's Board Performance and Renewal Policy sets out the key considerations in assessing the performance of the Board and of each individual director with reference to APRA CPS 510 Governance and the ASX Recommendations.

The Board recognises that the Company's interests are supported by having a mix of directors, some with longer tenure and deep understanding of the Company and some with shorter tenure with fresh ideas and perspectives. It also recognises the need for directors to continue to develop in order to fulfil their responsibilities and to maintain an appropriate balance and diversity of skills and experience.

The Board evaluates its performance through a combination of both internal peer assessments and externally facilitated assessments. The evaluation includes a review of Board and directors' functioning, the time spent by the Board considering matters, compliance with Board governance policies and whether the charters for the Board and its committees are being effectively met.

It considers the balance of skills, experience, independence and knowledge of the Board and how the Board works together.

The Board annually reviews each director's performance. The Chairman of the Board manages the process and shares the results with each director. In respect of the Chairman's performance, the Chair of the Remuneration and Nominations Committee provides feedback to the Chairman. External independent advisers are engaged as deemed appropriate (at least once every three years) by the Board.

An internal performance evaluation of the Board, its committees and individual directors was carried out in 2023 in accordance with the prescribed process.

## 4.3 Performance evaluation of SLT

The performance of members of the SLT is assessed through Helia's performance and development review (PDR) process. Helia's approach to performance evaluation for all employees is to encourage regular, constructive performance feedback as well as to conduct an overall assessment of performance against business goals and behaviours aligned to the Company values and risk culture. The individual performance and behaviour assessment is measured on "what" was achieved as well as "how" it was achieved. This provides a balanced assessment and links the annual assessment of performance to the individual's remuneration outcomes.

Risk culture is assessed by the Risk Committee based on the Risk Culture Dashboard (an assessment of organisational risk culture by the CRO) and individual risk goals and performance. Remuneration adjustments for risk management can be applied to the company-wide Short Term Incentive (STI) funding pool based on Risk Culture Dashboard modifier outcomes, on a collective or individual basis. Adjustments can be upwards to +25% (in cases of positive risk management and affordability) or downwards to nil (in cases of poor risk management). Both STI and Long Term Incentive (LTI) plans are subject to Board discretion and in-year adjustments, malus and claw back.

All Helia's people, including the SLT, are required to set goals and development objectives in line with Helia's strategic objectives for each calendar year. Performance measures for these objectives are a mixture of financial, non-financial and risk-related indicators. These measures align with Helia's business plan, reflect the individual's overall accountabilities and support Helia's organisational culture.

The CEO assesses the performance of each SLT member to ensure that the performance of the team is clearly aligned to Helia's business performance and the interests of shareholders.

The CEO's performance is assessed both via the PDR process and the annual Board performance and effectiveness evaluation process outlined above to assess performance in both capacities as a CEO and a Managing Director. CEO performance assessments are managed by the Board Chairman.

A performance evaluation of the CEO and each member of the SLT was undertaken for 2023 in accordance with the process described above.

## 4.4 Equity based remuneration scheme

To ensure remuneration is aligned to the creation and enhancement of long-term shareholder value, certain Helia employees may be eligible to receive Helia equity.

SLT employees may be granted rights to shares under Helia's variable remuneration framework and the Helia Share Rights Plan (Share Rights Plan). Equity grants to the CEO require shareholder approval.

Any vesting of variable remuneration awards will be based on certain performance hurdles being met and Board assessment of risk outcomes and conduct (on a collective and individual basis) based on evaluation of a number of data sources, including an independent assessment by the CRO. The Remuneration and Nominations Committee and the Board may, at their discretion under Helia's Consequence Management Framework, adjust any deferred equity-based payments (to zero if appropriate), or exercise claw back of equity-based payments previously made, to protect the financial soundness of the Company; respond to misconduct, or inappropriate risk-taking behaviour; and/or other unforeseen or unintended consequences.

Helia's SLT equity-based remuneration plans are disclosed in the remuneration report, included within the 2023 Annual Report.

Non-SLT employees may be eligible to receive shares under the Employee Share Scheme (ESS). Under the ESS, eligible permanent employees with at least six months of tenure will receive a grant of \$1,000 of Helia shares, subject to a three-year trading restriction.

Employees participating in the Share Rights Plan are required to comply with the Share Rights Plan rules. Employees participating in the ESS are required to comply with the ESS rules and all employees are required to comply with Helia's Trading Policy.

# 5. Risk management – sustainable business practices

## 5.1 Risk management framework

Helia’s Risk Management Framework comprises the totality of the frameworks, policies, people, processes and systems used to identify, measure, monitor, report, and control or mitigate all sources of material risk and is aligned to International Standard ISO 31000: 2018 Risk Management. It has been prepared in alignment to our strategic and business planning, is influenced by capital, funding and liquidity requirements, and takes into consideration external perspectives including customer (i.e. policyholder), investor and community expectations.

The Risk Committee, on behalf of the Board, is responsible for overseeing the implementation of Helia’s RMF and pursuit of strategic objectives within the limits set by the Board approved risk appetite. The Audit Committee provides further assurance through an objective review of the effectiveness of Helia’s corporate reporting. These Board Committees are chaired by independent non-executive directors who have the necessary technical and industry knowledge to ensure they operate in accordance with their respective charters.

Annual reviews consider various matters such as the framework’s effectiveness in managing risk, the alignment of Helia’s strategy and risk appetite, the risk culture of the organisation, the appropriateness of policies that identify risks and controls, risk related reporting and how remediation recommendations are actioned. Each of these components were covered as part of the 2023 review process.

The key components of the risk management framework are set out below.

### Risk management strategy

Helia’s Risk Management Strategy describes the strategy for managing our material risks and the key elements of the Risk Management Framework that give effect to this strategy. The Board is responsible for approving this strategy.

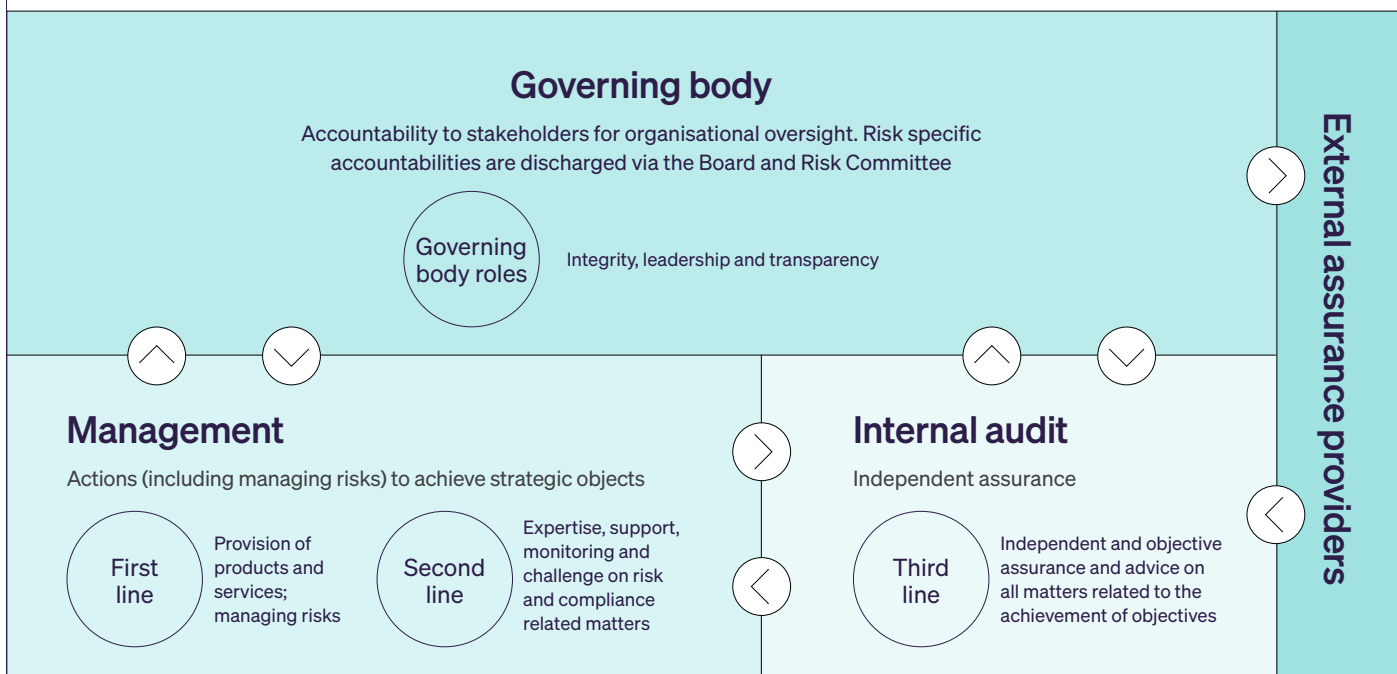
### Risk appetite statement

Helia’s Risk Appetite Statement addresses the material risks faced by the Company and outlines the degree of risk that Helia is prepared to accept or pursue. The Board is responsible for setting and approving the Company’s risk appetite.

### Three lines model

Helia adopts the Three Lines Model that supports and guides accountability for risk and compliance management, as outlined below.

<b>Business (First line)</b>	Our people are responsible for the effective management of risk in the provision of products and services to our customers. Openly communicate about issues and concerns, to proactively raise and manage risks, issues and opportunities, to understand the accountabilities and responsibilities of their role and to discharge these effectively including ensuring we remain within our Board approved risk appetite.
<b>Risk and Compliance (Second line)</b>	The Risk and Compliance function has independent oversight of business roles, operating as a trusted adviser to the wider organisation and is responsible for the provision of risk frameworks, policies, systems, tools and best practice that will assist our people manage the risk and control environment.
<b>Internal Audit (Third line)</b>	An independent internal audit function evaluates and verifies the adequacy and effectiveness of both the First and Second Line, with the aim of providing the Audit Committee and SLT assurance that Helia’s end-to-end risk identification, management and controls are adequate and operating effectively.



## Risk culture

Our desired risk culture is one where we value our people speaking up, providing constructive challenge to decision making and escalating matters of concern. This is reinforced through our responsiveness to proactively managing risk issues, incidents and concerns.

It shapes the behaviours and judgements of our people and supports sound decision making and risk taking and enables key learnings to be integrated into our processes and outcomes. Our risk culture forms a key part of our organisational culture.

## Risk policies and processes

Helia has embedded policies and processes to ensure that risks are identified, assessed and effectively mitigated through the implementation of appropriate controls. Risk and control assessments are used to facilitate the development and prioritisation of any necessary risk mitigation action plans.

## 5.2 Governance, remuneration, culture and accountability

In 2023, the Company continued to develop and embed its governance, remuneration, culture and accountability practices. During this period Helia has:

- enhanced the format and methodology of our internal risk culture assessment with a new data driven approach to align with industry best practice;
- continued focus within the organisation on risk culture through internal employee surveys;
- formalised and implemented the Consequence Management Framework, establishing clear linkages between risk management, conduct and behaviours, and remuneration outcomes;
- refreshed the Company's Remuneration Policy;
- conducted an internal Board Effectiveness Review which reviewed Helia's governance, remuneration, culture and accountability practices to assess their effectiveness and identify areas for alignment to better practice.

The themes and recommendations arising from the results of the 2023 Employee Survey and the internal Board Effectiveness Review will be used to further enhance Helia's governance, remuneration, culture and accountability practices going forward.

Helia is compliant with APRA's Prudential Standard CPS 511 Remuneration obligations, which is effective from 1 January 2024, and is well placed for the Financial Accountability Regime, which will come into effect for general insurers in March 2025.

## 5.3 Environmental, social and governance (ESG) risk

Helia takes its responsibility to manage risks associated with its business seriously, including environmental, social and governance risk factors. Helia adopts a forward-looking approach to identifying, assessing and responding to ESG risks to enable long-term value creation.

Sustainability is a core component of Helia's approach to the provision of its product and services. A Sustainability Council was formed in November 2021 to drive Helia's commitment and accountability for sustainable business practices. In 2022, a materiality assessment was conducted to identify the ESG risks relevant to Helia, which guided a new sustainability strategy. Helia's sustainability pillars set the framework for its sustainability goals, priorities and reporting:

- Driving financial wellbeing and housing accessibility;
- Enhancing climate resilience; and
- Good corporate citizenship.

Climate risk is recognised as a key risk in Helia's risk management framework and Helia is assessing and putting strategies in place to respond to the risks and opportunities arising from climate change. As Helia looks to mitigate climate risk for its business and supports the development of sustainable solutions, management is working with customers to share insights on financial and non-financial risks relating to climate change and responses.

ESG risk is included in Helia's overall risk management practices. The Board and SLT are committed to identifying and assessing the impacts of its business products, services and operations on the environment and communities in which we operate and driving sustainable practices and outcomes.

Each year, Helia publishes a Sustainability Report that is aligned with the Task Force on Climate-Related Disclosures (TCFD) and the Global Reporting Initiative (GRI) Reporting Standards.

Further details on the Group's approach to these risks can be found in Helia's operating and financial review contained in the directors' report and in Helia's Sustainability Report, available in the sustainability section of the Helia website at [helia.com.au/about-helia/sustainability](https://helia.com.au/about-helia/sustainability).

## 5. Risk management – sustainable business practices continued

### 5.4 Capital Management Framework and Strategy (CMFS)

The CMFS has also been developed to assist the Company with internal assessments of its capital requirements in the context of its business plan and includes consideration of stress and scenario testing.

#### Internal Capital Adequacy Assessment Process (ICAAP)

The overarching goal of Helia's approach to capital adequacy and management is to ensure there is sufficient capital at a reasonable cost to support Helia's business operations and strategy while:

- meeting all of its obligations to policyholders and prudential requirements;
- generating sufficient financial returns to shareholders in line with Helia's specified risk appetite; and
- providing as broad a capital base as practical to ensure capital efficiency and flexibility.

#### Internal capital modelling process

As part of its ICAAP, Helia uses a risk-based approach to estimate the level of capital required to support the risks being taken in delivering its strategic objectives.

#### Monitoring of capital position

Helia undertakes three formal planning processes throughout the year:

- business planning;
- ICAAP Report, including capital stress testing; and
- short and medium-term capital forecasting.

Capital planning is a key step in each of the above processes and incorporates Helia's business plan and insurance liability projections. Helia's capital requirements and solvency ratio are forecast under the APRA Prescribed Capital model.

#### Stress testing and scenario testing

The purpose of Helia's stress testing program is to estimate the extent of losses and the resultant capital impact that could emerge from the Helia portfolio in various economic scenarios.

#### Target capital buffers

As the quantum of the capital requirements and capital bases are dynamic, Helia manages capital to incorporate a target buffer range above its regulatory capital requirements.

#### Capital triggers and remediation

Incorporated within the capital reporting mechanisms and to ensure the business is managed in accordance with its stated risk appetite, the business has established several capital "trigger" points which are reviewed regularly. Capital triggers are intended to serve as early warning indicators to provide the Board and senior management with time to rectify issues and restore capital prior to any potential breach of target capital levels or regulatory requirements.

## 6. Communication with shareholders – transparency and accountability

### 6.1 Helia's website

Helia's website ([helia.com.au](http://helia.com.au)) provides shareholders with a variety of information and resources. This includes information about Helia's operations, biographies of Directors and the SLT, an investor section with links to annual and half-year earnings releases and presentations, public announcements, a share price chart and investment calculator. The website also provides links to Helia's Corporate Governance Statement.

### 6.2 Shareholder and investor engagement

Helia is committed to accurate and timely communication with all shareholders and investors. This includes half year and full year financial results and investor conference calls, the AGM, ASX releases and associated disclosures on the Helia website. Helia also meets with shareholders and investors regularly throughout the year.

Shareholders have the option to send and receive communications with Helia and its share registry electronically. As at 31 December 2023, approximately 63% of shareholders had elected to receive all communications electronically including notification of the Annual Report. Shareholders and investors can contact Helia's Investor Relations team at [investorrelations@helia.com.au](mailto:investorrelations@helia.com.au) or write to the Chairman or Company Secretary at Helia, Level 26, 101 Miller Street, North Sydney NSW 2060, Australia.

### 6.3 Continuous disclosure

Helia is committed to the continuous disclosure of material information as a means of promoting transparency and investor confidence. The practices of Helia are designed to comply with the ASX Listing Rules and the requirements of the Corporations Act.

Helia has a Disclosure Policy to ensure that Helia complies with its continuous disclosure obligations and manages other communications with the media and financial markets. In accordance with the Disclosure Policy, Helia provides all Board members with copies of all material market announcements promptly after they have been made.

Helia's Disclosure Committee is responsible for overseeing Helia's disclosure controls, procedures and practices.

ASX announcements are available at [investor.helia.com.au](http://investor.helia.com.au), in the announcements section, and the Disclosure Policy is available in the Key policies section of the website.

### 6.4 Participation at shareholder meetings

Helia has implemented policies and procedures to assist in facilitating an effective flow of information to shareholders, to encourage interaction with shareholders and participation at shareholder meetings. All substantive resolutions at meetings of shareholders are decided by a poll.

The Notice of AGM provides details in relation to items of business, voting rights and explanatory notes. The appointed auditor for Helia attends the AGM to respond to any shareholder questions relevant to the audit and corporate reporting for the prior financial year. These may include questions relevant to the conduct of the audit, the preparation of the appointed auditor's report, the accounting policies adopted by Helia and the independence of the appointed auditor.

### 6.5 Media relations

Helia also has set standards in respect of its approach to media relations, which are set out in Helia's Media Policy. The policy sets out Helia's high-level requirements for engaging with the media, defines the standards to be adhered to in engaging with the media, and employees' responsibilities in this regard. A summary of the Media Relations Policy is available at [helia.com.au](http://helia.com.au) in the key policies section.



## 7. Working environment – ethics and a diverse and inclusive workplace

### 7.1 Code of conduct

The Board acknowledges the need for high standards of corporate governance practices and ethical conduct to be maintained by all directors and employees of Helia.

The Board has adopted the Code of Conduct, which sets the expected standards of professional behaviour, linked to Helia's Behaviours, for all directors, management and employees to follow. It guides our people to do the right thing in their behaviours, actions and decisions in the best interests of Helia.

A copy of the Code of Conduct is available at [investor.helia.com.au](https://investor.helia.com.au) in the key policies section.

### 7.2 A diverse and inclusive workplace

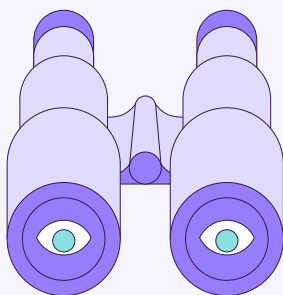
At Helia, diversity, equity and inclusion are part of its business strategy. Helia's diversity, equity and inclusion objectives are grounded in the Company's behaviours. The way in which our people act and engage reflects the diverse and inclusive workplace, where everyone feels valued, empowered and motivated to contribute their best.

Helia recognises and values the contribution that people with different backgrounds, experiences and perspectives bring to our organisation. We believe diversity is a strength for effective teams and drives value for our shareholders, customers and employees.



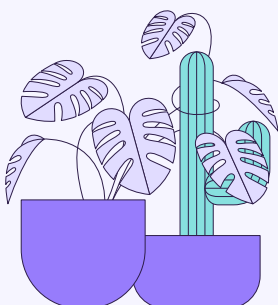
#### Own it

- Focus on impact and help each other thrive
- Come with ideas, take action, see it through
- Do it well – every time
- Face challenges, look for better ways and opportunities.



#### Rethink the everyday

- Put yourself in the customer's mindset daily
- Continuously improve the customer's experience
- Keep an open mind and keep moving forward
- Encourage curiosity and try new things.



#### Grow together

- Customer at the centre of the conversation
- Share your expertise and experiences openly
- Invite and listen to different views
- Do right by each other, our customers and communities.

## Progress in 2023

In 2023, Helia continued to drive its diversity and inclusion agenda. Key metrics and deliverables include:

- 50% female representation on the Board as at 31 December 2023;
- 38% female representation on the SLT (CEO and direct reports) as at 31 December 2023;
- 43% female representation at women in management (excluding SLT) as at 31 December 2023;
- Our CEO and Managing Director, Pauline Blight-Johnston is a WGEA Pay Equity Ambassador;
- WGEA Employer of Choice for the 9th consecutive year;
- Employees received training across a range of diversity topics including strengthening our culture of respect, psychosocial safety and we continued delivery of our wellbeing@work series; and
- Commenced development of our Innovate level Reconciliation Action Plan.

The following table summarises the proportion of men and women on the Board, in senior executive positions and across the Company as at 31 December 2023 compared to 31 December 2022.

	Board (including Managing Director)		Senior leadership team (CEO and direct reports)		Other management roles (excl. Senior Leadership Team)		Overall	
	2023	2022	2023	2022	2023	2022	2023	2022
Female	50%	50%	38%	44%	43%	43%	43%	46%
Male	50%	50%	63% <sup>1</sup>	56%	57%	57%	57%	54%

## An inclusive and flexible work environment

The emerging needs of workers in a post-pandemic world expect organisations to focus on the whole person (not just who they are at work), who can thrive in an inclusive and flexible environment based on mutual respect, where their individual needs can be met, and everyone is enabled to fulfil their potential. In 2023, we rolled out a confidential survey to help us better understand the diverse demographic make-up of our people. This survey revealed that over 50% of respondents are from backgrounds other than Australian and that over 95% of respondents feel that Helia values diversity. We continue to focus on inclusive practices around hiring, mobility, training participation and performance and reward, while also maintaining flexible ways of working to support our people balance their work/life commitments.

## Pay equity

In 2023, Helia met gender pay parity, which is defined by the Workplace Gender Equality Agency (WGEA) as a gender pay gap between -5% and 5%. It is a significant milestone when compared to the Financial Services Industry where the gender pay gap is +26.2%<sup>1</sup> in favour of men.

Achieving pay parity serves as a highly valued attraction, retention, and engagement tool where diversity, equity and inclusion metrics are becoming increasingly important to candidates and current employees. Pay parity is only achievable through the continued focus of our people leaders and in 2023 we maintained our women in management score at 43% above our target of 40%.

Helia's analysis suggests no systemic evidence of pay inequity at Helia on a like-for-like basis and remuneration competitiveness indicated women and men were paid close to, or slightly above the market median for their roles.

Each year, the Board commits to measurable diversity and inclusion objectives against which progress is reviewed. In 2023, Helia's diversity and inclusion objectives were supported by a number of targets including:

- 40% female representation on the Board (31 December 2023);
- 40% female representation on the SLT (31 December 2023);
- Minimum 40% female representation in other management roles (31 December 2023).

1. Does not sum to 100 due to rounding.