

**PALOMAR HOLDINGS, INC.**

**CHARTER OF THE ENTERPRISE RISK MANAGEMENT SUB-COMMITTEE  
OF THE AUDIT COMMITTEE**

**I. STATEMENT OF POLICY**

The Enterprise Risk Management Sub-Committee (the “**ERM Sub-Committee**”) reports to, and maintains free and open communications with, the Audit Committee of the Board of Directors (the “**Audit Committee**”), which is ultimately responsible for reviewing and discussing with management and the Company’s independent registered public accounting firm the major exposures and the steps that management has taken to evaluate and address such exposures. This Charter specifies the authority and scope of responsibilities of the ERM Sub-Committee and the manner in which those responsibilities shall be performed, including the ERM Sub-Committee’s structure, processes and membership requirements.

Although the ERM Sub-Committee has the powers and responsibilities set forth in this Charter, the role of the ERM Sub-Committee is oversight. Therefore, it is not the duty of the ERM Sub-Committee to manage the day-to-day operations of the Company.

**II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS**

The ERM Sub-Committee shall consist of two (2) or more directors. In addition, two (2) of the following Company Employees: Chief Underwriting Officer, Chief Risk Officer, and/or President shall provide regular updates to the ERM Sub-Committee, including any risks deemed material to the Company by management.

The Company Employees in the above positions shall be attendees of the ERM Sub-Committee meetings unless the Audit Committee directs otherwise. In the event that any of the foregoing offices or positions is vacant or otherwise unfilled for any period of time (including as a result of disability, vacation or otherwise), the responsibilities to the ERM Sub-Committee relating to that office or position as set forth herein shall be assumed and performed by the Company employee fulfilling the duties of such office or position, unless the Audit Committee determines otherwise.

The Audit Committee shall have ultimate authority as to the composition of the ERM Sub-Committee. Unless the Audit Committee takes specific action to the contrary, a member of the ERM Sub-Committee shall be automatically removed from the ERM Sub-Committee immediately upon resignation from the Board of Directors of the Company.

**III. MEETINGS**

The ERM Sub-Committee shall meet as often as it determines, but not less frequently than bi-annually. Meetings shall be called by the Chairperson or, if there is no Chairperson, by a majority of the members of the ERM Sub-Committee. As it deems appropriate, the ERM Sub-Committee shall have the authority to invite to the meetings any outside advisor or other employee of the Company.

The ERM Sub-Committee shall maintain written minutes of its meetings, which shall be filed with the minutes of the meetings of the Audit Committee.

**IV. SUB-COMMITTEE AUTHORITY AND RESPONSIBILITY**

The ERM Sub-Committee shall have the following authority and responsibilities, subject to such modification and additional authority as the Audit Committee may approve from time to time:

- A.** To assist in setting the Company's general strategy with respect to enterprise risk management, and to consider and recommend policies and practices that conform with the strategy;
- B.** To assist in overseeing internal and external material communications regarding the Company's position or approach to enterprise risk management;
- C.** To consider current and emerging enterprise risks that may affect the performance or public image of the Company or are otherwise pertinent to the Company and its stakeholders, and to make recommendations on how the Company's policies and practices can adjust to or address current macro trends;
- D.** To monitor the interrelationships of the Company's risk profile;
- E.** To assess and monitor the Company's risk management framework employed to manage enterprise risks;
- F.** To advise the Company on stockholder proposals and other significant stakeholder concerns relating to enterprise risk management;
- G.** To review and assess this Charter annually and recommend to the Audit Committee any proposed changes for approval; and
- H.** To perform such other duties, tasks, and responsibilities relevant to the purpose of the ERM Sub-Committee as may from time to time be requested.

The ERM Sub-Committee is not responsible for duties performed by the Audit Committee, ESG Committee, and/or Compensation Committee nor is it responsible for the day-to-day operating activities of the Company including but not limited to underwriting, distribution, claims handling, investments and reinsurance.