



Prepared by: Legal & Secretarial
Version: 3.0
Status: Signed Off
Owned by: Group Board
Authorised by: Group Board
Dept: Legal & Secretarial
Sign-Off Date: 27/11/2019

SCHEDULE OF MATTERS RESERVED FOR THE BOARD

Disclaimer

This document is the property of Ecclesiastical. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without prior written permission of the Copyright holder. The information in this publication is believed to be accurate in all respects. Ecclesiastical Insurance, its parent company, affiliates, divisions and subsidiaries cannot assume responsibility for any consequences resulting from the use of this information. The information contained herein is subject to change; revisions or new editions may be issued to incorporate such changes.

Document Control

Document History

Date	Version	Key Changes	Distributed To
23/08/2016	V1.0		Group Board
19/12/2016	V1.1	Adoption of new template and updated to reflect regulatory requirements.	Group Board
27/11/2019	V2.1	To reflect changes to the F&I Terms of Reference.	Group Board

Document Sign-Off

Authorised by	Department	Version Signed-Off	Sign-Off Date
Group Board	N/A	V1.0	23/08/2016
Group Board	N/A	V2.0	15/03/2017
Group Board	N/A	V3.0	27/11/2019

Contents

- 1. Strategy and Management4
- 2. Structure and capital4
- 3. Financial reporting and controls.....4
- 4. Risk Management and Internal controls5
- 5. Contracts.....5
- 6. Communication6
- 7. Board membership and other appointments6
- 8. Remuneration.....7
- 9. Delegation of Authority7
- 10. Corporate Governance matters7
- 11. Policies.....8
- 12. Other8

1. Strategy and Management

- 1.1. Responsibility for the overall direction of the Group.
- 1.2. Approval of the Group's long term objectives and commercial strategy.
- 1.3. Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4. Oversight of the Group's operations ensuring:
 - competent and prudent management;
 - sound planning;
 - an adequate system of internal control;
 - adequate accounting and other records;
 - compliance with statutory and regulatory obligations;
 - delegate as required significant influence functions;
- 1.5. Review of performance in the light of the Group's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6. Extension of the Group's activities into new business or geographic areas.
- 1.7. Any decision to cease to operate all or any material part of the Group's business.

2. Structure and capital

- 2.1. Changes relating to the Group's capital management or structure including reduction of capital, share issues (except under employee share plans), share buy backs including the use of treasury shares.
- 2.2. Major changes to the Group's corporate structure.
- 2.3. Changes to the Group's management and control structure.
- 2.4. Any changes to the Company's listing or its status as a plc.

3. Financial reporting and controls

- 3.1. Approval of preliminary announcements of interim and final results.
- 3.2. Approval of the annual report and accounts, including the corporate governance statement.
- 3.3. Approval of the dividend and grant policy.
- 3.4. Declaration of the interim dividend and recommendations of the final dividend and grant.
- 3.5. Approval of any significant changes in accounting policies or practices.

- 3.6. Broad Investment Policy
- 3.7. Approval of treasury policies including foreign currency exposure and the use of financial derivatives.

4. Risk Management and Internal controls

- 4.1. In accordance with 1.4, deciding on the key risks facing the Group and establishing a framework and ensuring the maintenance of a sound system of internal control and risk management including:
 - receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives.
 - undertaking an annual assessment of these processes.
 - approving an appropriate statement for inclusion in the annual report.
- 4.2. Approval of the results of annual review of the effectiveness of the system of internal control.
- 4.3. Approval of the Own Risk and Solvency Assessment (ORSA) document.
- 4.4. Approval of the Risk Management Framework and Risk Appetite Framework.
- 4.5. Approval of the Solvency II capital position and related disclosures (including but not limited to Management Action Plan and Profit and Loss Attribution Report).
- 4.6. Approval of, and any changes to, Group Internal Model and any associated policies (including but not limited to Internal Model Governance Policy, Internal Model Validation Policy and Internal Model Change Policy).
- 4.7. Approval of material actuarial matters and assumptions affecting group capital position.

5. Contracts

- 5.1. Capital projects with budgets exceeding £25m.
- 5.2. Any new contracts in the ordinary course of business** (and within the Group's stated risk appetite) in excess of £25m.
- 5.3. All other contracts (i.e. not in the ordinary course of business) with a contractual commitment in excess of £25m.
- 5.4. Major investments including the acquisition or disposal of interests of more than 5% in the voting shares of any listed company in excess of £25m.
- 5.5. Acquisitions and disposal of investment property with a book or realisable value in excess of £25m.
- 5.6. Acquisitions and disposals of businesses by the Company or any subsidiary with a book or realisable value in excess of £25m.

- 5.7. Entering into formal discussions with the intention of making a takeover offer for any company where the purchase commitment is greater than £5m in the ordinary course of business** (or £1m otherwise).
- 5.8. Borrowing monies (other than by way of agreed facilities) or accepting credit (other than normal trade credit) in excess of £25m.
- 5.9. Committing the company to any guarantee or indemnity for the performance of a subsidiary or associate in excess of £25m.
- 5.10. Entering into any guarantee or indemnity or contract of suretyship for or otherwise committing a group company in respect of the performance of any contract, engagement or obligation of any person or body other than a Group company in excess of £25m.
- 5.11. Authorising a mortgage or charge over the whole or any part of the Group's undertaking other than charges relating solely to settlement and clearing facilities used in the ordinary course of business in excess of £25m.
- 5.12. Any individual inter-company loan between group companies which exceeds £25m
- 5.13. approve any other individual loan (including non-listed equity but excluding Mapfre and inter-company loans between group companies) in excess of £25m.

*** contracts in the ordinary course of business are those consistent with Corporate Strategic Plans and the Group's stated risk appetite.*

6. Communication

- 6.1. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2. Approval of all circulars and listing particulars.

7. Board membership and other appointments

- 7.1. Changes to the structure, size and composition of the Board, following recommendations from the Group Nominations Committee.
- 7.2. Ensuring adequate succession and talent planning for the Board and Senior Management.
- 7.3. Appointments to the Board, following recommendations by the Group Nominations Committee.
- 7.4. Selection of the Chairman of the Board and the Group Chief Executive in consultation with the Shareholder.
- 7.5. Membership and Chairmanship of Board Committees.

- 7.6. Continuation in office of Directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.7. Continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the law and their service contract.
- 7.8. Appointment or removal of the Company Secretary.
- 7.9. Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Group Audit Committee.
- 7.10. Appointments to Boards of subsidiaries

8. Remuneration

- 8.1. Determining the remuneration policy for the Executive Directors and other Senior Executives.
- 8.2. Determining the remuneration of the Non-Executive Directors after receiving advice from the Group Chief Executive, subject to the articles of association and shareholder approval as appropriate.
- 8.3. The introduction of incentive plans or major changes to existing plans, to be put to shareholders for approval.

9. Delegation of Authority

- 9.1. The division of responsibilities between the Chairman and the Group Chief Executive, which should be in writing.
- 9.2. Approval of terms of reference of Board Committees.
- 9.3. Receiving reports from Board Committees on their activities.

10. Corporate Governance matters

- 10.1. Undertaking a formal and rigorous review annually of its own performance, that of its Committees and individual Directors.
- 10.2. Determining the independence of Directors.
- 10.3. Considering the balance of interests between shareholders, employees, customers and the community.
- 10.4. Review of the Group's overall corporate governance arrangements.

- 10.5. Receiving reports on the views of the Company's shareholders.
- 10.6. Receiving reports on the emerging regulatory regime.

11. Policies

- 11.1. Approval of policies as required by Statute.

12. Other

- 12.1. The making of political donations.
- 12.2. Approval of the appointment of the Group's principal professional advisers.
- 12.3. Prosecution, defence or settlement of major litigation.
- 12.4. Approval of the overall levels of insurance for the Group including Directors' & Officers liability insurance and indemnification of Directors.
- 12.5. Funding of, and major changes to the rules of the Company's pension schemes, or changes of Trustee or changes in the fund management arrangements.
- 12.6. This schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.