

## Wesleyan Assurance Society

### Matters Reserved for the Board V8.4

<b>1. Scope and Purpose</b>	Responsibility for the overall leadership of the Group and promoting the long term sustainable success of the company, generating value for the Members and contributing to the wider society.
<b>2. Roles and Responsibilities</b>	<p>The Board is responsible for:</p> <ol style="list-style-type: none"><li><b>1. Strategy and management</b><ol style="list-style-type: none"><li>1.1. Establishing the Group's purpose, values and strategy and satisfying itself that the Group's culture is aligned measuring performance against these.</li><li>1.2. Approval of the annual operating and capital expenditure budgets and any material changes to them.</li><li>1.3. For revenue and capital expenditure material changes are defined as unbudgeted expenditure for the Group over £500,000.</li><li>1.4. Approval of the Group's risk and capital strategies including associated risk appetites and any material changes to them.</li><li>1.5. Oversight of the Group's operations ensuring:<ol style="list-style-type: none"><li>a) competent and prudent management</li><li>b) sound planning</li><li>c) an adequate system of internal control</li><li>d) adequate accounting and other records</li><li>e) compliance with statutory and regulatory obligations</li><li>f) In all matters, the Board considers the relevance and implications of the FCA Consumer Duty requirements to seek to deliver good outcomes for customers</li></ol></li><li>1.6. Review of performance in the light of the Group's strategy, objectives, risk profile, business plans and budgets and ensuring that any necessary corrective action is taken.</li><li>1.7. Extension of the Group's activities into new business, new markets or geographic areas.</li><li>1.8. Any decision to cease to operate all or any material part of the Group's business.</li></ol></li><li><b>2. Structure and capital</b><ol style="list-style-type: none"><li>2.1. Changes relating to the Group's capital structure.</li><li>2.2. Major changes to the Group's corporate legal entity structure.</li><li>2.3. Major changes to the Group's management and control structure.</li><li>2.4. Any changes to the Society's status as a mutual.</li></ol></li><li><b>3. Financial reporting and controls</b><ol style="list-style-type: none"><li>3.1. Approval of announcements of the statutory financial results.</li><li>3.2. Approval of the annual report and accounts, including the Corporate Governance Statement and Board Remuneration Report.</li><li>3.3. Approval of the bonus distribution policy.</li><li>3.4. Declaration of the interim and final bonuses, subject to the agreed basis of delegation to the Executive.</li></ol></li></ol>

- 3.5. Introduction of or material changes to reward schemes for Members.
- 3.6. Approval of any significant changes in accounting policies or practices.
- 3.7. Approval of appropriate financial risk management policies including foreign currency exposure and the use of financial derivatives.

#### **4. Internal Controls**

- 4.1. Ensuring maintenance of a sound system of internal control and risk management including:
  - a) receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives including the Group's risk appetite statements
  - b) approving procedures for the detection of fraud and the prevention of bribery
  - c) undertaking an annual assessment of these processes
  - d) approving an appropriate statement for inclusion in the annual report

#### **5. Contracts**

- 5.1. Major capital projects which are material strategically or by reason of the level of expenditure.
- 5.2. Contracts which are material strategically or by reason of the level of expenditure, entered into by the Society or any subsidiary company in the ordinary course of business. Material in this context is defined as:
  - a) £2m lifetime value for a budgeted or unbudgeted contract; and/or
  - b) a contract that involves a material outsourcing arrangement.
- 5.3. Contracts of the Society or any subsidiary company not in the ordinary course of business, for example Investments purchases or sales exceeding normal documented authority limits.
- 5.4. Major investments including all acquisition or disposal of direct interests in any company or the making of any takeover offer.

#### **6. Communication**

- 6.1. Ensuring a satisfactory dialogue with Members and the work force based on a mutual understanding of objectives.
- 6.2. Approval of resolutions and corresponding documentation to be put forward to members at a general meeting.
- 6.3. Approval of press releases concerning matters decided by the Board, as required by the Chair or Chief Executive Officer.

#### **7. Board membership and other appointments**

- 7.1. Changes to the structure, size and composition of the Board and its committees, following recommendations from the People, Culture & Governance Committee.
- 7.2. Ensuring adequate succession planning for the Board and senior Management promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- 7.3. Appointments to the Board, following recommendations by the People, Culture & Governance Committee.
- 7.4. Selection of the Chair of the Board and the Group Chief Executive.

- 7.5. Appointment of the Deputy Chair and Senior Independent Director.
- 7.6. On the recommendation of the People, Culture & Governance Committee, membership and Chairship of Board committees, other than for the Audit Committee, for which the Chair is appointed by its members.
- 7.7. Continuation in office of directors at the end of their term of office, when they are due to be re-elected by members at the AGM and otherwise as appropriate.
- 7.8. 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 Society, subject to the law and their service contract.
- 7.9. Appointment or removal of the Company Secretary, Chief Actuary or With Profits Actuary, following recommendations from the People, Culture & Governance Committee.
- 7.10. Appointment, reappointment or removal of the external auditor to be put to members for approval, following the recommendation of the Audit Committee.
- 7.11. On the recommendation of the People, Culture & Governance Committee, appointment of the Chair and Group Chief Executive / Managing Director of any subsidiary company specified by the Board.

**8. Remuneration**

The Board is responsible for:

- 8.1. Determining the remuneration policy and structure for the Executive directors, Company Secretary and other executives, following recommendations from the Remuneration Committee and subject to the Rules of the Society and members' advisory vote as appropriate.
- 8.2. Determining the remuneration of the Chair, subject to the Rules of the Society and members' advisory vote as appropriate.

**9. Other**

- 9.1. The making of political donations.
- 9.2. Approval of the appointment of the Group's principal professional advisers.
- 9.3. Prosecution, defence or settlement of litigation involving amounts in excess of expenditure authority limits or being otherwise material to the interests of the Group.
- 9.4. Approval of the overall levels of insurance for the Group including Directors' & Officers' Liability insurance and indemnification of directors.
- 9.5. Major changes to the rules of the Group's pension scheme, or changes in the fund management arrangements.
- 9.6. Oversight of health & safety.
- 9.7. This schedule of matters reserved for Board decisions.

**3. Governance**

**1. Corporate Governance Matters**

- 1.1. Review of the Group's overall corporate governance arrangements including the effectiveness of the Group's Governance Strategy and Policy.
- 1.2. Approval of the terms of reference of Board committees and any material changes

	<p>to them.</p> <p>1.3. Oversight of activities of the Board committees through reports from committee chairs including a formal response from the Board the With Profits Committee on any matters raised.</p> <p>1.4. Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual directors and by an independent external reviewer every three years.</p> <p>1.5. Determining the independence of directors.</p> <p>1.6. Considering the balance of interests between members, employees, customers and other stakeholders including the wider community.</p> <p>1.7. Receiving reports on the views of the Society's members.</p> <p><b>2. Policies</b> Approval / notification of changes to Tier 1 policies in line with the Society's Documentation Strategy and Policy.</p>																																																								
<p><b>4. Conflicts of Interest</b></p>	<p>The Board will maintain log of conflicts of interest in relation to its members and where conflicts exist will ensure appropriate steps are taken to mitigate these conflicts.</p>																																																								
<p><b>5. Delegation of Authority</b></p>	<p>Rule 6 of the Society's Rules permits the Society's Board of Directors ("the Board") to delegate any of its powers, duties and discretions to the Managing Director (the Group Chief Executive holds the position of Managing Director) or any other Officer or employee of the Society.</p> <p>The Board has used this power to delegate day-to-day operational authority to the Chief Executive (CEO).</p> <p>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 it considers significant to the Group.</p>																																																								
<p><b>6. Version Control</b></p>	<table border="1"> <thead> <tr> <th>Version</th> <th>Committee/Owner</th> <th>Approval Date</th> <th>Next Review</th> </tr> </thead> <tbody> <tr> <td></td> <td>Joe Roderick</td> <td>February 2012</td> <td></td> </tr> <tr> <td>V1.0</td> <td>Board/Doug Bright</td> <td>February 2014</td> <td>August 2014</td> </tr> <tr> <td>V2.0</td> <td>Doug Bright</td> <td>October 2015</td> <td>October 2016</td> </tr> <tr> <td>V3.0</td> <td>Doug Bright</td> <td>October 2016 (no changes)</td> <td>October 2017</td> </tr> <tr> <td>V4.0</td> <td>Doug Bright</td> <td>January 2018</td> <td>January 2019</td> </tr> <tr> <td>V5.0</td> <td>Selena Pritchard</td> <td>January 2019</td> <td>January 2020</td> </tr> <tr> <td>V6.0</td> <td>Selena Pritchard</td> <td>July 2019</td> <td>July 2020</td> </tr> <tr> <td>V7.0</td> <td>Selena Pritchard</td> <td>July 2020</td> <td>July 2021</td> </tr> <tr> <td>8.0</td> <td>Selena Pritchard</td> <td>October 2020</td> <td>October 2021</td> </tr> <tr> <td>8.1</td> <td>Selena Pritchard</td> <td>December 2020</td> <td>January 2021</td> </tr> <tr> <td>8.2</td> <td>Selena Pritchard</td> <td>March 2022</td> <td>March 2023</td> </tr> <tr> <td>8.3</td> <td>Selena Pritchard</td> <td>March 2023</td> <td>March 2024</td> </tr> <tr> <td>8.4</td> <td>Selena Pritchard</td> <td>March 2024</td> <td>March 2025</td> </tr> </tbody> </table>	Version	Committee/Owner	Approval Date	Next Review		Joe Roderick	February 2012		V1.0	Board/Doug Bright	February 2014	August 2014	V2.0	Doug Bright	October 2015	October 2016	V3.0	Doug Bright	October 2016 (no changes)	October 2017	V4.0	Doug Bright	January 2018	January 2019	V5.0	Selena Pritchard	January 2019	January 2020	V6.0	Selena Pritchard	July 2019	July 2020	V7.0	Selena Pritchard	July 2020	July 2021	8.0	Selena Pritchard	October 2020	October 2021	8.1	Selena Pritchard	December 2020	January 2021	8.2	Selena Pritchard	March 2022	March 2023	8.3	Selena Pritchard	March 2023	March 2024	8.4	Selena Pritchard	March 2024	March 2025
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