

# **SCHEDULE OF MATTERS RESERVED TO THE BOARD OF FAMILY ASSURANCE FRIENDLY SOCIETY LIMITED ('ONEFAMILY' INCLUDING SUBSIDIARY COMPANIES)**

Approved by the Board on 14 December 2022

## **1. Strategy and management**

- 1.1 Responsibility for the overall leadership of OneFamily and setting its values and standards.
- 1.2 Approval of the Group's strategic objectives.
- 1.3 Approvals 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;
  - maintenance of sound management and internal control systems;
  - adequate accounting and other records; and
  - compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Group's strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Extension of the Group's activities into new product or service sectors or outside the UK.
- 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 structure including distributions to members and share issues by subsidiary companies.
- 2.2 Major changes to the Group's corporate structure, including, but not limited to acquisitions, mergers and disposals which are material relative to the size of the Group (taking into account initial and deferred consideration).
- 2.3 Changes to the Group's corporate structure or operating model.
- 2.4 Any changes to the Society's legal status.

## **3. Financial reporting and controls**

- 3.1 Approval of the annual report and accounts,
- 3.2 Approval of investment mandate strategic asset allocation changes, appointment of principal fund managers and reinsurers, treasury policies including foreign currency exposure and the use of financial derivatives.
- 3.3 Approval of material unbudgeted capital or operating expenditures.

## **4. Internal controls**

4.1 Ensuring maintenance of a sound system of internal control and risk management including:

- Approving the Group's risk appetite statements;
- Receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
- Approving procedures for the detection of fraud and the prevention of bribery;
- Undertaking an annual assessment of these processes; and
- Approving an appropriate statement for inclusion in the annual report.

## **5. Contracts**

5.1 Approval of major projects, being projects with a total estimated cost in excess of the CEO's authority level for budgeted expenses, and any contract within the CEO's authority level expected to have a material impact on the agreed strategy, risk profile, or the target operating model of the organisation.

5.2 Contracts which are material strategically or by reason of size, entered into in the ordinary course of business, for example bank borrowings and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property)

5.3 Contracts of the company [or any subsidiary] not in the ordinary course of business, for example loans and repayments, foreign currency transactions, major acquisitions or disposals.

5.4 Major investments including the acquisition or disposal of interests of more than 3 percent in the voting shares of any company or the making of any takeover offer.

## **6. Membership**

6.1 Ensuring a satisfactory dialogue with members based on the mutual understanding of objectives.

6.2 Approval of resolutions and corresponding documentation to be put forward to members at a general meeting.

6.3 Approving the membership proposition, including strategy for engagement, member benefits and returning value to members.

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

7.1 Changes to the structure, size and composition of the board, following recommendations from the Nominations Sub-Committee.

7.2 Ensuring adequate succession planning for the board and Chief Executive's Group so as to maintain an appropriate balance of skills and experience within the Group and on the board.

7.3 Appointments to the board, following recommendations by the Nominations Sub-Committee.

7.4 Selection of the Chair of the board and the Chief Executive.

7.5 Appointment of the Senior Independent Director to provide a sounding board for the Chair.

7.6 Membership and appointment of chairs of board committees following recommendations from the Nominations Sub-Committee.

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 Secretary.

7.10 Appointment, reappointment or removal of the external auditor to be put to members for approval in general meeting, following the recommendation of the Audit Sub-Committee.

7.11 Appointments to boards of trading subsidiaries.

## **8. Remuneration**

8.1 Determining the remuneration policy for the directors and other senior executives following recommendations from the Remuneration Sub-Committee.

8.2 Approving the fees of the non-executive directors, taking into account any recommendations from the Remuneration Sub-Committee and the Chief Executive Officer.

## **9. Delegation of authority**

9.1 The division of responsibilities between the Chair and the Chief Executive which should be clearly established, set out in writing and agreed by the board.

9.2 Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing).

9.3 Establishing board sub-committees and approving their terms of reference, and approving material changes thereto.

9.4 Receiving reports from board sub-committees on their activities.

## **10. Corporate governance matters**

10.1 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors, and the division of responsibilities.