



MATTERS RESERVED FOR THE BOARD

The Royal London Mutual Insurance Society Limited

The Royal London Mutual Insurance Society Limited

Matters reserved for the Board

Overview

The board of directors (the 'Board') of The Royal London Mutual Insurance Society Limited (the 'Company') is responsible for:

- promoting the long-term sustainable success of the Company and its subsidiaries (the 'Group') in a manner that seeks to generate value for its members while taking account of the interests of its stakeholders, the impact it has on the environment and its contribution to wider society
- determining and monitoring the Group's Purpose, strategy and culture, ensuring that the necessary resources, policies and practices are in place to meet its objectives
- assessing and monitoring the Group's financial and business performance
- establishing and reviewing the framework of prudent and effective controls, monitoring significant risks and determining the appetite for risk acceptance.

Certain matters are expressly reserved for the Board, as set out below.

The Board delegates certain of its powers and responsibilities to its committees through their terms of reference, to Executive Directors of the Board ('Executive Directors') individually or jointly through their job descriptions or Board resolutions, and to other fora and individuals on an ad hoc basis, as recorded in Board minutes or written Board resolutions.

Matters reserved for the Board

1 Corporate governance

- 1.1 Approval of Board committees' terms of reference, including those of the Independent Governance Committee, on recommendation from the respective committee.
- 1.2 Annual review of the performance of the Board and its committees, including the Independent Governance Committee.
- 1.3 Approval of notice and associated documentation for annual and general meetings of the Company.
- 1.4 Recommendations to the Company's members to appoint, reappoint or remove the Group's external auditor at the Company's Annual General Meeting, on recommendation from the Audit Committee.
- 1.5 Approval of political donations.
- 1.6 Recommendations to the Company's members at the Company's Annual General Meeting for the approval of any proposed changes to the constitution of the Company.
- 1.7 Approval of the Directors' and Officers' insurance coverage.
- 1.8 Approval of the appointment or removal of the Group Chief Risk Officer and of the With Profits Actuary.

2 Board and management

- 2.1 Approval of the appointment, tenure extension, proposal to reappoint at the Company's Annual General Meeting, or removal of directors of the Board, on recommendation from the Nominations and Governance Committee.
- 2.2 Determination of the independence of Non-Executive Directors of the Company, on recommendation from the Nominations and Governance Committee.

The Royal London Mutual Insurance Society Limited

Matters reserved for the Board

- 2.3 Approval of the appointment or removal of members of the Board's committees, and of members of the Independent Governance Committee, on recommendation from the Nominations and Governance Committee.
- 2.4 Determination of the responsibilities of the Chair, the Senior Independent Director and the Executive Directors.
- 2.5 Authorisation of actual or potential conflicts of interest of directors of the Board.
- 2.6 Approval of the appointment or removal of the Company Secretary.

3 Remuneration

- 3.1 Approval of the remuneration of Non-Executive Directors of the Company.
- 3.2 Recommendation to the Company's members at the Company's Annual General Meeting the approval of the Executive Directors' Remuneration Policy.

4 Strategy and culture

- 4.1 Determination of the Group's strategy and objectives.
- 4.2 Development of the Group's culture, in alignment with the Group's Purpose and values and regulatory and ethical standards, and the assessment and monitoring of how the desired culture has been embedded in the Group.

5 Financial and investment matters

- 5.1 Approval of capital expenditure or realisation or creation of a new venture with a value in excess of £25 million.
- 5.2 Approval of reallocation of capital in the Group in excess of £100 million.
- 5.3 Approval of the Group's business plan and annual Group operating and expenditure budgets.
- 5.4 Approval of guarantees, indemnities or the granting of security over Group assets in excess of £50 million (if in respect of investment business, other than in respect of over-the-counter derivatives or other instruments subject to UK EMIR Uncleared Margin Rules or related regulatory requirements, where the Board delegates its responsibility to the Group Chief Executive Officer and the Group Chief Financial Officer, jointly or severally), or in excess of £25 million (if in respect of non-investment business), in both cases other than in respect of protections that have been deemed to be market standard by Group Legal.
- 5.5 Approval of the prosecution, defence or settlement of litigation or alternative dispute resolution mechanisms involving sums above £25 million or which would have a material impact on the Group.
- 5.6 Balance sheet investments and underwritings (being the holding of an asset for syndication for up to nine months) in excess of £100 million (in aggregate for related transactions).
- 5.7 Balance sheet investments in a fund or co-investment that results in, or could result in, the Group holding in excess of 20% of the total value of a particular fund or vehicle.
- 5.8 The disposal of an asset not held as part of the investment business that results in a loss of more than £25 million compared to its carrying value.
- 5.9 The acquisition of any non-investment asset, including land and buildings, or any third-party contract, including leases, with a total cost in excess of £30 million.
- 5.10 Approval of strategic charity partners and of charity contributions to a single approved charity partner in excess of £250,000 per annum.
- 5.11 New debt facilities or new bonds in excess of £100 million issued by a Group company, or where the Company is the borrower.

The Royal London Mutual Insurance Society Limited

Matters reserved for the Board

- 5.12 New loans in excess of £10 million.
- 5.13 Approval of prospectuses and corporate transactions with a purchase price in excess of £25 million or a loss in excess of £25 million and related party transactions, together with related circulars and announcements.
- 5.14 Approval of significant change programmes, significant changes to the Group's governance arrangements or legal structure, and the formation, acquisition and disposal of subsidiaries, associates, joint ventures and trade investments not in the ordinary course of business, having considered the advice of the Risk and Capital Committee in respect of associated risks.
- 5.15 Approval of changes to the Investment Committee delegated authority limits, on recommendation from the Investment Committee.
- 5.16 Approval of the appointment of any asset managers being considered for the provision of material asset management services that Royal London Asset Management already provides or has appropriate capability to provide, on recommendation from the Investment Committee. For the purposes of this clause, "material" is where assets under management exceed £100m.
- 5.17 Approval of the termination of material asset management services provided by Royal London Asset Management, as required, on recommendation from the Investment Committee. For the purposes of this clause, "material" is where assets under management exceed £100m.
- 5.18 Approval of the Group's Investment Philosophy and Beliefs, which includes responsible investment, on recommendation from the Investment Committee.
- 5.19 Approval of the Company's Responsible Investment and Stewardship Policy Framework, including the Responsible Investment and Stewardship Policy, Exclusions Policy, and Voting Policy, and including limitations of delegations to asset managers and the governance process of decision-making around, in particular, high risk and sensitive resolutions proposed by investee boards of directors, shareholders or bondholders, on recommendation from the Investment Committee.

6 Financial and regulatory reporting

- 6.1 Approval of the Group's annual report and accounts, on recommendation from the Audit Committee.
- 6.2 Except as may be delegated to the Disclosure Committee, approval of the preliminary announcement, the half yearly, other interim reports and any financial content (including working capital statements, profit forecasts and pro forma financial information) and related commentary in respect of any regulatory announcement, circular or prospectus, on recommendation from the Audit Committee.
- 6.3 Approval of any representation letter requested by the external auditor, on recommendation from the Audit Committee.
- 6.4 Approval of the Group's Climate Report, prepared in accordance with recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework, on recommendation from the Audit Committee.
- 6.5 Approval of the Single Group Solvency and Financial Condition Report, on recommendation from the Audit Committee.

7 Risk and Controls

- 7.1 Approval of the Whistleblowing Report and the Whistleblowing Policy, on recommendation from the Risk and Capital Committee.
- 7.2 Approval of the Operational Resilience Self-Assessment, on recommendation from the Risk and Capital Committee.

The Royal London Mutual Insurance Society Limited

Matters reserved for the Board

- 7.3 Approval of the Own Risk and Solvency Assessment (ORSA), on recommendation from the Risk and Capital Committee.
- 7.4 Approval of applications to the PRA for material changes to the internal model (including those arising from an accumulation of minor changes) and to the Internal Model Change Policy, on recommendation from the Risk and Capital Committee.
- 7.5 Reviewing, at least annually, and being satisfied with the systems for ensuring that the internal model operates properly on a continuous basis.
- 7.6 Reviewing, at least annually, and being satisfied with the ongoing appropriateness of the design and operations of the internal model and that it continues to reflect the risk profile of the Group.
- 7.7 Reviewing and being satisfied that the Group has appropriate and effective risk management systems and strategies in place to deal with outsourced service providers.
- 7.8 Approval of the Group's risk strategy, risk preferences and risk appetite statements on an annual basis, on recommendation from the Risk and Capital Committee.

8 Customer

- 8.1 Approval of the annual Consumer Duty Report.
- 8.2 Approval of mergers of with-profits funds, transfers into/out of with-profits funds and other material discretionary actions in respect of with-profits funds
- 8.3 Approval of the annual report as to compliance with obligations relating to the Principles and Practices of Financial Management (PPFM).
- 8.4 Approval of bonus recommendations in relation to with-profits funds, including ProfitShare.

9 Other matters

- 9.1 Annual review of this list of Matters Reserved for the Board and approval of any changes.
- 9.2 Consideration of any other matter which the Board considers significant to the Group.