

Tunbridge Wells Equitable Friendly Society Limited

Schedule of Matters to be Reserved for the Board

1. Strategy and Planning

- 1.1 Approval of overall strategy.
- 1.2 Approval of the annual budget (including operational, development and capital expenditure) and three year business plan.
- 1.3 Oversight of operations including ensuring adequate systems of internal control, accounting records, and compliance with statutory and regulatory obligations.
- 1.4 Review of performance in relation to strategic objectives, business plans and budgets, and ensuring that any corrective action is taken.
- 1.5 Major new product launches, including extending activities into new geographic areas.
- 1.6 Any decision to close any material part of the group's business.

2 Management

- 2.1 Overall responsibility for the management of the Society and its subsidiaries.
- 2.2 Approval of Management Board structure and senior management responsibility.
- 2.3 Approval of Management Board appointments and job descriptions.
- 2.4 The Board reserves the right to dismiss those senior managers who report direct to the Chief Executive.
- 2.5 Notification is required of recruitment of a member of staff to fill a new position whose salary is in excess of £100,000.
- 2.6 Appointment or dismissal of Approved Persons.
- 2.7 Approval of authority limits and bank mandates.

3 Operations

- 3.1 Review of operational performance against budgets and plans, including balanced score card.
- 3.2 All new major initiatives not included in agreed plans.
- 3.3 Capital expenditure or other major projects where the amount exceeds £100,000
- 3.4 Substantial commitments (those where the foreseeable commitment exceeds £500,000 in any one year including pension scheme funding and giving security over assets).
- 3.5 Contracts not in the ordinary course of business, for example corporate restructuring or outsource agreements.
- 3.6 Overall investment strategy, including major changes, appointment of fund managers, and unusual investments.

4 Structure and Capital

- 4.1 Changes to the group's structure, including acquisition and disposal of subsidiaries.
- 4.2 Proposed transfers of engagements and joint ventures.
- 4.3 Changes relating to membership rights and structure of internal funds.

5 Financial Reporting

- 5.1 Approval of the annual report and accounts and annual returns to the Financial Services Authority, including the valuation methods and assumptions to be used for the statutory valuation.
- 5.2 Approving any significant changes in accounting policies or practices, particularly where a major element of judgement is required.
- 5.3 Treasury policies and limits, including interest rate risk exposure.
- 5.4 Exercise discretion, including approval of bonus rates for the With Profits Fund, having taken advice from the With Profits Actuary.
- 5.5 Changes to premium rates.
- 5.6 Amendments to benefit schedules and policy conditions.

6 Risk and Internal Controls

- 6.1 Ensuring there is a sound system of internal control and risk management.
- 6.2 Reviewing the effectiveness of risk and control processes.
- 6.3 Ownership and responsibility for corporate risk register.
- 6.4 Approval of corporate risk appetite.
- 6.5 Approval of Individual Capital Adequacy Standards and accompanying risk profiles, including ICAS quantification.
- 6.6 Action plan to respond to the threat of a significant decline in ICA.

7 Communication

- 7.1 Approval of general meetings Notice and resolutions to be proposed to members at general meetings.
- 7.2 Approval of press releases issued in the Board's name, concerning matters decided by the Board.

8 Board Membership and Other Appointments

- 8.1 Changes to the structure, size and composition of the Board, considering any recommendations from the Nomination Committee.
- 8.2 Ensuring adequate succession planning for the Board and senior management.
- 8.3 Appointments to the Board, following recommendations by the Nominations Committee.
- 8.4 Selection of the Chairman of the Board and Chief Executive.
- 8.5 Appointment of the Senior Independent Director.
- 8.6 Membership and chairmanship of Board committees.
- 8.7 Continuation in office of directors at the end of their term of office, when they are due to stand for re-election by members at the AGM.
- 8.8 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 company, subject to the law and their service contract.
- 8.9 Appointment or removal of the Secretary.
- 8.10 Appointment or removal of the external auditor to be put to members for approval, following the recommendation of the Audit Committee.
- 8.11 Appointment to boards of subsidiaries.

9 Remuneration

- 9.1 Determining remuneration and remuneration policy for the directors, secretary, and other senior executives.
- 9.2 Approval of long-term incentive plans and awards made under their terms.

10 Delegation of Authority

- 10.1 Division of responsibilities between the Chairman and the Chief Executive, which should be in writing.
- 10.2 Approval of terms of reference of board committees.
- 10.3 Receiving reports from board committees on their activities.

11 Corporate Governance Matters

- 11.2 Undertaking a formal and rigorous annual review of its own performance, that of its committees and individual directors.
- 11.3 Determining the independence of directors.
- 11.4 Review of overall corporate governance arrangements.
- 11.5 Overseeing member relations policy and ensuring there are appropriate channels for members' views to be communicated and heard.

12. Other

- 12.1 Any political donations.
- 12.2 Approval of appointment of principal professional advisers.
- 12.3 All purchases and disposals of property
- 12.4 Prosecution, defence or settlement of litigation being material to the interests of the Society.
- 12.5 Major changes to the group's pension scheme arrangements.
- 12.6 This schedule of matters reserved for the Board's decision.

12 December 2007

Reviewed November 2009