

## **Matters Reserved for the Board**

This document sets out the matters reserved for decision by the Board of Directors (the “**Board**”) of esure Group plc (the “**Company**”). The purpose of this document is to define the matters arising in the course of the management of the Company’s affairs which the Board has decided are of sufficient importance that such matters should be tabled for discussion and decision at a meeting of the Board which has been properly called in accordance with the Company’s Bye-Laws. In the event of doubt as to whether a particular matter is reserved for the Board or must be reported to the Board, the Chair of the Board shall make the final determination unless subsequently revised by the Board.

The matters reserved to the Board are in addition to, and do not seek to supersede, the powers granted to any standing Committee of the Board in accordance with its respective charter. In addition, the matters reserved to the Board may require approval by an operating subsidiary of the Company. Where relevant, appropriate decision-making shall also take place by the board of directors of the Company’s subsidiaries in accordance with applicable governance and regulatory requirements.

### **1. Strategy and management**

- 1.1 Setting and approval of the Group’s strategic plan and objectives and setting the Group’s purpose, values and standards.
- 1.2 Responsibility for the overall leadership of the Group.
- 1.3 Overall review of the Group’s operations ensuring:
  - competent and prudent management;
  - sound planning;
  - maintenance of sound management, internal control systems and risk management;
  - compliance with statutory and regulatory obligations and adequate accounting and other records.
- 1.4 Setting and approving the Group’s Environmental, Social and Governance (‘ESG’) strategy.
- 1.5 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.6 Review of the annual performance of the Group, in the light of the established strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.7 Material extension or cessation of the Group’s activities into new business lines or geographic areas.
- 1.8 Major investments including the acquisition or disposal of interests or the making of any takeover offer or acquisition.
- 1.9 Any decision to cease to operate all or any material part of the Group’s business. Any material changes to the Group’s brands.

## **2. Structure and capital**

- 2.1 Changes to Group's capital structure or arrangements including loans, repayments or reinsurance.
- 2.2 Material changes to the Group's corporate structure.
- 2.3 Incorporation of a new entity or branch or change in trading status of an existing company.
- 2.4 Changes to the Group's management and controls structure.

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

- 3.1 Approval of the interim (as applicable) and annual financial statements and the Solvency & Financial Condition Report ("SFCR") and Regulatory Supervisory Report ("RSR") for the Company.
- 3.2 Approval of the dividend policy and the declaration and recommendation of any dividend payments.
- 3.3 Approval of any material changes in accounting policies or practices.
- 3.4 Approval of finance, investment and treasury policies.
- 3.6 Approval of any issuance of debt or equity securities or the redemption of debt or equity securities.
- 3.7 Approval of Capital Adequacy and the Group's Own Risk and Solvency Assessment ('ORSA').

## **4. Internal control and Risk Management**

- 4.1 Approval, at least annually, of the Group's Own Risk and Solvency Assessment ('ORSA') (see 3.7 above) and the Group's Statement of Risk Appetite.
- 4.2 Approval of any decision, outside the relevant risk appetite statement set by the Risk Committee, likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational
- 4.3 Ensuring that there is an effective system of risk management and internal control to support the strategy and objectives including:
  - 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 register;
  - 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 and Accounts.
- 4.4 Determining the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives.

## **5. Contracts**

- 5.1 Approval of budgeted major capital contracts or expenditure including entering into material contracts with suppliers or advisers that is expected to exceed £10 million during the term of the contract or extension.

- 5.2 Approval of contracts of the Company or any subsidiary not in the ordinary course of business, for example any new loans and repayments.
- 5.3 Approval of material changes to reinsurance arrangements, including quota share arrangements, entering into any co-insurance arrangements or entering into reinsurance arrangements outside the ordinary course of business or terms outside the parameters set by the relevant risk appetite statements.
- 5.4 Approval of material unbudgeted capital or operating expenditures for contracts where the value or expected value is expected to exceed £3 million during the term of the contract or extension.

## **6. Communication**

- 6.1 Approval of all material press releases, circulars, prospectuses, resolutions and all documentation to be put by the Board to the Company's shareholder(s) at an Annual General Meeting or other general meeting, including any proposed amendments to the constitutional documents of the Company.

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

- 7.1 Oversee adequate succession planning for the Board and senior management to maintain an appropriate balance of skills and experience within the Group and on the Board.
- 7.2 Appointments, reappointments or removal from office of Group or Subsidiary Board members, subject to the law and their service contract.
- 7.3 Appointment or removal of the Chair of the Board and the Chief Executive Officer.
- 7.4 Appointment or removal of the Senior Independent Director (if applicable).
- 7.5 Membership and chairship of Board Committees.
- 7.6 Appointment or removal of the Chief Financial Officer, Chief Risk Officer, Company Secretary and Chief Actuary.
- 7.7 Appointment, reappointment or removal of the external auditor and the external auditor's remuneration, including both fees for audit and non-audit services, to be put to the shareholder(s) for approval, following the recommendation of the Audit Committee.
- 7.8 Monitor and review the list of Material Risk Takers, following approval by the Remuneration Committee.

## **8. Remuneration**

- 8.1 Monitor and review the design or any material changes to the remuneration policy in respect of the Chairman, Executive Directors, members of the Group Executive (together "the Executives") and Material Risk Takers following approval by the Remuneration Committee.
- 8.2 Monitor and review the design of any new variable performance related pay schemes for Executives and Material Risk Takers, including the application of relevant performance criteria following approval by the Remuneration Committee.
- 8.3 Monitor and review any material changes to the rules of the Group's pension scheme, changes to pension trustees or, if required, changes in the fund management arrangements following approval by the Remuneration Committee.

## **9. Delegation of authority**

- 9.1 The division of responsibilities between the Chairman, the Chief Executive Officer and other Executive Directors, which should be in writing.
- 9.2 The establishment of any committee of the Board, including the approval of its terms of reference and any material changes thereto.
- 9.3 Receiving reports and recommendations from Board Committees on their activities.

## **10. Corporate governance matters**

- 10.1 Undertake a regular review of the effectiveness and performance of the Board, Board Committees and Directors and the Group's corporate governance framework.
- 10.2 Determination of the independence of Non-executive Directors.
- 10.3 Consideration and authorisation of any conflicts or potential conflicts of interests of Directors and imposing any limitations, qualifications or restrictions.
- 10.4 Considering the balance of interests between all key stakeholders.

## **11. Policies and Key reports**

- 11.1 Approval of key policies and receive reports to ensure appropriate levels of compliance with key policies, including:
  - Code of Conduct (post recommendation by the Remuneration Committee)
  - Remuneration Policy for Executives and Material Risk Takers ("MRTs") (post recommendation by the Remuneration Committee)
  - All employee Remuneration Policy (post recommendation by the Remuneration Committee)
  - Equity, Inclusion & Diversity ("I&D") Policy and Board Statement (post recommendation by the Remuneration Committee)
  - Supplier Code of Conduct (post recommendation by the Risk Committee)
  - Outsourcing & Third Party Supplier Policy (post recommendation by the Risk Committee)
  - Privacy and Data Protection Policy (post recommendation by Risk Committee)
  - Health and Safety Policy (post recommendation by the Risk Committee)
  - Environmental, Social and Governance ("ESG") Policy (post recommendation by the Risk Committee)
  - Financial Crime Policy (post recommendation by the Risk Committee)
  - Modern Slavery Statement (post recommendation by the Remuneration Committee) Gender Pay Gap Report (post recommendation by the Remuneration Committee)
  - Whistleblowing Policy (post recommendation by the Audit Committee)
  - Tax Strategy (post recommendation by the Audit Committee)

## **12. Miscellaneous**

- 12.1 Approval of any political donations.
- 12.2 Approval of the appointment of the Group's principal professional advisers.

- 12.3 Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism, involving a potential liability, including costs, of more than £1 million or being otherwise material to the interests of the Group, other than in the ordinary course of business.
- 12.4 Approval of material changes to the insurance purchased for the Group, including Directors' and officers' liability insurance.
- 12.5 Responsibility for the avoidance of wrongful/fraudulent trading.
- 12.6 This schedule of matters reserved for Board decisions.

The Board shall review these Matters Reserved for the Board on an annual basis.

Approved and adopted by the Board of esure Group plc on 22 November 2022.