

Board Charter

June 2025

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Cornish Mutual Assurance Company

Board Charter

1.0 Role and Responsibility of the Board of Directors

1.1. Role

The role of the Board is to determine the affairs of Cornish Mutual Assurance Company Ltd (the Company) in line with strategy and risk appetite. It is to oversee and monitor the development of the strategy as it progresses and ensure it is robustly implemented. The Board is the ultimate decision-making function within the business.

1.2. Responsibilities of the Board

The Board is collectively responsible for the following:

1.2.1. Strategy

- i. Establishing the business strategy in line with Cornish Mutual values and with a forward-looking focus on Members' needs,
- ii. Determining the Company's objectives,
- iii. Directing the approach necessary to deliver the Company's objectives,
- iv. Monitoring progress by the Company towards the implementation of strategy and achievement of objectives, and
- v. Determining the structure of the Company and any subsidiaries.

1.2.2 Sustainable Growth

- i. Maximising the value of the Company for the benefit of its Members as a whole,
- ii. Maintaining the value of Members' funds and implementing strategies which enable such funds to grow,
- iii. Determining the allocation of Members' funds to develop the business for the benefit of Members,
- iv. Determining and implementing investment strategy, and
- v. Approving the annual plans, capital requirement, operating budget and capital expenditure budget of the Company and any material changes to these.

1.2.3 Leadership

- i. Appointing the Executive and Non-Executive Directors, and selecting the Board Chair,
- ii. Approving the remuneration and terms of appointment of Board members,
- iii. Approving material changes to the Company's management structure,
- iv. Appointing Board Committees with the appropriate balance of skills, experience, knowledge, and independence to fulfil their Terms of Reference,
- v. Delegating clearly defined responsibilities to the Chair, Senior Independent Director (SID), Chief Executive Officer (CEO), Board Committees and otherwise as the Board may determine,

- vi. Formally reviewing its own effectiveness and the effectiveness of each individual Director,
- vii. Providing the necessary corporate, management, financial and human resources needed to achieve success,
- viii. Providing effective challenge to those leading the day to day running of the business,
- ix. Identifying the required SM&CR roles within the business and ensuring the appropriate individual is provided with the tools and opportunities to gain regulatory approval,
- x. Ensuring a framework is in place to consider succession planning for Board Membership and Executive management,
- xi. Approving the scope and responsibilities of the Chair, Deputy Chair (if appointed), Senior Independent Director, CEO , Executive and Non-Executive Directors or any other SM&CR function holders, as documented in the statement of responsibilities for these roles,
- xii. Approving the delegations to Board Committees, as reflected in their Terms of Reference and as documented in this Board Charter,
- xiii. Developing and maintaining a scheme of delegation covering the entire Company ([Appendix 3](#)),
- xiv. Creating an environment in which a diverse workforce can learn, thrive and deliver against strategic objectives to evolve the business,
- xv. Ensuring a performance management system is in place which supports employees and allows individuals to thrive whilst guaranteeing fairness by recognising performance needs and addressing in the appropriate manner, and
- xvi. Ensuring the remuneration policy in place is appropriate to attract and retain the calibre of staff necessary to meet strategic objectives.

1.2.4 Purpose and Culture

- i. Deciding on the Company purpose and vision,
- ii. Communicating the purpose and vision of the business to employees and other stakeholders,
- iii. Determining the values and ethics to which the Company holds itself,
- iv. Leading the development of the Company's culture and its adoption in day-to-day management,
- v. Ensuring that the values of mutuality underpin all strategic decisions taken within the Company,
- vi. Encouraging and supporting a healthy workplace culture by recognising the benefits of diversity and inclusion, and
- vii. Providing employees with a fair and supportive process by which failures in culture can be flagged and addressed.

1.2.5 Member Engagement

- i. Reporting to Members and relevant stakeholders on the Company's activities, presenting a balanced and understandable assessment of the Company's position and prospects,

- ii. Approving the business to be considered at Annual General Meetings of the Company and related documentation to be communicated to Members,
- iii. Approving the results and annual report to Members, and
- iv. Ensuring the Company is an active and responsible member of the communities and markets in which it operates.
- v. Ensuring that the Company uses Member engagement to identify, understand and reflect Members' concerns.

1.2.6 Risk Appetite

- i. Setting risk appetite, that is, determining the nature and extent of the significant risks which the Company is prepared to take to achieve its strategic objectives,
- ii. Establishing a framework of risk management that enable the strategic financial and operational risks of the Company to be assessed and managed, and
- iii. Determining risk acceptance, retention and reinsurance strategies.

1.2.7 Controls

- i. Establishing a framework of internal controls that enable the strategic financial and operational risks of the Company to be assessed and managed,
- ii. Approving material changes to the Company's Board Charter (this document) including matters reserved for the Board, a Schedule of Matters for the Board ([Appendix 1](#)) and Terms of Reference for Board Committees,
- iii. Determining Company Policies as set out in the Schedule of Board Policies ([Appendix 2](#)) and approving any material changes to or derogation from these policies,
- iv. Monitoring and ensuring compliance by the Company with all legal and regulatory requirements and with Company policies,
- v. Regularly review the capital adequacy of the Company to ensure it remains with regulatory and Board requirements. Consider the effects of reinsurance programmes on the Company's capital,
- vi. Ensuring Directors' and Officers' Liability Insurance is in place to protect Directors,
- vii. Ensuring effective policies and procedures are in place for
 - Managing the Company's capital
 - Monitoring financial performance and
 - Controlling expenses,
- viii. Approving the Company's annual report and accounts, and a summary financial report,
- ix. Approving the Company's accounting policies and practices and any material changes,
- x. Approving (or otherwise) matters referred to the Board by the Risk and Audit and Remuneration and Nomination Committees,
- xi. Determining the Company's Own Risk and Solvency Assessment,

- xii. Approving the results of the annual review of the effectiveness of the system of internal control,
- xiii. Ensuring a robust practice is in place to review value of products in line with the Company purpose and approving any matters flagged by this process,
- xiv. ,
- xv. Regularly monitor the investments of the Company to ensure that they are consistent with the investment policy and report to the Board any variations from the policy, the reasons for this and any remedial actions,
- xvi. Ensure the investment management arrangements are consistent with:
 - a. the Board's Environmental. Social and Governance (ESG) approach and
 - b. The PRA requirements for managing the financial risk from climate change.
- xvii. Regularly review the performance of external Fund Managers against the agreed benchmarks and targets,
- xviii. Approve investment in pooled vehicles where Managers have discretion,
- xix. Approving the establishment and/or cessation by the Company of any pension scheme benefiting Directors, Officers, and members of staff of the Company or beneficiaries, and
- xx. Approving any major changes to the rules, or fund management arrangements, or payments under any such scheme.

1.2.8 Committees

The role of committees within the Company are to provide a forum where specific areas can be overseen and discussed by those with expertise. Board Members can collaboratively work with management to monitor strategic objectives and, through providing support and effective challenge, can proactively steer the business to meet its objectives.

The Board Committees are oversight committees with non-executives as full members and executives in attendance. The role of the executive in Committees is to provide information and make recommendations. Most decisions and recommendations to the Board will be made through consensus. Recommendations from the Committees are to the Board and will therefore be reviewed by the entire Board.

The Board has established the following permanent Board Committees. The Terms of Reference of these Committees are contained in the appendices to this document.

The permanent Committees are:

- Risk and Audit Committee (RAC) [Appendix 4.](#)
- Remuneration and Nomination Committee (RNC) [Appendix 5](#)

2.0 Responsibilities of All Company Directors

2.1. Statutory Responsibilities

The Companies Act of 2006 sets out the seven general duties that all Directors owe to the Company, these are the duty to

- 2.1.1. Act in accordance with the Company's Memorandum and Articles of Association,
- 2.1.2. Promote the success of the Company,
- 2.1.3. Exercise independent judgement,
- 2.1.4. Exercise reasonable care, skill and diligence,
- 2.1.5. Avoid conflicts of interest,
- 2.1.6. Not accept benefits from third parties, and
- 2.1.7. Declare any interest in proposed transactions.

Each of these duties are described in more detail in the relevant section of the Companies Act 2006.

2.2. Regulatory Responsibilities: Senior Manager & Certification Regime ¹ Functions

Certain individuals may be designated as senior management function (SMF) holders if they are responsible for discharging one (or more) of a number of prescribed positions as designated by the regulator. The specific functions required by the regulator are covered in relevant sections below. The Company may choose to hold further functions which may or may not be approved by the Regulator. A list of current function holders is held at [Appendix 6](#).

SMF holders must prepare and maintain handover notes to help successors to have all information and materials to help them perform the role effectively and in line with regulatory requirements. The handover notes should be practical and helpful. They should include an assessment of what issues should be prioritised, judgement and opinion as well as facts and figures.

Handover notes for each Senior Management Function are held on the Company Intranet. Each SMF holder is responsible for keeping their notes up to date. These should be reviewed at least annually.

2.3. Code of Conduct

All directors (and employees) of Cornish Mutual are expected to:

- 2.3.1. Act with integrity,
- 2.3.2. Act with due skill, care and diligence,
- 2.3.3. Be open and co-operative with the FCA, the PRA, and other regulators,
- 2.3.4. Take reasonable steps to ensure that the business of the firm for which they are responsible is organised so that it can be controlled effectively,

¹ See Bank of England Prudential Regulation Authority Rulebook SII Firms Insurance-Senior Management Function

- 2.3.5.** Take reasonable steps to ensure that the business of the Company for which they are responsible complies with the relevant requirements and standards of the regulatory system,
- 2.3.6.** Take reasonable steps to ensure any delegation of responsibilities is to an appropriate person and to oversee the discharge of the delegated responsibility effectively,
- 2.3.7.** Disclose appropriately any information of which the FCA or the PRA would reasonably expect to have notice, and
- 2.3.8.** When exercising responsibilities, pay due regard to the interests of current and potential future policyholders in ensuring the provision by the Company of an appropriate degree of protection for their insured benefits.
- 2.3.9.** Pay due regard to the interests of employees, suppliers, our communities, climate change and the wider environment when exercising responsibilities.

2.4. Board Etiquette

Etiquette is the set of rules or customs of accepted behaviour in particular social groups or situations. The Board individually and collectively agrees to adhere to the following behaviours in the conduct of business:

2.4.1. We work to shared organisational goals

- i. These goals are determined with equality ensuring every voice is heard and respected.
- ii. We conscientiously monitor progress against these goals.
- iii. We stay focussed on the goals and avoid straying into operational detail that is outside the Board's remit.
- iv. As a unitary board we are collectively and individually committed to and accountable for delivering these goals for the benefit of Cornish Mutual's Members and stakeholders.

2.4.2. We deliver through good governance

- i. At our meetings we work to a structured and timed agenda that is supported by appropriate material.
- ii. We are led by our Chair and ask questions through them at our meetings.
- iii. We follow their guidance and ensure that all participants can contribute.
- iv. We ask open questions, seeking to understand the issues.

2.4.3. We actively demonstrate our agreed values

- i. We share our skills and expertise generously.
- ii. We actively listen to others.
- iii. We openly praise and proactively learn from mistakes.
- iv. Whilst respectful, we do not hide from delivering difficult messages.
- v. We demonstrate respectful candour so that we can understand all points of view by asking questions, providing insights, and productively challenging assumptions.

On rare occasions individual Board members may fail to live up to the expected behaviours. This will be addressed initially through the appraisal process. If no improvement in behaviour is evidenced the individual may be asked to resign.

2.5 Unresolved Concerns

All Directors have the right to have any unresolved concerns about the running of the Company or a proposed action recorded in the Minutes or referred to the appropriate Committee Chair.

3.0 Role and Responsibilities of the Chair of the Board

3.1. Role

3.1.1. Chair

The role of the Chair is to lead the Board and ensure that it functions effectively. The Chair is the Board's principal spokesperson, oversees the performance of the Board, and acts as Chair of General Meetings of Members.

3.1.2. Deputy Chair

If a Deputy Chair has been appointed, their role is to stand in when the Chair is absent. The responsibilities set out in this section apply in full to the Deputy Chair when they are acting as Chair. However, the Deputy would not take on the SMF 9 function automatically.

3.2. Appointment

The Chair and Deputy Chair (if appointed) are Non-Executive Directors, appointed by the Board by a secret ballot from the pool of Non-Executive Directors and ratified by Members at the next Annual General Meetings.

3.3. Responsibilities

The specific responsibilities of the Chair are to:

- 3.3.1. Set the agenda, style, and tone of Board discussions to promote a culture of openness, effective decision making, and constructive debate in Board meetings, including appropriate consideration of strategic issues,
- 3.3.2. Represent the Company to external stakeholders, including Members, suppliers, regulatory and government authorities, and the community,
- 3.3.3. Promote the highest standards of corporate governance within the Company,
- 3.3.4. Ensure that the Members of the Board receive accurate, timely, and clear information on the Company and its activities,
- 3.3.5. Ensure effective communication with Members, and ensure that Directors develop an understanding of their views, issues and concerns,
- 3.3.6. Manage the Board to ensure that appropriate time is allowed for consideration of all issues,
- 3.3.7. Ensure that a properly constructed, comprehensive, formal and tailored induction programme is in place for new Directors,
- 3.3.8. Take the lead in identifying and agreeing the training and development needs of individual Directors,
- 3.3.9. Address the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team and maintaining its overall skills and knowledge,
- 3.3.10. Meet with Non-Executive Directors without the Executives being present,
- 3.3.11. Ensure that the performance of individual Executive and Non-Executive Directors and of the Board as a whole and its Committees is evaluated² at least once a year and act on the results of the performance evaluation,
- 3.3.12. Encourage active engagement by all the members of the Board, promoting constructive relations between Executive and Non-Executive Directors,

² The evaluation process is determined by the RNC and approved by the Board

- 3.3.13.** Work closely with the CEO , providing support and advice on matters relevant to strategy and operations while respecting the Executive responsibility of the CEO to manage the Company, and
- 3.3.14.** Ensure that Directors are fit and proper persons when appointed and that they remain so throughout their tenure with the Company.

3.4. Authority and Time Commitment

The Chair is authorised to seek, at the Company's expense, appropriate professional advice inside and outside the Company when s/he considers this necessary to discharge his responsibilities. Additionally, s/he always has access to the Company's Auditors, and other advisers

The time commitment of the Chair is expected to be no less than one day per week.

4.0 Role and Responsibilities of the Chief Executive Officer

4.1. Role

The CEO is responsible, under the immediate authority of the Board, for managing the conduct of the whole of the Company's business and assisting the Board in carrying out its role by providing advice and recommendations. This should be consistent with the agreed corporate objectives, financial and operational risk management, and regulatory good practice.

The CEO fulfills the Chief Executive function (SMF1) as designated by the FCA/PRA.

4.2. Responsibilities

- 4.2.1.** Leading the Executive Directors and senior management in the day to day running of the business,
- 4.2.2.** Developing, in conjunction with the Board, the Company's strategy and objectives,
- 4.2.3.** Developing appropriate capital, corporate and management structures to ensure the Company's objectives can be met,
- 4.2.4.** Leading the operational performance and strategic direction of the Company,
- 4.2.5.** Managing the Company's internal framework, including approving management and control policies,
- 4.2.6.** Approving contracts within authorised limits,
- 4.2.7.** Approving the Company's management development and succession plans for senior management and approving appointments and termination of staff reporting to senior management,
- 4.2.8.** Reporting regularly to the Board with appropriate, accurate, timely and comprehensive information so that the Board can discharge its responsibilities effectively, and
- 4.2.9.** Representing the Company to external stakeholders, including Members, suppliers, regulatory and governmental authorities, and the community.

4.3. Authority

In fulfilling the executive role, the CEO acts within the authority delegated to them by the Board of Directors.

5.0 The Roles and Responsibilities of the Senior Independent Director and Non-Executive Directors

5.1. Senior Independent Director (SID)

5.1.1. Role

The Senior Independent Director (designated as SMF14 by regulator) is an independent Non-Executive Director who is available as a trusted intermediary to Members, colleagues within the business and other Non-Executive Directors, if they have concerns which contact through the normal channels of Chair, CEO, or Non-Executive Director has failed to resolve, or for which such contact is inappropriate. They have the power to call meetings of Non-Executive Directors should they consider it necessary.

5.1.2. Responsibilities

The Senior Independent Director is a sounding board for the Chair and shall, at least annually, lead a review of the performance³ of the Chair including a meeting of the Directors at which the Chair is not present.

5.1.3. Authority

The Senior Independent Director is authorised to seek, at the Company's expense, appropriate professional advice inside and outside the Company when they consider this necessary to discharge their responsibilities. Additionally, they have access at all times to the Board Secretary, the Company's Auditors, and other advisers.

5.2. Risk, and Audit and Remuneration and Nomination Committee Chairs

The Chair of the Risk Committee is designated as SMF10 by regulator and the Chair of the Audit Committee is designated as SMF11. In Cornish Mutual these two roles are combined into one.

The Chair of the Remuneration Committee is designated as SMF12 by regulator and the Chair of the Nomination Committee is designated as SMF13. In Cornish Mutual these two roles are combined into one.

The responsibilities for these positions are contained in the Terms of Reference for each Committee as set out in appendices below

5.3. Non-Executive Directors

5.3.1. Role

The role of the Non-Executive Directors is to participate fully in the functioning of the unitary Board, advising, supporting and constructively challenging management as and when appropriate. Non-Executive Directors provide an independent view and an inquiring mind.

³ The evaluation process is determined by the RNC and approved by the Board

5.3.2. Appointment

Non-Executive Directors are appointed by the Board on the recommendation of the Remuneration and Nomination Committee for specific terms. They are subject to election or re-election by Members and to the provisions of the Articles of Association and statutory provisions for the removal of Directors. They must also meet and maintain fit and proper persons requirements established by the Regulators.

5.3.3. Collective Responsibilities

- i. Provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed,
- ii. Set the Company's strategic aims,
- iii. Ensure that the necessary financial and human resources are in place for the Company to meet its objectives,
- iv. Set the Company's values and standards and ensure that its obligations to Members and others are understood and met,
- v. Bring unfettered judgement to bear on issues of strategy, performance, resources, key appointments and standards of conduct,
- vi. Bring unfettered judgement to bear on the Company's ORSA and to challenge constructively its methodology and risk scenarios,
- vii. Allocate sufficient time to the Company to discharge their responsibilities effectively,
- viii. Attend meetings of the Board, any relevant Board Committee and any General Meetings of Members of the Company,
- ix. Scrutinise the performance of management in meeting agreed goals and objectives,
- x. Monitor the reporting of performance,
- xi. Satisfy themselves that the integrity of financial information is sound,
- xii. Satisfy themselves that the financial controls and systems of risk management are robust and defensible, and
- xiii. Determine the appropriate levels of remuneration of Executive Directors.

5.3.4. Authority

Non-Executive Directors are authorised to seek, at the Company's expense appropriate professional advice inside and outside the Company when they consider this necessary to discharge their responsibilities. Additionally, they have access at all times to the Company's Auditors and other advisers.

6.0 Executive Directors

6.1. Role

Executive Directors have day to day management responsibilities in addition to their responsibilities as members of the Board. Their responsibilities as members of the Board are separate from their management responsibilities.

They are subject to election by Members and to the provisions of the Articles of Association and statutory provisions for the removal of Directors as well as provisions in their contract of employment.

6.2. Responsibilities

- 6.2.1.** To provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed
- 6.2.2.** To set the Company's strategic aims, ensure that the necessary financial and human resources are in place for the Company to meet its objectives, and review management performance
- 6.2.3.** To set the Company's values and standards and ensure that its obligations to Members and others are understood and met
- 6.2.4.** To bring unfettered judgement to bear on issues of strategy, performance, resources, key appointments and standards of conduct
- 6.2.5.** To attend meetings of the Board, any relevant Board Committee and any General Meetings of Members of the Company

7.0 Governance Lead (Company Secretary)

7.1. Role and Access

The Governance Lead is Cornish Mutual's Company Secretary and as such assists the Board. All Board members may go to the Company Secretary for advice or to use their services.

7.2. Responsibilities

- 7.2.1.** Secretary of the Board of Directors
- 7.2.2.** Ensuring that the Board follows correct procedures
- 7.2.3.** Ensuring that the Board complies with its obligations under law and the Company's Articles of Association
- 7.2.4.** Assisting the Chair in organising the Board's activities, including but not limited to
 - i. Providing information
 - ii. Preparing an agenda, and
 - iii. Reporting of meetings, committee meetings, and other activities as designated by the Chair or CEO

9.0 Review of Charter

The Board will review this Charter at least annually.

Appendix 1: Schedule of Matters for the Board

		Oct	Dec	Feb	Apr	Jun	Aug
Strategy							
Establish (or confirm) strategy	<i>The purpose of the strategy day is to ensure the Board considers, amongst other things the anticipated future regulatory and economic capital requirements of the Company over a 5-year planning horizon</i>	Matters for Strategy Day and Date of Annual Strategy Day determined each year					
Establish annual objectives							
Review of Risk Appetite							
Review of business model							
Review of strategy implementation							
Review of objectives							
Governance and Culture							
Approve Annual General Meeting Agenda							
Report of matters from AGM							
Election of Chair							
Election of Committee Chairs							
Confirmation of Committee members							
Board meets without the Chair							
Board meets without the executive							
Governance review	<i>Every three years due 2026</i>						
Consumer Duty Annual Report							
Health and Safety Annual Report							
Review of Board Policies	<i>See separate schedule</i>						
Annual review of people plans and their achievements							
Review of Member engagement							
Annual Review of Board and Committee effectiveness							
Consider need for NED recruitment and initiate process	<i>As required by Board and managed by RNC</i>						

Annual Review of Board Etiquette							
Approve Annual General Meeting Agenda							
		Oct	Dec	Feb	Apr	Jun	Aug
Stewardship of Members' Funds Including Capital Management							
Report on investment performance	<i>Reported through quarterly Insight updates to which all directors are invited plus through CEO's report at each meeting</i>						
Appointment of Investment managers	<i>As required by Board but considered at least every three years</i>						
Annual Report of Charitable Donation Expenditure							
Review Quarterly SCR							
Review of Annual Solvency & Financial Condition Report							
Financial Reporting and Internal Controls							
Review and Agree Annual Report and Accounts							
CFO Report							
Annual Plan and Budget							
Annual Review of External Auditors							
Appointment of External Auditors	<i>Every three years on the recommendation of the RAC</i>						
Review of Internal Audit Plan for following year							
Risk Management and Control							
Annual ORSA Report							
Report on AML and Financial Crime Compliance Report							
Cyber Security Report							
HR KPIs							
Conduct reverse stress testing							
Complaints annual report							
Operational Resilience Self-Assessment							

	Oct	Dec	Feb	Apr	Jun	Aug
Remuneration						
Review of Board and Senior Management remuneration						
Review of Company Remuneration						
Delegations of Authority						
Review of Board Charter						
Review Company-wide Delegations of Authority						
Report from Audit and Risk Committee						
Report from Remuneration & Nominations Committee						

Board Policies	Committee Scrutinising Prior to Board	Oct	Dec	Feb	Apr	Jun	Aug
Policies without a date shown are reviewed annually							
Anti-Money Laundering and Financial Crime Policy	RAC	2026					
Board Diversity Policy	RNC	2028					
Business Continuity Policy	RAC						
Capital Management Policy	RAC						
Charitable Giving Policy	RAC					2028	
Claims and Claims Reserving Policy	RAC						
Data Protection and Data Integrity Policy	RAC						
Ethics, Mutuality, Good faith, Conflicts of Interests	RAC		2027				
Health and Safety	RAC						
Human Resources	RNC						
IT Policy	RAC						
Intellectual Property Policy	RAC		2026				
Internal Audit and Systems of Controls Policy	RAC						
Investment Policy	RAC						
Legal and Regulatory Compliance Policy	RAC				2026		
Liquidity Policy	RAC						
Management Information Policy	RAC				2026		
Member Outcomes	RAC				2026		
ORSA Policy	Direct to Board		2026				
Outsourcing and Supplier Management Policy	RAC					2028	
Reinsurance Policy	RAC						
Risk Management Policy	RAC						
Segregation of Duties Policy	RAC					2026	
Speaking Up and Whistleblowing	RAC				2027		
Underwriting and Pricing Policy	RAC						
Vulnerable Customers Policy	RAC	2026					

Appendix 2: Board Policies

The following policies are the responsibility of the Board of Directors

- 1.1.** Anti-Money Laundering and Financial Crime
- 1.2.** Board Diversity
- 1.3.** Business Continuity
- 1.4.** Capital Management
- 1.5.** Charitable Giving
- 1.6.** Claims Handling and Reserving
- 1.7.** Data Protection and Data Integrity
- 1.8.** Ethics, Mutuality Good Faith, and Conflicts of Interest,
- 1.9.** Health and Safety
- 1.10.** Human Resources
- 1.11.** IT
- 1.12.** Intellectual Property
- 1.13.** Internal Audit and Internal Control
- 1.14.** Investment
- 1.15.** Legal and Regulatory
- 1.16.** Liquidity
- 1.17.** Management Information
- 1.18.** Member Outcomes
- 1.19.** ORSA
- 1.20.** Outsourcing and Supplier Management
- 1.21.** Reinsurance
- 1.22.** Risk Management
- 1.23.** Segregation of Duties
- 1.24.** Speaking Up
- 1.25.** Underwriting and Pricing
- 1.26.** Vulnerable Customers

Appendix 3: Scheme of Delegation 2025

Scheme of Delegation 2025

	Board (and Board Committees)	Chief Executive Officer	Chief Financial Officer	Chief Risk Officer	Company Secretary
Accounting & Financial Control	<ul style="list-style-type: none"> • Approval of accounting policies and controls • Approval of annual budget • Opening new bank accounts 	<ul style="list-style-type: none"> • Planning 	<ul style="list-style-type: none"> • Accounting policies and controls • Budget preparation • Financial performance monitoring • Internal and external reporting requirements • Internal financial reporting structure 		<ul style="list-style-type: none"> • Companies House Filing
Acquisitions⁴, Divestments & Loans	<ul style="list-style-type: none"> • Approval of any acquisitions or divestments or loans 	<ul style="list-style-type: none"> • Recommend strategy 	<ul style="list-style-type: none"> • Execute strategy 	<ul style="list-style-type: none"> • Execute strategy 	
Audit	<ul style="list-style-type: none"> • Appoint external auditors for statutory audit • Oversight of Internal audit (including 		<ul style="list-style-type: none"> • Statutory audit processes and relationship 		<ul style="list-style-type: none"> • Internal audit processes and relationship

⁴ Acquisition in whole or part

	approving appointment of external internal audit services providers)				
Borrowings	<ul style="list-style-type: none"> Approval of new facilities Approval of any borrowing requirement 		<ul style="list-style-type: none"> Securing borrowing facilities 		
Capital	<ul style="list-style-type: none"> Policy 	<ul style="list-style-type: none"> Execution of capital management policy 	<ul style="list-style-type: none"> Regulatory reporting 		
Cash & Currency	<ul style="list-style-type: none"> Policy Approval of non-£ currency 		<ul style="list-style-type: none"> Cash management Hedging operations 		
Company Structure & Organisation	<ul style="list-style-type: none"> Corporate structure Approval of management structure 	<ul style="list-style-type: none"> Recommending management structure 	<ul style="list-style-type: none"> Implementing operational Organisational structure 	<ul style="list-style-type: none"> Implementing operational Organisational structure 	
Climate Change	<ul style="list-style-type: none"> Approval of plan to address Financial Risks from CC 			<ul style="list-style-type: none"> Develop and execute plan for to monitor and manage Financial Risks from CC 	
Complaints				<ul style="list-style-type: none"> Complaints Handling 	
Cyber Security-Ransom attack	<ul style="list-style-type: none"> Decision to pay any ransom demand 	<ul style="list-style-type: none"> Decision to engage with any threat actor sits with the Executive Team 			

Ex-Gratia Payments	<ul style="list-style-type: none"> Approval above limit delegated to CEO 	<ul style="list-style-type: none"> Approval of any ex-gratia payments up to £100,000 (Where claim is valid) 	<ul style="list-style-type: none"> Recommend ex-gratia payment to CEO 	<ul style="list-style-type: none"> Approval of ex gratia payments up to £5000 Recommend any high payments to CEO 	
External & Member relations including CSR	<ul style="list-style-type: none"> Approval annual report and accounts 	<ul style="list-style-type: none"> Member engagement Reputation management 		<ul style="list-style-type: none"> Insurance Supplier Relationships 	<ul style="list-style-type: none"> Compliance relationships
Finance & Funding	<ul style="list-style-type: none"> Investment policy Appoint investment advisors/managers 		<ul style="list-style-type: none"> Recommending advisors Banking relationships Investment execution (subject to policy) 		
Group Policies	<ul style="list-style-type: none"> Approval of Board Policies not otherwise mentioned in this grid (As per Board Charter) 	<ul style="list-style-type: none"> Approval of operational policies and procedures CMA Values and Behaviours in business 	<ul style="list-style-type: none"> Developing operational policies and procedures 	<ul style="list-style-type: none"> Developing operational policies and procedures 	
Health, Safety & Environment	<ul style="list-style-type: none"> Responsibility for H&S oversight 	<ul style="list-style-type: none"> Strategy to deliver requirements Operational health & safety requirements 			
Human Resources	<ul style="list-style-type: none"> Appointment, dismissal and remuneration of executive and non- 	<ul style="list-style-type: none"> Establishing annual remuneration guidelines. 	<ul style="list-style-type: none"> Appointment, dismissal and remuneration (within 	<ul style="list-style-type: none"> Appointment, dismissal and remuneration (within 	<ul style="list-style-type: none"> Obtaining regulatory approval where

	<ul style="list-style-type: none"> executive Board directors • Director succession planning • HR Policy • Pension policy • Appointment, dismissal and remuneration of executive team • Agree the use of settlement agreements for discretionary payments greater than £10,000 above contractual requirements 	<ul style="list-style-type: none"> • Company succession planning • HR Procedures • Agree settlement agreements for discretionary payments ≤ £10,000 above contractual requirements 	<ul style="list-style-type: none"> guidelines) of team members • Agree settlement agreements for discretionary payments ≤ £10,000 above contractual requirements 	<ul style="list-style-type: none"> guidelines) of team members • Agree settlement agreements for discretionary payments ≤ £10,000 above contractual requirements 	required for an appointment
Purchase of Insurances	<ul style="list-style-type: none"> • Agrees types of insurance to be purchased 	<ul style="list-style-type: none"> • Execute 		<ul style="list-style-type: none"> • Negotiate 	
IT	<ul style="list-style-type: none"> • IT Strategy • Data security and privacy • Agree capital expenditure outside of budget 	<ul style="list-style-type: none"> • Recommend strategy • Execution of strategy • IT security • IT infrastructure and systems • Operational data quality • DR Planning and operations 	<ul style="list-style-type: none"> • Financial data quality • DR Planning and operations • Procurement (within strategy and budget) 	<ul style="list-style-type: none"> • DR Planning and operations 	

Insurance & Underwriting	As per Underwriting and Claims policies and authorities				
Intellectual Property Names & Trademarks	IP Policy	<ul style="list-style-type: none"> Control use of name and trademarks 			
Re-Insurance	<ul style="list-style-type: none"> Re-insurance Strategy 	<ul style="list-style-type: none"> Recommend strategy Execute re-insurance strategy Approve programme that achieves strategy 	<ul style="list-style-type: none"> Analysis of financial and capital consequences of proposed programme 	<ul style="list-style-type: none"> Negotiate and propose programme to achieve approved re-insurance strategy (including terms and conditions) 	
Risk Management	<ul style="list-style-type: none"> Setting risk appetite Approving systems of risk management and control 	<ul style="list-style-type: none"> Operation of internal controls 	<ul style="list-style-type: none"> Operation of internal controls 	<ul style="list-style-type: none"> Operation of internal controls 	
Land & Buildings	<ul style="list-style-type: none"> Approval all purchases or disposals of property 	<ul style="list-style-type: none"> Operational management of property 			
Legal Matters		<ul style="list-style-type: none"> Appoint legal advisors 			<ul style="list-style-type: none"> Appoint legal advisors
Pension	<ul style="list-style-type: none"> Pension strategy Appointment of sole trustees 	<ul style="list-style-type: none"> Recommend changes to strategy or contributions (as recommended by Trustee) 			
Strategy	<ul style="list-style-type: none"> Objectives & strategy 	<ul style="list-style-type: none"> Strategy initiatives, 	<ul style="list-style-type: none"> Strategy initiatives, 	<ul style="list-style-type: none"> Strategy initiatives, 	

		evaluation and recommendations	evaluation and recommendations	evaluation and recommendations	
Strategic Partnerships & Outsourcing	<ul style="list-style-type: none"> Approval of all proposed strategic partnerships Approval of outsourcing contracts greater than or equal to £1 million 	<ul style="list-style-type: none"> Approval of outsourcing contracts less than £1 million \geq £500k (total contract) 	<ul style="list-style-type: none"> Approval of outsourcing contracts $< \text{£}500\text{K}$ $\geq \text{£}100\text{k}$ (total contract value) 	<ul style="list-style-type: none"> Approval of outsourcing contracts $< \text{£}500\text{K}$ $\geq \text{£}100\text{k}$ (total contract value) 	
Taxation			<ul style="list-style-type: none"> Relationship with tax authorities Tax policy 		
Transactions/Contracts <i>See appendix one</i>	Principle: no one individual can initiate, approve and execute a transaction				

Appendix One: Transactions Approval

Period↓ Annual Value→	$\geq \text{£ } 1,000,000$	$< \text{£}1 \text{ mio. but } \geq \text{£}500\text{k}$	$< \text{£}500\text{k but } \geq \text{£}100\text{k}$	$< \text{£}100\text{k}$
One off	Board	CEO	ED ⁵	Company Secretary
$\leq 12 \text{ months}$	Board	CEO	ED	Company Secretary
$>12 \text{ months } \leq 36 \text{ months}$	Board	Board	MD	ED
$>36 \text{ months } \leq 5 \text{ years}$	Board	Board	Board	CEO
$>5 \text{ years } < 10 \text{ years}$	Board	Board	Board	CEO
$\geq 10 \text{ years}$	Board	Board	Board	Board

EXCEPTIONS:

Claims payments may be approved as per payment execution authority below.

⁵ Any executive director (CEO, CFO, CRO)

Reinsurance transactions that are in line with agreed programme may be authorised by the Chief Risk Officer.

Payment Execution (after approval of transaction)

≤£15,000	any two designated signatories (Group A or Group B)
>£15,000 ≤ £50,000	two signatories, at least one signatory from Group A
£50,000 to £100,000	two from Group A
Over £100,000	two from Group A, one of whom must be an ED

A SIGNATORIES: Peter Beaumont; Clare Green; Paul Mahon; John Bryant

B SIGNATORIES: Claire Longman; Ben Jago; Shona Wetherall

Appendix 4: Risk and Audit Committee Terms of Reference

1) Purpose

- a) The purpose of the Risk and Audit Committee (the Committee) is, for Cornish Mutual (the Company), to:
 - i) ensure that the interests of the members of the Company are properly protected through the application of effective risk frameworks
 - ii) monitor the integrity of the Company's financial statements and any related announcements
 - iii) oversee the relationship with the external auditors and to review the effectiveness of their work
 - iv) oversee the relationship with any external providers of internal audit services and to review the effectiveness of their work
 - v) review internal controls and risk management systems and
 - vi) monitor and review the internal audit function
- b) Specific duties are set out in sections 7.0 to 13.0 below and timings in the schedule of matters contained in [Appendix 4a](#)

2) Authority and Resources

- a) The Committee is authorised by the Board of the Company and operates under delegated authority from the Board in accordance with these terms of reference.
- b) The Board shall provide the Committee with sufficient resources to
 - i) undertake its duties, including but not limited to, the ability to seek any information it requires from any employee or Director to perform its duties and to call upon them to attend a meeting of the Committee if required
 - ii) review its own performance through annual self-assessment
 - iii) review its constitution and terms of reference at least once a year to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval and
 - iv) enable it to take independent actuarial, legal, accounting, or other advice when the Committee reasonably believes it necessary to do so
- c) The Committee should have access to the services of the company secretariat on all committee matters including assisting the Chair in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.
- d) The company secretary should ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues

3) Membership

- a) The Board of Directors shall appoint, on recommendation of the Chair of the Board, members of the Committee, including one designated as Committee Chair, at the first Board meeting following the Annual General Meeting.
- b) The full committee shall normally comprise:
 - i) A Committee Chair (an independent Non-Executive Director)
 - ii) One or more other independent Non-Executive Directors,
- c) Attendance
 - i) The CEO , the Chief Risk Officer, and the CFO and the Internal Audit function holder (SMF5) and the compliance function holder (SMF16) will attend the meetings but are not members of the Committee.
 - ii) The Company Secretary will attend to take minutes
 - iii) Any Board Director may attend Committee meetings with permission of the Committee Chair
 - iv) Other individuals may be invited to attend all or part of any meeting, as and when appropriate
 - v) The Committee may meet without attendees if the Committee Chair considers it appropriate to do so having regard to its duties
- d) In the absence of the Committee Chair the committee members present shall appoint one of themselves to chair the meeting.

4) Quorum

- a) The quorum necessary for the transaction of business shall be a minimum of two members. If circumstances require, the Committee Chair may co-opt another Non-Executive Director, not already a Committee member, on to the Committee to ensure a quorum.
- b) A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions delegated to it by the Board.
- c) If a meeting is not quorate, it may make recommendations for ratification as soon as is practicable by:
 - i) a subsequent quorate meeting or
 - ii) telephone conference with a quorum of members or
 - iii) an exchange of emails or electronic communication between all members.

5) Frequency and Notice of Meetings

- a) The Committee shall meet at least five times a year at appropriate times in the financial and reporting cycle and at such other times as the Committee Chair shall require. Meetings may be held in person, over the telephone or online.

- b) The Committee should, at least annually, meet the external auditors without management to discuss matters relating to its remit and any issues arising from the audit.
- c) Formal meetings of the Committee are the heart of its work. However, they will rarely be sufficient. The Committee Chair, and to a lesser extent the other members, will wish to keep in touch on a continuing basis with the key people involved in the company's governance, including the Board Chair, the CEO, the CFO, the Chief Risk Officer, the external audit lead partner and the Governance Lead (as head of internal audit and compliance function holder).
- d) Meetings of the Committee shall be summoned by the Committee Chair, in consultation with the Company Secretary, or at the request of any of its members. Wherever possible, meeting dates will be set for the year ahead as soon as practical after the AGM.
- e) Notice of each meeting confirming the time and place, together with an agenda and supporting papers, shall be issued no later than five working days before the meeting.

6) Minutes of Meetings

- a) The Company Secretary (or a nominee) will take minutes of the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance and those for whom apologies for absence have been received.
- b) The Committee Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- c) Minutes of Committee meetings shall be circulated promptly, usually within ten working days, to all members of the Committee and, once agreed, to all members of the Board.

7) Duties in Respect of Reporting to the Board and to Members of the Company

- a) The Committee Chair shall report formally to the Board on all matters that fall within the remit of the Committee.
- b) The Committee shall compile a report, to be included in the Company's annual report to Members of the Company, covering:
 - i) the members, responsibilities, activities and attendance at meetings of the Committee, risks and potential risks facing the business and how they are managed, and
 - ii) risks to strategy, looking forward.
- c) The Committee Chair shall attend the Annual General Meeting prepared to answer questions on the Committee's activities

8) Duties in respect of Financial Reporting and Integrity

- a) The Committee shall review, and report to the Board on the significant financial reporting issues and judgements made in connection with the preparation of the company's financial statements (having regard to matters communicated to it by the auditor), interim reports, preliminary announcements and related formal statements.

b) Accounting Policy, Disclosure and Reporting

- i) Although the Executive is responsible for preparing complete and accurate accounts in accordance with financial reporting standards and applicable rules and regulation, the Committee shall consider significant accounting policies, any changes to them and any significant estimates, adjustments and judgements.
 - ii) The Committee should ask the Executive about the methods used to account for significant or unusual transactions where the accounting treatment is open to different approaches.
 - iii) Taking into account the external auditor's view, the Committee should consider whether the company has adopted appropriate accounting policies and, where necessary, made appropriate estimates and judgements.
 - iv) The Committee shall review, approve or challenge the clarity and completeness of disclosures in the financial statements and consider whether the disclosures made are set properly in context.
- c) The Committee shall review related information presented with the financial statements, including the strategic report and corporate governance statements relating to the audit and to risk management.
- d) The Committee shall review significant financial returns to the regulators and members before recommending them to the Board for approval.
- e) The committee shall review the content of the annual report and accounts and advise the Board on whether, taken as a whole:
- i) it is fair, balanced and understandable,
 - ii) provides the information necessary for members to assess the Company's performance, business model and strategy, and
 - iii) the narrative information is consistent with the accounting information.
- f) Whistleblowing:
- i) The Committee shall review the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible impropriety in financial reporting or other matters.
 - ii) The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- g) The Committee shall keep under review the adequacy and effectiveness of the Company's internal controls over financial reporting and prevention of fraud, money laundering and bribery.

9) Duties in Relation to External Audit

- a) The Committee is responsible for overseeing the company's relations with the external auditor.
- b) The Committee shall meet regularly with external auditors, including once at the planning stage for the annual audit and again at the reporting stage.

- c) The Committee shall meet with external auditors in the absence of management to discuss its own remit, that of the external auditors, issues arising from the audit and the adequacy of the Company's internal control procedures.
- d) Committee shall review all external audit recommendations and management responses, ensuring compliance or reporting to the Board reasons for non-compliance.
- e) The Committee shall assess the independence and objectivity of the external auditor taking into account relevant professional and regulatory requirements (including the rotation of audit partners), and the qualifications, resources and expertise made available.
- f) The Committee shall review the performance of the external auditor and fees charged, making recommendations to the Board, to be put to the members for approval at the AGM, in relation to their appointment, re-appointment or removal.
- g) The Committee shall oversee the selection process for a new auditor, and if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.
- h) The Committee shall approve the terms of engagement of the external auditor, including any engagement letter issued at the start of each audit and the scope of the audit.
- i) The Committee shall review and make recommendations to the Board regarding the implementation of a policy on the supply of non-audit services by the external auditor.

10) Duties in Respect of Investment

- a) Taking account of Company strategy, regularly review the Investment Strategy and Investment Policy for approval by the Board. The Policy should include the review and approval of established limits for investments made with advice from appropriate financial advisers and the review and approval of the credit rating of money market funds and any holders of direct cash placements.
- b) Review Investment Policy in the event of any significant change to the reinsurance programme.
- c) Review at least annually the Board's Liquidity Policy.
- d) Develop and agree actions that could be taken to improve the capital adequacy should the position fall below regulatory and internal requirements.
 - a. Regularly monitor the investments of the Company to ensure that they are consistent with the investment policy and report to the Board any variations from the policy, the reasons for this and any remedial actions.
- e) Ensure the investment management arrangements are consistent with:
 - i) the Board's Environmental, Social and Governance (ESG) approach and
 - ii) The PRA requirements for managing the financial risk from climate change.
- f) Oversee the control and mitigation of risks identified in the Risk Register pertaining to market (investment) risk.

11) Duties in Respect of Capital Management

- a) Agree the methods for assessing capital adequacy including the Solvency Capital Ratio as defined by regulation⁶ and the Economic Capital Assessment as developed internally.
- b) Review at least annually the Board's Capital Management Policy.
- c) Develop and agree actions that could be taken to improve the capital adequacy should the position fall below regulatory and internal requirements.
- d) Oversee the control and mitigation of risks identified in the Risk Register pertaining to capital adequacy risks.

12) Duties in Respect of Risk Control and Management

- a) Risk Control: The Committee shall provide oversight and challenge of and advice to the Board on:
 - i) the Company's current risk appetite and tolerance, risk strategy, risk identification, material risk exposures, and future risk strategy; and their impact on levels and allocation of capital
 - ii) the structure and implementation of the Company's Integrated Risk Appetite, Tolerance and Control Register, and its suitability for identifying and responding to changes in the future risk environment, including the financial risks from climate change, and
 - iii) the risk aspects of major investments, product development, expansion plans, reinsurance arrangements, changes in corporate structure and significant corporate transactions.
- b) Risk Exposure, Capital and Strategy: The Committee shall keep under review:
 - i) the risk implications of the Company's overall strategic and commercial priorities
 - ii) the Company's key risk exposures and risk strategy and their impact on capital
 - iii) the Company's Own Risk and Solvency Assessment (ORSA); the Company's Individual (economic) Capital Assessment (ECA) and Solvency Capital Requirement (SCR); and any other regulatory submissions involving capital and stress testing
 - iv) the Company's stress and scenario testing and the impact of on capital and business plans
 - v) the risk and capital implications of the Company's reinsurance programme and of potential changes to the programme
 - vi) significant changes to the Company's investment strategy, policy or benchmarks
 - vii) other material changes to financial exposures
 - viii) the risk and capital implications of product pricing and sales turnover
 - ix) breaches of risk tolerances set by the Board and the speed and adequacy of proposed remedial action

⁶ Cornish Mutual uses the Solvency II Standard Formula to calculate regulatory requirements

- x) the Company's system of risk management, including initiatives to strengthen risk awareness across the Company
- xi) compliance with Board Risk Policies, PRA, FCA and ACGC requirements and
- xii) any other matter referred to it by the Board or any Committee of the Board.
- c) Integrated Risk Appetite, Tolerance and Control Register
 - i) The Committee shall review the status, management, control and reporting of each risk identified in the Company's Integrated Risk Appetite, Tolerance and Control Register
 - ii) The Committee shall make a recommendation to the Board annually on the suitability of the Register to identify, assess and manage current, new and future potential risks
- d) Regulatory and Statutory Compliance
 - i) The Committee shall review compliance with all relevant regulatory, legal and Code of Conduct requirements
 - ii) shall receive regular reports from the Chief Risk Officer including a summary of the regulatory compliance activities for the period and
 - iii) shall receive an annual positive assurance statement in the form of a letter from the Chief Risk Officer to the Committee Chair
 - iv) Where appropriate the Committee may request the CEO to notify the Regulators of any material control weaknesses or other issues
- e) Actuarial Review
 - i) The Committee shall receive a report from the Actuarial Function at least annually providing an opinion on the operations within Cornish Mutual that deal with uncertainty and risk and to report on the mechanisms used to quantify and manage those risks
 - ii) The report should cover the methodology and data used to calculate technical provisions; the adequacy of reinsurance arrangements; underwriting and underwriting policy, and risk management in the Company
 - iii) The report may be delivered over the year by updating a section each quarter

13) Duties in Respect of Internal Audit

- a) The Committee shall consider the most effective way to gain assurance that its systems of governance and control are operating effectively, through a mix of audits by competent independent experts such as external providers of internal audit services and the Company's reinsurers; through financial audits by external auditors; and independent internal peer reviews integrated into the Company's risk management processes.
- b) The Committee shall approve the internal audit plan and review progress in delivering that plan at least annually.
- c) Apart from the Governance Leader (SMF 5), the Company does not have a permanently staffed Internal Audit function. The Committee shall review the need for

such a function and make recommendations to the Board if it proves necessary. Internal Review and Complaints Team) acts as an internal audit support preparing some reports in line with the Internal Audit Plan and submitted to the Committee.

- d) When the Company engages internal audit services from an external provider, the Committee is responsible for overseeing both the selection process and the ongoing relationship.
- e) The Committee shall approve the terms of engagement of any external provider of internal audit services.
- f) The Committee shall discuss internal audit processes with the Company's external auditors at regular intervals and consider their views in presenting recommendations to the Board.
- g) The Head of Internal Audit (SMF5) cannot be hired or removed from post without the approval of the Chair of this Committee.

Appendix 4a: Schedule of Matters for Risk and Audit Committee

Items	Meetings				
	Nov	Jan	Mar	May	Sep
Governance					
Risk and Audit Committee Terms of Reference					
Schedule of Matters for the Committee					
Review Performance of the Committee					
Review of Board Policies for: a) Fit for purpose b) Compliance (review period in years)					
Anti-Money Laundering and Financial Crime (3)					2026
Business Continuity					
Capital Management					
Charitable Giving (3)				2028	
Claims and Claims Reserving (1)					
Data Integrity and Data Protection (3)					
Ethics & Mutuality (3)	2027				
Health and Safety (1)					
IT (1)					
Intellectual Property (3)	2026				
Internal Audit and Internal Control (1)					
Investment Policy (1)					
Legal and Regulatory (3)			2026		
Liquidity Policy					
Management Information (3)			2026		
Member Outcomes			2026		
Outsourcing and Supply Chain Management (3)				2028	
Reinsurance (1)					
Risk Management (1)					
Segregation of Duties (3)				2026	
Speaking Up			2027		
Underwriting and Pricing					
Vulnerable Customers (3)					2026

	Nov	Jan	Mar	May	Sep
Risk Control and Management					
Review of risk register for fitness of purpose					
Review all risks in Register with exception reports from MRC					
Effectiveness of Internal Audit Function					
Arrangements to facilitate "Whistleblowing"					
Annual Report to the Board on Effectiveness of Audit and Risk Committee					
Annual Financial Statements and Compliance					
Meeting of NEDs alone with Auditors: re performance, risks and controls					
Meeting with Auditors to agree nature and scope of audit					
Review of Audit Findings					
Review of claims provisions					
Review of Reports for inclusion with Financial Statements					
Review of performance of External Auditors					
Review of Company's Carbon Footprint					
Internal Controls and Positive Assurance letter to RAC Chair					
Consumer Duty Reporting:					
ORSA					
Review outputs from Board Strategy session for Risk Implications					
Review SCR Quarterly Calculations					
Review Draft ORSA Report					
Report of Chief Actuary					
Internal Audit Reviews:					
Exception Report on Outstanding Internal Audit Actions					
Review of Internal Audit Plan for following Year					
Review Internal Audit Reports as Required					
Review Performance of the External Provider of Internal Audit Services					

Appendix 5: Remuneration and Nominations Committee Terms of Reference

1. Purpose

- a. The purpose of the Remuneration and Nomination Committee [the Committee] is to act on behalf of the Board in the following areas:
- b. To oversee the design and implementation of Cornish Mutual's remuneration policies and practices;
- c. To identify and lead a formal, rigorous, and transparent procedure for:
 - i. the appointment and induction of new Directors to the Board., and
 - ii. On-going assessment of the capability of Directors
- d. To provide oversight on other people-related matters as requested by Board or the Executive.
- e. Specific duties are set out in sections 7 to 9 below and timings in the schedule of matters contained in Appendix 5a below.

2. Authority

- a. The Committee is authorised by the Board of the Company and operates under delegated authority from the Board in accordance with these terms of reference.
- b. The Board shall provide the Committee with sufficient resources to:
 - i. undertake its duties, including but not limited to, the ability to seek any information it requires from any employee or Director in order to perform its duties and to call upon them to attend a meeting of the Committee if required,
 - ii. review its own performance annually through self-assessment,
 - iii. review its composition and terms of reference at least once a year to ensure it operates effectively and recommend any changes it considers necessary to the Board for approval, and
 - iv. enable it to take, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- c. The Committee should have access to the services of the company secretariat on all committee matters including assisting the Chair in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information and provision of any necessary practical support.
- d. The company secretary should ensure that the Committee receives information and papers in a timely manner, usually five working days in

advance of the meeting, to enable full and proper consideration to be given to the issues.

- e. The Committee is authorised to report in the annual report and accounts any disagreement between the Committee and the Board on matters in these terms of reference which cannot be resolved.

3. Membership

- a. The Board of Directors shall appoint, on recommendation of the Chair of the Board, members of the Committee, including one designated as Committee Chair, at the first Board meeting following the Annual General Meeting.
- b. The full Committee shall normally comprise:
 - i. A Committee Chair (an independent Non-Executive Director) and
 - ii. Two or more other independent Non-Executive Directors.
- c. Attendance:
 - i. The CEO should attend the meetings but is not a member of the Committee.
 - ii. The Company Secretary will attend to take minutes.
 - iii. Any Board Director may attend Committee meetings with the permission of the Committee Chair.
 - iv. Other individuals may be invited by the Committee Chair to attend all or part of any meeting, as and when appropriate.
 - v. The Committee may meet without attendees if the Committee Chair considers it appropriate to do so having regard to its duties.
- d. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

4. Quorum

- a. The quorum necessary for the transaction of business shall be a minimum of two members.
- b. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions delegated by the Board and vested in or exercisable by the Committee.
- c. If a meeting is not quorate, a meeting may make recommendations for ratification as soon as is practicable by either
 - i. a subsequent quorate meeting or
 - ii. telephone conference with a quorum of members; or

- iii. an exchange of emails or electronic communication between all members.

5. Frequency and Notice of Meetings

- a. The Committee shall meet at least three times yearly and at such other times as the Committee Chair shall require.
- b. Meetings may be held in person, over the telephone or online.
- c. The Company Secretary shall schedule the meetings in consultation with the Committee Chair. Wherever possible, meeting dates will be set for the year ahead as soon as practical after the AGM.
- d. Unless otherwise agreed, the Company Secretary shall send to all Committee members and to any other person required to attend, the notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, and supporting papers, no later than five working days before the date of the meeting.

6. Minutes of Meetings

- a. The Company Secretary (or a nominee) will take minutes of the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance, and for whom apologies for absence have been received.
- b. The Committee Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- c. Minutes of Committee meetings shall be circulated within ten working days after the meeting to all members of the Committee and once agreed, to all members of the Board.

7. Duties in Respect of Remuneration

- a. Determine and recommend to the Board for approval the framework and broad policies for remuneration in the Company. Remuneration policy in the Company should:
 - i. Promote sound risk management which includes not encouraging risk-taking above the Company's risk appetite
 - ii. Support the business strategy, objectives, and values of the firm
 - iii. Avoid conflicts of interest
 - iv. Not limit the Company's ability to strengthen its capital base
- b. Determine and recommend to the Board for approval the total remuneration of the Company's Chair of the Board, Non-Executive Directors, and Executive Directors.

- c. No Director or Manager shall be involved in any decision as to their own specific, individual remuneration. In determining remuneration packages and arrangements, the Committee must give due regard to the comments and recommendations of the AFM Corporate Governance Code (The Code) and the requirements of the FCA and PRA.
- d. Determine the policy for and scope of Company pension arrangements
- e. Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company.
- f. Use reasonable endeavours to obtain reliable, up to date information about remuneration in other companies, especially those that operate in the mutual sector. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfil its obligations.
- g. Recommend to the Board any significant changes in employee benefit structures in the Company.
- h. Agree the policy for authorising claims for expenses from the CEO and Chair of the Board.
- i. Ensure that provisions regarding disclosure of remuneration, including pensions, as set out in the Code, are fulfilled.
- j. Be exclusively responsible for establishing the selection criteria, selecting, appointing, and setting the terms of reference for any remuneration consultants who may advise the committee.
- k. Oversee the control and mitigation of risks identified in the Risk Register pertaining to employment and remuneration, in particular PE2: Damaging loss of key staff.
- l. Monitor the gender pay gap in the Company and recommend action to the Board when appropriate.

8. Duties in Respect of Nominations

- a. Identify and nominate for approval of the Board and membership, candidates, to fill Board vacancies as and when they arise, considering the views of staff outside the Committee as appropriate.
- b. Consider succession planning for the Board, taking into account the challenges and opportunities facing the Company and what skills and

experience are needed, paying particular attention to the diversity and gender balance of the Board.

- c. Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any executive search consultants who may advise the committee.
- d. Before making an appointment, the Committee should evaluate the balance of skills, knowledge, and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- e. Oversee the content and process for inducting new Directors onto the Board.
- f. Review annually the time required from a Non-Executive Director and ensure the Chair of the Board is aware of this when conducting performance evaluations with Directors
- g. Regularly review the structure, size and composition (including the diversity or otherwise, skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes.
- h. Ensure contingency plans are in place if any of the CEO , the CFO , or the CRO should be unable to carry out their duties for an extended period.

9. Duties in Respect of Reporting and Review

- a. The Committee will oversee the process for the annual review of performance of each Director and any individual development requirements.
- b. The Committee shall report frequency, membership of, and attendance by members at Committee meetings in the Company's annual report and make a statement about its activities.
- c. The Committee will review its own performance and terms of reference annually and recommend any changes necessary to the Board for approval.
- d. The Chair of the Committee shall attend the Annual General Meeting prepared to answer to any member questions on the Committee's activities.
- e. Make available to members the Committee's terms of reference, which should set out the Committee's role and delegated responsibilities and be reviewed and, where necessary, updated annually.
- f. Oversee a formal evaluation of Board and Committee performance conducted internally annually and externally every three years.

10. Duties in Respect of Other People Issues

- a. From time to time and at the request of the Executive and/or the Board, the Committee may address issues relating to human resources and organisational development not otherwise set out in these terms of reference.
- b. The Empowered People and Culture Committee will provide a regular report to each meeting of this Committee

Appendix 6a: Schedule of Matters for Remuneration & Nomination Committee

Schedule of Matters	Meetings		
	Jan	Jun	Sep
Review Company's remuneration policy including pay and benefits			
Recommend changes to Executive Directors' remuneration			
Recommend changes to Non-Executive Directors' and Chair's remuneration			
Policy Review:			
-Board Diversity	2028		
-HR			
Consider external benchmarking and related information for remuneration			
Consider result of Board Skills Audit			
Review time commitment required from Non-Executive Directors and recommend to the Board any adjustments required			
Consider Board composition and succession planning			
Paper on NED succession and tenure			
Consider recruitment requirements and initiate process if necessary			
Review Risk Register risks relating to employment and remuneration			
Annual Review of Board Etiquette			
Review any gender pay gap in the Company			
Review Company training programme			
Consider whether an external review of Board effectiveness is required and, if so, oversee arrangements of any review.			

Matters which may fall outside of meetings:

1. Committee Chair to attend Annual General Meeting in March each year
2. Review of Committee performance
3. Committee to agree report for submission to annual report and accounts in December each year

Appendix 6: Senior Management & Certification Regime Functions and Responsibilities

June 2024

SMF1 Chief Executive **Peter Beaumont**⁷

Prescribed responsibilities⁸:

Responsibility for the firm's performance of its obligations under the senior manager regime {A}

Responsibility for the firm's performance of its obligations under the certification regime {B}⁹

Responsibility for the firm's obligation for conduct rules training and conduct rules reporting {B1}

Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all the firm's SMF managers and key function holders other than members of the firm's governing body. {G}

Responsibility for overseeing the development and implementation of the firm's remuneration policies and practices {PR M}

Overseeing the adoption of the firm's culture in day-to-day management {H}

Performance of the firm's obligations for assessing employees under Fitness and Propriety in the PRA Rulebook {PR U}

Overall Responsibilities¹⁰:

Production and distribution of marketing materials

Customer service

Human resources

SMF2 Chief Finance **Clare Green**

Prescribed responsibilities:

Responsibility for managing the allocation and maintenance of the firm's capital funding and liquidity {O}

Responsibility for the production and integrity of the firm's financial information and its regulatory reporting {Q}

⁷ **Executive non-executive**

⁸ Prescribed responsibilities according to SYSC 24

⁹ Cornish Mutual has no employees designated under the Certification Regime at this time.

¹⁰ Overall responsibilities as per SYSC 25

Overall responsibilities:

Collection and recovering amounts owed to firm by its customers

Oversight of Material Outsourcing arrangements

SMF3 Executive Director Peter Beaumont, Clare Green, Paul Mahon

[SMF4] Chief Risk Officer¹¹ Paul Mahon

Prescribed Responsibilities:

Performance of the firm's Own Risk and Solvency Assessment (ORSA)

Overall Responsibilities:

Financial Risk from Climate Change

Customer complaints handling

SMF5 Head of Internal Audit Margaret Schwarz

SMF9 Chair of Governing Body Jeremy Oatey

Prescribed responsibilities:

Responsibility for leading the development of and monitoring the effective implementation of policies and procedures for the induction, training and professional development of all members of the firm's governing body. {F}

Leading the development of the firm's culture by the governing body as a whole {}

Performance of the firm's obligations for assessing NED under Fitness and Propriety in the PRA Rulebook

Overseeing the adoption of the firm's culture in the governing body as a whole

SMF10 Chair of the Risk Committee Owen Purcell

SMF11 Chair of the Audit Committee Owen Purcell

SMF12 Chair of the Remuneration Committee David Fursdon

SMF13 Chair of the Nomination Committee David Fursdon

SMF14 Senior Independent Director Richard Lane

¹¹ Cornish Mutual designates an executive director as its Chief Risk Officer, but this is not an FCA/PRA approved role. Currently, Paul Mahon fills this post.

SMF16 Compliance Oversight [Margaret Schwarz](#)

Prescribed responsibilities:

Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map

SMF17 Money Laundering Reporting Officer [Margaret Schwarz](#)

Prescribed responsibilities:

Responsibility for the firm's policies and procedures for countering the risk that the firm might be used to further financial crime (d)

SMF20 Chief Actuary [Peter Beaumont](#)

SMF23 Chief Underwriting Officer [Claire Longman](#)

Overall responsibilities:

Insurance Distribution

Design and manufacturing of products intended for wholesale customers

Design and manufacturing of products intended for retail customers

Whistleblowing Champion [Richard Lane](#)

Responsibility for the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing {N}