The Exeter's Board Terms of Reference and Schedule of Matters Reserved for the Board

1. Constitution

1.1. The Rules of the Exeter Friendly Society Limited ("The Society" or "The Exeter") set out the Board's authority and any limitations on it. In the event of any inconsistency between these terms of reference and the Rules, the Rules shall prevail.

1.2. The Society's Board (the "Board") was constituted on the 15 September 1927.

1.3. Subject to the Applicable Requirements, the Board may delegate authority for specific matters to committees, individual directors or management, on such terms as it considers appropriate. Any such delegation shall be documented clearly, shall not relieve the Board of its collective responsibility for oversight of delegated matters, and may be amended or revoked by the Board in accordance with the Applicable Requirements.

1.4. The Schedule of Matters Reserved for the Board is set out in Schedule 1 and is reviewed annually alongside these Terms of Reference.

1.5. Applicable Requirements means the rules of the Exeter Friendly Society Limited (the "Rules"), the Friendly Societies Act 1992 (the "Act"), the AFM Corporate Governance Code 2025 (the "Code"), and any other requirements, expectations, rules, guidance, principles or market practice applicable to the Society, the Group or the Board from time to time, including those of the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA").

1.6. Where used, Group means the Society and its subsidiary companies.

2. Purpose

2.1. The purpose of the Board is to provide leadership of The Society within a framework of prudent and effective controls, to set The Society's strategic aims, and to oversee delivery of The Society's strategy in accordance with the relevant statutory, regulatory and constitutional provisions.

2.2. The Board has overall responsibility for the long-term success of The Society, including oversight of its governance, culture, strategy, performance, financial resilience and risk management framework.

3. Membership

3.1. The Rules allow for the Board to consist of a maximum number of twelve and a minimum number of six directors as the Board may determine from time to time.

3.2. Non-executive directors and executive directors of the Board shall be appointed by the Board, on the recommendation of the Nomination Committee. The majority of Board members shall be independent non-executive directors.

3.3. The Board shall appoint the Board Chair ("Chair"), on the recommendation of the Nomination Committee. At the time of appointment as Chair, the director concerned shall be an independent non-executive director.

3.4. The roles of Chair and Chief Executive of The Society are held by separate individuals.

3.5. Only members of the Board have the right to attend board meetings. Non-Board members may be invited to attend meetings at the Chair's discretion.

3.6. The Rules require all directors of the Board to be subject to election or re-election by members at the Annual General Meeting (the AGM), in accordance with the Rules and the Code.

3.7. The Board shall keep the tenure of non-executive directors, including the Chair, under review, having regard to succession planning and the need to maintain an appropriate balance of skills, experience and independence. In assessing independence, the Board shall comply with the Applicable Requirements and have regard to the UK Corporate Governance Code 2024, including the guidance relating to tenure. Where a non-executive director or the Chair has served for more than nine years from the date of first appointment, any decision to support continued appointment or re-election shall be accompanied by a clear justification subject to any Applicable Requirements.

4. Secretary

4.1. The Company Secretary, or their nominee, shall act as the secretary of the Board and will ensure that the Board receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

5. Quorum

5.1. Subject to the Rules, the quorum for Board meetings shall be four directors, including at least two non-executive directors.

5.2. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions, subject to the Rules and any matters reserved for members.

5.3. In the absence of the Chair and / or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

6. Frequency of Meetings

6.1. The Board is required to meet at least four times a year, and it has a formal schedule of matters to discuss. All directors are expected to attend each meeting, unless there are exceptional circumstances that prevent them from doing so.

6.2. Meetings may be held in person, or in the form of either video or audio conference. A member of the Board so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.

6.3. Interim 'specific issue(s)' meetings may be convened, by the secretary of the Board, at the request of the Chair or by the Senior Independent Director ("SID") or any member of the Board who considers a meeting necessary. In circumstances where a decision is required to be made in a timely fashion, the interim meeting may take place by e-mail and shall be valid if the e-mail has been circulated to all members of the Board and the decision is approved by a quorum.

6.4. Outside the formal schedule of matters, non-executive directors will maintain a dialogue with key individuals, such as members of the Executive Committee and other senior management.

7. Notice of Meetings

7.1. Meetings of the Board shall be convened by the secretary of the Board at the request of the Chair or SID or any member of the Board who considers a meeting is necessary.

7.2. The Chair or SID may call a meeting without the executive directors present.

7.3. The SID may call a meeting without the Chair and/or executive directors present.

7.4. Unless the Board otherwise agree, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Board and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Board members and to other attendees, as appropriate, at the same time.

8. Minutes of Meetings

8.1. The secretary shall minute the proceedings and decisions of all meetings of the Board, including the names of those present and in attendance and any conflicts of interest reported at the meeting.

8.2. Draft minutes of the Board meetings shall be sent and agreed with the Chair within ten working days of the meeting. Once approved, minutes shall be circulated to all directors and attendees as appropriate, taking into account any conflicts of interest which may exist and unless, in the opinion of the Chair, it would be inappropriate to do so.

8.3. Reports will be made to the Board following each meeting of the Board's sub-committees by the Chair of that meeting.

8.4. Final signed copies of the minutes of the Board meetings should be maintained for The Society's records.

8.5. Where meetings have taken place by exchange of e-mail, copies of the e-mails shall be included in the minute book as the minutes of the e-mail meeting.

9. Duties and Terms of Reference

9.1. The Board shall oversee The Society, and where relevant, maintain oversight of its subsidiary entities and the Group as a whole.

9.2. In discharging its responsibilities, the Board shall act in accordance with the Applicable Requirements and have regard to the UK Corporate Governance Code.

9.3. The Board shall operate for the benefit of members and oversee The Society's approach to member engagement in accordance with the Applicable Requirements.

9.4. The principal functions of the Board are set out below and supported by the Schedule of Matters Reserved for the Board and the Delegations of Authority:

- approve The Society's purpose, values, strategy and risk appetite, and oversee delivery against the business plan;
- oversee The Society's culture, governance framework and systems of internal control, receiving assurance from its committees and management as appropriate;
- review The Society's financial position, solvency, viability and overall performance;

- approve material policies, plans and decisions reserved to the Board in accordance with the Rules, the Schedule of Matters Reserved for the Board and the Delegations of Authority; and
- maintain oversight of regulatory compliance and member outcomes and Group wide matters, while delegating detailed review and monitoring activities to its committees as set out in their respective terms of reference.

10. Decision making and Senior Manager and Certification Regime responsibilities

10.1. Board directors are collectively responsible for the decisions taken by the Board whether or not they actively supported or participated in the decisions although any dissent may be recorded in the minutes.

10.2. Questions arising at a meeting of the Board shall be decided by a majority of votes, with each director present having one vote. The Board may also act by resolutions in writing signed by all directors entitled to receive notice of a Board meeting, in accordance with rule 6.12 of the Rules.

10.3. In the event of an equality of votes, the Chair or in the absence of the Chair, the director chairing the meeting shall have the casting vote.

10.4. Directors must at all times act with prudence and integrity, in the best interests of the members.

10.5. Any director with an interest in a contract, proposed contract or other matter under consideration shall declare that interest and, subject to the Rules, shall not vote on the matter or be counted in the quorum where required.

10.6. Any director who is a Senior Management Function holder under the Senior Managers and Certification Regime remains individually accountable for matters within the scope of that role and for taking reasonable steps in relation to allocated responsibilities.

11. Information and Support

11.1. The Board shall receive sufficient, timely information on The Society's business and affairs to enable it to discharge its responsibilities effectively.

11.2. The Company Secretary shall support the Chair and the Board in ensuring effective information flows within the Board and its Committees and between executive and non-executive directors, as well as facilitating induction and assisting with professional development as required.

12. Annual General Meeting and Special General Meetings

12.1. Board directors shall attend The Society's AGM, prepared to respond to any questions on the Board's activities. As a minimum, where all members of the Board cannot attend, the Chair, the Chief Executive and one further Board member, or their appointed alternates, will attend.

12.2. In accordance with the Rules, The Society shall hold an AGM in each financial year, and all general meetings other than AGMs shall be called Special General Meetings. No business shall be considered at an AGM or Special General Meeting unless a quorum is present. Under Rules, a quorum is twenty members present or represented and entitled to vote.

13. Board Evaluation

13.1. The Board shall review its performance, constitution, terms of reference and committee structure at least annually to ensure it remains effective and continues to discharge its responsibilities appropriately, having regard to the Applicable Requirements.

13.2. In line with recognised governance best practice, the evaluation process is externally facilitated at least once every three years, unless significant changes to the Board's composition in any year warrant a delay in the regular cycle of such reviews.

14. Other Matters

14.1. The Board shall have sufficient authority and access to resources to discharge its responsibilities effectively.

14.2. The Board shall have access to the Company Secretary, management and other appropriate resources. Directors shall receive an appropriate induction on appointment and ongoing training and development as required.

14.3. The Board may obtain external legal or other professional advice where necessary for the proper discharge of its responsibilities. Any such request shall be made through the Chair and the Company Secretary.

14.4. The Board may seek any information it requires from any colleague of The Society and may request any colleague to attend a meeting of the Board as required.

Adopted at the Board meeting of The Society on 24 June 2026.

Date of next review June 2027.

Schedule 1 – Schedule of Matters Reserved for the Board

The Schedule of Matters reserved for the Board sets out the matters the Board has, for reasons relating to legislation, regulation or materiality, reserved for its own decision. These are reviewed and updated annually unless any material changes are required to be made before then.

1. Strategy and management

1.1. Responsibility for the overall leadership of The Society and setting its values and standards.

1.2. Approval of The Society's strategic purpose, vision, aims and objectives.

1.3. Approval of the annual operating and capital expenditure budgets and any material changes to them.

1.4. Approval of The Society's overall risk appetite, limits and constraints, following review and recommendation from the Governance & Risk Committee.

1.5. Approval of The Society's strategic plan including the plan period.

1.6. Oversight of The Society's operations ensuring:

- competent and prudent management;
- sound planning;
- maintenance of sound management and internal control systems;
- appropriate accounting and other records; and
- compliance with statutory and regulatory obligations.

1.7. Review of performance in the light of The Society's strategic aims, objectives, business plans and budgets and ensuring that any necessary resources are available in order to meet these aims and objectives and that any necessary corrective action is taken.

1.8. Approval of the extension of The Society's activities into new business or geographic areas.

1.9. Approval of applications for new regulatory permissions.

1.10. Any decision to cease to operate all or any material part of the Society's business.

2. Structure and capital

2.1. Approval of any major changes to The Society's corporate structure.

2.2. Approval of any changes to The Society's management and regulatory control structure.

2.3. Approval of any changes to The Society's status as a mutual.

2.4. Approval of any acquisition or disposal of a controlling interest in any company.

3. Financial reporting and controls

3.1. Approval of the Annual Report and Accounts, including the Strategic Report, Remuneration Report, Risk Management Report and the Directors' reports, taking into account the review and recommendations of the Audit Committee and Governance & Risk Committee, as applicable.

3.2. Approval of the Bonus Strategy Policy for Holloway business.

3.3. Approval of all bonus rates for Holloway business.

3.4. Approval of the investment and treasury policies of The Society, including its foreign currency exposure and the use of financial derivatives.

3.5. Approval of any significant changes in accounting policies or practices.

3.6. Approval of the Long-Term Business Fund valuation basis assumptions and results.

3.7. Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

3.8. Approval of The Society's Own Risk and Solvency Assessment (ORSA) basis assumptions and results.

3.9. Approval of the ORSA Report, the Regulatory Supervisory Report (RSR) and the Solvency Financial Condition Report (SFCR).

3.10. Review of the monthly management results including investment counterparty summaries.

4. Internal controls and risk management

4.1. Overseeing effective and sound system of internal control and risk management including:

- approving The Society's risk appetite statements, following review and recommendation from the Governance & Risk Committee;
- receiving reports on, and reviewing the effectiveness of, The Society's risk and control processes to support its strategy and objectives, covering all material controls including financial, operational and compliance controls;
- approving procedures for the detection of fraud and the prevention of bribery, taking into account the review undertaken by the Governance & Risk Committee;
- at least annually, undertaking an assessment of the effectiveness of risk management and internal control systems; and
- approving an appropriate statement for inclusion in the annual report and accounts.

5. Contracts

5.1. Approval of major capital projects and oversight over execution and delivery.

5.2. Approval of transactions above the Chief Executive's limits of authority for capital and revenue expenditure and major contracts and transactions.

5.3. Funding of The Society's defined benefit pension scheme.

5.4. Major investments including the making of any merger or acquisition offer.

6. Communication

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

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

6.3. Approval of press releases concerning matters decided by the Board.

7. Board membership and other appointments

7.1. Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.

7.2. Following recommendations by the Nomination Committee, any changes to the succession plan for the Board, the Executive Committee and Senior Management Function (SMF) roles, so as to maintain an appropriate balance of skills, experience and knowledge in order to promote the long-term success of The Society, having particular regard for a wider diverse background including but not limited to race, ethnicity, gender, gender identity, sexual orientation, age, social class, physical ability or attributes, religious or ethical values system, national origin, neurodiversity, political beliefs and any protected characteristic.

7.3. Approval of Board and SMF appointments, following recommendations by the Nomination Committee.

7.4. Selection and approval of the Chair of the Board and the Chief Executive.

7.5. Approval of the appointment of the Senior Independent Director to provide a sounding board for the Chair and to serve as intermediary for the other Directors when necessary.

7.6. Membership and Chairship of the Board committees following recommendations from the Nomination Committee.

7.7. Continuation in office of Directors at the end of their term of office when they are due to be re-elected by members at the AGM and otherwise as appropriate, following recommendation from the Nomination Committee.

7.8. Continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of The Society, subject to the law and the terms of their service contract.

7.9. Appointment or removal of the Company Secretary.

7.10. Appointment of the Chief Actuary.

7.11. Appointment of the Chief Risk Officer following recommendation from the Governance and Risk Committee.

7.12. Appointment of Head of Internal Audit following recommendation of the Audit Committee.

7.13. Appointment, re-appointment or removal of the external auditor to be put to members for approval, following the recommendation of the Audit Committee.

7.14. Appointments to boards of The Society's subsidiary companies.

8. Remuneration

8.1. Upon the recommendation of the Remuneration Committee, determining The Society's remuneration policy and the framework for remuneration for the Chief Executive, the Executive Directors, members of the Executive Committee and colleagues holding Senior Management Functions.

8.2. Upon the recommendation of a separate committee established by the Remuneration Committee, comprising only members of the Executive, determining the remuneration of the Non-Executive Directors, subject to the Applicable Requirements. For the avoidance of doubt, no director shall be involved in the approval of their own fees or remuneration.

9. Delegation of authority

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

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

9.3. Establishing Board committees and approving their terms of reference and approving material changes thereto.

9.4. Receiving reports from Board committees on their activities.

10. Corporate governance matters

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

10.2. Determining the independence of Non-Executive Directors in the light of their character, judgement and relationships.

10.3. Considering the balance of interests between members, colleagues, customers, stakeholders and the community.

10.4. Review of The Society's overall corporate governance arrangements.

10.5. Receiving reports on the views of The Society's members, as and when they arise and to ensure that they are communicated to the Board as a whole.

10.6. Consideration of environmental, social and governance matters and the overall sustainability of the business in line with The Society's strategy.

10.7. Authorising Directors' conflicts of interest, including where arising from an external directorship or other business position, where permitted by the Applicable Requirements.

11. Policies

Approval of the policies set out in Appendix 1.

12. Other

12.1. The making of political donations.

12.2. Approval of the Modern Slavery Statement and Policy.

12.3. Approval of the appointment of The Society's principal professional advisers.

12.4. Prosecution, commencement, defence or settlement of litigation, or an alternative dispute resolution mechanism, material to the interests of The Society, other than litigation in the normal course of business.

12.5. Approval of the overall levels of insurance for The Society including Directors' & Officers' liability insurance and indemnification of Directors.

12.6. Authorisation of any area of potential conflict of interest arising from an external directorship or other business position.

12.7. Major changes to the rules of The Society's defined benefit pension scheme, or changes of trustees or changes in the fund management arrangements.

12.8. Any decision likely to have a material impact on The Society from any perspective, including, but not limited to, financial, operational, strategic or reputational.

12.9. This schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to The Society.

Adopted at the Board meeting of the Society on 24 June 2026.

Date of next review June 2027.

Appendix 1 – Policies

Policies reserved for the Board's approval	Responsibility for review / recommendation
Annual Investment Portfolio Review Policy	Investment Committee
Asset Liability Management Policy	Governance & Risk Committee
Capital Expenditure Policy	Executive Committee
Capital Management Policy	Executive Committee
Conduct Risk Policy	Governance & Risk Committee
Conflicts of Interest Policy	Governance & Risk Committee
Corporate Health and Safety Policy	Governance & Risk Committee
Colleague and Board Equity, Diversity, Inclusion & Belonging Policy	Nomination Committee
Environment, Social and Governance (ESG) Policy	Governance & Risk Committee
Financial Crime Policy	Governance & Risk Committee
Information Security Policy	Executive Committee
Internal Audit Charter	Audit Committee
Investment Risk Management Policy	Investment Committee
Liquidity Risk Management Policy	Investment Committee
Modern Slavery Statement and Policy	Board
Outsourcing & Third-Party Risk Management Policy	Governance & Risk Committee
Own Risk and Solvency Assessment (ORSA) Policy	Governance & Risk Committee
Payment of Non-Audit Fees to the Auditors Policy	Audit Committee
Product Oversight & Governance Policy	Governance & Risk Committee
Regulatory Reporting Policy	Governance & Risk Committee
Reinsurance Policy	Governance & Risk Committee
Reward (Remuneration) Policy	Remuneration Committee
Risk Management and Internal Control Policy	Governance & Risk Committee
The Exeter Privacy Policy	Executive Committee
The Exeter Code of Conduct	Governance & Risk Committee
Underwriting and Reserving Policy	Governance & Risk Committee
Valuation of Assets and Liabilities other than Technical Provisions Policy	Investment Committee
Vulnerable Customer Policy	Governance & Risk Committee
Whistleblowing Policy (Public Interest Disclosure Act 1998)	Governance & Risk Committee