

IPB Insurance Clg
Board of Directors
Terms of Reference & MATTERS
RESERVED
Effective 26 July 2024

Version History

Date	Owner	Version	Approver	Description
July 2024	Board Chair	V1.0 ¹	IPB Board	Annual Review

Next Review	July 2025
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¹ Version 1.0 used as although previous versions exist, version history page commenced in July 2024

1. Purpose

- 1.1 The Board is constituted as the overarching governance forum of IPB Insurance ('IPB') with responsibility for effective, prudent, and ethical oversight via strategic leadership, effective direction and implementation of all items detailed in this document which reflects the framework within which IPB's Board operates as apt per the nature of the business, IPB's Constitution and applicable legislative and regulatory requirements.
- 1.2 This Terms of Reference is a high-level document which sets out how the Board will fulfil its duties and functions.

2. Membership

- 2.1 The Board shall be of sufficient size and expertise to adequately oversee IPB's operations with a minimum of 5 Directors. The majority of the Board shall be Independent Non-Executive Directors ('INEDs') or Non-Executive Directors ('NEDs') with composition of 4 NEDs, 4 INEDs and 2 Executive Directors in accordance with Board, legal and regulatory provisions and Central Bank of Ireland ('CBI') engagement.
- 2.2 The Board, supported by the Remuneration and Nomination Committee ('REMCO'), appoints Board Members ("Members") and Board Observers and sets terms with appointments subject to review and revocation at its discretion via the annual Board and Committee and Director Performance Evaluation Exercise. Appointment, election or re-election shall be conducted per the Constitution, company law and regulatory requirements and the Board Succession Plan. The position of any INED or NED who is a Member for 9 years or more shall be reviewed with any rationale for continuance submitted to the CBI and annual reviews thereafter.
- 2.3 The Board shall select a Chair and Deputy Chair (if applicable), each of whom shall be an INED or NED per CBI agreement and REMCO recommendation with appointments informed per skills, knowledge, experience, and ability to commit apt time together with annual Board and Committee and Director Performance Evaluation Exercise outputs. These roles shall be proposed to the Board for election or reappointment annually, however noting that appointment of a Deputy Chair may not always be required, and this remains at the discretion of the REMCO and Board. In the Board Chair's absence, the Deputy Chair shall so act for its duration and if absent. If there is no Deputy Chair in place or the role is not engaged, an INED or NED shall be elected as alternate Chair for the duration of such absence.
- 2.4 Per IPB's Business Code of Conduct (which incorporates Director conflict of interest provisions), should a reasonably perceived or actual conflict of interest of significance to the Board or Board Committee's work arise or within the individual Directors personal circumstances, this must be declared by the effected Director to the Committee Chair, Board Chair and Company Secretary so this can be recorded, and resolution sought. Should the conflict be ongoing in nature, the REMCO and Board may consider changing the Board and/or any affected Committee's composition to address any such conflict. Should the conflict involve an affected Committee Chair or the Board Chair, the declaration should be made to an alternate Director nominated by the Company Secretary.

3. Secretary

- 3.1 The Company Secretary or the Board Chair's nominee shall act as Secretary.

4. Meetings and Reporting Procedures

- 4.1 Agendas detailing items for consideration, the date, time and venue of proceedings,

preceding Meeting Minutes and supporting material shall be circulated electronically to all Members 7 calendar days in advance.

The Board shall meet at least 6 times a year. In addition, the Board ensures that it holds strategic off-site meetings on a bi-annual basis or as required. a strategic planning context. Additional proceedings are at the Chair's discretion and on Members' requests, subject to satisfaction of the quorum of 5 Directors comprising a majority of INEDs and NEDs to transact business with decisions by majority vote and the Chair or their alternate having a casting vote.

- 4.2 Members shall attend Meetings regularly and in person where possible or participate via video/teleconference if physical presence is not possible per circumstances beyond their control (e.g. in illness) with participation and vote eligibility recorded. Members may communicate their perspective on a topic in advance of a meeting if they are unable to attend via email/phone to the Company Secretary for communication. All Members shall be eligible to vote unless a reasonably perceived potential or actual conflict exists wherein those conflicted shall not participate in decision or discussion with conflict concerns recorded in Minutes and referred for Board decision to overcome quorum concerns. The Board, on REMCO consultation, shall replace a Director conflicted per point 2.4 hereof or unable to provide sufficient time to attend over the medium to long term with an appointee with apt availability, skills, knowledge, and experience.
- 4.3 Meetings shall be attended by the Board with the Company Secretary, Observer(s) (if any), and business representatives inter alia the Director of Risk & Compliance ('DORC'), Director of Underwriting('DOU'), Director of Member and Client Relations('DOMCR'), Director of Operations ('DOO'), Head of Compliance ('HOCP'), Head of Claims ('HOC'), Head of Actuarial Function ('HOAF'), Head of Investments ('HOI'), Head of Finance ('HOF'), Head of Legal ('HOL') and People Lead ('PL') invited as required. The Board Chair and Members, in consultation with the Board Chair and Company Secretary, may invite any officer or employee, external advisor or others to attend proceedings, whilst Members shall have access to the Board Chair, fellow Members and Management and maintain dialogue with key individuals involved in IPB's governance, inter alia the Chair, CEO, Company Secretary, Finance Director, DORC, External Audit Lead and Head of Internal Audit, and have authority to seek information and call any employee to address Meetings.
- 4.4 Draft Minutes recording date, time, location, attendee and absentee details, key discussions, deliberations, dissensions and decision outcomes and actions to evidence appropriate attention shall issue to all Members for approval promptly following the meeting.

5. Resources

The Board shall adhere to relevant laws and regulations and secure on-going training to support informed decision making. The Company Secretary shall arrange induction for new Observers and Directors covering the Board's role and commitment requirements. The Company Secretary shall support accessibility to training on matters within the Board's remit and to dedicated resources and support on matters requiring supplemental or separate Board advice as the Board is authorised to obtain (at IPB's expense and accessible via the Company Secretary) internally and externally independent legal, accounting, or other professional advice and to appoint external advisors for input on any matter necessary to discharge duties.

6. Role and Responsibilities

- 6.1 The Board is responsible for IPB's effective, prudent, and ethical oversight via strategic leadership, setting and overseeing strategy and effective implementation and investigation per the Schedule of Matters Reserved For The Board and Sub-Committee Terms of Reference per the Constitution, regulatory and legislative requirements. The Board has delegated authority to the CEO and management to manage IPB per the strategic objectives, annual plan, budget, policies approved by it and the CEO shall provide

regular reports and secure apt approvals in progressing day to day business.

- 6.2 In establishing Sub-Committees, the Board shall ensure it has apt time to discharge its duties in the absence of so doing and, at a minimum, establish an Audit Committee and Risk Committee and as per agreement with the CBI, the REMCO shall be a collective entity. INEDs and NEDs shall have leading roles in providing risk and audit function assurance. The Board in appointing Chairs and Members on REMCO recommendation, via its responsibility for setting and revoking terms with appointments generally with a 3 year duration, shall consider matters annually per satisfaction as to individual's skills, knowledge, experience, ability to commit apt time, confirmation of no conflicts causing concern and annual Board and Committee and Director Performance Evaluation Exercise outputs with renewal, removal and replacement at the Board's discretion on REMCO consultation and per an apt frequency per experience and independence requirements.
- 6.3 Cross Committee Membership shall be encouraged for Members to gain a greater appreciation of risk considerations across IPB, and the Audit and Risk Committees shall have at least 1 shared Member with Cross Committee Membership reviewed annually to ensure no individual has unfettered control or exercises excessive influence. The Board is responsible for oversight of Sub-Committees to which it delegates authority whilst not abrogating responsibility with annually reviewed Terms of Reference evidencing delegation and Sub-Committees activity consistent with ensuring independence and reporting to the Board and performance of delegated functions monitored on an on-going basis via submission of Minutes of Meetings to the Board and reporting to the Board by respective Committee Chairs on their activities and decisions and action or improvement recommendations on any area within their remit.
- 6.4 The Board shall ensure satisfaction of legislative and regulatory reporting requirements with an annual account of Board and Sub-Committee activity in IPB's Stakeholder and Annual Report and respective Chairs representing activities at General Meetings. The Board shall explain decisions to the CBI, ensure reasonable availability of a majority at short notice. The Board shall submit an annual compliance statement on adherence to the CBI's Corporate Governance Requirements for Insurance Undertakings 2015 and notify the CBI and stakeholders of any material deviation within 5 working days of IPB becoming aware of such matter. Occurrence of and remediation proposals particular to matters materially impacting the business or material risk appetite deviations shall be notified to the CBI promptly in writing within 5 working days of IPB Board becoming aware of such matter as shall decisions to remove the head of a control function with clear articulation of underlying rationale and avoidance of agreements purporting to preclude or dis-incentivise provision of information to the CBI.

Directors shall, without prejudice to abilities to report directly to the CBI, report material corporate governance concerns without delay to the Board in the first instance and if not satisfactorily addressed within 5 working days, report them promptly and directly to the CBI together with advising clearly of the background and proposed remediation.

- 6.5 The Board shall have oversight of the application of and fulfilment of IPB's obligations under the Central Bank (Individual Accountability Framework) and as part of these responsibilities shall review and approve relevant documentation to include the Company's Management Responsibilities Map on a regular basis and at least annually.

7. Board Effectiveness

- 7.1 The Board shall undertake a documented review of its performance, effectiveness and the appropriateness of its Terms of Reference at least annually and per IPB's policies and procedures. Any interpretation or prior Committee or Board approval requirement

queries to issue to the Company Secretary prior to acting, and Committee and Board recommendations on identified enhancements to inform approval of revised Terms of Reference for publication on IPB's website and issuing for Management implementation.

SCHEDULE OF MATTERS RESERVED FOR THE BOARD: THE BOARD IS RESPONSIBLE FOR:

1. Strategic Leadership:

- I. Setting, overseeing the business strategy for IPB.
- II. Setting, overseeing approving, reviewing, and applying corrective action as apt in respect of strategic and financial objectives and annual plans including but not limited to recovery and resolution planning, underwriting and reinsurance strategy, operating and capital expenditure budgets, products, markets, and territories.

2. Delegation of Authority:

- (i) Delegating to Sub-Committees with their Terms of Reference requiring Board approval of decisions as the Board cannot abrogate responsibility and retains final authority;
- (ii) Ensuring that there is an effective executive team in place.

3. Culture:

- I. Nurturing ongoing commitment to cultivation of an apt organisational culture where people can Speak Up, diversity and equity and inclusion is fostered and celebrated.
- II. Nurturing ongoing commitment to cultivation of an apt organisational culture where activity is informed by a focus on securing of sustainability for the short, medium and long term aligned to IPB's Mutual ethos and Member's interests.
- III. Ensuring regular assessment of progress against agreed strategy, plans, targets and metrics undertaken by the Board in conjunction with its Sub-Committees.
- IV. Ensuring there is a robust and transparent organisational structure with effective communication and reporting channels.

4. Sustainability: oversee the implementation of the Sustainability strategy and ensure this is embedded across the business and in line with Environmental, Social and Governance principles, supported by the Sustainability Committee, and covering matters such as diversity and inclusion, development of a sustainable investment strategy, fostering a Speak Up culture, implementation of sustainable business practices and supporting of Members Sustainability goals.

5. Communications:

- I. Approving resolutions and associated material to be put to General Meetings.
- II. Approving Board press communications and reviewing media commentary on an on-going basis.

6. Corporate Governance & Internal Controls:

- (i) Setting and overseeing an adequate and effective internal control framework, that includes well-functioning risk management, compliance, and internal audit functions as well as an appropriate financial reporting and accounting framework.
- (ii) Setting and overseeing the Risk Appetite and the strategy for the on-going management of material risks including, inter alia, liquidity risk underwriting and reserving risk, investment risk, credit risk & climate change risk.
- (iii) Approving and leading framework adherence involving Compliance, Risk, Accounting, Investments, Information Technology, Data Protection, HR, Health & Safety, Communications, Governance, Expenses and Authorisation processes and delineation of roles.
- (iv) Reviewing performance of Board Chair, CEO, Directors, Observers and Company Secretary.
- (v) Approving change proposals and ensuring ongoing appropriateness of corporate structures and internal governance systems and controls, including a well-functioning Internal Audit

function, management structures, Authorities² and reporting channels per Board responsibility for appointing a CEO and senior management with apt integrity and knowledge, experience, skill, and competence.

- (iii) Effectively, prudently and ethically overseeing corporate governance arrangements, considering stakeholders such as Members, Customers, Regulators and Employees, approving Risk Appetite, communicating apt risk and compliance cultures with regular internal review, assessing control processes including whistleblowing and speak up mechanisms to support strategy and maintaining a sound system of control and risk management by approving assurance functions annual plans and internal control statements and ensuring regular reviews and revisions if apt for optimisation.

7. Board & Other Roles:

(i) Changing Board structure, size, and composition, per REMCO and regulatory support, to include determining Observer, Executive and Non-Executive appointments arising for review, re-election, re-appointment, cessation, suspension, or termination, validating nominations, and making recommendations to IPB's members and regulators, whilst recognising Board responsibility for determining Directors' independence and diversity policy implementation.

(ii) Appointing and approving all aspects of Board roles including the Board Chair, Deputy Chair (if any), Sub-Committee Chairs, Committee Members, Observers and Company Secretary whilst noting Audit Committee responsibility per its Terms of Reference in appointing an INED Chair for REMCO recommendation and Board approval per regulatory and fitness and probity provisions whilst noting REMCO's approval of appointments to roles materially impacting IPB's risk as defined by Authorities and approving removal per regulatory provisions and ensuring succession planning;

(iii) Appointing, reappointing, or removing professional advisors inter alia External Auditors (for referral to Members for approval), Internal Auditors, Investment and Remuneration advisors.

8. Remuneration:

- I. The board is responsible for, among other things, setting and overseeing) a remuneration framework that is in line with the risk strategies of IPB;
- II. Annually approving, on REMCO recommendation, the Remuneration Framework and Policy and compliance with it per best practice as a Mutual, regulatory requirements, risk strategy and appetite alignment and objectives of incentivising Management's enhanced performance, fairly and responsibly rewarding individual contributions, ensuring excessive risk taking isn't promoted and practice aligns with stakeholder interests, reasonable financial situation, and prospect analysis.
- III. Approving REMCO remuneration policy proposals for Board Chair and NED roles per the Constitution and Member approval requirements, Executive Directors, Observers, the Company Secretary and individuals who may materially impact risk profile as defined herein and approving determination by the Board Chair and Executive Directors, per Remuneration Policy and independent review, of NED remuneration with no individual informing decisions impacting themselves and determining policy, process and scope of pension, service, termination, annual and ad hoc arrangements.

9. Capital Maintenance & Financial Reporting:

- I. The board is responsible for, among other things, setting and overseeing the amounts, types

² "Authorities" means the Authorities documented in the Board approved "Authorisation Levels & Signatories" document.

and distribution of both internal capital and own funds adequate to cover the risks of IPB.

- II. Actively owning the ORSA, steering and challenging assessments and annually approving the ORSA Policy, overseeing strategy for on-going management of material risks inter alia liquidity risk and policies on amounts, types and distribution of internal capital and own funds to cover risks and on-going maintenance and distribution in managing contingency plans, claims and reinsurance functions with recognition of the position wherein there is no issued share capital
- III. Approving the Annual and Stakeholder Report, Directors Report, regulatory reports, accounts, records, dividend policy, Corporate Social Engagement budget and initiatives within Authorities, tax risk, planning soundness, statutory and regulatory compliance.

10. Contracts & Commitments: Approving, per Authorities, capital projects, corporate litigation strategy, ex-gratia request proposals and contracts including indemnities, security, acquisitions, or disposals and excluding member loans and the effecting of corporate insurance covers.