



THE STANDARD CLUB LTD

MATTERS RESERVED TO THE BOARD

Schedule of matters reserved for the company's board.

This schedule sets out matters which are the responsibility of the board. This schedule remains subject to the provisions of statute, applicable regulation and the company's Bye-Laws (the "Bye-Laws") and does not prevent the board from delegating authority as it deems appropriate from time to time in accordance with the Bye-Laws. For the purpose of these matters reserved The Standard Club Ltd, Standard Club UK Ltd, Standard Club Ireland DAC, The Standard Club Asia Limited, Standard Reinsurance (Bermuda) Limited, The Shipowners' Mutual Strike Insurance Association Europe together make up the 'club'.

1. Business management and strategy

The board is responsible for the overall management of the company.

The board shall:

- 1.1 supervise the performance of the management contract and service level agreement and approve any material changes to them
- 1.2 approve the annual management fee for the club and the allocation across classes
- 1.3 approve the company's business strategy as set out in the company's strategy review
- 1.4 review the club's performance in the light of the strategy, objectives, business plans and budgets approved by the board and any subsequent revision and ensure that appropriate corrective action is taken
- 1.5 approve the planned extension of the club's activities through the launch of new products
- 1.6 approve the opening of a new branch or representative office of the company
- 1.7 recommend to members the merger of the company with a third party
- 1.8 approve the acquisition of any business
- 1.9 approve the disposal of all or any material part of the club's business

- 1.10 approve the decision to cease to operate all or any material part of the club's business.
- 1.11 The company's investment rules.

2. Structure and capital

The board shall approve:

- 2.1 major changes to the club's corporate structure such as the creation of new holding or subsidiary companies
- 2.2 any changes relating to the company's capital structure
- 2.3 changes to the company's management and control structure
- 2.4 any changes to the company's legal or regulatory status.

3. Financial reporting and controls

The board shall approve:

- 3.1 the company's annual report and financial statements
- 3.2 any significant changes in accounting policies or practices

4. Risk and internal controls

The board ensures that the company maintains a sound system of internal controls and risk management and shall:

- 4.1 receive reports on and review the effectiveness of the company's risk and control processes and management systems
- 4.2 undertake periodic reviews of these processes
- 4.3 set and review the company's risk appetite
- 4.4 approve an appropriate statement on risk management for inclusion in the annual report
- 4.5 review and approve the Own Risk and Solvency Assessment (ORSA)
- 4.6 approve the use of the internal model for the calculation of required capital
- 4.7 approve any major changes to the internal model
- 4.8 seek to ensure that there is adequate independent review and validation of internal model and relevant processes
- 4.9 review significant risks and changes at each meeting and review all risks annually
- 4.10 approve the compliance monitoring plan.

5. Policies

5.1 The board shall approve the company's policies, including:

- Board governance policy
- Business continuity policy
- Capital management & liquidity policy
- Claims policy
- Complaints policy
- Compliance terms of reference
- Conflicts of interest policy
- Data (GDPR) policy
- Data Quality & management policy
- Financial crime policy
- Fit and Proper policy
- Internal controls policy
- Internal Model policy
- Internal audit terms of reference
- Investment policy
- ORSA policy
- Outsourcing policy
- Reserving policy
- Risk management policy
- Slavery and Human Trafficking Statement
- Supervisory reporting policy
- Remuneration policy
- Underwriting policy
- Whistleblowing policy

6. Contracts

The board shall approve:

- 6.1 any contract which the company or any subsidiary proposes to enter into in the ordinary course of business which is material to the company's business strategically
- 6.2 any contract which the company or any subsidiary proposes to enter not in the ordinary course of business including any loan or similar arrangement with a value of US\$0.5m or more
- 6.3 the acquisition or disposal of shares or any interest in shares of any company, any significant investment in any third party or the making of any takeover offer.

7. Communication

The board shall approve resolutions and corresponding documentation to be put forward to members at a general meeting.

8. Board membership and other appointments

The board shall:

- 8.1 approve changes to the structure, size and composition of, and appointments to the board, following recommendations from the nomination and governance Committee
- 8.2 approve the 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
- 8.3 ensure adequate succession planning for the board and senior management
- 8.4 approve the selection of the chairman of the board and the chief executive
- 8.5 approve the membership and chairmanship of board committees
- 8.7 approve the appointment or removal of the company secretary
- 8.8 approve the appointment, reappointment or removal of the external auditor to be put to members for approval, following the recommendation of the audit and risk committee.

9. Remuneration

The board shall:

- 9.1 determine the remuneration of the directors, subject to the Bye-Laws, for recommendation to the members for approval.
- 9.2 determine the remuneration of the managers.

10. Delegation of authority

The board shall:

- 10.1 determine the division of responsibilities between the chairman and the chief executive, which should be in writing
- 10.2 approve the terms of reference of board and class committees
- 10.3 receive reports from board and class committees on their activities.

11. Other corporate governance matters

The board shall:

- 11.1 undertake a periodic review of its own performance and that of its committees
- 11.2 review the club's overall corporate governance arrangements.

12. Miscellaneous

The board shall:

- 12.1 approve the opening of all operational bank accounts and bank mandates. In the event a new account with an existing banking provider needs setting up between meetings, any two directors are authorised to approve such new accounts and approval will be ratified at the next board meeting. Accounts opened for investment purposes are subject to the investment rules

- 12.2 approve the making of political donations
- 12.3 approve the prosecution, defence or settlement of litigation material to the company's interests
- 12.4 review and approve any changes to this schedule from time to time.
- 12.5 as controlling shareholder the board will consider matters as set out in the controlling shareholder reserved matters for Standard Services Limited.

13. Interpretation

If there is any doubt as to whether a particular matter falls within the scope of this schedule, the managers shall refer it to the chairman. The chairman shall then decide whether the matter referred to him is reserved for the board and his decision shall be final.

These matters are reserved for the board insofar as they are not delegated to board committees. 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 club.

Approved by the board on 18 August 2020