

TERMS OF REFERENCE

The Countrywide Assured With-Profits Committee

Name of Committee	Countrywide Assured (CA) With-Profits Committee (WPC)
Date Updated	18 October 2017
General	<p>The Countrywide Assured With-Profits Committee reports to the Board of Countrywide Assured plc but remains independent of this Board. The Board appoints the Chairman and in consultation with the Chairman, the other members of the Committee, but all members must be approved by the With-Profits Actuary prior to their appointment. The Chairman and a majority of the members must be considered by the Board to be independent of CA, with independence being defined in the terms set out in the Financial Conduct Authority's COBS Handbook (COB reference 20.5.7).</p>
Committee Purpose	<p>The Countrywide Assured With-Profits Committee's purpose is to provide oversight into how the Company's With-Profits business is being managed with a view to:</p> <ul style="list-style-type: none"> ensuring that the management is carried out in accordance with the Principles and Practices of Financial Management (PPFM). ensuring that With-Profits policyholders are being treated fairly, and that conflicts of interest between policyholders and shareholders are effectively addressed. <p>The Countrywide Assured With-Profits business includes the policies originally issued by Save & Prosper Insurance and Save & Prosper Pensions as well as the original CA With-Profits business which is wholly reassured to ReAssure Ltd (RAL). The way in which the oversight of the CA business reassured to RAL is carried out reflects the practicalities of monitoring this business where the decisions on bonus rates, surrender values and market level reductions are made by RAL.</p>
Responsibilities	<p>For the business originally issued by Save & Prosper Insurance and Save & Prosper Pensions:-</p> <ul style="list-style-type: none"> To review Reports on Compliance with the appropriate Countrywide Assured Principles and Practices of Financial Management (PPFM) and to consider any issues arising from these reports. To recommend amendments to the PPFM to meet regulatory changes or improve the operation of the With-Profits business. To review the key areas of discretion in the management of the With-Profits business, specifically: <ul style="list-style-type: none"> the level of the charge for the Cost of Guarantees the smoothing formula the investment strategy To review any management proposals that might affect the With-Profits business. <p>For the business reassured to RAL:-</p> <ul style="list-style-type: none"> To review questions to be posed to the RAL With-Profits Actuary regarding compliance

	<p>with the PPFM and the fair treatment of policyholders in the previous calendar year.</p> <ul style="list-style-type: none"> • To review the responses from the RAL With-Profits Actuary to the questions posed above and consider whether any action is required as a result. • To recommend amendments to the supplemental CA PPFM to meet regulatory changes or for other reasons after considering the then current wording of the cross-referenced RAL PPFM. • To review any CA management proposals that might affect the with-profits business and to liaise, generally through the With-Profits Actuary, with the With-Profits Actuary of RAL regarding any changes to the business which are intended to be made by RAL. <p>For all With-Profits business:-</p> <ul style="list-style-type: none"> • To review any communications to be made by Countrywide Assured to its With-Profits policyholders. • To advise the Countrywide Assured Board on the suitability of candidates proposed for the appointment as the With-Profits Actuary and, at least annually, to assess the performance of the With-Profits Actuary and report the results of this assessment to the Countrywide Assured Board. • To review the drafting and updating of, and compliance with, the run-off plans which have been in place from 31 December 2012. • To review management information regarding policyholder complaints received which raise issues specific to the operation of the company's With-Profits business. • To investigate and if necessary make recommendations to the Board on any relevant issues, where relevant issues are those with which the Committee or the Board consider with-profits policyholders might reasonably expect the Committee to be involved. • To report to the Board on its activities. <p>These Terms of Reference should be displayed on the Company's website.</p>
Chairman	Eithne M ^c Manus (Independent member)
Members	Graham Head Veronica Oak (Independent member)
In attendance	Ken Hogg Gavin Walker Ian King David Addison With-profits Actuary
Voting	Any decisions will be made by a simple majority vote, the Chairman having a casting vote.
Quorum	The Chairman and one member. The With-Profits Actuary (David Addison) is also expected to be in attendance. However, if the Chairman is unavoidably absent, the members may appoint a deputy who must be an independent member, to chair the meeting.
Frequency of Meetings	At least three times a year.
Minutes to	The Countrywide Assured plc Board
Secretary	Gavin Walker