**Terms of Reference of the Board of UK (Bermuda)**

**THE UNITED KINGDOM MUTUAL STEAM SHIP ASSURANCE ASSOCIATION (BERMUDA) LIMITED (“UK (BERMUDA)”)**

**THE BOARD OF UK (BERMUDA)**

These Terms of Reference of the Board of UK (Bermuda) (UKB) are authorised by the Board of Directors of UK (Bermuda) (“the Board”) and are subject to amendment by that Board. References to “the Club” in this document are references to The United Kingdom Mutual Steam Ship Assurance Association Limited and its subsidiaries as applicable.

1. **Purpose**
   1. To set out the specific responsibilities of the Board. Under the Bye-laws of UKB and in their capacity as Directors, the Directors are to manage the business of UKB and to exercise a general supervision over its affairs.
2. **The Club’s division of responsibilities**
   1. The Club’s division of responsibilities is as set out in the Club Supervision and Control Document as agreed from time to time between the Boards of the Club and the Managers.
3. **Composition**
   1. The Board is composed of at least 3 but not more than 15 Directors.
   2. Directors shall be subject to the provisions of Bye-laws 14A-C in respect of eligibility, appointment, election, tenure and re-election.
4. **Chairman and Deputy Chairmen**
   1. The Chairman of UKB is appointed by the Members’ Committee or, if there is no Members’ Committee, by the Directors of UKB.
5. **Committees**
   1. Certain functions of the Directors shall be delegated to the following Committees of the Club, which operate subject to and in accordance with separate terms of reference:
6. Members’ Committee (“MEMCO”)
7. Nominations Committee (“NOMCO”)
8. Strategy Committee (“STRATCO”)
9. Group Audit and Risk Committee (“GARCO”)
10. Investment Committee (“IVCO”)
11. **Meetings**
    1. The Directors shall ensure that Board meetings are held at least three times a year and shall hold such further meetings as may be required from time to time to discharge their duties effectively.
    2. The Board will receive such reports from the Managers as are necessary to undertake its duties, and as may be required in accordance with the reporting cycle in the Club Supervision and Control Document.
12. **General duties of the Board**
    1. Under the Bye-Laws of UKB, the business of UKB is to be managed by the Directors.
    2. Specific areas of management which have been delegated to the Managers are set out in the Management Agreements.
    3. In addition to their powers and authorities conferred by the Bye-Laws, the Directors may exercise all such powers and do all such acts and things as may be exercised or done by UKB and as are not to be exercised or done by UKB in a general meeting.
13. **Specific duties of the Board**

The Board shall:

* 1. Ensure that there is effective cooperation, internal reporting and communication of information with all relevant levels of the Club.
  2. Ensure that there are effective decision making procedures and an organisational structure which is appropriate to the nature, scale and complexity of UKB’s business.
  3. Ensure that the Board Members collectively possess the necessary qualifications, competency, skills and professional experience in the relevant areas of the business in order to effectively manage and oversee UKB in a professional manner.
  4. Ensure that any individual Board Member has the necessary qualifications, competency, skills and professional experience to perform assigned tasks.
  5. Ensure that there are systems to provide timely and relevant information concerning the business activities, the commitments assumed and the risks to which UKB is exposed.
  6. Ensure that adequate and orderly records are kept of UKB’s business and internal organisation.
  7. Ensure that the security, integrity and confidentiality of information is maintained.
  8. Ensure that remuneration is aligned with that part of the Club’s written remuneration policy applicable to UKB.
  9. Monitor capital requirements for UKB and ensure the maintenance of minimum regulatory capital at all times.
  10. Ensure that there is an effective risk management system in place with clear expectations for risk management and clear definition of accountability for the management of key business risks.
  11. Ensure that policies on risk management, internal control, internal audit and outsourcing, shall clearly set out the relevant responsibilities, objectives, processes and reporting procedures to be applied, all of which shall be consistent with the Club’s overall business strategy.
  12. Ensure that there is in place a business continuity policy to preserve essential data and functions in the event of a disruption to UKB’s business systems or, where that is not possible, the timely recovery of such data and functions and the timely resumption of UKB’s activities.
  13. Ensure that effective systems are in place to prevent or manage conflicts of interest.
  14. Monitor the adequacy and effectiveness of UKB’s system of governance and take appropriate measures to address any deficiencies.
  15. Ensure UKB complies with its regulatory obligations in Bermuda & and other jurisdictions as appropriate.
  16. Monitor and supervise the outsourcing of UKB’s business to Thomas Miller and to Ocorian, including approval of any further outsourcing of material business activities and review of the outsourcing policy.
  17. Undertake any duties of the UKB Board as may be set out in the Club’s Solvency 2 Framework documents and policies.