



Annotated Corporate Governance Code for Mutual Insurers

Questionnaire 2016/17

This document provides a printable version of the questionnaire that AFM members should be completing online, via www.afmgovernance.co.uk. Log-in details for the website are the same as last year. Let me know if you need a copy.

The questionnaire allows you to skip certain questions that are not relevant or else can be derived from responses elsewhere. Each member's questionnaire will be unique, and the passage through the questionnaire will vary too.

Hence the set of questions you see here will not replicate the online exercise. The questions that you answer and the order they appear in online will not be the same as those provided below. Note that all members, except those who are non-Solvency 2 firms, are now expected to comply with all code provisions and principles, and to provide an explanation in their report and accounts on any provisions they do not comply with: the questionnaire helps compile those explanations.

The next page replicates the company data section of the website; the remaining pages show the detailed governance questionnaire. This is laid out in the order of the main principles (shown in bold), with the relevant supporting principles (SP) and code provisions (CP) below. The reference shown for each question is the same as those used online.

The user guide on the website provided further instruction about using the questionnaire: <http://afmgovernance.co.uk/site/resources/documents/guide.pdf>.

A copy of this printable version is available on the website. Once you have completed the online questionnaire you will be able to print off a copy of all your responses, and to extract the explanations you have provided along the way: this should be used to populate the 'comply or explain' statement in your report and accounts.

If you have any questions on the website or the compliance exercise, please email me on martin@financialmutuals.org.

Martin Shaw
Association of Financial Mutuals

Company data

(CI_1) Company name	
(CI_2) Trading name	
(CI_3) A directive company	
(CI_4) Open to new business	
(CI_5) Number of members on 31 December 2016	
(CI_6) Number of policyholders on 31 December 2016	
(CI_7) Number of members that voted at 2016 AGM	
(CI_8) Gross premium income for 2016: Life	
(CI_9) Gross premium income for 2016: GI	
(CI_10) Gross premium income for 2016: Health	
(CI_11) Average gross premium for last 3 years (2014 - 16)	
(CI_12) Assets at the end of 2016	
(CI_13) Average assets at 31 December for last 3 years (2014 - 16)	
(CI_14) Number of executive directors	
(CI_15) Number of non-executive directors - Company Chairman	
(CI_16) Number of non-executive directors - Independent	
(CI_17) Number of non-executive directors - other	
(CI_18) Number of female executive directors	
(CI_19) Number of female non-executive directors	
(CI_20) Did the chairman on appointment meet the Independence criteria set out in CP-B.1.1	
(CI_21) Has the board appointed one of the independent non-executive directors to be the senior independent director	
(CI_22) Is the company chairman a member of the audit committee	
(CI_23) Is the company chairman chair of the audit committee	
(CI_24) Number of executive directors	
(CI_25) Number of non-executive directors - Independent	
(CI_26) Number of non-executive directors - other	
(CI_27) Is the company chairman a member of the remuneration committee	
(CI_28) Is the company chairman chair of the remuneration committee	
(CI_29) Number of executive directors	
(CI_30) Number of non-executive directors - Independent	
(CI_31) Number of non-executive directors - other	
(CI_32) Total number on board	
(CI_33) Total number on audit committee	
(CI_34) Total number on remuneration committee	

² | **Warning: this may appear different to the online version, AFM 12/16**

Full questionnaire

<p>(MP_55 - MP-A.1) Is the board satisfied that it has (and can demonstrate that it has) operated effectively and assumed collective responsibility for the long-term success of the company</p>	
<p>(SP_2 - SP-A.1) Can the board demonstrate that it has provided entrepreneurial leadership within a framework of controls enabling risk to be assessed and managed</p>	
<p>(SP_3 - SP-A.1) Has the board set the company's strategic aims</p>	
<p>(SP_4 - SP-A.1) Has the board ensured that the necessary financial and human resources are in place for the company to meet its objectives</p>	
<p>(SP_5 - SP-A.1) Has the board reviewed management performance</p>	
<p>(SP_6 - SP-A.1) Has the board set the company's values and standards</p>	
<p>(SP_7 - SP-A.1) Can the board demonstrate that its obligations to the company's members, customers and others are understood and met</p>	
<p>(SP_8 - SP-A.1) Is the board satisfied that directors have acted in the best interests of the company</p>	
<p>(SP_9 - SP-A.1) Is the board satisfied that directors have acted in a manner consistent with their statutory duties</p>	
<p>(CP_2 - CP-A.1.1) Can the board demonstrate that it meets sufficiently regularly to discharge its duties effectively</p>	
<p>(CP_3 - CP-A.1.1) Is there a formal schedule of matters specifically reserved for the board's decision</p>	
<p>(CP_4 - CP-A.1.1) Did the annual report contain a statement of how the board operates</p>	
<p>(CP_75 - CP-A.1.1) Did the annual report contain a high level statement setting out the types of decisions to be taken by the board and those delegated to management</p>	
<p>(CP_5 - CP-A.1.2) Did the annual report identify the chairman, the deputy chairman (where there is one), the chief executive, and the senior independent director (where there is one)</p>	
<p>(CP_6 - CP-A.1.2) Did the annual report identify the chairman and members of the board committees</p>	
<p>(CP_7 - CP-A.1.2) Did the annual report set out the number of meetings of the board and board committees and the individual attendance by directors</p>	
<p>(CP_8 - CP-A.1.3) Does the company arrange appropriate insurance cover in respect of legal action against its directors</p>	
<p>(MP_56 - MP-A.2) Is the board satisfied that there is a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business</p>	
<p>(MP_57 - MP-A.2) Is the board satisfied that no one individual has unfettered powers of decision</p>	
<p>(CP_9 - CP-A.2.1) Are the roles of chairman and chief executive exercised by different individuals</p>	

(CP_10 - CP-A.2.1) Is the division of responsibilities between the chairman and chief executive clearly established, set out in writing and agreed by the board	
(MP_58 - MP-A.3) Is the board satisfied that the chairman demonstrates leadership of the board	
(MP_59 - MP-A.3) Is the board satisfied that the chairman ensures the board's effectiveness on all aspects of its role	
(SP_10 - SP-A.3) Can the chairman demonstrate how he has discharged his responsibility for setting the board agenda	
(SP_11 - SP-A.3) Can the chairman demonstrate how he has discharged his responsibility for ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues	
(SP_12 - SP-A.3) Can the chairman demonstrate how he has discharged his responsibility for ensuring that the directors receive accurate, timely and clear information	
(SP_13 - SP-A.3) Can the chairman demonstrate how he has discharged his responsibility for ensuring effective communication with members	
(SP_14 - SP-A.3) Is the board satisfied that the chairman facilitates the effective contribution of non-executive directors in a manner that promotes a culture of openness and debate	
(SP_15 - SP-A.3) Is the board satisfied that the chairman ensures constructive relations between executive and non-executive directors in a manner that promotes a culture of openness and debate	
(CP_172 - CP-A.3.1) There is a requirement that the chairman or appointment should meet the independence criteria set out in CP-B.1.1 Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_86 - CP-A.3.1.A) Was the chairman previously chief executive	
(CP_87 - CP-A.3.1.B) If, exceptionally, the chief executive became chairman, was there consultation with the membership (which may be with member forums and/or delegate systems and/or any members with significant membership rights) in advance	
(CP_88 - CP-A.3.1.C) If, exceptionally, the chief executive became chairman, did the board set out its reasons to members at the time of the appointment and in the next annual report.	
(MP_60 - MP-A.4) Is the board satisfied that non-executive directors constructively challenge proposals on strategy	
(MP_61 - MP-A.4) Is the board satisfied that non-executive directors help develop proposals on strategy	
(SP_16 - SP-A.4) Is the board satisfied that non-executive directors can demonstrate how they have discharged their responsibility for ensuring that they have scrutinised the performance of management in meeting agreed goals and objectives	
(SP_17 - SP-A.4) Is the board satisfied that non-executive directors can demonstrate how they have discharged their responsibility for ensuring that they have monitored the reporting of performance including satisfying	

	themselves on the integrity of financial information	
	(SP_18 - SP-A.4) Is the board satisfied that non-executive directors can demonstrate how they have discharged their responsibility for satisfying themselves that there are in place financial controls and systems of risk management that are robust and defensible	
	(SP_19 - SP-A.4) Do the non-executive directors determine appropriate levels of remuneration of executive directors	
	(SP_20 - SP-A.4) Do non-executive directors have a prime role in succession planning including in appointing and, where necessary, removing executive directors	
	(CP_89 - CP-A.4.1) Does the senior non-executive director provide a sounding board for the chairman and serve as an intermediary for the other directors where necessary	
	(CP_173 - CP-A.4.1) There is a requirement that the board appoint one of the independent non-executive directors to be the senior independent director. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
	(CP_90 - CP-A.4.1.A) Is the senior independent director available to members if they have concerns which contact through the normal channels of chairman, chief executive or other executives has failed to resolve (or for which such contact is appropriate)	
	(CP_91 - CP-A.4.1.B) In the absence of a senior independent director, do the members have access to an alternative mechanism for the handling of their concerns which contact through the normal channels of chairman, chief executive or finance director has failed to resolve (or for which such contact is inappropriate)	
	(CP_76 - CP-A.4.2) Did the chairman hold meetings with the non-executive directors without the executives present	
	(CP_92 - CP-A.4.2.A) Did the non-executive directors meet without the chairman present during the year to appraise the chairman's performance	
	(CP_93 - CP-A.4.2.B) Were all such meetings led by the senior independent director	
	(CP_94 - CP-A.4.2.C) In the absence of a senior independent director, were all such meetings led by an independent director	
	(CP_95 - CP-A.4.2.D) Apart from to assess the chairman's performance, were there any other occasions when it was deemed appropriate for the non-executive directors to meet without the chairman present	
	(CP_96 - CP-A.4.2.E) On such other occasions as deemed appropriate, did the non-executive directors, led by the senior independent director, meet without the chairman present	
	(CP_97 - CP-A.4.2.F) On such other occasions as deemed appropriate, did the non-executive directors, led by an independent director (as an alternative mechanism to being led by a senior independent director), meet without the chairman present	
	(CP_98 - CP-A.4.3.A) Did any directors have concerns which could not be	

	resolved about the running of the company or a proposed action	
	(CP_99 - CP-A.4.3.B) Did the director(s) ensure that their concerns were recorded in the board minutes	
	(CP_100 - CP-A.4.3.C) Did any non-executive directors resign who had such concerns	
	(CP_101 - CP-A.4.3.D) Did such non-executive directors, on resignation, provide a written statement to the chairman, for circulation to the board	
	(MP_26 - MP-B.1) Does the board have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively	
	(MP_27 - MP-B.1) Do the board committees have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively	
	(SP_21 - SP-B.1) Is the board satisfied that it is not so large as to be unwieldy	
	(SP_22 - SP-B.1) Is the board satisfied that it is of sufficient size that the requirements of the business can be met	
	(SP_23 - SP-B.1) Is the board satisfied that it is of sufficient size that changes to its composition can be managed without undue disruption	
	(SP_24 - SP-B.1) Is the board satisfied that it is of sufficient size that changes to the composition of board committees can be managed without undue disruption	
	(SP_25 - SP-B.1) Does the board include a combination of executive and non-executive directors (including independent non-executive directors)	
	(SP_26 - SP-B.1) Is the board satisfied that the combination of executive and non-executive directors (and, in particular, independent non-executive directors) is such that no individual or small group of individuals can dominate the board's decision making	
	(SP_27 - SP-B.1) Is the membership of the board committees refreshed from time to time	
	(SP_28 - SP-B.1) Is the board satisfied that undue reliance within board committees is not placed on particular individuals and that this is taken into account in deciding chairmanship and membership of committees	
	(SP_29 - SP-B.1) Are the attendees of nomination, audit or remuneration committees only members of the committee plus those invited by the committee to attend	
	(CP_102 - CP-B.1.1.A) Has the board identified in the annual report each non-executive director it considers to be independent	
	(CP_103 - CP-B.1.1.B) Has the board determined whether each director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement	
	(CP_170 - CP-B.1.1.C) Has the board determined that any director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination	

(CP_168 - CP-B.1.1.D) Has the board made a statement of its reasons for determining that the director(s) is/are independent notwithstanding the existence of such relationships and circumstances	
<i>(CP_169 - CP-B.1.2) For large companies the requirement is that at least half the board, excluding the chairman, should be comprised of non-executive directors determined by the board to be independent. For small companies the requirement is that the board should have at least two non-executive directors determined by the board to be independent. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.</i>	
(MP_28 - MP-B.2) Is there a formal, rigorous and transparent procedure for the appointment of new directors to the board	
(SP_30 - SP-B.2) Has the search for all board candidates been conducted against objective, merit-based criteria with due regard for the benefits of diversity on the board, including gender	
(SP_31 - SP-B.2) Have all appointments to the board been made on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender	
(CP_12 - CP-B.2.1) Is there a nomination committee which leads the process for board appointments and makes recommendations to the board	
(CP_13 - CP-B.2.1) Are the majority of members of the nomination committee independent non-executive directors	
(CP_14 - CP-B.2.1) Does the chairman or an independent non-executive director chair the nomination committee	
(CP_15 - CP-B.2.1) Did an independent non-executive director rather than the chairman chair all meetings of the nomination committee (or part of such a meeting) that were dealing with the appointment of a successor to the chairmanship	
(CP_16 - CP-B.2.1) Did the nomination committee make available its terms of reference, explaining its role and the authority delegated to it by the board	
(CP_17 - CP-B.2.2) Did the nomination committee evaluate the balance of skills, knowledge and experience on the board and in light of the evaluation prepare a description of the role and capabilities required for any appointment made during the year	
(CP_18 - CP-B.2.3) Are non-executive directors appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director	
(CP_106 - CP-B.2.3.A) Were any non-executive directors submitted for re-election in the year for a term which would mean they would serve beyond six years	
(CP_107 - CP-B.2.3.B) Was any such submission subject to particularly rigorous review and did it take into account the need for progressive refreshing of the board	
(CP_108 - CP-B.2.4.A) Does the board have a policy on diversity, including gender, and measurable objectives for implementing the policy	

(CP_109 - CP-B.2.4.B) Does a separate section of the annual report describe the work of the nomination committee	
(CP_110 - CP-B.2.4.C) Does this section describe the process the nomination committee has used in relation to board appointments	
(CP_111 - CP-B.2.4.D) Does this section include a description of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives	
(CP_112 - CP-B.2.4.E) Were the chairman or any non-executive directors appointed using an external consultancy	
(CP_113 - CP-B.2.4.F) Has the external search consultancy been identified in the annual report	
(CP_114 - CP-B.2.4.G) Has a statement been made in the annual report as to whether the external search consultancy has any other connection with the company	
(CP_115 - CP-B.2.4.H) Were the chairman or any non-executive directors appointed without using either an external search consultancy or open advertising	
(CP_116 - CP-B.2.4.I) Has an explanation been given with regard to any chairman or non-executive director who has been appointed without using either an external search consultancy or open advertising	
(MP_29 - MP-B.3) Is the board satisfied that all directors can allocate sufficient time to the company to discharge their responsibilities effectively	
(CP_19 - CP-B.3.1) Did the nomination committee prepare for the appointment of a chairman a job specification, including an assessment of the time commitment expected, recognising the need for availability in the event of crises	
(CP_20 - CP-B.3.1) Were the chairman's other significant commitments disclosed to the board before appointment and included in the annual report	
(CP_21 - CP-B.3.1) Are changes to such commitments reported to the board as they arise and included in the next annual report	
(CP_22 - CP-B.3.2) Are the terms and conditions of appointment of non-executive directors made available for inspection by any person at the company's registered office during normal business hours and at the AGM (for 15 minutes prior to the meeting and during the meeting)	
(CP_23 - CP-B.3.2) Did the non-executive directors' letter of appointment set out the expected time commitment	
(CP_24 - CP-B.3.2) Do non-executive directors undertake that they will have sufficient time to meet what is expected of them	
(CP_25 - CP-B.3.2) Are the other significant commitments of the non-executive directors disclosed to the board before appointment with a broad indication of the time involved	
(CP_117 - CP-B.3.2.A) Were there any changes to the other significant commitments of non-executive directors	
(CP_118 - CP-B.3.2.B) Was the board informed of these changes	

(CP_119 - CP-B.3.3.A) Can the board confirm that no full time executive director is also chairman of a FTSE 100 company or another company of equivalent size to a FTSE 100 company	
(CP_120 - CP-B.3.3.B) Can the board confirm that no full time executive director is also non-executive director for more than one FTSE 100 company or another company of equivalent size to a FTSE 100 company	
(MP_30 - MP-B.4) Do all directors receive induction on joining the board and do they regularly update and refresh their skills and knowledge	
(SP_32 - SP-B.4) Does the chairman ensure that the directors continually update their skills and the knowledge and familiarity with the company required to fulfil their role both on the board and on board committees	
(SP_33 - SP-B.4) Does the company provide the necessary resources for developing and updating its directors' knowledge and capabilities	
(SP_34 - SP-B.4) Do all directors have the appropriate knowledge of the company and access to its operations and staff to enable them to operate effectively	
(CP_26 - CP-B.4.1) Has the chairman ensured that all new directors receive a full, formal and tailored induction on joining the board	
(CP_27 - CP-B.4.1) Has the chairman ensured that all new directors meet with members, either via member forums or panels or individually, as part of their induction	
(CP_28 - CP-B.4.2) Does the chairman regularly review and agree with each director his or her training and development needs	
(MP_31 - MP-B.5) Is the board satisfied that it is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties	
(SP_35 - SP-B.5) Is the chairman responsible for ensuring that the management provides, and the directors receive, accurate, timely and clear information	
(SP_36 - SP-B.5) Have the directors received information that is sufficiently accurate, timely and clear to enable them to discharge their duties	
(SP_54 - SP-B.5.A) Did any information provided by management require clarification or amplification	
(SP_55 - SP-B.5.B) Did the directors seek clarification or amplification where appropriate	
(SP_37 - SP-B.5) Do the company secretary's responsibilities include ensuring (under the direction of the chairman) good information flows within the board and its committees and between senior management and non-executive directors	
(SP_38 - SP-B.5) Do the company secretary's responsibilities include facilitating (under the direction of the chairman) induction and assisting with professional development as required	
(SP_39 - SP-B.5) Is the company secretary responsible for advising the board (through the chairman) on all governance matters	

(CP_29 - CP-B.5.1) Has the board established clear procedures (documented for example in directors' letters of appointment) by which directors, especially non-executive directors, have access to independent professional advice at the company's expense where they judge it necessary to discharge their responsibilities as directors	
(CP_121 - CP-B.5.1.A) Did any director judge it necessary to have access to independent professional advice in order to discharge their responsibilities as directors	
(CP_122 - CP-B.5.1.B) Did the board ensure that directors accessed independent professional advice at the company's expense	
(CP_30 - CP-B.5.1) Are committees provided with sufficient resources to undertake their duties	
(CP_31 - CP-B.5.2) Do all directors have access to the advice and services of the company secretary and is the company secretary responsible to the board for ensuring that board procedures are complied with	
(CP_32 - CP-B.5.2) Is the appointment and removal of the company secretary a matter for the board as a whole	
(MP_32 - MP-B.6) Does the board undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors	
(SP_41 - SP-B.6) Does the chairman act on the results of the performance evaluation by recognising the strengths and addressing the weaknesses of the board	
(SP_56 - SP-B.6.A) Was the performance evaluation such that it was appropriate for the chairman to propose new members to be appointed to the board or to seek the resignation of directors	
(SP_57 - SP-B.6.B) Did the chairman act on the performance evaluation to propose new members to be appointed to the board or seek the resignation of directors where appropriate	
(SP_42 - SP-B.6) Does this performance evaluation provide individual director evaluation that aims to show whether each director continues to contribute effectively and to demonstrate commitment to the role including commitment of time for board and committee meetings and any other duties	
(SP_43 - SP-B.6) Does evaluation of the board consider the balance of skills, experience, independence and knowledge of the company on the board, its diversity, including gender, how the board works together as a unit, and other factors relevant to its effectiveness	
(CP_33 - CP-B.6.1) Did the board state in the annual report how performance evaluation of the board, its committees and its individual directors has been conducted	
(CP_123 - CP-B.6.2.A) Has the evaluation of the board been externally facilitated at least every three years	
(CP_124 - CP-B.6.2.B) Has any external facilitator of the board evaluation been identified in the annual report	
(CP_125 - CP-B.6.2.C) Has a statement been made available as to whether the external facilitator of the board evaluation has any other connection	

	with the company	
	(CP_126 - CP-B.6.3.A) Were the non-executive directors, led by the senior independent director, responsible for the performance evaluation of the chairman and were the views of executive directors taken into account	
	(CP_127 - CP-B.6.3.B) Were the non-executive directors, led by an independent director (a senior independent director not having been appointed by the company), responsible for the performance evaluation of the chairman and were the views of executive directors taken into account	
	(MP_33 - MP-B.7) Are all directors submitted for re-election at regular intervals, subject to continued satisfactory performance	
	(CP_128 - CP-B.7.1.A) Are all directors subject to annual election by members	
	(CP_129 - CP-B.7.1.B) Are all directors subject to election by members at the first annual general meeting after their appointment	
	(CP_130 - CP-B.7.1.C) Are all directors subject to re-election thereafter at intervals of no more than three years	
	(CP_131 - CP-B.7.1.D) Are non-executive directors who have served longer than nine years subject to annual re-election	
	(CP_132 - CP-B.7.1.E) Are the names of directors submitted for election or re-election accompanied by sufficient biographical details and other relevant information to enable members to make an informed decision on their election	
	(CP_133 - CP-B.7.2.A) Were any non-executive directors submitted for election in the year	
	(CP_134 - CP-B.7.2.B) Did the board provide members, in the notice of any meeting that contains a resolution to elect a non-executive director, with reasons why they believe that individual should be elected	
	(CP_135 - CP-B.7.2.C) Were any non-executive directors submitted for re-election in the year	
	(CP_136 - CP-B.7.2.D) Did the chairman confirm to members when proposing re-election that, following formal performance evaluation, the individual's performance continued to be effective and to demonstrate commitment to the role	
	(MP_34 - MP-C.1) Does the board present a fair, balanced and understandable assessment of the company's position and prospects	
	(SP_58 - SP-C.1.A) Does the company produce reports to regulators or information required to be presented by statutory requirements or interim or other reports providing an assessment of the company's position and prospects (either publicly or available to members)	
	(SP_59 - SP-C.1.B) Does the board take responsibility for such reports or information to present a fair, balanced and understandable assessment	
	(SP_44 - SP-C.1) Has the board established arrangements that will enable it to ensure that the information presented is fair, balanced and understandable	
	(CP_34 - CP-C.1.1) Do the directors explain in the annual report their	

	responsibility for preparing the accounts	
	(CP_35 - CP-C.1.1) Is there a statement in the annual report that the report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for members to assess the company's position and performance, business model and strategy	
	(CP_36 - CP-C.1.1) Is there a statement in the annual report by the auditors about their reporting responsibilities	
	(CP_37 - CP-C.1.2) Do the directors include in the annual report an explanation of the basis on which the company generates or preserves value over the longer term (the business model) for members and the strategy for delivering the objectives of the company.	
	(CP_38 - CP-C.1.3) Do the directors state that they consider it is appropriate to adopt the going concern basis of accounting in the annual report, and where produced half-yearly financial statements, and do they identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months	
	(MP_35 - MP-C.2) Does the board take responsibility for determining the nature and extent of the principal risks it is willing to take in achieving the company's strategic objectives	
	(MP_36 - MP-C.2) Is the board satisfied that there is in place a sound system of risk management and internal control to safeguard members' interests and the company's assets	
	(CP_39 - CP-C.2.1) Have the directors in the annual report described the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity, and have they confirmed that they have carried out a robust assessment of the principal risks and explained how those risks are being managed or mitigated.	
	(CP_40 - CP-C.2.2) Taking account of the company's current position and principal risks, have the directors explained in the annual report how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate.	
	(CP_184- CP-C.2.2) Have the directors in their annual report stated whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary	
	(CP_185- CP-C.2.3) Has the Board monitored the company's risk management and internal control systems and, at least annually, carried out a review of their effectiveness, and did it report on that review in the annual report	
	(MP_37 - MP-C.3) Has the board established formal and transparent arrangements for considering how they should apply the financial reporting and risk management and internal control principles	
	(MP_38 - MP-C.3) Has the board established formal and transparent arrangements for maintaining an appropriate relationship with the company's auditor	

(CP_174 - CP-C.3.1.A) The requirement for large companies is for the audit committee to comprise at least three independent non-executive directors. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_175 - CP-C.3.1.B) The requirement for small companies is for the audit committee to comprise at least two independent non-executive directors and the chairman may also be a member. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_176 - CP-C.3.1.C) For large companies the Company Chairman may not be a member of the audit committee. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_177 - CP-C.3.1.D) For small companies the Company Chairman may be a member of but not chair of the audit committee. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_178 - CP-C.3.1.E) For small companies, if the Company Chairman is a member of the audit committee, s/he must have been independent on appointment. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_41 - CP-C.3.1) Has the board satisfied itself that at least one member of the audit committee has recent and relevant financial experience	
(CP_42 - CP-C.3.2) Are the main role and responsibilities of the audit committee set out in written terms of references	
(CP_43 - CP-C.3.2) Do the responsibilities include monitoring the integrity of the financial statements of the company	
(CP_44 - CP-C.3.2) Do the responsibilities include monitoring any formal announcements relating to the company's financial performance	
(CP_45 - CP-C.3.2) Do the responsibilities include reviewing significant financial reporting judgements contained in financial statements and any formal announcements	
(CP_46 - CP-C.3.2) Do the responsibilities include reviewing the company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the board itself, to review the company's internal control and risk management systems	
(CP_47 - CP-C.3.2) Do the responsibilities include monitoring and reviewing the effectiveness of the company's internal audit function	
(CP_48 - CP-C.3.2) Do the responsibilities include making recommendations to the board, for it to put to the members for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor	
(CP_49 - CP-C.3.2) Do the responsibilities include approving the remuneration and terms of engagement of the external auditor	

(CP_50 - CP-C.3.2) Do the responsibilities include reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements	
(CP_51 - CP-C.3.2) Do the responsibilities include developing and implementing policy on the engagement of the external auditor to supply non-audit services by the external audit firm	
(CP_52 - CP-C.3.2) Do the responsibilities include reporting to the board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken	
(CP_53 - CP-C.3.2) Do the responsibilities include reporting to the board on how it has discharged its responsibilities	
(CP_54 - CP-C.3.3) Are the terms of reference of the audit committee, including its role and the authority delegated to it by the board, made available on the company's website	
(CP_137 - CP-C.3.4.A) Did the board request that the audit committee should provide advice on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for members to assess the company's position and performance, business model and strategy	
(CP_138 - CP-C.3.4.B) Did the audit committee provide this advice	
(CP_139 - CP-C.3.5.A) Are there arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters	
(CP_140 - CP-C.3.5.B) Does the audit committee review these arrangements	
(CP_80 - CP-C.3.5) Does the audit committee's objective ensure that arrangements are in place for the proportionate and independent investigation of possible improprieties in matters of financial reporting or other matters and for appropriate follow-up action	
(CP_141 - CP-C.3.6.A) Is there an internal audit function	
(CP_142 - CP-C.3.6.B) Does the audit committee monitor and review the effectiveness of the internal audit activities	
(CP_143 - CP-C.3.6.C) Does the audit committee consider annually whether there is a need for an internal audit function and make a recommendation to the board	
(CP_144 - CP-C.3.6.D) Are the reasons for the absence of an internal audit function explained in the relevant section of the annual report	
(CP_81 - CP-C.3.7) Does the audit committee have primary responsibility for making a recommendation on the appointment, re-appointment and removal of the external auditors	
(CP_145 - CP-C.3.7) Does the company put the external audit contract out to tender at least every ten years	
(CP_146 - CP-C.3.7.A) Did the board accept the audit committee's recommendation on the appointment, reappointment and removal of the external auditors	

(CP_147 - CP-C.3.7.B) Did the board include in the annual report, and in any papers recommending appointment or re-appointment, a statement from the audit committee explaining the recommendation and set out reasons why the board has not followed it	
(CP_82 - CP-C.3.8) Did the annual report contain a separate section describing the work of the audit committee in discharging its responsibilities	
(CP_83 - CP-C.3.8) Did the section describing the work of the committee include the significant issues that it considered in relation to the financial statements, and how these issues were addressed	
(CP_84 - CP-C.3.8) Did the section describing the work of the committee include an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment and reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted	
(CP_148 - CP-C.3.8.A) Does the external auditor provide non-audit services	
(CP_149 - CP-C.3.8.B) Did the section describing the work of the committee include an explanation of how auditor objectivity and independence is safeguarded	
(MP_39 - MP-D.1) Has executive directors' remuneration been designed to promote the long-term success of the company.	
(MP_40 - MP-D.1) Are performance-related elements of executive remuneration transparent, stretching and rigorously applied	
(SP_46 - SP-D.1) Does the remuneration committee judge where to position the company's level of remuneration relative to other companies using comparisons with other companies with caution, in view of the risk of an upward ratchet of remuneration levels with no corresponding improvement in corporate and individual performance	
(SP_53 - SP-D.1) Is the board satisfied that it is sensitive to pay and employment conditions elsewhere in the group of which the company is part, especially when determining annual salary increases	
(CP_85 - CP-D.1.1) Do performance-related elements of remuneration form a significant proportion of the total remuneration package of executive directors	
(CP_150 - CP-D.1.1.A) Are performance related elements of executive directors' remuneration designed to align the interests of executive directors with those of members and to give directors keen incentives to perform at the highest levels	
(CP_55 - CP-D.1.1) Does the remuneration committee, in designing schemes of performance-related remuneration, use performance criteria that properly reflect the best interests of members recognising that the strategies that mutual insurers pursue and therefore the performance criteria used in long term incentive schemes, may be different from those in different proprietary firms	

(CP_56 - CP-D.1.1) Subject to the point above about the difference between mutual insurers and proprietary companies, and the fact that share options are not relevant to mutual insurers, is the remuneration committee satisfied that, in designing schemes of performance-related remuneration, it has followed the provisions in Schedule A to the Code and do schemes include provisions that would enable the company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so	
(CP_151 - CP-D.1.2.A) Has the company released an executive director to serve as a non-executive director elsewhere	
(CP_152 - CP-D.1.2.B) Does the remuneration report include a statement as to whether or not the director will retain such earnings and, if so, what the remuneration is	
(CP_57 - CP-D.1.3) Is the board satisfied that levels of remuneration for non-executive directors reflect the time commitment and responsibilities of the role	
(CP_58 - CP-D.1.3) Do all non-executive directors have no remuneration that includes performance-related elements	
(CP_59 - CP-D.1.4) Does the remuneration committee carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointment would entail in the event of early termination, in particular to avoid rewarding poor performance	
(CP_60 - CP-D.1.4) Does the remuneration committee take a robust line on reducing compensation to reflect departing directors' obligations to mitigate loss	
(CP_61 - CP-D.1.5) Are all notice or contract periods for directors set at one year or less	
(CP_62 - CP-D.1.5) If it has proved necessary to offer longer notice or contract periods to attract new directors recruited from outside, do such periods reduce to one year or less after the initial period	
(MP_41 - MP-D.2) Is there a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors	
(MP_42 - MP-D.2) Can the board confirm that no director is responsible for fixing his or her own remuneration	
(SP_48 - SP-D.2) Is the remuneration committee responsible for appointing any consultants in respect of executive director remuneration	
(SP_61 - SP-D.2.B) Has the remuneration committee taken sufficient care to recognise and manage conflicts of interest when receiving views from executive directors or senior management, or consulting the chief executive about its proposals	
(SP_49 - SP-D.2) Does the chairman of the board ensure the committee chair maintains contact, in relation to remuneration, with any forums (such as member forums or panels and/ or delegate systems) and/or members with significant membership rights that may be in place for facilitating member dialogue	

(CP_179 - CP-D.2.1.A) The requirement for large companies is for the remuneration committee to comprise at least three independent non-executive directors and the chairman may also be a member. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_180 - CP-D.2.1.B) The requirement for small companies is for the remuneration committee to comprise at least two independent non-executive directors and the chairman may also be a member. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_181 - CP-D.2.1.C) The Company Chairman may be a member of but not chair of the remuneration committee. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_182 - CP-D.2.1.D) If the Company Chairman is a member of the remuneration committee, s/he must have been independent on appointment. Your earlier responses in the Company Information section indicate that you do not meet this requirement and therefore an explain statement should be made.	
(CP_63 - CP-D.2.1) Does the remuneration committee make available its terms of reference, explaining its role and the authority delegated to it by the board	
(CP_153 - CP-D.2.1.E) Have any remuneration consultants been appointed in relation to the workings of the remuneration committee	
(CP_154 - CP-D.2.1.F) Have the remuneration consultants been identified in the annual report and a statement made as to whether they have any other connection with the company	
(CP_64 - CP-D.2.2) Has there been delegated to the remuneration committee responsibility for setting remuneration for all executive directors and the chairman, including pension rights and any compensation payments	
(CP_65 - CP-D.2.2) Does the committee recommend and monitor the level and structure of remuneration for senior management	
(CP_66 - CP-D.2.2) Is the definition of senior management for this purpose determined by the board	
(CP_67 - CP-D.2.3) Does the board (or, where permitted by the constitution of the company, a sub-committee of the board) determine the remuneration of the non-executive directors within the limits set in the constitution	
(CP_68 - CP-D.2.4) Are members invited specifically to approve all new long-term incentive schemes and significant changes to existing schemes, (except in circumstances that would be permitted by the Listing Rules)	
(MP_75 - MP-E.1) Can the board confirm that:* a dialogue with members takes place; and* this dialogue is based on a mutual understanding of objectives	

(MP_43 - MP-E.1) Does the board as a whole take responsibility for ensuring that a satisfactory dialogue takes place		
	(SP_50 - SP-E.1) Does the chairman ensure that all directors are made aware of members' issues and concerns	
	(SP_51 - SP-E.1) Does the board keep in touch with members' opinions	
	(CP_69 - CP-E.1.1) Does the chairman ensure that the views of members are communicated to the board as a whole	
	(CP_155 - CP-E.1.1.A) Does the company have a forum or forums where discussion with members about member and company issues can take place (this might be via a member relations function or via member forums or panels and/or delegate systems and/or any members with significant membership rights)	
	(CP_156 - CP-E.1.1.B) Does the chairman discuss governance and strategy with such a forum or forums	
	(CP_157 - CP-E.1.1.C) Are non-executive directors offered the opportunity to attend scheduled meetings with such a forum or forums	
	(CP_158 - CP-E.1.1.D) Are non-executive directors expected to attend scheduled meetings with such a forum or forums if requested by the forum or forums	
	(CP_70 - CP-E.1.1) Can the board confirm that where a senior independent director has been appointed this director attended sufficient meetings with a range of members in order to help develop a balanced understanding of the issues and concerns of members, or where no senior independent director has been appointed another independent director(s) has fulfilled the same role	
	(CP_71 - CP-E.1.2) Does the annual report state the steps the board has taken to ensure that the members of the board, and, in particular the non-executive directors develop an understanding of the views of the members about the company	
(MP_44 - MP-E.2) Does the board use the AGM to communicate with members and encourage their participation		
	(CP_159 - CP-E.2.1.A) At all general meetings did the company propose separate resolutions on each substantially separate issue	
	(CP_160 - CP-E.2.1.B) Did the company propose a resolution at the AGM relating to the report and accounts	
	(CP_161 - CP-E.2.1.C) Were proxy appointments provided to members for each resolution	
	(CP_162 - CP-E.2.1.D) Did the proxy forms provide members with the option to direct their proxy to vote either for or against the resolution or to withhold their vote	
	(CP_163 - CP-E.2.1.E) Did any proxy forms or announcement of the results of a vote make it clear that a vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against the resolution	
	(CP_164 - CP-E.2.2.A) Did the company ensure that all valid proxy appointments received for general meetings were properly recorded and counted	

(CP_165 - CP-E.2.2.B) Were there any resolutions where a vote was taken on a show of hands	
(CP_166 - CP-E.2.2.C) Did the company ensure that for each resolution, where a vote was taken on a show of hands, all the following information was given at the meeting: the number of votes in respect of which proxy appointments have been validly made, the number of votes for the resolution, the number of votes against the resolution, and the number of votes in respect of which the vote was directed to be withheld	
(CP_167 - CP-E.2.2.D) Did the company ensure that for each resolution, where a vote was taken on a show of hands, all the following information was made available as soon as reasonably practical on a website which is maintained on behalf of the company: the number of votes in respect of which proxy appointments have been validly made, the number of votes for the resolution, the number of votes against the resolution, and the number of votes in respect of which the vote was directed to be withheld	
(CP_183 – CP-E.2.2.E) If in the opinion of the board, a significant proportion of votes have been cast against a resolution at any general meeting, did the company explain when announcing the results of voting what actions it intends to take to understand the reasons behind the vote result	
(CP_72 - CP-E.2.3) Did the chairman arrange for the chairmen of the audit, remuneration and nomination committees to be available to answer questions at the AGM and for all directors to attend	
(CP_73 - CP-E.2.4) Did the company arrange for the Notice of the AGM and related papers to be sent to members at least 20 working days before the meeting, and for other general meetings at least 14 days in advance	

DECLARATION: the responses to this questionnaire are an accurate record of our full compliance review- including the Annotated Corporate Governance Code questionnaire and the way results from this are transferred into comply or explain statement in the annual report. The responses to the questionnaire have been approved by the Chairman, and reviewed and signed off by the Board/ Committee of Management.