

Liverpool Victoria Financial Services Limited (“LVFS”)

RNPFN Supervisory Board / RNPFN With-Profits Committee

Terms of Reference

<p>Status and Source of Authority</p>	<p>The RNPFN Fund Supervisory Board (“RNPFN SB”, also known as the RNPFN Supervisory Board), is a sub-committee of the Board of Directors of LVFS (“the Board”) to be responsible for monitoring the management (including investment and bonus policy) of the RNPFN Fund and is established and maintained in compliance with the Orders of the High Court giving effect to Schemes of Transfer No. 6303 of 2001 dated 19 October 2001 (“the 2001 Scheme of Transfer”) and No. 5974 of 2008 dated 5 November 2008 (“the 2008 Order”, which includes the 2008 Scheme of Transfer and details of the operation of the RNPFN Supervisory Board).</p> <p>At the request of the Board, the RNPFN SB also fulfils the function of the With-Profits Committee for the RNPFN Fund (“RNPFN WPC”). This is confirmed by the Board’s approval of these Terms of Reference on 30 January 2026.</p> <p>For the purpose of these Terms of Reference, this sub-committee of the Board has been taken to be one body (the “RNPFN WPC/RNPFN SB”) with a dual function, which therefore needs to meet the requirements of both the Schemes of Transfer and COBS 20.5 (references to COBS 20.5 have been included where the requirement is directly attributable).</p> <p>The RNPFN WPC/RNPFN SB fulfils the With-Profits governance role required by COBS 20.5.1R for the RNPFN Fund, but not for the LVFS Fund or the Teachers Assurance Fund (for which the LVFS With-Profits Committee undertakes that role).</p>
<p>Main purpose</p>	<p><u>As the RNPFN WPC:</u></p> <p>To consider the rights, interests and reasonable expectations of With-Profits policyholders, in their capacity as policyholders in the RNPFN Fund, and exercise independent judgement in advising appropriate Committees and the Board on the achievement of fair treatment of those With-Profits policyholders. The RNPFN WPC does not itself exercise management responsibility for the With-Profits business of the RNPFN Fund.</p> <p>The RNPFN WPC has the right to be consulted on specific matters concerning RNPFN With-Profits related business and has the right of response, in terms of its recommendations, prior to decisions being taken by any appropriate Committee, or by the Board.</p> <p><u>As the RNPFN SB:</u></p> <p>To monitor the management (including investment and bonus policy) of the RNPFN Fund, having regard solely to the interests and reasonable expectations of the holders of policies allocated to the RNPFN Fund. (Paragraph 2 of Schedule 2 of the 2008 Order/paragraph 35.1 of the 2001 Scheme)</p> <p>Where there is a conflict between the responsibilities of the RNPFN WPC/RNPFN SB as set out in these Terms of Reference and the 2001 Scheme and the 2008 Order or the Rules and Guidance set out in section COBS 20 of the FCA</p>

	Handbook, the more onerous requirement of the Scheme/Order or COBS 20 will prevail (such as would achieve compliance with both).
Membership	<p>Membership reflects the combined requirements of the 2008 Order and COBS 20.5.</p> <p>The 2008 Order requires:</p> <ul style="list-style-type: none"> • Three members who are wholly independent of LVFS, one of whom will act as Chair. • Two members appointed by the Board; and • New independent members of the RNPfN SB are appointed by other independent members, after consulting the Board. (Paragraph 4 of Schedule 2 of the 2008 Order) • Removal of members should be in accordance with paragraphs 5 to 8 of Schedule 2 the 2008 Order. • All members must have the appropriate skills, knowledge and experience to perform the role. (COBS 20.5.3R (3)) • The Board will consult the With-Profits Actuary (WPA)(and the Chair of the RNPfN WPC/RNPfN SB) on the appointment of any new member of the RNPfN WPC/RNPfN SB. (COBS 20.5.5R (4))
In attendance	<p>Regular attendees:</p> <ul style="list-style-type: none"> • With-Profits Actuary • Chief Actuary • Head of Heritage Products <p>The RNPfN WPC/RNPfN SB may also invite such other persons to its meetings to observe, report, answer questions or make presentations, as it deems necessary.</p>
Secretary	<ul style="list-style-type: none"> • Company Secretary (or his / her delegate).
Quorum	<ul style="list-style-type: none"> • At least three members, including two wholly independent members and one member appointed by the Board. (Paragraph 14 of Schedule 2 of the 2008 Order) • Alternates may be appointed or approved as in accordance with paragraph 9 of Schedule 2 of the 2008 Order. • The Chair must be a wholly independent member. In the event of a tied vote the Chair will have the deciding vote. (Paragraphs 11 and 13 of Schedule 2 of the 2008 Order)
Meeting frequency	<ul style="list-style-type: none"> • Meetings shall be held not less than four times a year. (COBS 20.5.4G (1)) • Interim "specific issue(s)" meetings may be convened, by the Secretary, at the request of either the Chair or the With-Profits Actuary. In circumstances where consultation/recommendation is required to be made in a timely fashion, the interim meeting may take place by e-mail and shall be valid if the e-mail has been circulated to all members of the RNPfN WPC/RNPfN SB and the decision is approved by a quorum.

<p>Minutes and Reporting</p>	<ul style="list-style-type: none"> • The Secretary shall circulate the agenda and supporting documentation to the RNPFN WPC/RNPFN SB members a reasonable period in advance of each meeting. • The Draft of the Minutes, as approved for issue by the Chair, shall be presented to the next meeting of the RNPFN WPC/RNPFN SB for formal adoption. • Where meetings take place by exchange of e-mail, copies of the e-mails shall be included in the minute book as the minutes of the e-mail meeting. • The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities as appropriate. Minutes shall comply with any guidelines/standards issued by Secretariat. (COBS 20.5.6G (3))
<p>Conflicts of Interest</p>	<p>The Secretary shall ascertain any conflicts of interest of members of the RNPFN WPC/RNPFN SB at the start of each meeting in relation to the matters to be discussed and record accordingly in the minutes.</p>
<p>Decide</p>	<ol style="list-style-type: none"> 1. If the RNPFN WPC/RNPFN SB wishes to make a statement or report to the RNPFN Fund With-Profits policyholders in addition to the annual report made by LVFS, the Board must facilitate such an issue. (COBS 20.5.6G (2) and COBS 20.5.5R (2)) 2. In exceptional circumstances, the RNPFN WPC/RNPFN SB may insist the Board notify the Regulator if a confirmed departure from the RNPFN WPC/RNPFN SB's recommendation is considered by the RNPFN WPC /RNPFN SB to be sufficiently significant. (COBS 20.5.5R (3) and COBS 20.5.6G (4)) 3. The 2001 Scheme and the 2008 Order requires the RNPFN WPC/RNPFN SB in its capacity as the RNPFN SB to: <ol style="list-style-type: none"> (a) approve any changes to that Scheme which have a material impact on the RNPFN Fund; (Paragraph 3a of Schedule 2 of the 2008 Order) (b) consider whether to approve any transaction between the RNPFN Fund and a company in the LVFS Group that would have a material effect on the RNPFN Fund; and (Paragraph 3b of Schedule 2 of the 2008 Order)
<p>Recommend</p>	<p>Where appropriate, the RNPFN WPC/RNPFN SB may refer matters to the Board With-Profits Sub-Committee for consideration and approval in accordance with the delegated authority granted by the Board.</p> <p>Recommendation items below reflect the requirement in COBS 20.5.3R Sections 1 and 2 for the RNPFN WPC/RNPFN SB to have appropriate consideration of at least these matters in so far as these matters relate to the RNPFN Fund.</p> <ol style="list-style-type: none"> 1. Whether the way in which the RNPFN Fund is managed is properly reflected in its Principles and Practices of Financial Management (PPFM); whether changes are needed to the PPFM to ensure the PPFM is fit for purpose; actions necessary for LVFS to ensure compliance with the PPFM; and the outcome of any PPFM compliance review.(COBS 20.5.3R (1)(a) and (1)(b)) 2. Whether the firm has addressed effectively the conflicting rights and interests of With-Profits policyholders and other policyholders or stakeholders in a way that is consistent with Treating Customers Fairly (TCF) principles. (COBS 20.5.3R (1)(c))

3. The identification of surplus and excess surplus and the merits of its distribution or retention and the proposed distribution policy.
(COBS 20.5.3R (2)(b)(i))
4. How bonus rates, smoothing and if relevant, market value reductions have been calculated and applied.
(COBS 20.5.3R (2)(b)(ii))
5. The relative interests of policyholders with and without valuable guarantees.
(COBS 20.5.3R (2)(b)(iii))
6. With-Profits customer communications, e.g. communication of matters the committee believe policyholders should be aware of, annual bonus notices and periodic reviews of stock literature.
(COBS 20.5.3R (2)(b)(iv))
7. Any significant changes to the risk or investment profile of the RNPFN Fund including the management of material illiquid investments and the firm's obligations in relation to strategic investments.
(COBS 20.5.3R (2)(b)(v))
8. Review of any management actions planned or implemented on the RNPFN Fund and their impact, and review of management options catalogue.
(COBS 20.5.3R (2)(b)(vii))
9. Relevant management information pertaining to the RNPFN Fund, such as customer complaints data.
(COBS 20.5.3R (2)(b)(viii))
10. Drafting, review, updating of and compliance with run-off plans, court schemes and similar matters.
(COBS 20.5.3R (2)(b)(ix))
11. Costs/expenses (including tax) incurred in operating the RNPFN Fund including any relevant benchmarking.
(COBS 20.5.3R (2)(b)(x))
12. The assessment of whether LVFS is delivering good outcomes for its customers (in particular RNPFN policyholders) which are consistent with the Consumer Duty regulations.
13. Any other issues with which the Board or the RNPFN WPC/RNPFN SB considers RNPFN With-Profits policyholders might reasonably expect the RNPFN WPC/RNPFN SB to be involved.
(COBS 20.5.3R (1)(d))
14. Appointment and removal of With-Profits Actuary and, at least on an annual basis, assess the effectiveness of his/her performance.
(COBS 20.5.3R (5)(a) (5)(b))
15. The 2001 Scheme and the 2008 Order requires the RNPFN WPC/RNPFN SB in its capacity as the RNPFN SB to:
 - (a) monitor compliance with the 2008 Scheme set out in Schedule 1 of that Order, as it affects holders of RNPFN policies; (Paragraph 3a of Schedule 2 of the 2008 Order)
 - (b) receive reports from and consult with the With-Profits Actuary and/or the Chief Actuary (as appropriate) on any matters that may have a material impact on the RNPFN Fund, on holders of RNPFN policies and in relation to the exercise of certain discretions by those Actuaries under the 2001 Scheme of Transfer; (Paragraph 3c of Schedule 2 of the 2008 Order)
 - (c) receive the annual certificate from the Board and, so far as actuarial matters are concerned, from the Chief Actuary and With-Profits Actuary, confirming that the RNPFN Fund has been operated in accordance with the 2001 Scheme of Transfer; (Paragraph 3e of Schedule 2 of the 2008 Order)

	<p>(d) review any proposal from the Board to cease to maintain the RNPFN Fund as a separate sub-fund; (Paragraph 28.1 (C) of the 2001 Scheme)</p> <p>Consider making a request to the LVFS Board to reinstate the capital support facility if appropriate (Paragraph 31.4 of the 2011 Scheme)</p> <p>(f) carry out any other responsibilities specified in the 2001 Scheme of Transfer, the 2008 Order or the Transfer Agreement between RNPFN and LVFS dated 6 July 2001. (Paragraph 3d of Schedule 2 of the 2008 Order)</p> <p>16. Changes to modus operandi of the RNPFN WPC/RNPFN SB resulting from the annual effectiveness review and any changes to its Terms of Reference.</p> <p>17. Annual review of With-Profits management resources and skills</p> <p>Note - The Committees referred to below are required to consult with the RNPFN WPC/RNPFN SB on matters that impact RNPFN With-Profits policyholders.</p> <p>The RNPFN WPC/RNPFN SB has the right of response in terms of recommendations back to these committees:</p> <ul style="list-style-type: none"> • Board • Investment Committee • Risk Committee • Group ALCO • Customer Committee
Oversight	<p>The Board and Committees referred to below are required to notify the RNPFN WPC/RNPFN SB on matters that impact the estate of the RNPFN Fund, so that they can oversee such matters and consider its impact on RNPFN With-Profits policyholders:</p> <ul style="list-style-type: none"> • Board • Investment Committee • Risk Committee • Group ALCO
Consult (With-Profits Committees)	Not applicable.
Notify (With-Profits Committees)	Not applicable.
Delegated Authorities	<p><u>Delegation onwards (for a recommendation back)</u></p> <p>Not applicable.</p> <p><u>Delegation onwards (unconditional)</u></p> <p>Not applicable.</p>
Escalation	<p><u>To:</u> The Board, or the Board With-Profits Sub-Committee as applicable</p> <p><u>From:</u> The WPA, as applicable.</p>

Guidance Notes

- The Board must provide the RNPFFN WPC/RNPFFN SB with sufficient resources as it may reasonably require, to enable it to perform its role effectively and authorises the RNPFFN WPC/RNPFFN SB, within the scope of its responsibilities, to have access to relevant members of management, relevant employees and relevant information. (COBS 20.5.5R (2) and COBS 20.5.6G (1))
- The RNPFFN WPC/RNPFFN SB shall be entitled to rely on expert advice and, to the extent that the RNPFFN WPC/RNPFFN SB considers it necessary, the RNPFFN WPC/RNPFFN SB is authorised to obtain outside legal, actuarial or other independent professional advice and to secure the attendance at its meetings of outsiders with relevant experience and expertise (cost to be apportioned in accordance with the Schemes of Transfer). (COBS 20.5.5R (2) and COBS 20.5.6G (1))
- In the context of its consideration of the issues referred to in COBS 20.5.3R (1) and (2)(b), the Board must ensure it obtains, as relevant, assessments, reports, advice and/or recommendations of the RNPFFN WPC/RNPFFN SB, if the Board or the RNPFFN WPC/RNPFFN SB considers that significant issues concerning the interests of RNPFFN With-Profits policyholders need to be considered by LVFS. (COBS 20.5.5R (1)(a))
- The RNPFFN WPC/RNPFFN SB must review the matters which it must be consulted on or oversee and be satisfied that it has access to the relevant MI to discharge their responsibilities.
- The Board must allow the RNPFFN WPC/RNPFFN SB sufficient time to enable it to provide fully considered input on the issues to be considered and must consider fully and give due regard to the input of the RNPFFN WPC/RNPFFN SB when determining issues concerning the management of the RNPFFN Fund and the interest of RNPFFN With-Profits policyholders. (COBS 20.5.5R (1)(b) & (1)(c))
- Should the Board depart from the recommendation of the RNPFFN WPC/RNPFFN SB, it must set out its reasons and allow the RNPFFN WPC/RNPFFN SB time to consider them and respond. The Board must consider any further representations from the RNPFFN WPC/RNPFFN SB and set out fully any additional reasons, should it continue to depart from the RNPFFN WPC/RNPFFN SB recommendation. Where this is with a Committee, the said Committee must bring the matter to the attention of the Board. (COBS 20.5.5R (1)(d) & (1)(e))
- In any exceptional instance where the Board continues to depart from a recommendation from the RNPFFN WPC/RNPFFN SB and the RNPFFN WPC/RNPFFN SB considers it the issue to be sufficiently significant, the RNPFFN WPC/RNPFFN SB has the right to insist that the Board notify the appropriate Regulator. (COBS 20.5.5R (3) and COBS 20.5.6G (4))
- The Chair of the RNPFFN WPC/RNPFFN SB shall have the right at any time at their discretion to notify the Board that the RNPFFN WPC/RNPFFN SB wishes to make a report to policyholders, in which event the Board shall facilitate the making of such a report. (COBS 20.5.6G (2) and COBS 20.5.5R (2))
- The Chair of the RNPFFN WPC/RNPFFN SB may raise any particular issue with the Board and will, on request, provide the Board the view of the RNPFFN WPC/RNPFFN SB on any particular matter requested of the RNPFFN WPC/RNPFFN SB by the Board in relation to that matter.
- The Chair of the RNPFFN WPC/RNPFFN SB has right of attendance at the Risk Committee once a year to discuss risk and capital matters relating to With-Profits policyholders.

	<ul style="list-style-type: none"> • In respect of strategic investments, it is necessary to consider whether the With-Profits Actuary would regard the investment as having no adverse effect on the interests of RNPfN With-Profits policyholders as a class.(COBS 20.2.36BG (1)(e)) • In respect of the reference for certain committees to have to consult with the RNPfN WPC/RNPfN SB on matters that impact the RNPfN Fund, the term “impact” is interpreted as: • Directly impacts the benefits or asset shares of the RNPfN With-Profits policies e.g. a bonus declaration. • Impacts the estate of the RNPfN Fund and relates to With-Profits business in that fund e.g. purchasing a hedge in respect of the equities backing policy asset shares and holding the hedge in the estate • Materially impacts the estate of the RNPfN Fund. • Impacts the LVFS Fund estate such that the security of policyholders in the RNPfN Fund could be affected <p><u>Effectiveness</u></p> <ul style="list-style-type: none"> • To perform his or her role effectively, each RNPfN WPC/RNPfN SB member will need to develop and maintain his or her skills and knowledge, including an understanding of the RNPfN WPC/RNPfN SB’s responsibilities and of LVFS’s business, operations and risks. (COBS 20.5.3R (3)) • The RNPfN WPC/RNPfN SB member shall have access to sufficient resources to carry out its duties, including access to the Company Secretary and Secretariat for advice and assistance as required. • The RNPfN WPC/RNPfN SB will monitor developing trends and changes in legislation to assess the impact (if any) to LVFS in so far as they relate to matters relevant to the Committee. • At the end of each meeting the RNPfN WPC/RNPfN SB briefly consider the effectiveness of the meeting, taking into account the quality of the papers and debate, the sufficiency of time and its appropriate allocation across matters relative to their respective importance. • On an annual basis, the Committee will conduct a review of its performance having regard both to the discharge of its requirements under the Terms of Reference and the areas of priority set. The Committee will report accordingly to the Board with any recommendations from the review. • Further detail on the operation of the RNPfN Supervisory Board (including appointment/removal of members, alternates, remuneration and proceedings) can be found in section 35 of the 2001 Scheme (as amended under the 2008 Order) and Schedule 2 of the 2008 Order.
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