

Lloyd's Governance Terms of Reference

March 2026

Introduction

These Terms of Reference establish the governance framework under which the Council of Lloyd's operates. They define the Council's authority, outline the delegation of powers to committees, panels, boards, and individuals, and permit sub-delegation, including to the Lloyd's Executive.

These Terms of Reference are made pursuant to Section 6(5), (5A), and (5B) of the Lloyd's Act 1982 and Part 4 of the Constitutional Requirements (as set out in the Constitutional Arrangements Byelaw). They are subject to all applicable provisions in Lloyd's Acts, Byelaws, and the Constitutional Requirements.

Scope and Applicability

These Terms of Reference apply to the Council of Lloyd's and any committees, panels, boards, or individuals acting under its delegated authority.

Overview

The Terms of Reference comprise two sections:

- **Section 1 – Council Terms of Reference**
Rules governing the operation of the Council, made under paragraph 4.27 of the Constitutional Requirements.
- **Section 2 – Delegation by the Council**
Details of authority delegated to committees of the Council, the Chair, and Deputy Chairs, including conditions and restrictions. Any amendment or revocation of these delegations requires a special resolution of the Council.

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Section 1

The Council

The Council is the governing body of the Society, responsible for the management, superintendence, and direction of the Society's affairs, including the regulation of the business of insurance at Lloyd's. The Council ensures that all activities are conducted in accordance with Lloyd's purpose, values, and statutory obligations.

1. Statutory Functions and Powers of the Council

1.1 Section 6(1) of Lloyd's Act 1982 provides that:

"the Council shall have the management and superintendence of the affairs of the Society and the power to regulate and direct the business of insurance at Lloyd's and it may lawfully exercise all the powers of the Society, but all powers so exercised by the Council shall be exercised by it in accordance with and subject to the provisions of Lloyd's Acts 1871 to 1982 and the byelaws made thereunder."

1.2 Section 6(2) of Lloyd's Act 1982 further provides that the Council may:

"make such byelaws as from time to time seem requisite or expedient for the proper execution of Lloyd's Acts 1871 to 1982 and for the furtherance of the objects of the Society..."

1.3 The objects of the Society are set out in section 10 of Lloyd's Act 1871. The objects are:

*"The carrying on by Members of the Society of the business of insurance of every description including guarantee business;
The advancement and protection of the interests of Members of the Society in connection with the business carried on by them as Members of the Society and in respect of shipping and cargoes and freight and other insurable property or insurable interests or otherwise;
The collection publication and diffusion of intelligence and information;
The doing of all things incidental or conducive to the fulfilment of the objects of the Society."*

2. Membership

2.1 The Council shall consist of a maximum of 15 members, recommended by the Nominations and Governance Committee. Membership is constructed of 3 working members, 2 corporate external members, 1 individual external member and 9 nominated members (including CEO, Chief of Market Performance and CFO)

2.2 Only members shall have the right to attend meetings. Other individuals, such external advisers, may be invited when appropriate.

3. Independence and Conflicts of Interest

3.1 To protect the integrity of oversight and decision-making:

- Members shall act independently and in the best interests of the Society.
- All actual or potential conflicts of interest shall be disclosed promptly to the Chair, and members shall recuse themselves from decisions where conflicts arise.
- The Council shall maintain a register of interests and review it annually.
- External advisers engaged by the Council shall confirm their independence and disclose any conflicts before appointment.

4. Reserved Matters, Functions Responsibilities and Powers

- 4.1 The Council undertakes tasks necessary or appropriate to discharge its responsibilities as the body with ultimate authority under the Lloyd’s Acts 1871–1982.
- 4.2 Subject to its statutory functions and powers, the Council’s functions, powers, and procedures are set out in:
- a. The Constitutional Requirements** (in the Constitutional Arrangements Byelaw), which provide for:
- i. the composition of the Council;
 - ii. the duties and responsibilities of Council members;
 - iii. the procedural requirements for Council meetings.
- b. The Council Governance Policies** (“the Policies”), which govern how the Council manages its own activities.
- c. These Terms of Reference**, which list matters reserved to the Council and set out certain ancillary matters.
- 4.3 The Council is responsible for ensuring that the Society complies with:
- a. Lloyd’s Acts 1871 to 1982;
 - b. the Financial Services and Markets Act 2000 and its authorisation and permissions.
- 4.4 Only the Council shall perform the functions and exercise any of the powers set out in the attached Schedule of Reserved Matters.
- 4.5 The Council’s responsibilities shall include:

Category	Power
Powers reserved to the Council under Lloyd’s Acts	a. the making, amendment or revocation of any byelaw or regulation and the convening of a general meeting of the Society under section 6(4) of Lloyd’s Act 1982 following the service of a notice signed by not less than 500 members requesting that a byelaw, or amendment or revocation of a byelaw be submitted to the members
	b. confirming, modifying or granting dispensation in respect of any penalty or sanction imposed by a Disciplinary Committee or the Appeal Tribunal
	c. appointing the Chair and Deputy Chairs of the Council; appointing nominated members of the Council
Powers which can only be exercised by a special resolution	d. Any power which must be exercised by a special resolution of the Council including –
	i. the appointment and removal of the Members’ Ombudsman and any Deputy Members’ Ombudsman under the Members’ Ombudsman Byelaw;
	ii. the prescription of contributions to the Central Fund under paragraph 3 of the Central Fund Byelaw: The amounts of contributions and the manner of calculating such amounts; the date or dates on which such contributions shall be payable and exempting any member or class of member from making contributions;
	iii. the prescription of contributions to the New Central Fund under paragraph 4 of the New Central Fund Byelaw: The

	levying of a special contribution; the amounts of annual contributions and of any special contributions and the date or dates on which such contributions shall be payable; the amounts of any callable contributions and exempting any member or class of member from making contributions;
	iv. the prescription of the amounts of entrance fees and annual subscriptions, the manner of calculating such amounts and the dates and manner for paying such amounts under paragraph 2(4) of the Membership (Entrance Fees and Annual Subscriptions) Byelaw and measures taken in connection with the non-payment of such payments under paragraph 4 of that byelaw;
	v. sanctioning of agreements with members to limit their contributions to the Central Fund and the New Central Fund under paragraph 2(3) of the Membership, Central Fund and Subscriptions (Miscellaneous Provisions) Byelaw;
	vi. the making of rules for the Members and Underwriting Agents Tier 1 and Tier 2 Arbitration Schemes under paragraph 1 of the Lloyd's Arbitration Scheme (Members and Underwriting Agents Arbitration Scheme) Byelaw; and
	vii. the suspension of a person as a member of the Council, the Committees of Council or a member of any sub-committee or other body of persons appointed by the Council or Committee in accordance with the Constitutional Requirements.
Powers under specific byelaws	e. convening a general meeting of the Society under Part 5 of the Constitutional Requirements
	f. under Part 4 of the Constitutional Requirements to set a term of office for a member of Council (paragraph 5.1 of the Constitutional Requirements); to make rules, directions or requirements for the proper and orderly conduct of an election in respect of any vacancy that arises or is due to arise on the Council (paragraph 5.2); to set a timetable in respect of any election (paragraph 5.3); to declare that a Council member's membership of Council shall cease or be suspended (paragraph 5.29).
Powers reserved to the Council under deeds, instruments etc.	g. any power which must be exercised by the Council in accordance with the provisions or terms of any deed, instrument or contract
Strategic plan and budget	h. setting Lloyd's strategy with the objective of ensuring that the strategy represent a satisfactory means of achieving the Corporation Purpose subject to and in accordance with the Council Limitations
	i. setting the Corporation budget
Appointment of Committees and delegation of authority	j. the delegation of any powers of Council or amending or revoking any delegation pursuant to paragraphs 4.2 and 4.3 of the Constitutional Requirements;
	k. the appointment of the Committees of the Council and delegation of authorities to those bodies
	l. the appointment of the members of the Committees of the Council and the Appeal Tribunal, and the agreement of a list

	of alternate third party capital nominee and LMA nominee members for use in accordance with the Capacity Transfer Panel's terms of reference
Society of Lloyd's financial statements, accounts and related sustainability disclosures	m. confirmation that the Society of Lloyd's is a going concern
	n. Approval of: i. the Society of Lloyd's Annual Report (including the declaration as to the effectiveness of the material controls as at the balance sheet date); ii. the Interim Report; iii. the annual Lloyd's Aggregate Accounts; iv. any sustainability disclosures as contained in the Lloyd's Annual Report or Sustainability Report from time to time.
Other reserved functions	o. the setting of policy and principles relating to the supervision, regulation and direction of insurance business at Lloyd's which are of general application to the market or to any part of the market (the Market Supervision Framework). The Market Supervision Framework shall be set in accordance with the PRA and/or FCA's requirements
	p. the setting of prudent policy and principles in order to ensure that members of the Society maintain financial resources which are adequate to meet their liabilities and to protect against the risk that the Society and its members may not have adequate financial resources to meet claims which be set in accordance with the PRA and/or FCA's requirements and shall include the setting of capitalisation ratios, members' risk based capital requirements and the relationship between capitalisation at member level and the New Central Fund
	q. the setting of policy and principles with regard to the admission and the removal of participants in the Lloyd's market
	r. considering and approving Lloyd's risk appetite (both at Corporation and market level)
	s. permitting a company to act as an underwriting agent and withdrawing that permission (other than where the underwriting agent in question consents to the withdrawal)
	t. making, amending and revoking Standards for underwriting agents
	u. approving the Lloyd's Society level capital requirements
	v. approving Tier one and Solvency II Tier two policies as required from time to time together with the Council Diversity policy.
	w. approving strategy relating to Lloyd's culture and related action plans and any other external commitments.
	x. approving the investment objectives and/or parameters of the Lloyd's central fund (including but not limited to the strategic asset allocation, the tactical asset allocation ranges and the underlying investment risk appetite).
	y. approving any investment exclusions applying to the Lloyd's central fund and determining the Society's approach

	to investment stewardship.
	z. approving any changes to the operating model of the Lloyd's investment platform.
	aa. overseeing Lloyd's Responsible Business and Community Engagement activities, maintaining the Council's relationship with the Lloyd's of London Foundation while respecting its independence, including approving the Foundation's annual budget, and approving Lloyd's Modern Slavery Statement.

5. Advice

- 5.1 The Council shall be authorised to obtain, at the Corporation's expense, external professional advice on any matters within its terms of reference. Where the Council considers that it requires external legal advice, the Chair or Secretary to the Council shall, prior to seeking that advice, liaise with the General Counsel (unless the role holder is considered to be conflicted).

6. Duties of the Council and Chair

- 6.1 The Chair shall oversee the performance of the Council in accordance with its terms of reference.
- 6.2 Members of the Council are subject to duties and responsibilities as set out in Part 3 of the Constitutional Requirements.
- 6.3 The Chair shall attend the Annual General Meeting prepared to respond to members' questions on the Council's activities.
- 6.4 The Council shall review and reassess its terms of reference on an annual basis.
- 6.5 The Council may appoint committees, panels, boards, and individuals to whom it delegates powers or through whom it acts, where such appointments are considered efficient or necessary. The Council shall delegate authority to:
- a. the Chair and Deputy Chair of Lloyd's and of the Council;
 - b. each of the Committees of the Council; and
 - c. the Chief Executive Officer,
- for the purposes set out in their respective terms of reference and to perform such functions and exercise such powers in accordance with those terms.
- 6.6 The Council shall, from time to time, appoint members of its Committees and maintain a list of alternate third-party capital nominee and LMA nominee members for use under the Capacity Transfer Panel's terms of reference, having regard to advice from the Nominations & Governance Committee and, for alternate members, the Chair of the Capacity Transfer Panel.
- 6.7 The Council shall, subject to the Lloyd's Acts, determine the terms of office for:
- a. members of the Council; and
 - b. members of the Committees of the Council,
- having regard to advice from the Nominations & Governance Committee and, where relevant, the provisions of the Constitutional Requirements.
- 6.8 The Council may at any time remove a member of any Committee of the Council.

7. Meetings and Decision Making

- 7.1 The Council shall ordinarily meet eight times per year and additionally as required by the Chair, Deputy Chairs, or any five members.
- 7.2 The Council will dedicate part of at least one meeting each year to discussing and evaluating macro issues affecting the international insurance market, including related economic, political, and social factors and other external matters that may influence Lloyd's long-term development and achievement of the Corporation Purpose (as defined in the Policies).
- 7.3 Meetings shall be called by the Council Secretariat, or at the request of the Chair. Unless otherwise agreed, with reasonable notice of each meeting confirming the venue, time, and date together with an agenda shall be sent to all members no later than five working days before the meeting where reasonably possible. Supporting papers shall usually be sent at the same time.
- 7.4 A quorum shall consist of seven members, including at least three nominated and three non-nominated members. Meetings with a quorum present shall have full authority to exercise all powers delegated to the Council.
- 7.5 Members shall be considered present if they can be heard by all participants via virtual meeting, telephone, or similar means. Such members may vote and count toward the quorum.
- 7.6 Decisions within meetings shall be made by a simple majority of members present, with the Chair having a casting vote in the event of a tie.
- 7.7 Where impracticable to convene a meeting, papers may be circulated to all members and any decision confirmed in writing by the appropriate number of members required, including the Chair, shall be valid as if made at a duly convened meeting, provided no member objects. Such decisions shall be reported at the next meeting.
- For a special resolution: It must be agreed by a majority of both all the working members of the Council for the time being and all the members for the time being of the Council who are not working members.
 - For any other (ordinary) resolution via paper meeting: It must be agreed by not less than seven members of the Council, of which at least three are not nominated members of the Council.
- 7.8 The Secretary shall minute the proceedings and resolutions of all meetings, including attendees, and circulate the minutes to all members.

8. Other Matters

- 8.1 The Council shall:
- a. Have access to sufficient resources to carry out its duties, including access to other individuals and the Council Secretariat function for assistance as required.
 - b. Be provided with appropriate and timely training.
 - c. Ensure compliance with applicable laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant

provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.

- 8.2 Members of the Council are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

Section 2

2.1 The Committees of the Council

2.1.1 Nominations & Governance Committee

The Nominations & Governance Committee supports the Council by overseeing governance arrangements, appointments, succession planning, and people and culture initiatives to ensure effective leadership and compliance with best practice standards.

1. Membership

- 1.1 The Committee shall consist of the number of members confirmed by the Council annually. Members shall be drawn from the Council, except that the Chief Executive Officer and other executive directors shall not be members. The number of independent members appointed to the Committee shall be equal to, or exceeding, the number of elected members.
- 1.2 Only Committee members shall have the right to attend meetings. The Chief Executive Officer shall normally attend, except when succession planning for that role is discussed. Other individuals, such as the Chief People Officer, the Chair of Lloyd's Insurance Company, and external advisers, may be invited when appropriate.
- 1.3 Appointments to the Committee shall be made by the Council.
- 1.4 The Council shall appoint the Chair of Lloyd's as Chair of the Committee. In the Chair's absence, members present shall elect one of themselves to chair the meeting. The Chair shall not chair the Committee when considering succession to the Chair's position but shall otherwise be responsible for chairing and overseeing the Committee.

2. Independence and Conflicts of Interest

- 2.1 To protect the integrity of oversight and decision-making:
- Members shall act independently and in the best interests of the Society.
 - All actual or potential conflicts of interest shall be disclosed promptly to the Chair, and members shall recuse themselves from decisions where conflicts arise.
 - The Committee shall maintain a register of interests and review it annually.
 - External advisers engaged by the Committee shall confirm their independence and disclose any conflicts before appointment.

3. Functions, Responsibilities and Powers

- 3.1 The Committee's responsibilities shall include:

Category	Power
Governance Arrangements	a. Review governance arrangements and leadership needs of the Society and its subsidiaries.
	b. Monitor strategic issues and commercial developments affecting Lloyd's, the wider market, and the global insurance industry.
Chair and Chief Executive Officer	c. Recommend candidates to the Council for election as Chair of Lloyd's and for the roles of Chief Executive Officer, Chief Financial Officer, and Chief of Market Performance.
	d. When identifying a candidate for election as Chair of

	Lloyd's, prepare a job specification including expected time commitment. The candidate's other significant commitments shall be disclosed to the Council before election, and any changes reported as they arise.
Nominated Members of the Council	e. Recommend candidates to the Council for appointment as nominated members, taking into account the Council's skills, knowledge, and experience.
	f. Review the Council's performance evaluation insofar as it relates to its composition.
Members of Committees of Council	g. Recommend candidates to the Council for appointment as members of Committees and, in consultation with the Chair of the Capacity Transfer Panel, propose a list of alternate Panel members.
Other Appointments	h. Recommend candidates for appointments required under the Lloyd's Acts, byelaws, or any deed, instrument, or contract, including (but not limited to) the President and any other members of the Lloyd's Appeal Tribunal, the Lloyd's Members' Ombudsman and any Deputy Ombudsman, and trustees of the Lloyd's of London Foundation.
	i. Recommend candidates for appointment to the LIC Board of Directors, including the Chief Executive Officer and executive directors.
Reappointments	j. Consider the reappointment of any person as Chair of Lloyd's or as a nominated Council member at the end of their term, having due regard to their performance and continued ability to contribute based on the required knowledge, skills, and experience.
The Executive	k. While appointments of Executive Team members who are not Council members shall be the responsibility of the Chief Executive Officer in consultation with the Chair of Lloyd's, the Chief Executive Officer shall also liaise with the Committee.
	l. On the advice of the Chief Executive Officer and in consultation with the Chair of Lloyd's, recommend to Council the person to be appointed as Secretary to the Council.
Succession Planning	m. Develop succession plans for key leadership roles, including the Chair of Lloyd's, Chief Executive Officer, nominated Council members, executive directors, and LIC Board members, taking into account future challenges, opportunities, and required skills.
Governance	n. Monitor and, at least annually, review the effectiveness of the governance structure, policies, and practices of the Society, taking into account best practice.
	o. Monitor developments in investor ESG expectations.
	p. Coordinate with other Committees and Groups of the Council as appropriate.
	q. Conduct periodic performance reviews of the Council and its Committees
Culture and Diversity	r. Review, challenge, and recommend to Council for approval, submissions on Lloyd's People strategy and

	related action plans (including from the Market Practices and Policies survey), and any other external commitments.
	s. Review the Council Diversity Policy and recommend any changes to the Council for approval at least annually.
Other	t. Consider such other matters as the Council may refer to the Committee from time to time.

4. Advice

- 4.1 The Committee shall be authorised to obtain, at the Corporation's expense, external professional advice on any matters within its terms of reference. Where the Committee considers that it requires external legal advice, the Chair or Secretary to the Committee shall, prior to seeking that advice, liaise with the General Counsel (unless the role holder is considered to be conflicted).

5. Duties of the Committee and Chair

- 5.1 The Committee shall perform its functions in accordance with Council Limitations and shall be accountable to the Council for their proper execution. It shall have all necessary powers of the Council, except those reserved to the Council, to discharge its responsibilities.
- 5.2 The Chair shall oversee the performance of the Committee in accordance with its terms of reference.
- 5.3 Members of the Committee shall be subject to the same duties and responsibilities as Council members (as set out in Part 3 of the Constitutional Requirements).
- 5.4 The Chair shall attend the Annual General Meeting prepared to respond to members' questions on the Committee's activities.
- 5.5 The Committee shall review and reassess its terms of reference on an annual basis.
- 5.6 Before recommending candidates for appointment to the Council, the Committee shall evaluate the balance of skills, knowledge, experience, and diversity on the Council and, based on this, prepare a role description and required capabilities for the appointment. In identifying suitable candidates, the Committee shall:
- a. Use open advertising and/or the services of external advisers to facilitate the search.
 - b. Consider candidates from a wide range of backgrounds.
 - c. Assess candidates on merit and against objective criteria, with due regard for the benefits of diversity, including gender, ensuring appointees have sufficient time to devote to the role.
 - d. Identify and nominate the best candidates for appointment.
 - e. Ensure the Council, as a whole, contains significant insurance and reinsurance knowledge and expertise.

6. Meetings and Decision Making

- 6.1 The Committee shall ordinarily meet three times per year and additionally as required by the Committee Chair (or in their absence, the Deputy Committee Chair) or the Council.
- 6.2 Meetings shall be called by the Committee secretary (Head of Secretariat & Governance) at the request of the Chair or where directed by the Council. Unless

otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda shall be sent to all members no later than five working days before the meeting. Supporting papers shall usually be sent at the same time.

- 6.3 A quorum shall consist of three members. Meetings with a quorum present shall have full authority to exercise all powers delegated to the Committee.
- 6.4 Members shall be considered present if they can be heard by all participants via virtual meeting, telephone, or similar means. Such members may vote and count toward the quorum.
- 6.5 Decisions shall be made by a simple majority of members present, with the Chair having a casting vote in the event of a tie. Where impracticable to convene a meeting, papers may be circulated to all members and any decision confirmed in writing by at least four members, including the Chair, shall be valid as if made at a duly convened meeting, provided no member objects. Such decisions shall be reported at the next meeting.
- 6.6 The Secretary shall minute the proceedings and resolutions of all meetings, including attendees, and circulate the minutes to all members.

7. Reporting

- 7.1 The Committee shall provide a report to the Council on its proceedings after each meeting and make any recommendations it considers appropriate and produce a summary for inclusion in the Annual Report covering its activities and the appointment process, including the use of external advice or open advertising.

8. Other Matters

- 8.1 The Committee shall:
 - a. Have access to sufficient resources to carry out its duties, including access to other individuals and the Council Secretariat function for assistance as required.
 - b. Be provided with appropriate and timely training.
 - c. Ensure compliance with applicable laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.
- 8.2 Members of the Committee shall be entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

2.1.2 Remuneration Committee

The Remuneration Committee supports the Council by overseeing remuneration policies, incentive schemes, pensions, benefits, and related governance matters to ensure fair, transparent, and performance-driven reward structures aligned with Lloyd's purpose, values, and regulatory requirements.

1. Membership

- 1.1 The Committee shall consist of the number of members recommended by the Nominations and Governance Committee and confirmed by the Council annually. Members shall be drawn from the Council, except that the Chief Executive Officer and other executive directors shall not be members. The number of independent members appointed to the Committee shall be equal to, or exceeding, the number of elected members.
- 1.2 Only Committee members shall have the right to attend meetings. The Chief Executive Officer shall normally attend, except when the Remuneration for that role is discussed. No-one shall be involved in any discussion or decision of the Remuneration Committee regarding their own remuneration or in the evaluation of their own performance. Other individuals, such as the Chief People Officer, and external advisers, may be invited when appropriate.
- 1.3 Appointments to the Committee shall be made by the Council, on the recommendation of the Nominations & Governance Committee.
- 1.4 The Council shall appoint the Chair of the Committee from among its members. In the Chair's absence, members present shall elect one of themselves to chair the meeting. The Chair of Lloyd's shall be a member, but not the Chair of the Committee.

2. Independence and Conflicts of Interest

- 2.1 To protect the integrity of oversight and decision-making:
- Members shall act independently and in the best interests of the Society.
 - All actual or potential conflicts of interest shall be disclosed promptly to the Chair, and members shall recuse themselves from decisions where conflicts arise.
 - The Committee shall maintain a register of interests and review it annually.
 - External advisers engaged by the Committee shall confirm their independence and disclose any conflicts before appointment.

3. Functions, Responsibilities and Powers

- 3.1 The Committee's responsibilities shall include:

Category	Power
Remuneration policy	a. review and make recommendations to the Council as to the framework or broad policy for the remuneration of the Chair of Lloyd's, the Chief Executive Officer, the executive directors, any other direct reports of the Chief Executive Officer and such other members of the senior leadership or other persons (including individual consultants) as it is designated to consider or where their remuneration levels are above such thresholds as the committee may from time to time determine;

	<p>b. in reviewing such policy, the Remuneration Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements, including any applicable provisions and recommendations in the UK Corporate Governance Code and associated guidance. The objective of such policy shall be to ensure those subject to the policy are provided with appropriate incentives measured against appropriate metrics to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Corporation and of the Lloyd's market as a whole;</p>
	<p>c. to approve the list of Solvency II staff and ensure that the remuneration policy incorporates specific arrangements for Solvency II staff which meet the relevant criteria set out in the Solvency II regulation and any associated guidance from the Prudential Regulation Authority;</p>
	<p>d. within the terms of the remuneration policy and in consultation with the Council, the Chair of Lloyd's and/or the Chief Executive Officer, as appropriate, to set the total individual remuneration package, including any bonuses and incentive payments, of the Chair of Lloyd's, the Chief Executive Officer, each executive director, any other direct reports of the Chief Executive Officer and such other members of the senior leadership or other persons (to include named SMCR roles, all roles defined as Solvency II staff for remuneration purposes and individual consultants) as it is designated to consider or where their remuneration levels are above such thresholds as the committee may from time to time determine;</p>
	<p>e. to obtain reliable, up-to-date information about remuneration in other companies (including companies in the Lloyd's market) and in this regard the Remuneration Committee may appoint remuneration consultants or commission or purchase any relevant reports (subject to any budgetary restraints imposed by the Council);</p>
	<p>f. to liaise with the Risk Committee on the alignment of risk and remuneration, to ensure that risk and risk culture are properly considered in developing the remuneration policy and risk weightings are appropriately applied to performance objectives incorporated in senior management remuneration. The Chief Risk Officer will be invited to attend meetings to provide input into the remuneration policy and process. When consideration is given to incentive risk adjustments:</p>
	<p>i. the Remuneration Committee will consider reports from the Chief Risk Officer, the Head of Internal Audit and the Chief Financial Officer; and</p>
	<p>ii. a member of the Risk Committee will attend the Remuneration Committee (as a member of the Remuneration Committee or otherwise) ensuring that the</p>

	process takes into account all relevant risk matters.
	g. to appoint and set the terms of reference for any remuneration consultants who advise the Remuneration Committee;
Incentive schemes	h. to oversee the operation of and make any amendments to any incentive schemes operated by the Corporation including the Lloyd's Bonus Scheme and agree any new schemes;
Pensions and other benefits	i. to consider the policy for, and scope of, pension arrangements for the Chief Executive Officer, each of the executive directors, any other direct reports of the Chief Executive Officer and such other members of the senior leadership or other persons as it is designated to consider or where their remuneration levels are above such thresholds as the committee may from time to time determine;
	j. to advise on any major changes in employee benefits structures throughout the Corporation (and its subsidiaries) and to review any proposed annual percentage increase in salary for all Corporation employees (including employees of Corporation subsidiaries);
	k. to consider whether incentive schemes drive behaviours consistent with Lloyd's purpose, values and strategy, coordinating with such other Committees and Groups of the Council as appropriate from time to time;
Termination	l. to oversee any contractual terms on termination of employment of the Chair of Lloyd's, the Chief Executive Officer, an executive director, any other direct report of the Chief Executive Officer and any non-standard terms for such other members of the senior leadership, and any payments made, to ensure that they are fair to the individual and the Corporation and that failure is not rewarded. The Chair shall individually oversee contractual terms on termination of employment for such other members of the senior leadership where standard exit terms are proposed, reporting outcomes to the Committee at the next meeting;
Evaluation	m. to review annually the performance of the Chair, the Chief Executive Officer, the executive directors, any other direct reports of the Chief Executive Officer and such other members of the executive management or other persons as it is designated to consider or where their remuneration levels are above such thresholds as the committee may from time to time determine;
Other advice	n. remuneration of members of the Council and its committees (other than where those members are executive directors) is a matter for Council on the recommendation of the Chair of Lloyd's and the Chief Executive Officer. The Chair of Lloyd's and the Chief Executive Officer may liaise and consult with the Remuneration Committee in this regard as they think appropriate; and
	o. to consider such other matters as the Council may from time to time refer to the Remuneration Committee.

Governance	p. conduct periodic performance reviews and, at least annually, review its terms of reference to ensure effectiveness, recommending any necessary changes to the Council for approval.
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4. Advice

- 4.1 The Committee shall be authorised to obtain, at the Corporation's expense, external professional advice on any matters within its terms of reference. Where the Committee considers that it requires external legal advice, the Chair or Secretary to the Committee shall, prior to seeking that advice, liaise with the General Counsel (unless the role holder is considered to be conflicted).

5. Duties of the Committee and Chair

- 5.1 The Committee shall perform its functions in accordance with Council Limitations and shall be accountable to the Council for their proper execution. It shall have all necessary powers of the Council, except those reserved to the Council, to discharge its responsibilities.
- 5.2 The Chair shall oversee the performance of the Committee in accordance with its terms of reference, including the development and implementation of Lloyd's remuneration policies and practices.
- 5.3 Members of the Committee shall be subject to the same duties and responsibilities as Council members (as set out in Part 3 of the Constitutional Requirements).
- 5.4 The Chair shall attend the Annual General Meeting prepared to respond to members' questions on the Committee's activities.
- 5.5 The Committee shall review and reassess its terms of reference on an annual basis.

6. Meetings and Decision Making

- 6.1 The Committee shall ordinarily meet two times per year and additionally as required by the Committee Chair (or in their absence, the Deputy Committee Chair) or the Council. Due to the nature of the Committee, ad-hoc meetings are expected for the approval of individual remuneration packages.
- 6.2 Meetings shall be called by the Council Secretariat, or Committee Secretary (Head of Remuneration), at the request of the Chair or where directed by the Council. Unless otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda shall be sent to all members no later than five working days before the meeting. Supporting papers shall usually be sent at the same time.
- 6.3 A quorum shall consist of three members. Meetings with a quorum present shall have full authority to exercise all powers delegated to the Committee.
- 6.4 Members shall be considered present if they can be heard by all participants via virtual meeting, telephone, or similar means. Such members may vote and count toward the quorum.
- 6.5 Decisions shall be made by a simple majority of members present, with the Chair having a casting vote in the event of a tie. Where impracticable to convene a meeting, papers

may be circulated to all members and any decision confirmed in writing by at least four members, including the Chair, shall be valid as if made at a duly convened meeting, provided no member objects. Such decisions shall be reported at the next meeting.

- 6.6 The Secretary shall minute the proceedings and resolutions of all meetings, including attendees, and circulate the minutes to all members.

7. Reporting

- 7.1 The Committee shall provide a report to the Council on its proceedings after each meeting and make any recommendations it considers appropriate and produce a report on the Corporation's remuneration policy and practices for inclusion in the Annual Report to be considered at the Annual General Meeting.

8. Other Matters

- 8.1 The Committee shall:
- a. Have access to sufficient resources to carry out its duties, including access to other individuals and the Council Secretariat function for assistance as required.
 - b. Be provided with appropriate and timely training.
 - c. Ensure compliance with applicable laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.
- 8.2 Members of the Committee are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

2.1.3 Risk Committee

The Risk Committee supports the Council by overseeing the identification, evaluation, and management of material risks to Lloyd's objectives, ensuring effective risk governance and compliance with best practice standards.

1. Membership

- 1.1 The Committee shall consist of the number of members recommended by the Nominations and Governance Committee and confirmed by the Council annually. Members shall be drawn from the Council, except that the Chief Executive Officer and other executive directors shall not be members. The number of independent members appointed to the Committee shall be equal to, or exceeding, the number of elected members.
- 1.2 Only Committee members shall have the right to attend meetings. The Chief Executive Officer, the Chief Risk Officer, Chief Financial Officer, Chief of Market Performance, Chief of Market Oversight and Internal Audit Director shall normally attend. Other individuals, such external advisers, may be invited when appropriate.
- 1.3 Appointments to the Committee shall be made by the Council, on the recommendation of the Nominations & Governance Committee.
- 1.4 The Council shall appoint the Chair of the Committee from among its members and the Committee Chair may appoint a deputy. In the absence of both the Chair and an appointed deputy, members present shall elect one of themselves to chair the meeting.

2. Independence and Conflicts of Interest

- 2.1 To protect the integrity of oversight and decision-making:
 - Members shall act independently and in the best interests of the Society.
 - All actual or potential conflicts of interest shall be disclosed promptly to the Chair, and members shall recuse themselves from decisions where conflicts arise.
 - The Committee shall maintain a register of interests and review it annually.
 - External advisers engaged by the Committee shall confirm their independence and disclose any conflicts before appointment.

3. Functions, Responsibilities and Powers

- 3.1 The purpose of the Committee is to assist the Council in its oversight duties in respect of the identification of and control by the management of material risks to the objectives of Lloyd's. This encompasses the processes undertaken by management to identify, evaluate and mitigate the material risks to the objectives including, but not limited to, insurance risk, investment risk, credit risks, liquidity risk, operational risk, and regulatory risk in respect of the Corporation (including global offices), its insurance subsidiaries and the aggregate market and thematic risks which could affect the Lloyd's market or the Society as a whole. In carrying out its role, the Committee will take into account the relevant work of the Investment Committee, the Audit Committee and relevant insurance subsidiary committees.
- 3.2 The Committee's responsibilities shall include:

Category	Power
Risk Appetite and Limits	a. monitor quarterly and review at least annually the risk appetite and risk limits and make recommendations as to their appropriateness to the Council. Risks arising in the market are to be considered on an individual syndicate level as well as aggregate for the market;
Capital and Regulatory Requirements	b. review and make recommendations to the Council regarding Lloyd's regulatory and economic capital requirements;
Market Oversight and ORSA	c. review and make recommendations to the Council regarding the Corporation's annual 'market oversight plan' determining the priorities for the oversight of the market based on current and prospective risks;
	d. on a quarterly basis to review and annually to recommend to the Council for approval the ORSA report;
Internal Model and Stress Testing	e. review and consider the appropriateness of the design and methodologies associated with the 'Lloyd's Internal Model' (LIM) including stress and scenario testing and the results of the independent validation of the LIM, and to make such reports and recommendations to the Council regarding proposed changes (including major model change applications), stress and scenario testing, or other actions in relation to the LIM as appropriate;
Annual Risk Plan	f. review and approve the Corporation's annual risk plan and to monitor the progress against the plan respectively;
Risk Framework and Controls	g. review management's proposals for the global risk management framework and associated internal control and make recommendations as to its adoption or otherwise;
	h. review reports from management and management level risk committees regarding their oversight of any heightened or material risks, and on any material breaches of risk limits and the adequacy of proposed action;
Emerging and Strategic Risks	i. review management's assessment of emerging and strategic risks, including (but not limited to) risks relating to climate.
Remuneration Risk Alignment	j. review and approve the CRO's qualitative advice to the Remuneration Committee on risk weightings to be applied to performance objectives incorporated in senior management remuneration;
Annual Compliance Planning	k. review and approve the Corporation's annual compliance plan and monitor the progress against the plan respectively. Ensure that appropriate arrangements are in place to ensure that the Corporation's activities are in compliance with relevant laws and regulations;
Risk Appetite Framework	l. review and oversee the impact of climate change risks on the Lloyd's Risk Appetite Framework when undertaking any of the functions set out in these terms of reference, coordinating with such other Committees and Groups of the Council as appropriate from time to time.

4. Advice

- 4.1 The Committee shall be authorised to obtain, at the Corporation's expense, external professional advice on any matters within its terms of reference. Where the Committee considers that it requires external legal advice, the Chair or Secretary to the Committee shall, prior to seeking that advice, liaise with the General Counsel (unless the role holder is considered to be conflicted).

5. Duties of the Committee and Chair

- 5.1 The Committee shall perform its functions in accordance with Council Limitations and shall be accountable to the Council for their proper execution. It shall have all necessary powers of the Council, except those reserved to the Council, to discharge its responsibilities.
- 5.2 The Chair shall oversee the performance of the Committee in accordance with its terms of reference.
- 5.3 Members of the Committee shall be subject to the same duties and responsibilities as Council members (as set out in Part 3 of the Constitutional Requirements).
- 5.4 The Chair shall attend the Annual General Meeting prepared to respond to members' questions on the Committee's activities.
- 5.5 The Committee shall review and reassess its terms of reference on an annual basis.
- 5.6 The Risk Committee will liaise with the Remuneration Committee on the alignment of risk and remuneration to ensure that risk and risk culture are properly considered in setting remuneration. The Risk Committee will consider if risk adjustments to individual senior management remuneration (including but not limited to bonuses) should be proposed to the Remuneration Committee as part of the annual performance assessment. The Chief Risk Officer (CRO) will be invited to attend meetings of the Remuneration Committee to provide input into the remuneration policy and process. When consideration is given to remuneration adjustments:
- I. the Risk Committee will consider any reports from members of the Risk Committee who also attend the Remuneration Committee;
 - II. the Risk Committee will review and approve the CRO's advice to the Remuneration Committee on risk weightings to be applied to performance objectives incorporated in senior management remuneration; and
 - III. a member of the Risk Committee will attend the Remuneration Committee (as a member of the Remuneration Committee or otherwise) ensuring that the process takes into account all relevant risk matters.

6. Meetings and Decision Making

- 6.1 The Committee shall ordinarily meet six times per year and additionally as required by the Committee Chair (or in their absence, the Deputy Committee Chair) or the Council.
- 6.2 Meetings shall be called by the Council Secretariat, or Committee Secretary, at the request of the Chair or where directed by the Council. Unless otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda shall be sent to all members no later than five working days before the meeting. Supporting papers shall usually be sent at the same time.

- 6.3 A quorum shall consist of two members, at least one of whom shall be a Nominated Member of the Council of Lloyd's. Meetings with a quorum present shall have full authority to exercise all powers delegated to the Committee.
- 6.4 Members shall be considered present if they can be heard by all participants via virtual meeting, telephone, or similar means. Such members may vote and count toward the quorum.
- 6.5 Decisions shall be made by a simple majority of members present, with the Chair having a casting vote in the event of a tie. Where impracticable to convene a meeting, papers may be circulated to all members and any decision confirmed in writing by at least three members, including the Chair or Deputy Chair, shall be valid as if made at a duly convened meeting, provided no member objects. Such decisions shall be reported at the next meeting.
- 6.6 The Secretary shall minute the proceedings and resolutions of all meetings, including attendees, and circulate the minutes to all members.

7. Reporting

- 7.1 The Committee shall provide a report to the Council on its proceedings after each meeting and make any recommendations it considers appropriate and produce a summary for inclusion in the Annual Report covering its activities.

8. Other Matters

- 8.1 The Committee shall:
- a. Have access to sufficient resources to carry out its duties, including access to other individuals and the Council Secretariat function for assistance as required.
 - b. Be provided with appropriate and timely training.
 - c. Ensure compliance with applicable laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.
- 8.2 Members of the Committee are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

2.1.4 Audit Committee

The Audit Committee supports the Council by overseeing the integrity of financial reporting, the effectiveness of internal controls and risk management systems, and the independence and performance of internal and external auditors, ensuring compliance with best practice standards.

1. Membership

- 1.1 The Committee shall consist of the number of members recommended by the Nominations and Governance Committee and confirmed by the Council annually. Members shall be drawn from the Council, except that the Chief Executive Officer and other executive directors shall not be members. The number of independent members appointed to the Committee shall be equal to, or exceeding, the number of elected members.
- 1.2 Only Committee members shall attend meetings. The Chief Executive Officer, Chief Financial Officer, and Chief Accountant shall normally attend. Other individuals, such as external advisers, may be invited when appropriate.
- 1.3 Appointments to the Committee shall be made by the Council, on the recommendation of the Nominations & Governance Committee.
- 1.4 The Council shall appoint the Chair of the Committee from among its members and the Committee Chair may appoint a deputy. In the absence of both the Chair and an appointed deputy, members present shall elect one of themselves to chair the meeting.

2. Independence and Conflicts of Interest

- 2.1 To protect the integrity of oversight and decision-making:
 - Members shall act independently and in the best interests of the Society.
 - All actual or potential conflicts of interest shall be disclosed promptly to the Chair, and members shall recuse themselves from decisions where conflicts arise.
 - The Committee shall maintain a register of interests and review it annually.
 - External advisers engaged by the Committee shall confirm their independence and disclose any conflicts before appointment.

3. Functions, Responsibilities and Powers

- 3.1 The Committee's responsibilities shall include:

Category	Power
Financial Activities and Solvency	a. ensure that the financial activities of the Corporation and its subsidiaries (the 'Corporation') are subject to independent review and audit ensuring in particular that proper procedures are in place for the management of costs, the maximisation of revenue and the protection of the assets of the Corporation, the Central Fund and the New Central Fund;
	b. review the ongoing solvency position and central cash resources of Lloyd's;
Reporting	c. review the Society of Lloyd's Annual Report and financial statements prior to recommending them for approval to the Council, with particular focus on:
	i. accounting policies and practices;

	ii. significant judgmental areas;
	iii. significant adjustments resulting from the audit;
	iv. the viability and going concern statements;
	v. compliance with accounting standards;
	vi. the integrity of the financial statements; and
	vii. whether taken as a whole, the content, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Society's position and performance, business model and strategy.
	viii. review the interim financial statements, including their integrity and recommending their approval to the Council;
	ix. review the pro forma financial statements and Aggregate Accounts and recommending their approval to the Council;
	x. review the Lloyd's Return to the PRA;
	xi. review and consider the Society of Lloyd's annual report on the operation and effectiveness of its systems and controls in relation to whistleblowing prior to presentation to the Council;
	xii. oversight of sustainability disclosures and regulatory compliance, including reviewing and recommending any disclosures—such as the annual sustainability report—for Council approval.
External and Internal Audit	d. consider and follow the Audit Committee and the External Audit Minimum Standards insofar as it is applicable to a member-based Society;
	e. consider the appointment or removal of the external auditors, the audit fee, engagement letter and to monitor the Corporation's relationship with its external auditors;
	f. discuss with the external auditors, before the audit commences, the nature and scope of the audit and to review the external audit plan;
	g. review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
	h. develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
	i. review the external auditors' management letters and management's response;
	j. monitor and review the objectivity and effectiveness of the Corporation's Internal Audit function in particular through reviewing and approving the annual Internal Audit plan, to consider any material matters which the Internal Auditors may wish to discuss (in the absence of management where necessary);
	k. to review and approve the Lloyd's Internal Audit Charter;
	l. discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary);
	m. annually assess the performance and effectiveness of the

	External and Internal Auditors.
Risk Management and Internal Control Framework	n. review the Corporation's systems of control, in particular:–
	i. the procedures for identifying business and market risks and controlling the financial impact on the Corporation;
	ii. the Corporation's policies for preventing and detecting fraud; and the operational effectiveness of the relevant controls;
	iii. assisting the Council in monitoring and reviewing the risk management and internal control framework, including an annual review of effectiveness and consideration of any declarations as appropriate.
	o. ensure that appropriate arrangements are in place by which employees may, in confidence, raise whistleblowing concerns relating to possible improprieties relating to the Corporation in matters of financial reporting or other matters;
Other	p. ensure that appropriate arrangements are in place to ensure that the Corporation's activities are in compliance with relevant laws and regulations to the extent relevant to the Committee's activities listed above.

4. Advice

- 4.1 The Committee shall be authorised to obtain, at the Corporation's expense, external professional advice on any matters within its terms of reference. Where the Committee considers that it requires external legal advice, the Chair or Secretary to the Committee shall, prior to seeking that advice, liaise with the General Counsel (unless the role holder is considered to be conflicted).

5. Duties of the Committee and Chair

- 5.1 The Committee shall perform its functions in accordance with Council Limitations and shall be accountable to the Council for their proper execution. It shall have all necessary powers of the Council, except those reserved to the Council, to discharge its responsibilities.
- 5.2 The Chair shall oversee the performance of the Committee in accordance with its terms of reference, including ensuring the independence, autonomy, and effectiveness of Lloyd's whistleblowing policies and protections for employees who raise concerns.
- 5.3 Members of the Committee shall be subject to the same duties and responsibilities as Council members (as set out in Part 3 of the Constitutional Requirements).
- 5.4 The Chair shall attend the Annual General Meeting prepared to respond to members' questions on the Committee's activities.
- 5.5 The Committee shall review and reassess its terms of reference on an annual basis.

6. Meetings and Decision Making

- 6.1 The Committee shall ordinarily meet five times per year and additionally as required by the Committee Chair (or in their absence, the Deputy Committee Chair) or the Council.

- 6.2 Meetings shall be called by the Council Secretariat, or Committee Secretary, at the request of the Chair or where directed by the Council. Unless otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda shall be sent to all members no later than five working days before the meeting. Supporting papers shall usually be sent at the same time.
- 6.3 A quorum shall consist of two members, at least one of whom shall be the Chair, or Deputy Chair, of the Committee. Meetings with a quorum present shall have full authority to exercise all powers delegated to the Committee.
- 6.4 Members shall be considered present if they can be heard by all participants via virtual meeting, telephone, or similar means. Such members may vote and count toward the quorum.
- 6.5 Decisions shall be made by a simple majority of members present, with the Chair having a casting vote in the event of a tie. Where impracticable to convene a meeting, papers may be circulated to all members and any decision confirmed in writing by at least three members, including the Chair or Deputy Chair, shall be valid as if made at a duly convened meeting, provided no member objects. Such decisions shall be reported at the next meeting.
- 6.6 The Secretary shall minute the proceedings and resolutions of all meetings, including attendees, and circulate the minutes to all members.

7. Reporting

- 7.1 The Committee shall provide a report to the Council on its proceedings after each meeting including its review of interim and annual financial statements, the PRA return, and internal controls, and make any recommendations it considers appropriate, and produce a summary for inclusion in the Annual Report covering its activities. The Committee may report to the Council or the Chair of Lloyd's at any other time and must promptly inform them of any material concerns.

8. Other Matters

- 8.1 The Committee shall:
- a. Have access to sufficient resources to carry out its duties, including access to other individuals and the Council Secretariat function for assistance as required.
 - b. Be provided with appropriate and timely training.
 - c. Ensure compliance with applicable laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.
- 8.2 Members of the Committee are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

2.1.5 Technology, Transformation and Innovation Committee

The Technology, Transformation and Innovation Committee supports the Council by overseeing technology, data, AI, transformation, and innovation initiatives to ensure that Lloyd's remains resilient, competitive, and aligned with its purpose, values, and regulatory requirements.

1. Membership

- 1.1 The Committee shall consist of the number of members recommended by the Nominations and Governance Committee and confirmed by the Council annually. Members shall be drawn from the Council, except that the Chief Executive Officer and other executive directors shall not be members.
- 1.2 Only Committee members shall have the right to attend meetings. The Chief Executive Officer and Chief Operating Officer shall normally attend. Other individuals, including relevant third parties and external advisers, may be invited when appropriate.
- 1.3 The Council shall appoint the Chair of the Committee from among its members. In the Chair's absence, members present shall elect one of themselves to chair the meeting.

2. Independence and Conflicts of Interest

- 2.1 To protect the integrity of oversight and decision-making:
 - Members shall act independently and in the best interests of the Society.
 - All actual or potential conflicts of interest shall be disclosed promptly to the Chair, and members shall recuse themselves from decisions where conflicts arise.
 - The Committee shall maintain a register of interests and review it annually.
 - External advisers engaged by the Committee shall confirm their independence and disclose any conflicts before appointment.

3. Functions, Responsibilities and Powers

- 3.1 The Committee's responsibilities shall include:

Category	Details
Technology and Transformation Strategy	a. Oversee and make recommendations to the Council on Lloyd's technology, Data, AI, transformation, and innovation strategy, ensuring alignment with Lloyd's purpose, values, and regulatory requirements.
The future of Market Infrastructure	b. Oversee and make recommendations to the Council on market modernisation initiatives, and digitalisation programmes.
Innovation	c. Consider and review major innovation across the Lloyd's corporation, including the adoption of emerging technologies, data and AI, products and services and digital solutions. Consider where appropriate the role of, and implications for, Lloyd's Corporation in market-wide innovation initiative.
Regulatory Readiness	d. Advise and make recommendations to the Council on Lloyd's readiness for major technology, data, AI, product and transformation milestones, including regulatory notifications and service commencement.
Risk and Resilience	e. Consider material risks associated with technology, data, AI, product, transformation, and innovation programmes as part of decision making and oversight, escalating to the Council Risk Committee and Chief Risk Officer as appropriate.

Reporting	f. Provide regular updates and recommendations to the Council on progress, risks, and issues relating to technology, data, AI, transformation, and innovation.
Governance	g. Conduct periodic performance reviews and, at least annually, review its terms of reference to ensure effectiveness, recommending any necessary changes to the Council for approval.
Other Matters	h. Consider such other matters as the Council may from time to time refer to the Committee.

4. Advice

- 4.1 The Committee shall be authorised to obtain, at the Corporation’s expense, external professional advice on any matters within its terms of reference. Where the Committee considers that it requires external legal advice, the Chair or Secretary to the Committee shall, prior to seeking that advice, liaise with the General Counsel (unless the role holder is considered to be conflicted).

5. Duties of the Committee and Chair

- 5.1 The Committee shall perform its functions in accordance with Council Limitations and shall be accountable to the Council for their proper execution. It shall have all necessary powers of the Council, except those reserved to the Council, to discharge its responsibilities.
- 5.2 The Chair shall oversee the performance of the Committee in accordance with its terms of reference.
- 5.3 Members of the Committee shall be subject to the same duties and responsibilities as Council members (as set out in Part 3 of the Constitutional Requirements).
- 5.4 The Chair shall attend the Annual General Meeting prepared to respond to members’ questions on the Committee’s activities.
- 5.5 The Committee shall review and reassess its terms of reference on an annual basis.

6. Meetings and Decision Making

- 6.1 The Committee shall ordinarily meet seven times per year and additionally as required by the Committee Chair (or in their absence, the Deputy Committee Chair) or the Council.
- 6.2 Meetings shall be called by the Council Secretariat, or Committee Secretary, at the request of the Chair or where directed by the Council. Unless otherwise agreed, notice of each meeting confirming the venue, time, and date together with an agenda shall be sent to all members no later than five working days before the meeting. Supporting papers shall usually be sent at the same time.
- 6.3 A quorum shall consist of three members. Meetings with a quorum present shall have full authority to exercise all powers delegated to the Committee.
- 6.4 Members shall be considered present if they can be heard by all participants via virtual meeting, telephone, or similar means. Such members may vote and count toward the quorum.

6.5 Decisions shall be made by a simple majority of members present, with the Chair having a casting vote in the event of a tie. Where impracticable to convene a meeting, papers may be circulated to all members and any decision confirmed in writing by at least three members, including the Chair, shall be valid as if made at a duly convened meeting, provided no member objects. Such decisions shall be reported at the next meeting.

6.6 The Secretary shall minute the proceedings and resolutions of all meetings, including attendees, and circulate the minutes to all members.

7. Reporting

7.1 The Committee shall provide a report to the Council on its proceedings after each meeting and make any recommendations it considers appropriate.

8. Other Matters

8.1 The Committee shall:

- a. Have access to sufficient resources to carry out its duties, including access to other individuals and the Council Secretariat function for assistance as required.
- b. Be provided with appropriate and timely training.
- c. Ensure compliance with applicable laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.

8.2 Members of the Committee are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

2.2 The Special Committees of the Council

2.2.1 Market Supervision and Review Committee

1. Number and membership of the Market Supervision and Review Committee

1.1 The maximum number of members of the Market Supervision and Review Committee shall be five and shall comprise -

- a. a qualified lawyer who shall be the Chair of the Market Supervision and Review Committee; and
- b. up to four other members with other relevant experience or qualifications (financial, accounting, legal or market) one of whom shall be the Deputy Chair of the Market Supervision and Review Committee.

1.2 Appointments to the Market Supervision and Review Committee are made by the Council.

2. Functions and powers of the Market Supervision and Review Committee

2.1 The functions of the Market Supervision and Review Committee shall be to –

review function

- a. perform the Market Supervision and Review Committee's functions described in Part M of the Underwriting Requirements and in any requirements made under paragraph 51 of the Membership Byelaw (as amended or replaced from time to time);

permission to appeal function

- b. give permission to appeal against decisions made under the Underwriting Byelaw to the Appeal Tribunal under paragraphs 1(b)(iii) and 2(a) of Schedule 1 of the Enforcement Byelaw;

decision making function

- c. exercise the power to terminate a member's membership of the Society under paragraph 47 of the Membership Byelaw and the issuance of any consequential directions, including under paragraphs 40 and 48 of the Membership Byelaw. Where the Market Supervision and Review Committee determines that a member's membership of the Society should be terminated it may, in the alternative, direct that the member ceases or reduces the level of its underwriting business at Lloyd's under paragraph 40(c) of the Membership Byelaw;
- d. consider and determine any matter which the Council or an executive has, in the performance of their functions, referred to the Market Supervision and Review Committee for consideration and determination;

enforcement functions

- e. perform the Council's functions under the Enforcement Byelaw or the requirements made under the byelaw which may include –
- i. ordering an inquiry and nominating the persons who shall conduct the inquiry (paragraph 5 and 6 of the Enforcement Byelaw);
 - ii. requiring the production of a skilled person's report (paragraph 9 of the Enforcement Byelaw);
 - iii. instituting enforcement proceedings (paragraphs 16, 46 and 47 of the byelaw) and nominating the Representative of the Council;
 - iv. determining whether the Council shall exercise its right of appeal from a decision of an Enforcement Tribunal as to any sanction imposed or order as to costs (paragraph 26 of the Enforcement Byelaw);
 - v. making an intervention order under (paragraph 37 of the Enforcement Byelaw);
 - vi. ordering any person who is or was the subject of an inquiry to pay or contribute to the reasonable costs of the inquiry (paragraph 40 of the Enforcement Byelaw);
 - vii. exercising any power or discretion regarding the publication of any decision or order made under the byelaw (paragraph 43 of the Enforcement Byelaw);
- (the Enforcement Functions);
- other than those functions under the Enforcement Byelaw that are reserved to an Enforcement Committee or the Appeal Tribunal or any other matter that is reserved to the Council; and
- f. provide independent advice on the exercise of any powers relating to the Enforcement Functions.

- 2.2 The Market Supervision and Review Committee shall be accountable to the Council for properly fulfilling its functions and the Market Supervision and Review Committee shall have all necessary powers of the Council in order to perform its functions.

3. Reserved functions and powers

- 3.1 Only the Market Supervision and Review Committee shall perform the following functions or exercise any of the following powers –
- a. instituting inquiries;
 - b. instituting enforcement proceedings;
 - c. exercising the Council's right of appeal from a decision of an Enforcement Tribunal;
 - d. making an intervention order;
 - e. terminating a member's membership of the Society under paragraph 47 of the Membership Byelaw, other than under paragraph 47(b);
 - f. giving permission to appeal to the Appeal Tribunal under paragraphs 1(b)(iii)

and 2(a) of Schedule 1 of the Enforcement Byelaw, unless the Council otherwise directs.

4. Supervision and Review Committee

- 4.1 The Market Supervision and Review Committee shall perform all of its functions and exercise all of its powers subject to and in accordance with the Council Limitations and shall as relevant have regard to risk and capital in taking any decision and of any applicable risk appetite.
- 4.2 Members of the Market Supervision and Review Committee shall, as far as appropriate, be subject to the same duties and responsibilities which apply to Council members (as set out in Part 3 of the Constitutional Requirements).

5. Meetings

Frequency

- 5.1 The Market Supervision and Review Committee shall meet at the discretion of the Chair of the Market Supervision and Review Committee or, in his absence, at the discretion of the Deputy Chair of the Market Supervision and Review Committee unless otherwise directed by the Council.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded, unless not reasonably practical, to each member of the committee no later than 5 working days before the date of the meeting. Supporting papers shall be sent to committee members at the same time.

Quorum

- 5.3 The quorum of meetings of the Market Supervision and Review Committee shall be 3 members present of whom at least one shall be the Chair or the Deputy Chair of the Market Supervision and Review Committee.
- 5.4 A member of the Market Supervision and Review Committee entitled to be present at a meeting of the Market Supervision and Review Committee shall be deemed to be present for all purposes if he is able by telephonic device to be heard by all those present or deemed to be present at the meeting simultaneously. A person so deemed to be present shall be entitled to vote and be counted in the quorum accordingly.

Decision

- 5.5 Any decision taken by the Market Supervision and Review Committee shall be made by a simple majority of the members of the Market Supervision and Review Committee present at the meeting provided that in the event of a tie the chair of the meeting shall have the casting vote.

Minutes

- 5.6 Minutes shall be maintained of the proceedings of the Market Supervision and Review

Committee and those minutes shall be submitted promptly to the Secretary to the Council.

Paper meetings

- 5.7 Where it proves impracticable to convene a meeting of the Market Supervision and Review Committee, the papers may be sent to all members of the Market Supervision and Review Committee and any decision made and affirmed in writing by at least 3 of the members of the Market Supervision and Review Committee eligible to vote, one of the votes being that of the Chair or Deputy Chair of the Market Supervision and Review Committee, shall be valid and effective as if it had been made at a meeting of the Market Supervision and Review Committee duly convened and held, provided that no member of the Market Supervision and Review Committee objects to the decision being made by way of a paper meeting. Any decision made by way of a paper meeting shall be reported to the Market Supervision and Review Committee at its next meeting.

6. Power to obtain assistance

- 6.1 In the performance of its functions and in the exercise of its powers the Market Supervision and Review Committee may obtain assistance from any person.
- 6.2 Where the Market Supervision and Review Committee considers that it requires external legal advice, the Secretary to the Market Supervision and Review Committee shall, prior to seeking that advice, liaise with the General Counsel.

7. Reporting

- 7.1 The Market Supervision and Review Committee shall submit a written report to the Council annually.
- 7.2 The Market Supervision and Review Committee may submit reports to the Council at such other times as the Market Supervision and Review Committee or the Chair of the Market Supervision and Review Committee may decide.
- 7.3 The Market Supervision and Review Committee shall ensure that the Council is informed promptly of any matters of material concern to the Market Supervision and Review Committee.

8. Indemnity

- 8.1 Members of the Market Supervision and Review Committee are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

9. Other matters

- 9.1 The Market Supervision and Review Committee shall -
- a. have access to sufficient resources in order to carry out its duties and in exercising its powers, including access to Council Secretariat for assistance as required;

- b. be provided with appropriate and timely training; and
- c. give due consideration to laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.

2.2.2 Capacity Transfer Panel

1. Number and membership of the Capacity Transfer Panel

1.1 Subject to paragraph 1.2, the maximum number of members of the Capacity Transfer Panel shall be seven and shall comprise -

- a. one nominated member of the Council, who shall be the Chair of the Capacity Transfer Panel;
- b. one independent lawyer who shall be the Deputy Chair of the Capacity Transfer Panel;
- c. one independent financial expert;
- d. two LMA nominee members; and
- e. two third party capital nominee members.

1.2 In the event that the Chair of the Capacity Transfer Panel considers that a

- a. third party capital nominee member; and / or
- b. LMA nominee member,

may not properly participate in the consideration of any matter before the Capacity Transfer Panel he may, for the purposes of considering, deciding and voting upon that matter, appoint an alternate third party capital nominee member and / or LMA nominee member from a list of alternates that he shall draw up, maintain and keep under review in agreement with the Council and the Nominations & Governance Committee and in consultation with the Lloyd's Market Association, the Association of Lloyd's Members and the High Premium Group. Where an alternate member is appointed, he shall, for the purpose only of considering, deciding and voting upon that matter, be regarded as a member of the Capacity Transfer Panel.

1.3 Appointments to the Capacity Transfer Panel are made by the Council.

2. Functions and powers of the Capacity Transfer Panel

2.1 The functions of the Capacity Transfer Panel shall be to –

- a. perform the functions of the Council in connection with the application of paragraph 2 of (and schedule 2 to) the Major Syndicate Transactions Byelaw (minority buy-outs);
- b. perform the functions of the Council in connection with the application of paragraph 4 of (and schedule 4 to) the Major Syndicate Transactions Byelaw (syndicate cessations);
- c. perform the functions of the Council in connection with the application of the Mandatory Offer Byelaw;
- d. perform the functions of the Council with regard to the giving of waivers under the Miscellaneous Provisions Byelaw in connection with minority buy-outs, mandatory offers, syndicate cessations and syndicate mergers;
- e. in respect of an application made in accordance with paragraph 1 of (and schedule 1 to) the Major Syndicate Transactions Byelaw (syndicate mergers), the Capacity Transfer Panel shall –

- i. provide independent advice to the Executive in respect of the application where the matter has been referred to the Capacity Transfer Panel at the request of the Executive, the managing agent which made the application, a members' agent, a direct corporate participant of one of the syndicates concerned or (with the consent of the Chair or Deputy Chair of the Capacity Transfer Panel) any member of the Capacity Transfer Panel; or
 - ii. determine the application and grant all relevant consents and exercise all relevant powers of the Council in connection with the application as the Capacity Transfer Panel considers appropriate, where the application has been referred to the Capacity Transfer Panel by the Executive for determination;
- f. advise the Council on any proposed amendments to the rules relating to minority buy-outs, mergers, syndicate cessations and mandatory offers.

2.2 The Capacity Transfer Panel shall have all necessary powers of the Council in order to properly perform its functions.

3. Reserved functions and powers

3.1 Only the Capacity Transfer Panel shall perform the following functions or exercise any of the following powers –

- a. grant permission for a minority buy-out;
- b. consider applications by a person obliged to make a mandatory offer to offer a lower price than that which would be required under the Mandatory Offer Byelaw; and
- c. perform the functions of the Council with regard to the giving of waivers under the Miscellaneous Provisions Byelaw in connection with minority buy-outs and mandatory offers, unless the Council otherwise directs.

4. Duties of the Capacity Transfer Panel and of members of the Capacity Transfer Panel

4.1 The Capacity Transfer Panel shall perform all of its functions and exercise all of its powers subject to and in accordance with the Council Limitations and shall if relevant have regard to risk and capital in taking any decision and of any applicable risk appetite.

4.2 Members of the Capacity Transfer Panel shall, as far as appropriate, be subject to the same duties and responsibilities which apply to Council members (as set out in Part 3 of the Constitutional Requirements).

5. Meetings

Frequency

5.1 The Capacity Transfer Panel shall meet at the discretion of the Chair of the Capacity Transfer Panel or, in his absence, at the discretion of the Deputy Chair of the Capacity Transfer Panel unless otherwise directed by the Council.

- 5.2 Unless otherwise agreed, notice of each meeting, confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded, unless not reasonably practical, to each member of the committee no later than 5 working days before the date of the meeting. Supporting papers shall be sent to committee members at the same time.

Quorum

- 5.3 The quorum of meetings of the Capacity Transfer Panel shall be 3 members present of whom one shall be the Chair or Deputy Chair of the Capacity Transfer Panel, one shall be an LMA nominee member and one shall be a third party capital nominee member.
- 5.4 A member of the Capacity Transfer Panel entitled to be present at a meeting of the Capacity Transfer Panel shall be deemed to be present for all purposes if he is able by telephonic device to be heard by all those present or deemed to be present at the meeting simultaneously. A person so deemed to be present shall be entitled to vote and be counted in the quorum accordingly.

Decisions

- 5.5 On any vote, each member of the Capacity Transfer Panel shall have two votes save in the following cases -
- a. there are two LMA nominee members who will be voting in which case each LMA nominee member shall have one vote;
 - b. there are two third party capital nominee members who will be voting in which case each third party capital nominee member shall have one vote,

and any decision taken by the Capacity Transfer Panel shall be made by a simple majority of votes cast provided that in the event of a tie in the votes cast the chair of the meeting shall have a casting vote.

Minutes

- 5.6 Minutes shall be maintained of the proceedings of the Capacity Transfer Panel and shall be submitted promptly to the Secretary to the Council.

Paper meetings

- 5.7 Where it proves impracticable to convene a meeting of the Capacity Transfer Panel the papers may be sent to the relevant members of the Capacity Transfer Panel and any decision made and affirmed in writing by at least 3 of the members of the Capacity Transfer Panel eligible to vote, one of the votes being that of the Chair or Deputy Chair of the Capacity Transfer Panel, shall be valid and effective as if it had been made at a meeting of the Capacity Transfer Panel duly convened and held, provided that no member of the Capacity Transfer Panel objects to the decision being made by way of a paper meeting. Any decision made by way of a paper meeting shall be reported to the Capacity Transfer Panel at its next meeting.

6. Power to obtain assistance

- 6.1 In the performance of its functions and in the exercise of its powers the Capacity Transfer Panel may obtain assistance from any person.
- 6.2 Where the Capacity Transfer Panel considers that it requires external legal advice, the Secretary to the Capacity Transfer Panel shall, prior to seeking that advice, liaise with the General Counsel.

7. Reporting

- 7.1 The Capacity Transfer Panel shall submit a written report to the Council annually.
- 7.2 The Capacity Transfer Panel may submit reports to the Council at such other times as the Capacity Transfer Panel or the Chair of the Capacity Transfer Panel may decide.
- 7.3 The Capacity Transfer Panel shall ensure that the Council is informed promptly of any matters of material concern to the Capacity Transfer Panel.

8. Indemnity

- 8.1 Members of the Capacity Transfer Panel are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

9. Other matters

- 9.1 The Capacity Transfer Panel shall -
- a. have access to sufficient resources in order to carry out its duties and in exercising its powers, including access to Council Secretariat for assistance as required;
 - b. be provided with appropriate and timely training; and
 - c. give due consideration to laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.

2.2.3 Lloyd's Enforcement Board

1. Number and membership of the Lloyd's Enforcement Board

- 1.1 The maximum number of members of the Lloyd's Enforcement Board shall be 6 and shall comprise –
- a. a lawyer who is not a member of the Society, who shall be the Chair of the Lloyd's Enforcement Board; and
 - b. at least 2 other individuals, one of whom shall be the Deputy Chair of the Lloyd's Enforcement Board and at least one of whom shall be an individual who falls within Section 7, subsection 1A of Lloyd's Act 1982,
- 1.2 Members of the Lloyd's Enforcement Board shall hold office for a term not less than 2 years but not exceeding 3 years from the date of their appointment which may be renewed by the Council for additional terms.
- 1.3 If a member of the Lloyd's Enforcement Board is engaged in the conduct of disciplinary proceedings which have not concluded at the date that his term of office would otherwise expire, he shall continue to be a member, but unless his membership of the Lloyd's Enforcement Board has been renewed his membership of the Lloyd's Enforcement Board shall continue only for the purpose of those enforcement proceedings.
- 1.4 Appointments to the Lloyd's Enforcement Board are made by the Council.

2. Functions, responsibilities and powers of the Lloyd's Enforcement Board

- 2.1 The functions of the Lloyd's Enforcement Board shall be –
- a. to perform the functions reserved to it, or permitted to be performed by it, under the Enforcement Byelaw;
 - b. in respect of any proceedings brought under any byelaw revoked by the Enforcement Byelaw, to act as the Disciplinary Board, and to perform the functions reserved to the Disciplinary Board, or permitted to be performed by the Disciplinary Board, under the revoked byelaw; and
 - c. to appoint panels of persons from whom members of the Enforcement Tribunals may be appointed and to determine the remuneration payable by the Society to the members of such panels.
- 2.2 The Lloyd's Enforcement Board shall have, as a disciplinary committee, all the relevant powers that relate to it under the Lloyd's Acts and Byelaws in order to properly perform its functions. This includes the powers under -
- a. section 7(2) of Lloyd's Act 1982;
 - b. the powers under the Enforcement Byelaw; and
 - c. where relevant the powers available to the Disciplinary Board under the byelaws revoked by the Enforcement Byelaw.

3. Matters reserved to the Lloyd's Enforcement Board

- 3.1 The Lloyd's Enforcement Board shall not appoint any other body or individual to perform its functions or exercise its powers.

4. Meetings

Frequency

- 4.1 The Lloyd's Enforcement Board shall meet at the discretion of the Chair of the Lloyd's Enforcement Board who shall ensure that the Lloyd's Enforcement Board meets as frequently as may be necessary to fulfil its functions pursuant to the Lloyd's Acts 1871 to 1982 and any byelaws made thereunder.
- 4.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded, unless not reasonably practical, to each member of the committee no later than 5 working days before the date of the meeting. Supporting papers shall be sent to committee members at the same time.

Quorum

- 4.3 The quorum of meetings of the Lloyd's Enforcement Board shall be 3 members present and shall include at least one of whom shall be an individual who falls within Section 7, subsection 1A of Lloyd's Act 1982.

Decisions

- 4.4 Any decision of the Lloyd's Enforcement Board shall be made by a simple majority of the members of Lloyd's Enforcement Board

Records

- 4.5 Records shall be maintained of the proceedings of the Lloyd's Enforcement Board.

Paper meetings

- 4.6 Where it proves impracticable to convene a meeting of the Lloyd's Enforcement Board, the papers may be sent to all members of the Lloyd's Enforcement Board and any decision made and affirmed in writing by at least 3 of the members of the Lloyd's Enforcement Board eligible to vote, subject to the majority of those voting being members of the Lloyd's Enforcement Board who are members of the Society shall be valid and effective as if it had been made at a meeting of the Lloyd's Enforcement Board duly convened and held, provided always that any such decision is reported to the Lloyd's Enforcement Board at its next meeting.

5. Power to obtain assistance

- 5.1 In the performance of its functions and in the exercise of its powers the Lloyd's Enforcement Board may obtain assistance from any person.

6. Reporting

- 6.1 The Lloyd's Enforcement Board shall submit a written report to the Council annually in respect of the activities, resources and finances of the Enforcement Committees of the Society.
- 6.2 The Lloyd's Enforcement Board may submit reports to the Council or to the Chair of Lloyd's at such other times as the Lloyd's Enforcement Board or the Chair of the Lloyd's Enforcement Board may decide.

7. Emergency Powers of the Chair and Deputy Chairs of the Lloyd's Enforcement Board

- 7.1 The Lloyd's Enforcement Board may act by its Chair (or Deputy Chair) in respect of any of its functions and powers set out in these terms of reference.
- 7.2 The power to act through the Chair of the Lloyd's Enforcement Board (or Deputy Chair of the Lloyd's Enforcement Board) may be used where –
- a. it is not reasonably practicable to convene a meeting of the Lloyd's Enforcement Board; and
 - b. the matter is urgent.
- 7.3 Any exercise of these emergency powers shall be reported to the next meeting of the Lloyd's Enforcement Board.

8. Indemnity

- 8.1 Members of the Lloyd's Enforcement Board and of any Enforcement Tribunal appointed by it are entitled to an indemnity from the Society of Lloyd's in a form determined pursuant to paragraph 7.16 of the Constitutional Requirements.

9. Other matters

- 9.1 The Lloyd's Enforcement Board shall -
- a. have access to sufficient resources in order to carry out its duties and in exercising its powers, including access to Council Secretariat for assistance as required;
 - b. be provided with appropriate and timely training; and
 - c. give due consideration to laws, regulations and rules including, where appropriate, the UK Corporate Governance Code and also relevant provisions in Lloyd's Acts 1871-1982 and the Constitutional Arrangements Byelaw.

2.3 The Chair and Deputy Chairs of Lloyd's (including the Senior Independent Deputy Chair)

1. Appointment of the Chair and Deputy Chairs of Lloyd's

- 1.1 In accordance with section 4 of Lloyd's Act 1982, the Council annually elects from among the members of the Council a Chair of the Council, who shall be called the Chair of Lloyd's, and two or more Deputy Chairs, each of whom shall be called a Deputy Chair of Lloyd's. Where the person elected as Chair is not a working member of the Society, at least one of the Deputy Chairs must be elected from among the working members of the Council.
- 1.2 The Council shall designate one of the Deputy Chair elected in accordance with paragraph 1.1 above to be the senior independent Deputy Chair. Save where the Council considers otherwise, the Deputy Chairs to be designated as the senior independent Deputy Chair shall normally be a nominated member of Council (other than the Chair or an Executive Director).

2. Functions and powers of the Chair

- 2.1 It is recognised and acknowledged that the role of the Chair should be distinct from that of the Chief Executive Officer (CEO). The Chair's principal responsibility is to create the conditions to ensure the overall effectiveness of the Council and its non-executive members. The Council has delegated to the CEO the executive responsibility for the running of the affairs of the Corporation. The Chair shall maintain an open and effective dialogue with the CEO and respect and support the CEO's authority to exercise their judgment and make decisions in the performance of their functions but this will not prevent the Chair from holding the CEO to account for the performance of their functions.
- 2.2 The functions of the Chair shall be –
- a. to chair, oversee the performance of and ensure the proper and efficient conduct of meetings of the Council, making sure that Council is properly engaged in the development of policies relating to the strategy and operations of the Lloyd's market and the Corporation;
 - b. to ensure that the members of the Council receive accurate, timely and clear information to enable the Council to make sound decisions, monitor effectively and provide advice to promote the success of the Society;
 - c. to manage the Council to allow enough time for discussion of complex or contentious issues and ensure that members, particularly non-executive members, have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have;
 - d. to oversee the assessment of fitness and propriety of the members of the Council;
 - e. to lead the development and monitor the effective implementation of policies and procedures for the induction, training and professional development of all members of the Council;

- f. to chair General Meetings of the Society including the Annual General Meeting;
- g. to oversee Lloyd's governance arrangements making sure they are effective and that the Council fulfils its responsibilities;
- h. through the Council, to have responsibility for monitoring the formulation of Lloyd's strategy;
- i. to hold the Chief Executive Officer responsible for implementation of Council policies, the effective management of the Corporation and the discharge of the Chief Executive Officer's wider responsibilities;
- j. through the Council, to ensure that Lloyd's is effectively supervising, regulating and directing the business of insurance at Lloyd's;
- k. to promote Lloyd's interests at home and abroad, in collaboration with the Chief Executive Officer, to members and policyholders and with regulators and governments where Lloyd's operates or wishes to operate, and generally to advance Lloyd's standing within the world-wide insurance market, the London insurance market and the City of London;
- l. to chair the Nominations & Governance Committee and in that regard to consider recommendations for appointments of the Chief Executive Officer, Deputy Chairs, members of the Council and relevant committees, and to be assured that processes are in place to ensure that they are held accountable for their performance;
- m. to act, where necessary, on behalf of the Council, either directly or through delegation, on any matter which would normally be within its scope of responsibility, but which requires immediate attention;
- n. with the Chief Executive Officer, to make recommendations to Council as to the remuneration of members of the Council, and its committees (other than where those members are executive directors); and
- o. to perform any function or power provided or permitted in the Lloyd's Acts or any other byelaw, regulation or requirement.

2.2 The Chair shall have the following powers –

- a. to direct the business of insurance at Lloyd's (which may include giving any direction to any member of the Society, Lloyd's broker, underwriting agent, director or partner of a Lloyd's broker or underwriting agent or person who works for a Lloyd's broker or underwriting agent in such capacity as may from time to time be specified by the Council);
- b. to carry out or exercise any duty, responsibility, right, power, function or discretion imposed or conferred upon the Council by any enactment (including Lloyd's Acts 1871 to 1982) or byelaw or regulation made in pursuance thereof or by any other instrument having the effect of law or by any other document or arrangement whatsoever, in so far as such delegation is not prohibited by any enactment, byelaw, regulation, instrument, document or arrangement, and
 - i. where it would not be reasonably practicable to convene a meeting of the Council; and
 - ii. where the carrying out or exercise of the duty, responsibility, right, power, function or discretion is urgent;
- c. pursuant to the terms of the power of attorney entered into by each member as a condition of membership, to exercise the Council's power of nomination of individuals as attorneys or agents for members of the Society; and

- d. to attest the common seal of Lloyd's and sign documents in writing on behalf of Lloyd's.

3. Functions and powers of the Deputy Chairs

3.1 The functions of each Deputy Chairs shall be –

- a. to provide advice and support to the Chair and, where appropriate, the Chief Executive Officer and the executive directors;
- b. to support the Chair in the promotion and protection of Lloyd's brand and reputation worldwide;
- c. to attest the common seal of Lloyd's and sign documents in writing on behalf of Lloyd's; and
- d. to perform any function or exercise any power provided or permitted in the Lloyd's Acts or any other byelaw, regulation or requirement where it is not reasonably practical or appropriate for the Chair to perform the function or exercise that power.

3.2 In the event of the Chair's absence, any one of the Deputy Chairs as designated by the Council may perform some or all of the functions of the Chair as set out at paragraph 2.1 above as the Council may determine.

3.3 Each Deputy Chair shall have the same powers of the Chair, as set out at paragraph 2.2 above.

Senior Independent Deputy Chair

3.4 In addition, the senior independent Deputy Chair designated by Council in accordance with paragraph 1.2 above shall have the following functions and powers –

- a. to provide a sounding board for the Chair and be available as an intermediary for members of Council where necessary;
- b. to lead the performance evaluation of the Chair considering the views of the nominated members of Council;
- c. to convene and chair any meeting of the Council (or part of any Council meeting) at which the Chair may be conflicted;
- d. to chair the Nominations & Governance Committee when it is considering succession to the role of Chair; and
- e. to perform any function or power required or permitted under the Lloyd's Act or Byelaws.

4. Records

4.1 Records shall be maintained of any exercise of any power by the Chair or a Deputy Chair.

5. Power to obtain assistance

5.1 In the exercise of their powers the Chair and each Deputy Chair may obtain assistance from any person.

6. Reporting

- 6.1 The carrying out or exercise of any power by the Chair or a Deputy Chair shall be reported to the next meeting of the Council.
- 6.2 The Chair or Deputy Chairs may also make reports to the Council at such other times as the Chair or Deputy Chairs may decide.