Schedule of Matters Reserved for the Board

1 Strategy and Management

1.1 Responsibility for the overall direction of the Company.

1.2 Approval of the Group's strategic long term objectives and business strategy.

1.3 Approval of the Group's annual operating and capital expenditure budgets and any material changes to them.

1.4 Approval of the overall Group's risk appetite, limits and constraints.

1.5 Approval of the Group's medium term plan.

1.6 Oversight of the Group's operations ensuring:
- competent and prudent management;
- sound planning;
- maintenance of sound management and internal control systems;
- adequate accounting and other records;
- compliance with statutory and regulatory obligations.

1.7 Review of performance in light of the Group's long term objectives, business plans and budgets and ensuring that any necessary corrective action is taken.

1.8 Approval of extension of the Group's activities into new markets or geographic areas.

1.9 Any decision to cease to operate all or any material part of the Group's business.

2 Structure and capital

2.1 Major changes to the Group's corporate structure.

2.2 Changes to the Group's management and control structure.

2.3 Any changes to the Company's status as a mutual.

3 Financial reporting and controls

3.1 Review of the monthly management results.

3.2 Approval of the annual report and accounts, including the directors' report, strategic report, business review, corporate governance statement and remuneration report.

3.3 Approval of the Report to With Profits policyholders on recommendation from the With Profits Committee.

3.4 Approval of the Mutual Bonus policy.

3.5 Approval of all bonus rates for Life and Pensions business, on recommendation from the With Profits Committee.

3.6 Approval of any significant changes in accounting policies or practices.

3.7 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances).

3.8 Approval of the Group's Internal Model, Own Risk Solvency Assessment and Solvency II Technical Provisions basis assumptions and results.

4 Internal controls

4.1 Ensuring maintenance of a sound system of internal control and risk management including:

- approving the Company / Group's risk appetite statements;
- receiving reports on, and reviewing the effectiveness of, the Group's risk and control processes to support its strategy and objectives, through the Audit Committee and the Board Risk Committee and an annual Chief Risk Officer's Report;
- approving procedures for the detection of fraud and the prevention of bribery;
- undertaking an annual assessment of these processes; and
- approving an appropriate statement for inclusion in the annual report.

5 Contracts

5.1 Approval of major capital projects and oversight over execution and delivery.

5.2 Approval of contracts which are material strategically or by reason of size, entered into by the Company or, in the case of a subsidiary, recommendations for approval in the ordinary course of business, for example transactions above the Chief Executive's limits of authority for capital expenditure and revenue expenditure and major contracts and transactions.

5.3 Any acquisition or disposal of a controlling interest in any Company.

5.4 Pension scheme funding.

5.5 The giving of security over any of the Group's assets (other than security given in respect of funding over Salmon Harvester Properties's, Hathaway Opportunity Fund's or Aver Property's sites entered into in the ordinary course of business, which shall be delegated to the decision of the respective Boards).

6 Communication

6.1 Ensuring a satisfactory dialogue with members based on the mutual understanding of objectives.

6.2 Approval of resolutions and corresponding documentation to be put forward to members at a general meeting.

7 Board membership and other appointments

7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee.

7.2 Ensuring adequate succession planning for the Board and senior executives who are members of ExCo so as to maintain an appropriate balance of skills and experience within the Company and on the Board.

7.3 Appointments to the Board, following recommendations by the Nomination Committee.

7.4 Selection of the Chair of the Board and the Chief Executive.

7.5 Appointment of the Senior Independent Director, following recommendation from the Nomination Committee, to provide a sounding board for the Chair and to serve as an intermediary for the other directors when necessary.

7.6 Membership and Chairs of Board Committees: Audit Committee, Board Risk Committee, Remuneration Committee, Nomination Committee, Investment Committee and With-Profits Committee following recommendations from the Nomination Committee.

7.7 Continuation in office of directors at the end of their three year term of office, when they are due to be re-elected by members at the AGM and otherwise as appropriate. For the avoidance of doubt, all directors are put forward for re-election at the AGM on an annual basis.

7.8 Continuation in office of any director at any time, including the suspension or termination of service of an executive director as an employee of the Company, subject to the law and their service contract.

7.9 Approval of any proposed external appointments for non-executive directors, following recommendations from the Nomination Committee.

7.10 Appointment or removal of the Company Secretary.

7.11 Appointment or removal of the With Profits Actuary.

7.12 Appointment or removal of the Risk Director.

7.13 Appointment, reappointment or removal of the external auditor to be put to members for approval, following the recommendation of the Audit Committee.

7.14 Appointments to the Boards of major subsidiaries: N.F.U. Mutual Management Company Ltd, Avon Insurance plc, NFU Mutual Select Investments Limited and N.F.U. Mutual Unit Managers Limited.

8 Remuneration

8.1 Determining the remuneration policy for the executive directors, the Company Secretary and senior executives who are members of ExCo (including the policy on salaries, benefits and Management Incentive Schemes) (delegated to the Remuneration Committee).

8.2 Determining the remuneration (executive directors only) of the non-executive directors, for recommendation to the AGM.

9 Delegation of Authority

9.1 The division of responsibilities between the Chair and the Chief Executive which should be clearly established, set out in writing and agreed by the Board.

9.2 Approval of the delegated levels of authority, including the Chief Executive's authority limits (which must be in writing) as recommended by the Audit Committee.

9.3 Establishing Board Committees and approving their terms of reference and approving material changes thereto.

9.4 Receiving reports from Board Committees on their activities.

10 Corporate governance matters

10.1 Undertaking a formal and rigorous annual review of its own performance, that of its Committees and individual directors and the division of responsibilities.

10.2 Determining the independence of non-executive directors in light of their character, judgement and relationships.

10.3 Considering the balance of interests between members, employees, customers and the community.

10.4 Review of the Group's overall corporate governance arrangements.

10.5 Receiving reports on the views of the Company's members.

10.6 Authorisation of potential conflicts of interest of the directors, in accordance with the articles of association, following recommendations by the Nomination Committee.

10.7 Authorisation of potential conflicts of interest of the directors of the Group's subsidiary companies.

11 Policies

11.1 Approval of policies, relating to

- Guiding Principles
- Group Occupational Health and Safety
- Environmental matters
- Corporate social responsibility
- Charitable donations
- The Society's Principles and Practices of Financial Management, as recommended by the With Profits Committee
- Whistleblowing (delegated to the Audit Committee).

12 Other

12.1 The making of political donations.

12.2 Approval of support payments to the Farming Unions.

12.3 Approval of donations to NFU Mutual Charitable Trust and The Farm Safety Foundation.

12.4 Approval, by the executive directors only, of the payment of any ex-gratia pensions to retired non-executive directors who were appointed prior to 1st November 1998 and their widows.

12.5 Prosecution, commencement, defence or settlement of litigation or an alternative dispute resolution mechanism, other than litigation in the normal course of handling claims, involving above £5 million or being otherwise material to the interests of the Group or considered to be a significant reputational risk.

12.6 Any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

12.7 Review of the overall levels of insurance for the Group including Directors' & Officers' liability insurance and indemnification of directors.

12.8 Major changes to the rules of the Group's pension scheme, the appointment of the Chair of the trustee or any consultation with the trustee in relation to changes in the fund management arrangements.

12.9 This schedule of matters reserved for Board decisions.

13 Regional Advisory Boards

13.1 Any changes to the structure of the Regional Advisory Boards.