



HM Treasury

# Framework Agreement

Between Her Majesty's Treasury and  
Pool Reinsurance Company Limited

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May 2022



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# Introduction and Background

## 1. Purpose of document

- 1.1 This Framework Document (the “Framework Document”) has been agreed between Her Majesty’s Treasury (“HM Treasury”) and Pool Reinsurance Company Limited (“Pool Re” and together with HM Treasury, the “parties”) in accordance with HM Treasury’s handbook Managing Public Money (“MPM”) (as updated from time to time) and has been approved by HM Treasury.
- 1.2 The Framework Document sets out the governance framework within which Pool Re and HM Treasury have agreed to operate. It sets out Pool Re’s responsibilities to HM Treasury; describes the governance and accountability framework that applies between the roles of HM Treasury and Pool Re and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters.
- 1.3 The document does not convey any legal powers or responsibilities but both parties agree to operate within its terms.
- 1.4 References to Pool Re include all its subsidiaries and joint ventures that are classified by the Office for National Statistics (“ONS”) to the public sector and central government for national accounts purposes. If Pool Re intends to establish any subsidiary or joint venture, it shall first seek consent of HM Treasury.
- 1.5 Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on <https://www.poolre.co.uk/>.
- 1.6 This Framework Document should be reviewed and updated by HM Treasury and Pool Re at least every 5 years as part of the regular review of Pool Re unless there are exceptional reasons that render this inappropriate that have been agreed by HM Treasury and Pool Re. The first review of this Framework Document is 1 August 2026.

## 2. Objectives

- 2.1 HM Treasury and Pool Re share the common objective of ensuring the ongoing availability and affordability of terrorism (re)insurance in Great Britain. To achieve this, Pool Re and HM Treasury will work together collaboratively, recognising each other’s roles and areas of expertise, ensuring an effective environment for Pool Re to achieve this objective through the promotion of partnership and trust.

## 3. Classification

- 3.1 Pool Re was classified in 2020 as a central government organisation by the ONS.
- 3.2 It has been administratively classified by the Cabinet Office as an unclassified Arm’s Length Body (“ALB”) of HM Treasury.

- 3.3 The ONS classification and this Framework Document do not affect the separate legal personality of Pool Re, or that its assets (including reserve funds) belong to Pool Re.



# Purposes Aims and Duties

## 4. Purposes

- 4.1 Pool Re was established by the insurance industry in March 1993 following a series of terrorist attacks in Great Britain. It is a mutual company, owned by its insurer members, and is limited by guarantee. It operates under the control of its board of directors ("Board") (subject to matters requiring approval from its members under its constitution and the Companies Act 2006 and to matters requiring approval from HM Treasury pursuant to the Retrocession Agreement and this Framework Document). Attacks in the City of London in 1992 led to the withdrawal of reinsurers from the terrorism insurance market. As a result, the government and industry worked together to establish Pool Re with a guarantee from HM Treasury pursuant to the Reinsurance (Acts of Terrorism) Act 1993 to correct the collapse of this market. This mechanism provided stability and certainty to the market, enabling insurers to access adequate and affordable reinsurance cover for terrorism losses, thus allowing businesses to continue to obtain full terrorism cover. The purpose of Pool Re and the Government's guarantee was to ensure that industry and commerce in Great Britain could be confident that firm arrangements exist to provide for insurance against terrorist damage, provided they take out such insurance.
- 4.2 The Retrocession Agreement between Pool Re and HM Treasury dated 25 March 2015 (as amended) (the "Retrocession Agreement") sets out the terms and conditions under which HM Treasury provides the guarantee to Pool Re in respect of liabilities arising from reinsurance agreements for acts of terrorism. Under article 11 of the Retrocession Agreement certain matters require the prior written consent of HM Treasury.
- 4.3 For the avoidance of doubt; (i) nothing in the Framework Document shall override, or constitute an amendment to, the Retrocession Agreement; and (ii) in the event of a conflict between the Framework Document and the Retrocession Agreement, the Retrocession Agreement prevails.
- 4.4 Provisions in this Framework Document are not intended to conflict with duties imposed on Pool Re and its Board under any applicable laws which Pool Re is required to comply with (including, but not limited to all laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal and all codes of practice having force of law, statutory guidance and policy notes) ("Applicable Law"). This Framework Document imposes additional requirements on Pool Re which are intended to be consistent with Applicable Law. To the extent that a potential conflict arises, the provisions of any Applicable Law must be complied with. In the event of a conflict arising, Pool Re should discuss with HM Treasury as soon as reasonably practicable and seek consent to derogate from this Framework Document, such consent will not to be unreasonably withheld.

## 5. Aims

- 5.1 Pool Re's objectives, as stated in section 2.1 above, include ensuring the ongoing availability and affordability of terrorism insurance in Great Britain. However, since 2014, the Board and Management of Pool Re have sought, in addition, to ensure the good functioning of the UK's terrorism (re)insurance market and the proper protection of public interests by facilitating the

return of terrorism risk to the insurance, reinsurance and capital markets and distancing the tax payer from loss.

# Role of the department

## 6. The Responsible Minister

- 6.1 The Chancellor of the Exchequer delegates to the Economic Secretary to the Treasury (the “Responsible Minister”) responsibility to account for Pool Re on all matters concerning Pool Re in Parliament.
- 6.2 Statutory powers to finance reinsurance obligations are set out in the Reinsurance (Acts of Terrorism) Act 1993.
- 6.3 Through the exercise of these powers the Responsible Minister:
  - provides Pool Re with a guarantee under the Retrocession Agreement;
  - can meet HM Treasury’s obligations under this guarantee, should it be called upon, by money provided by Parliament.

## 7. The Principal Accounting Officer (PAO)

- 7.1 The Principal Accounting Officer (“PAO”) is the Permanent Secretary of HM Treasury.
- 7.2 The PAO designates the Chief Executive of Pool Re as the organisation’s Accounting Officer (the “Accounting Officer”) and ensures that they are fully aware of their responsibilities. The PAO issues a letter appointing the Accounting Officer, setting out their responsibilities and delegated authorities in accordance with this Framework Document.
- 7.3 The responsibilities of the PAO are set out in Chapter 3 of MPM.
- 7.4 The PAO is accountable to Parliament for ensuring that Pool Re’s funds are used appropriately in line with the requirements for money on the public sector accounts as set out in MPM.

## 8. The Role of the Sponsorship team

- 8.1 The Insurance and Pensions Markets (“IPM”) team in HM Treasury is the primary contact for Pool Re (the “Sponsor Team”). The responsible Senior Civil Servant for this relationship is the Deputy Director of IPM. They are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of Pool Re. They also support the PAO on his or her responsibilities towards Pool Re.
- 8.2 The Sponsor Team and responsible Senior Civil Servant will meet with Pool Re every quarter.

# Pool Re Governance and Structure

## 9. Governance and Accountability

- 9.1 Pool Re shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this Framework Document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 9.2 In particular (but without limitation), Pool Re should:
- comply with the principles and provisions of the Financial Reporting Council's UK Corporate Governance Code (as amended and updated from time to time) (the "Code") to the extent determined by the Board, in consultation with HM Treasury, to be appropriate to Pool Re or specify and explain any non-compliance in its annual report;
  - comply with MPM;
  - comply with the Government Financial Reporting Manual (FReM) to the extent appropriate to Pool Re;
  - comply with applicable procurement law and guidance; and
  - comply with the Cabinet Office guidance on settlement agreements, special severance payments and confidentiality clauses in accordance with paragraph 14.2 below.
- 9.3 Pool Re shall inform HM Treasury as soon as reasonably practicable of becoming aware of any non-compliance with paragraph 9.2 above and explain the occurrence.
- 9.4 In line with MPM Annex 3.1 Pool Re shall provide an account of corporate governance in its annual governance statement including the Board's assessment of its compliance with the Code with explanations of any material departures. To the extent that Pool Re does intend to materially depart from the Code, HM Treasury should be notified in advance.

## 10. The Chief Executive

### Appointment

- 10.1 The Chief Executive of Pool Re is appointed by the Board under Article 48 of Pool Re's Articles of Association.

### Responsibilities of Pool Re's Chief Executive as Accounting Officer

- 10.2 The Chief Executive as Accounting Officer is personally responsible for safeguarding the public accounts for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of public sector expenditure by Pool Re; and for the day-to-day operations and management of Pool Re. In addition, they should ensure that Pool Re as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of MPM. These responsibilities include the below and those that are set in the Accounting Officer appointment letter issued by the PAO.

### Responsibilities for accounting to Parliament

- 10.3 The accountabilities include:
- signing the accounts (once approved by the Board) and ensuring that proper records are kept relating to the accounts;

- preparing and signing a governance statement covering corporate governance, risk management, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about Pool Re are established and made widely known within Pool Re;
- acting in accordance with the terms of MPM;
- ensuring that as part of the above compliance they are familiar with and act in accordance with:
  - their fiduciary duties under the Companies Act
  - any governing legislation
  - this Framework Document
  - any delegation letter issued to body as set out in section 12 of this Framework Document
- ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance to any conditions arising from the above documents; and
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee ('PAC').

## Responsibilities to HM Treasury

10.4 Responsibilities to HM Treasury include:

- ensuring that timely information on performance and finance are provided to the department; and
- that the department is notified promptly if over or under spends are likely and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to the department in a timely fashion.

## Managing conflicts

10.5 The Chief Executive should follow the advice and direction of the Board, except in very exceptional circumstances with a clear cut and transparent rationale for not doing so.

10.6 Should the Accounting Officer identify an actual or potential conflict between the requirements placed on them or any Director, either individually or as a Board, by MPM, a fiduciary or regulatory duty, or other legal requirement, then they should inform HM Treasury in writing as soon as reasonably practicable. If a conflict arises, HM Treasury consent to a derogation will not be unreasonably withheld.

10.7 If the chair of the Board (the "Chair") or Board is minded to instruct its Accounting Officer to carry out a course inconsistent with their duties as Accounting Officer, then the Accounting Officer should make their reservations clear, preferably in writing. If the Board is still minded to proceed Pool Re's Accounting Officer should then:

- inform the PAO, preferably in writing;
- if the Board's decision stands, seek its written direction to carry it out, informing HM Treasury;
- proceed to implement without delay; and follow the routine in paragraph 3.4.5 of MPM.

# 11. The Chairperson and Board

11.1 The role of the Board shall be to direct the strategy of Pool Re in accordance with their statutory, regulatory and common law duties and this Framework Document.

- 11.2 The Board shall maintain a framework of corporate governance which complies with the principles and provisions of the Code to the extent determined by the Board, in consultation with HM Treasury, to be appropriate to Pool Re or specify and explain any non-compliance in Pool Re's annual report.
- 11.3 The Board has set up such committees as necessary for it to fulfil its functions and regulatory obligations. At a minimum this should include an Audit and Risk Committee chaired by an independent and appropriately qualified non-executive member of the Board.

# Management and financial responsibilities and controls

## 12. Delegated authorities

- 12.1 Pool Re's delegated authorities are set out in the delegation letter attached to this Framework Document. This delegation letter may be updated and superseded by later versions which may be issued by HM Treasury.
- 12.2 In line with MPM Annex 2.2 these delegations will be reviewed on an annual basis.
- 12.3 Pool Re shall obtain HM Treasury's prior written approval before:
- entering into any undertaking to incur any expenditure which is not provided for in Pool Re's annual budget as approved by the department;
  - incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications, in line with Paragraph 2.3.4 of MPM.
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the department;
  - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
  - carrying out policies that go against the principles, rules, guidance and advice in MPM.
- 12.4 Further to the situations in paragraph 12.3 of this Framework Document, under article 11 of the Retrocession Agreement certain matters require the prior written consent of HM Treasury.

## 13. Spending authority

- 13.1 Once the budget has been approved by HM Treasury, Pool Re shall have authority to incur expenditure approved in the budget without further reference to HM Treasury, on the following conditions:
- Pool Re shall comply with the delegations set out in the delegation letter;
  - Pool Re shall comply with MPM regarding novel, contentious or repercussive proposals;
  - inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and
  - Pool Re shall provide HM Treasury with such information about its operations, performance, individual projects or other expenditure as HM Treasury may reasonably require.
- 13.2 Spending authority will be given, within the approved budget, to Pool Re's commercial purchasing of retrocession, issuing of Insurance-linked Securities and Investment strategy and activity.
- 13.3 Pool Re will have full autonomy to pursue its investment strategy, as set out in the investment guidelines approved by the Board and in accordance with Article 11 of the Retrocession Agreement (matters requiring prior written consent of HM Treasury).

## 14. Pool Re Staff

### Pay

- 14.1 Subject to any agreements made between Pool Re and HM Treasury, controls over pay and conditions shall apply as follows:
- *senior pay*: Pool Re can pay no more than 20 positions above the senior pay threshold of £150,000, or such higher number as may be set from time to time by the Chief Secretary to HM Treasury (CST) and communicated to Pool Re in writing. Each of those positions above the threshold must not exceed the current CEO's salary. Should it wish to exceed this delegation Pool Re will need written prior consent from HM Treasury.
  - *bonus pay*: Pool Re can award bonuses to no more than 22 positions above the bonus pay cap of £17,500 or such higher number as may be set from time to time by the Chief Secretary to HM Treasury (CST). Those positions above the cap must not exceed the bonus arrangements of the CEO. Should it wish to exceed this delegation Pool Re will need written prior consent from HM Treasury.
  - *other pay*: it is agreed Pool Re will not need to comply with the limits on Increase Remuneration Cost (IRC) set out within the annually updated Pay Remit Guidance.
  - *Other benefits*: Pool Re will cease to offer Private Medical Insurance and salary or pension sacrifice schemes for individuals first employed after the date of this Framework Document.

### Pay and conditions of service

- 14.2 Pool Re and its Remuneration Committee should have oversight of all bonus and incentive schemes. Subject to any exemptions or agreements made between HM Treasury and Pool Re, the following shall apply in respect of Pool Re's staff:
- off-payroll rules: it is the responsibility of Pool Re to ensure it complies with the IR35 requirement;
  - compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments;
  - confidentiality clauses: confidentiality clauses may only be used as permitted in relevant public sector guidance and in accordance with Pool Re's regulatory requirements;
  - salary sacrifice schemes: are generally prohibited for individuals first employed after the date of this Framework Document and must be consistent with MPM; and
  - pension schemes: are defined contribution and not based on final salary.



# Financial Reporting and Management information

## 15. Budgeting procedures

- 15.1 Pool Re will support the consolidation of Pool Re accounts into the HM Treasury Group Accounts, in accordance with the Government Resources and Accounts Act 2000, each year. Pool Re will send the Sponsor team a budget approved by the Pool Re Board, in accordance with the timetable communicated for the Main Estimates (as defined by the Government Resources and Accounts Act 2000<sup>1</sup>). This will include a budget of estimated payments and receipts, a profile of expected expenditure, forecast premiums and any planned spending covered in sections 12 and 13 of this Framework Document.
- 15.2 Pool Re should inform HM Treasury of any under or overspend in relation to the submitted budget as it arises, to support budget management at a group level. Any such changes to the planned budget position should also be reflected in information provided for the Supplementary Estimates (as defined by the Government Resources and Accounts Act 2000).

## 16. Grants and Loans

- 16.1 Pool Re will operate through such commercial banking arrangements as are approved by the Board and in accordance with Article 11 of the Retrocession Agreement (matters requiring prior consent of HM Treasury).
- 16.2 It is not anticipated that Pool Re will require any loan facilities other than when HM Treasury is required to provide loans in accordance with the Retrocession Agreement, for which the terms for repayment are as provided in the Retrocession Agreement.

## 17. Annual report and accounts

- 17.1 The Pool Re Board must publish an annual report of its activities together with its audited accounts after the end of each financial year (currently 31 December transitioning to 31 March for year ending 31 March 2023). For the year ending 31 March 2023 HM Treasury will issue an Accounts Direction by which, Pool Re will be expected to comply with FReM to the extent that these requirements clarify or build on the requirements of the Companies Act 2006.
- 17.2 With effect from the financial year ending 31 March 2023, the annual report to be produced by Pool Re will comply with the Companies Act 2006 and the timing for production of such accounts shall accord with “best practice” applicable to UK registered companies, and in line with HM Treasury Group accounts preparation requirements, normally completing in July.

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<sup>1</sup> <https://www.gov.uk/government/publications/supply-estimates-guidance-manual>

- 17.3 Pool Re shall also provide additional disclosures to HM Treasury required by FReM where these go beyond Companies Act 2006. Pool Re will also be subject to certain consolidation responsibilities, including the preparation of consolidation packs and any adjustments that may be required for any differences in accounting policy to allow HM Treasury to produce consolidated accounts in accordance with the Government Resources and Accounts Act 2000.
- 17.4 With effect from the financial year ending 31 March 2023, the annual report must:
- cover any corporate, subsidiary or joint ventures under its control; and
  - comply with the FReM<sup>2</sup>, including all of the relevant pay reporting requirements which in this instance will be applied to the team consisting of: (i) the Chief Executive Officer; (ii) the Chief Underwriting Officer; (iii) the Chief Resilience Officer; (iv) the Chief Finance and Operations Officer; (v) the General Counsel & Company Secretary; (vi) the Chief Investment Officer; and (vii) the Chief Strategy and Communications Officer, and any other person holding an equivalent role at Pool Re from time to time (the “Pool Re Executive Team”); and
  - publish data on the organisation’s gender pay gap; and
  - outline main activities and performance during the previous financial year and set out in summary form forward plans.
- 17.5 Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The annual report and accounts shall be made available by Pool Re on its website, in accordance with the guidance in the FReM.

## 18. Information Sharing

- 18.1 Subject to paragraph 18.2 below, the parties agree and acknowledge that HM Treasury has the right of access to all relevant Pool Re records and personnel for the purpose of sponsorship and C&AG audits and operational investigations.
- 18.2 Pool Re shall provide HM Treasury with such information about its operations, performance, individual projects or other expenditure as HM Treasury may reasonably require, provided that Pool Re shall not be required to provide any information to HM Treasury which would be prohibited by law.
- 18.3 The parties agree and acknowledge that Pool Re will provide information specified by HM Treasury, to HM Treasury or the C&AG, where necessary for the purposes of HM Treasury’s compliance with its duties under the Government Resources and Accounts Act 2000.
- 18.4 HM Treasury may request the sharing of data held by Pool Re in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment by Pool Re of a senior executive to be responsible for overseeing arrangements for information sharing with HM Treasury.

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<sup>2</sup> <https://www.gov.uk/government/publications/government-financial-reporting-manual-2020-21>.

# Audit

## 19. Internal audit

- 19.1 Pool Re will maintain an internal audit function (with or without external professional support) who will report to the Pool Re Risk and Audit Committee and will cover (among other things) matters relating to risk management and internal controls within a framework set by the Risk and Audit Committee, which will include compliance with the terms of this Framework Document.

## 20. External audit

- 20.1 The Comptroller and Auditor General ("C&AG") passes the audited accounts to HM Treasury who will lay the accounts together with the C&AG's report before parliament.
- 20.2 In the event that Pool Re has set up and controls subsidiary companies, Pool Re will in the light of the provisions in the Companies Act 2006 ensure that the C&AG has the option to be appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. Pool Re shall discuss with HM Treasury the procedures for appointing the C&AG as auditor of the companies.
- 20.3 The C&AG:
- will carry out an assessment of the extent of specialist skill required to audit Pool Re and engage with Pool Re on any commercial auditor expertise needed to support the audit, though the final decision rests with the C&AG;
  - will consult HM Treasury and Pool Re for advice on whom – the NAO, a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
  - has a statutory right of access to relevant documents, including by virtue of section 8 of the Government Resources and Accounts Act 2000 (which is applied by this agreement - see sections 25(4) and (5) of that Act), held by another party in receipt of payments or grants from Pool Re; will share with HM Treasury information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within Pool Re;
  - will consider requests from departments and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion.
- 20.4 The parties agree and acknowledge that the C&AG may carry out examinations into the economy, efficiency and effectiveness with which Pool Re has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, Pool Re shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use all reasonable endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

# Reviews and Winding up arrangements

## **21. Review of ALB status**

- 21.1 The ALB status of Pool Re will be reviewed at least every 5 years. The date of the next review will be in 2026.

## **22. Arrangements in the event that Pool Re is wound up**

- 22.1 Pool Re must seek HM Treasury's consent in accordance with article 11 of the Retrocession Agreement (matters requiring prior written consent of HM Treasury)-before permitting any act which would lead to, or taking any action to, wind up the organisation.

# Dispute resolution

## 23. Dispute resolution

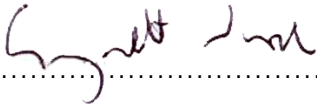
23.1 All matters of difference between the parties arising under, out of or in connection with this Framework Document, including matters relating to the formation and validity of this Framework Document and matters relating to any changes to this Framework Document proposed by HM Treasury to reflect changes in Applicable Law or other principles, rules or guidance, and whether such matters arise during or after the period of this Framework Document (each, a “**Dispute**”) shall be resolved as follows:

- **Step 1:** Any Dispute shall first be reviewed and discussed by the parties at a working level, including by the Accounting Officer (or another duly authorised representative of the Pool Re Executive Team) and the Head of Domestic and Retail Insurance Policy (or another duly authorised representative from the Sponsor Team), and each party shall use its reasonable endeavours to resolve the Dispute between them as soon as reasonably practicable. The joint written decision of the Accounting Officer and the Head of Domestic and Retail Insurance Policy (or the alternative duly authorised representatives, if applicable) shall, in the absence of fraud or manifest error, be final and the parties shall take any actions required by such written decision.
- **Step 2:** If the Dispute cannot be resolved within 20 days after the initiation of the discussions commenced in Step 1 (or such shorter period as is agreed between the parties), either party may notify the Dispute to the Deputy Director of IPM or the Director of the Financial Services Group at HM Treasury (or another duly authorised representative from the Sponsor Team) who shall review and discuss the Dispute with the Accounting Officer (or another duly authorised representative of the Pool Re Executive Team) and each of these individuals shall use their reasonable endeavours to resolve the Dispute as soon as reasonably practicable. The joint written decision of the Accounting Officer and the Deputy Director of IPM or the Director of the Financial Services Group at HM Treasury (or the alternative duly authorised representatives, if applicable) shall, in the absence of fraud or manifest error, be final and the parties shall take any actions required by such written decision.
- **Step 3:** If the Dispute cannot be resolved within 20 days of Step 2 being initiated (or such shorter period as is agreed between the parties), either party may notify the Dispute to the Director General of Financial Services at HM Treasury or the Second Permanent Secretary to the Treasury (or another duly authorised representative from the Sponsor Team) who shall review and discuss the Dispute with the Chair (or another duly authorised representative of the Pool Re Executive Team) and each of these individuals shall use their reasonable endeavours to resolve the Dispute as soon as reasonably practicable. The joint written decision of the Chair and either the Director General of Financial Services at HM Treasury or the Second Permanent Secretary to the Treasury (or the alternative duly authorised representatives, if applicable) shall, in the absence of fraud or manifest error, be final and the parties shall take any actions required by such written decision.
- **Step 4:** If the Dispute cannot be resolved within 20 days of Step 3 being initiated (or such shorter period as is agreed between the parties), either party may notify the dispute to the Responsible Minister (or their duly authorised representative) who shall review and discuss the Dispute with the Chair (or another duly authorised representative of the Pool Re Executive Team) and each of these individuals shall use their reasonable endeavours to

resolve the Dispute as soon as reasonably practicable. The joint written decision of the Chair and the Responsible Minister (or the alternative duly authorised representatives, if applicable) shall, in the absence of fraud or manifest error, be final and the parties shall take any actions required by such written decision.

Signed on behalf of Her Majesty's Treasury and Pool Reinsurance Company Limited

Signed



Date

5 MAY 2022

Gwyneth Nurse

Director-General, Financial Services

On behalf of Her Majesty's Treasury

Signed



Date

5 MAY 2022

Tom Clementi

Chief Executive Officer

On behalf of Pool Reinsurance Company  
Limited

## HM Treasury contacts

This document can be downloaded from [www.gov.uk](http://www.gov.uk)

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