

Terms of Reference – Investment Committee

1. Purpose

- 1.1. The purpose of the Investment Committee is to provide independent oversight of the Group's investment performance and monitor that the investments are in line with the Society's investment strategy.

2. Membership

- 2.1. Members of the Committee shall be appointed by the Society's Board and shall be made up of at least three members, including the Chief Executive and two non-executive directors.
- 2.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Finance Director, the Chief Actuary, Capital Management Actuary, representatives from the external fund managers and individuals the Committee Chair may deem necessary may be invited to attend for all or part of any meeting, as and when appropriate.
- 2.3. Appointments to the Committee, in respect of non-executive directors, shall be for a period of up to three years, which may be extended for further three-year periods, provided the director still meets the criteria for membership of the Committee and re-election by members.
- 2.4. The Board shall appoint the Committee Chair who should be either the Chair of the Board or a non-executive director. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

3. Secretary

- 3.1. The Company Secretary, or their nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

4. Quorum

- 4.1. The quorum necessary for the transaction of business shall be any two members of the Committee.
- 4.2. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

- 5.1. The Committee shall meet at least twice per annum and otherwise as required. Meetings may be held in person, over the telephone or by technology enabled conference. A member of the Committee so participating shall be deemed to be present in person at the meeting and shall be entitled to fully participate and be counted in the quorum accordingly.
- 5.2. Interim 'specific issue(s)' meetings may be convened, by the Secretary, at the request of the Chair. In circumstances where a decision is required to be made in a timely fashion, the interim meeting may take place by e-mail and shall be valid if the e-mail has been circulated to all members of the Committee and the decision is approved by a quorum.

6. Notice of Meetings

- 6.1. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of the Chair of the Committee or any of its members. Meetings can be requested by management if they consider it necessary.
- 6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be provided to each member of the Committee and any other person required to attend, no later than ten working days before the date of the meeting. Details of the agenda of items to be discussed, together with supporting papers, shall be forwarded to Committee members and to other attendees, as appropriate, no later than five working days before the date of the meeting.

7. Minutes of Meetings

- 7.1. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including the names of those present and in attendance and for whom apologies for absence have been received.
- 7.2. The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all members of the Board unless a conflict of interest exists or it would be inappropriate to do so.
- 7.4. Final signed copies of the minutes of the meetings of the Committee should be maintained for the Society's records.
- 7.5. Where meetings have taken place by exchange of e-mail, copies of the e-mails shall be included in the minute book as the minutes of the e-mail meeting.

8. Annual General Meeting

- 8.1. The Chair of the Committee shall attend the Annual General Meeting prepared to respond to any member questions on the Committee's activities.

9. Responsibilities

The Committee shall:

- 9.1. develop, regularly review and recommend Investment Guidelines to the Board, in light of the Board's risk appetite, risk framework and business plan, including the review and approval of established limits for investments and the review and approval of credit policies including investment and counterparty liability, taking advice from the Chief Actuary and other appropriate financial advisers;
- 9.2. regularly monitor the investments of the Society to ensure that they are consistent with the Investment Guidelines and report to the Board any variations from the Guidelines, the reasons for these and any remedial actions;
- 9.3. determine appropriate counterparty limits and credit rating requirements for institutions in which the Society can make cash deposits;
- 9.4. set appropriate performance benchmarks for each fund and regularly review the performance of the external fund managers relative to those benchmarks;

- 9.5. regularly review the external fund managers' policy for compliance with the principles of the Stewardship Code and report the outcomes to the Board;
- 9.6. give consideration to any issues, including any environmental, social and governance issues and regulation, which may impact the interests of members, policyholders and stakeholders;
- 9.7. at least every three years, the Committee will review the appointment, capabilities, performance and costs of each fund manager and recommend to the Board either continuation with the existing manager(s) or a move to begin a tender process to appoint new manager(s). The existing fund manager(s) may be included within the tender process;
- 9.8. report frequency, membership of, and attendance by members at Committee meetings in the Society's Annual Report and make a statement about its activities; and
- 9.9. make available to members the Committee's terms of reference, which should set out the Committee's role and delegated responsibilities and be reviewed and, where necessary, updated annually.

10. Reporting Responsibilities

- 10.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 10.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 10.3. The Committee shall compile a report to members on its activities to be included in the Society's Annual Report.

11. Other

- 11.1. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

12. Authority

The Committee is authorised:

- 12.1. to seek any information, it requires from any employee of the Society in order to perform its duties;
- 12.2. to obtain, at the Society's expense, outside legal or other professional advice on any matters within its terms of reference;
- 12.3. to Secure the attendance of appropriate individuals with relevant experience and expertise at meetings of the Committee if it considers such attendance reasonably necessary; and
- 12.4. to delegate any of its duties as is appropriate to such persons or person as it thinks fit whilst retaining responsibility and oversight for any, and all actions taken.

For the purposes of these Terms of Reference any reference to 'the Society' should be deemed to include its subsidiary companies.

**Approved by the Board
September 2024**