

IPB INSURANCE BOARD INVESTMENT COMMITTEE TERMS OF REFERENCE EFFECTIVE 01/08/19

1. Purpose

- 1.1 The Investment Committee is a Board Sub-Committee with responsibility delegated to it for supporting it in meeting its oversight responsibilities for IPB Insurance's investment management operations per approved investment policy and risk parameters and advising the Board thereon whilst the Board cannot abrogate responsibility for this.

2. Membership

- 2.1 The Board shall appoint the Committee Chairperson and Committee Members on the REMCO's recommendation via its responsibility for setting and revoking terms with appointments informed per individual's skills, knowledge and experience and ability to commit appropriate time to appointments together with the annual Board and Committee Performance Evaluation Exercise outputs, generally with a 3 year duration subject to annual review and renewal at the Board's absolute discretion with an appropriate frequency considering the balance of experience and independence sought.
- 2.2 An Independent Non-Executive Director or a Non-Executive Director shall be appointed per point 2.1 hereof as the Committee Chairperson and, if absent Committee Members shall elect an Independent Non-Executive Director Member or a Non-Executive Director Member as an alternate Chairperson for the duration of the Chairperson's absence.
- 2.3 The Investment Committee shall comprise such a number of Committee Members as is sufficient to handle the nature, scale and complexity of its business and at least 3 Independent Non-Executive Directors or Non-Executive Directors together with the CEO and Finance Director whilst the Board Chairperson shall not be a Committee Member. The Committee shall have relevant knowledge and understanding of investment matters as a whole whilst the quorum to transact business shall be 3 Members of which 2 shall be Independent Non-Executive Directors or Non-Executive Directors failing which Committee Members shall nominate an Independent Non-Executive Director or Non-Executive Director to attend as an alternate with Board approval in support and although key Board Sub-Committee cross-committee membership should be encouraged, the REMCO and Board shall manage this in order to ensure that no one individual exercises excessive influence or control.
- 2.4 In accordance with the IPB Insurance Business Code of Conduct which incorporates conflict of interest provisions particular to Directors, appointment shall not proceed and on-going appointment may be impacted with consideration given by the REMCO and Board to changing the Committee's composition if a reasonably perceived potential conflict of interest or actual conflict of interest of significance to its work emerges (to include a perceived or actual conflict in relation to a change in personal circumstances which is required to be declared to the Committee Chairperson and the Board Chairperson together with the Company Secretary who shall record and ensure addressing of this together with arranging for it to be declared to an alternate should it potentially involve either Committee Chairperson and Board Chairperson or both.

3. Secretary

- 3.1 The Director of Legal and Company Secretariat or their nominee shall act as Secretary.

4. Meetings and Reporting Procedures

- 4.1 Agendas detailing items for consideration and noting the date, time and venue of a Committee Meeting together with Minutes of the previous Committee Meeting and all relevant material for a Committee Meeting shall be circulated electronically to all Committee Members 7 calendar days in advance and in a sufficiently clear format.
- 4.2 The Committee shall meet at least quarterly as apt and otherwise as required and the Committee Chairperson shall convene a Meeting on any Committee Member's request, subject to satisfaction of the quorum of 3 Committee Members, only 1 of whom can be an Executive Director and per satisfaction of point 2 hereof as required for transacting business, with decisions by majority vote with the Committee Chairperson or their alternate having the casting vote. All Committee Members shall be eligible to vote unless a reasonably perceived conflict exists wherein those conflicted shall not participate in decision or discussion with conflicts of interest issues managed by the Company Secretary per Section 2.4 hereof and recorded in the Committee Meeting Minutes and referred for Board decision to overcome any quorum concerns.
- 4.3 Committee Members shall attend Committee Meetings regularly and in person wherever possible or participate via video/teleconference or with perspective communicated via email or telephone to the Company Secretary for confirmation of communication if physical presence is not possible due to circumstances beyond their control (e.g. in illness) with participation and vote eligibility recorded. The Board, in consultation with the REMCO, shall remove a Committee Member unable to provide sufficient time to attend over the medium to long term and replace them with one with appropriate availability, skills, knowledge and experience.
- 4.4 Committee Meetings shall usually only be attended by the Committee with the Director of Legal & Company Secretariat, Board Chairperson, Observers, Director of Operations, Head of Investments, Head of Risk and Compliance, Senior Compliance Manager and Head of Finance invited as required. The Committee Chairperson and Committee Members, in consultation with the Committee Chairperson and the Director of Legal & Company Secretariat, may invite any officer or employee, external advisor or others to attend all or part of Committee Meetings, whilst Committee Members shall have access to the Board Chairperson, Board and Management and maintain a dialogue with key individuals involved in IPB Insurance's governance, inter alia the Board Chairperson, CEO, Director of Legal and Company Secretariat, Finance Director, Head of Risk and Compliance, External Audit Lead Partner and Head of Internal Audit.
- 4.5 Draft Committee Meeting Minutes recording associated date, time, location, attendee and absentee details together with sufficient details of all key discussions, deliberations, dissensions and decision outcomes and points for further action to evidence appropriate Committee attention shall issue to all Committee Members for approval within 10 working days of proceedings and thereafter to the Board, and the Committee shall operate in a manner consistent with ensuring its independence and reporting to the Board on its activities, decisions and recommendations on any area within its remit where it deems enhancement to be required with the Committee Chairperson reporting to the Board on proceedings after each Committee Meeting. An annual account of the Committee's activities shall feature in IPB Insurance's Stakeholder and Annual Report with the Committee Chairperson representing its activities at General Meetings.

5. Resources

- 5.1 The Director of Legal and Company Secretariat shall arrange induction for new Committee Members covering the Committee's role and commitment requirements and the Committee shall consider relevant regulation in undertaking its responsibilities with requisite resources and investment exposure and management principles developments training accessible via the Director of Legal and Company Secretariat.

6. Role and Responsibilities

The Committee's role and responsibilities shall include:

- 6.1 Investment Policy: monitor and recommend IPB Insurance's Investment Policy to the Board, recognising that assets should be invested to produce the best possible returns consistent with a prudent approach to securing interests of Members and stakeholders.
- 6.2 Investment Guidelines: assess compliance with IPB Insurance's Investment Guidelines as per the Board's Risk Appetite and regulatory and solvency constraint requirements or recommendations of the Risk Committee, Audit Committee or Actuarial Function.
- 6.3 Investment Parameters: review by exception the performance of IPB Insurance's Investment Function per IPB Insurance's Investment Parameters and instigate action.
- 6.4 Strategy: undertake any other responsibility related activity as directed by the Board.

7. Committee Effectiveness

- 7.1 The Committee shall undertake a documented review of its overall performance and effectiveness and the appropriateness of its Terms of Reference at least annually and per IPB Insurance's policies and procedures, with queries at any time on interpretation or requirements for prior approval by the Risk Committee or Board to be addressed collectively to the Director of Legal and Company Secretariat prior to taking action, with recommendations provided to the Board on revisions identified via review. Revised Terms of Reference shall be circulated to Management for implementation and published on the IPB Insurance website following Committee and Board approval.