

**IPB INSURANCE BOARD INVESTMENT COMMITTEE TERMS OF REFERENCE EFFECTIVE 20/07/23**

**1. Purpose**

1.1 The Investment Committee is a Sub-Committee of the IPB Insurance (“IPB”) Board with responsibility delegated to it for supporting the Board and advising it on meeting oversight responsibilities for IPB’s investment management operations per approved investment policy and risk parameters whilst the Board cannot abrogate responsibility.

**2. Membership**

2.1 The Board shall appoint the Committee Chair 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, Committee and Director 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 (‘INED’) or a Non-Executive Director (‘NED’) shall be appointed per point 2.1 hereof as the Committee Chair and, if absent Members shall elect an INED or NED Member as an alternate for the absence duration.

2.3 The Committee shall comprise of a minimum of 3 Members, with the number of Members being sufficient to handle the nature, scale, and complexity of the business. The Committee shall be comprised of a combination of INEDs and NEDs, along with the CEO and Finance Director, whilst the Board Chair shall not be a Member. The Committee shall have relevant knowledge and understanding of investment matters as a whole.

2.4 Although key Sub-Committee cross-committee membership should be encouraged, the REMCO and Board shall manage this to ensure no one individual exercises excessive influence or control.

2.5 Per IPB’s Business Code of Conduct (which incorporates Director conflict of interest provisions), should a reasonably perceived or actual conflict of interest of significance to the Committee’s work arise or within the individual Directors personal circumstances, this must be declared by the effected Director to the Committee Chair, Board Chair and Company Secretary so this can be recorded, and resolution sought. Should the conflict be ongoing in nature, the REMCO and Board may consider changing the Committee’s composition to address any such conflict. Should the conflict involve the Committee Chair or Board Chair, the declaration should be made to an alternate Director nominated by the Company Secretary.

**3. Secretary**

3.1 The Company Secretary or the Committee Chair’s 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 Meeting together with Minutes of the preceding Meeting and all relevant material for a Meeting shall be circulated electronically to all Members 7 calendar days in advance.

4.2 The Committee shall meet at least quarterly as appropriate and otherwise as required and the Committee Chair shall convene a Meeting on any Member’s request, subject to

satisfaction of the quorum of 3 Members, and only 1 of whom can be an Executive Director. Failing meeting of quorum, the Members shall nominate an INED or NED to attend as an alternate with Board approval in support of such. Decisions are to be made by majority vote with the Committee Chair or their alternate having the casting vote. All Members shall be eligible to vote unless a reasonably perceived conflict exists wherein those conflicted shall not participate in decision or discussion with conflicts issues managed by the Company Secretary per S2.5 hereof and recorded in the Meeting Minutes and referred for Board decision to overcome any quorum concerns.

- 4.3 Members shall attend Meetings regularly and in person where possible or participate via video/teleconference or with perspective communicated via email/telephone to the Company Secretary for confirmation if physical presence is not possible due to circumstances beyond their control (e.g. in illness) with participation and vote eligibility recorded. The Board, on REMCO consultation, shall replace a Member unable to provide sufficient time to attend over the medium to long term with an appointee determined as presenting with appropriate availability, skills, knowledge and experience.
- 4.4 Meetings shall be attended by the Committee with the Company Secretary, Board Chair, Observers and business representatives inter alia the Head of Investments ('HOI'), Head of Actuarial Function ('HOAF'), Director of Risk and Compliance ('DORC') and Head of Compliance ('HOCP') invited as appropriate with attendances managed by invitation and informed per potential for contribution in the Committee's interests and independence. The Committee Chair and Members, in consultation with the Committee Chair and Company Secretary, may invite any officer or employee, external advisor or others to attend all or part of Meetings, whilst Members shall have access to the Board Chair, Board and Management and maintain dialogue with key individuals involved in IPB's governance, inter alia the Board Chair, CEO, Company Secretary, Finance Director, DORC, External Audit Lead Partner and Head of Internal Audit, and have authority to seek information and call any employee to address proceedings as required.
- 4.5 Draft Minutes recording date, time, location, attendee and absentee details, key discussions, deliberations, dissensions and decision outcomes and actions to evidence appropriate Committee attention shall issue to all Members for approval promptly following proceedings and thereafter to the Board, and operations shall correspond with ensuring independence and Board reporting on activities, decisions and recommendations on areas in the Committee's remit requiring enhancement with the Committee Chair reporting to the Board on proceedings after each Meeting. An annual account of Committee activities shall feature in IPB's Stakeholder and Annual Report with the Committee Chair representing its activities at General Meetings.

## **5. Resources**

The Company Secretary shall arrange induction for new Members covering the Committee's role and commitment requirements and support accessibility to training on matters within the Committee's remit and securing of (at IPB's expense) independent legal, accounting or other professional advice as required by Directors to support discharge of their duties.

## **6. Role and Responsibilities**

The Committee's role and responsibilities shall include:

- 6.1 **Investment Policy:** monitor and recommend approach to the Board per requirements for prudence in optimise returns via a focus on securing of sustainability for the short, medium and long term aligned to IPB's mutual ethos and Member's interests with regular assessment of progress against agreed strategy, plans, targets and metrics. Development

of a sustainable Investment Policy in line with Environmental, Social and Governance (ESG) principles.

- 6.2 Investment Guidelines and Parameters: assess compliance per Risk Appetite, regulatory and solvency constraint requirements or Risk or Audit Committee or Actuarial Function recommendations and review IPB's Investment Function's performance by exception.
- 6.3 Strategy, Culture & ESG: undertake any other activity directed by the Board with ongoing commitment to cultivating an apt organisational culture where people can Speak Up and diversity and equity and inclusion is fostered and celebrated. Ensure that investment strategy is sustainable and in line with Environmental, Social and Governance principles.

## **7. Committee Effectiveness**

- 7.1 The Committee shall undertake a documented review of its performance, effectiveness and the appropriateness of its Terms of Reference at least annually and per IPB's policies and procedures with interpretation or prior Investment Committee or Board approval requirement queries to issue to the Company Secretary prior to acting and Committee and Board recommendations on identified enhancements to inform approval of revised Terms of Reference for publication on IPB's website and issuing for Management implementation.