



# **THE INVESTMENT COMMITTEE**

## **TERMS OF REFERENCE**

### **1 ESTABLISHED**

The Committee has been established as a standing Sub-Committee of the Board under the authority of the Memorandum and Rules of the Society.

### **2 REPORTING TO**

The Committee Chairman or his nominee shall make themselves available to answer the questions of the Board on its proceedings after each meeting on all matters within its duties and delegated responsibilities.

### **3 OVERALL TERMS OF REFERENCE**

The Committee shall:

Consider and recommend to the Board the Society's overall investment policy having regard to the requirement that the assets should be invested to produce the best possible return consistent with a prudent approach to the security of Member's interests and their fair treatment

### **4 POWERS**

- a) The Committee shall operate with the full authority of the Board in accordance with its remit where action or improvement is needed.
- b) The Committee is authorised by the Board to seek any information it requires from any employee of the Society or from its investment advisers in order to perform its duties;
- c) In connection with its duties, the Committee is authorised by the Board to obtain, at the Society's expense, any outside legal, financial or other professional advice.

### **5 DETAILED TERMS OF REFERENCE**

#### **1. Membership**

- a) The Committee shall consist of four members who shall be serving members of the Board (two non-executives and the Chief Executive and Deputy Chief Executive);

- b) The non-executive members of the Committee must be independent;
- c) The Board may from time to time resolve the membership of the Committee and its terms of reference;
- d) Selection to serve on the Committee shall be based on recent and relevant financial experience and/or qualification;
- e) Position of the Chairman of the Committee shall not be linked by virtue of office but by election from amongst the Committee Members. The Chairman of the Committee shall preside at all meetings of the Committee at which he is present and in the absence of the Chairman of the Committee, the members present at that meeting shall elect a member to be Chairman for the purposes of that meeting;
- f) Any member of the Committee who shall be absent for two consecutive meetings, without the prior approval of the Chairman of the Committee, shall have their service on the Committee terminated.

## **2. Quorum**

- a) No business shall be considered by the Committee unless a quorum is present at the time when the meeting proceeds to business;
- b) A quorum shall be constituted for all purposes by a majority of the voting members. (Three - 3). All members of the Committee shall have a vote;
- c) If it appears that no quorum shall be present or a vacancy arise by virtue of (1) (f) above the Chief Executive or his Deputy, shall have power to co-opt any serving member of the Board onto the Committee, following consultation and agreement with the Chairman of the Committee;
- d) Every question at any meeting shall be decided by a majority of votes, in the case of an equal vote, the Chairman shall have an additional casting vote.

## **3. Frequency of Meetings**

The Committee shall meet two times a year or as often as may be considered necessary, but generally at intervals not exceeding six months.

## **4. Minutes**

Minutes shall be taken of the meeting, and a verbal report by the Chairman of the Committee made to the next Board of Management meeting.

## **5. Chairman's Annual Report to the Board**

The Chairman of the Committee shall produce an Annual Report to the Board of Management at the March Meeting on the Investment Committee's activities over the previous calendar year.

## **6. Report to the Annual General Meeting**

The Chairman of the Committee, or in the event of his unavoidable absence, his nominee, shall attend the AGM and respond to any member questions on the Committee's activities.

## **7. Detailed Matters**

The Committee shall:

- a) Ensure that the investment policy takes account of any investment guidelines determined by the Board, any constraints imposed by regulatory authorities or recommended by the Board, Audit and Risk Committee or the Actuarial Function Holder having regard to solvency requirements;
- b) Monitor the effectiveness and implementation of the investment policies;
- c) Review 'by exception' the performance of the fund managers in accordance with investment mandates and instigate any necessary corrective actions for fund managers' consideration;
- d) Review and monitor compliance with asset and liability matching requirements of the fund in consultation with the AFH no less frequently than every six months;
- e) Approve the investment mandates relative to stockbrokers/fund advisers to the Society;
- f) Monitor compliance with the requirements of the FCA/PRA regulations relating to the investment of Friendly Society assets;
- g) Make recommendations to the Board concerning the appointment or removal of investment manager(s);
- h) Determine and monitor the policy on counterparty limits;
- i) Approve investment management fees within any applicable limits established by the Board

## **6 PERFORMANCE REVIEW**

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