

THE CHILDREN'S MUTUAL

Terms of Reference for the Investment Committee

Constitution

- 1 The Board hereby resolves to establish a committee of the Board to be known as the Investment Committee.

Duties

- 2 The duties of the committee shall be:
 - a. To formulate appropriate investment strategies for the funds of the Society and its subsidiaries, having regard to the Society's liabilities, solvency margins, liquidity requirements and the reasonable expectations of members taking account of the recommendations of the Head of Actuarial Function and the With Profits Actuary;
 - b. To monitor and review investment strategies and the performance of the fund managers in giving them effect;
 - c. To determine and approve, at least annually, the investment risk parameters within which the fund managers are required to operate;
 - d. To determine and approve, at least annually, the asset allocation criteria within which the fund managers are required to operate;
 - e. To review the terms of any contract with a fund manager and to make recommendations on such appointments to the Board.

Membership

- 3 The committee shall be appointed by the Board from amongst their number, on recommendation of the Nomination Committee. It shall consist of not less than four members.
- 4 Board will appoint the chairman of the committee.
- 5 The Society Secretary shall be secretary to the committee and shall attend meetings as an ex-officio member, together with the Head of Actuarial Function/With Profits Actuary.
- 6 A quorum shall be two members of the committee. In the absence of the Committee Chairman, those committee members attending shall, at the start of the meeting, elect a chairman for the purpose of that meeting only.

Attendance at meetings

- 7 Members of the Board and members of the Society's staff may be invited by the committee to attend any meeting of the committee.

Frequency of meetings

- 8 The committee shall meet as often as the Board or the committee may decide.

Authority

- 9 The committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any relevant information it requires from any employee of the Society or subsidiary thereof.
- 10 The committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure their attendance at any meeting of the committee if it considers this necessary.

Reporting procedures

- 11 A report to the Board of the Society shall be made whenever required by the Society's chairman, on any aspect within the committee's terms of reference.
- 12 The committee shall cause minutes of meetings of the committee to be circulated to all members of the Board.
- 13 The chairman of the committee shall report annually to the Board on the issues being addressed and policy matters.

12 December 2007

Reviewed November 2009