

UTMOST LIFE AND PENSIONS LIMITED Investment Committee Terms of Reference



1. Constitution

The Investment Committee is a sub-committee of Utmost Life and Pensions' ("ULP", "the Company") Board of Directors and has been delegated responsibility for (i) recommending the overall strategic investment policy for the Board's consideration and (ii) over-sight and control of the Company's investment activities.

As of January 2020, the Investment Committee also has delegated responsibility from the Board of the Equitable Life Assurance Society ("ELAS") to consider all relevant matters in relation to ELAS, being a wholly owned subsidiary of ULP, and to report and make recommendations to the ELAS Board accordingly.

2. Purpose and Authority

The Investment Committee shall seek to ensure that investment activities carried out are consistent with the Investment Policy as adopted by the Board or the ELAS Board, and Investment Guidelines issued pursuant to seeking the achievement of the objectives of the Investment Policy as issued from time to time. It exercises control over the execution of the Board's and ELAS Board's strategic decisions and the sound and efficient management of investment related matters.

In carrying out its duties, the Committee shall review the following, seeking to ensure that there are appropriate procedures and controls in place;

- The overall asset sector allocation and balance of the shareholder / policyholder funds
- Determination of any sector risk, currency risk, geographical risk, fund manager risk, specific stock risk
- Quarterly performance of all funds and specifically any variances from relevant benchmarks
- The selection and choice of the standard funds
- Specific counterparty exposure(s)
- The (in)appropriateness of any type of asset or fund for life assurance and pension assets
- Funds liquidity

- Operational issues concerning the management and administration of the Company assets
- Potential changes in life assurance and tax legislation relevant to policyholder funds.

The Committee is authorized by the Board and the ELAS Board to:

- investigate any activity within its ToR
- seek any information that it requires from any employee of the Company or the Group involved in the provision of services to the Company or to ELAS and all such employees are directed to co-operate with any request made by the Committee and seek any information from any employee of an external service provider
- obtain outside legal or professional advice, where such advisors may attend meetings as necessary

3. Membership/Organisation

The Members of the Committee shall be appointed by the Board following consultation with the Chair. The Committee will be composed of at least three members at all times.

The Chair shall be appointed by the Board, but shall be an Independent Non-Executive Director. In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting. The Chair of each meeting shall be an Independent Non-Executive Director.

The Company's Chief Executive, Chief Financial Officer, Chief Actuary, With-Profits Actuary, Chief Risk Officer and Head of Investments shall be invited to attend meetings of the Committee. In addition to appointed members, the Chair may invite other persons to attend all or part of any meeting;

Furthermore, the Chief Financial Officer, Chief Risk Officer and Head of Investments shall have direct access to the Committee as appropriate.

The membership and role of Chair of the Committee will be reviewed each year by the Board in consultation with the Chair to ensure that an appropriate balance is maintained between experience and independence. Changes as required will be recommended to the Board thereafter. The appointment of members to the Committee shall be for a period of up to 3 years, extendable up to 2 further periods of 3 years.

The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.

The quorum for meetings shall be three members (of whom at least one shall be an Independent Non-Executive Director and at least one shall be a Founding Non-Executive Director). If necessary either Founding Non-Executive Director may grant delegated authority to any individual to represent the Founders at a given meeting, should they be absent, to allow it to be quorate.

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. In the event of a formal vote on any matter (a) all members shall enjoy equal voting rights, and (b) the majority decision shall prevail.

Any member of the Committee who has a personal interest in the matters to be considered by the Committee is to declare that interest in advance of such discussions. The member should absent himself/herself from any discussions on these items.

4. Meetings

The Committee shall meet at least quarterly and at such other times as the Chair considers necessary or appropriate. In addition, ad-hoc meetings shall be held whenever it is necessary to discuss any significant or critical aspects concerning the Company's investment affairs and/or related matters.

Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Chair.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, standing invitees and any other person required to attend, no later than 5 working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other invitees as appropriate, at the same time.

The Company Secretary or his/her nominee shall be Secretary of the Committee. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

The Chair shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and the Secretary shall minute them accordingly.

The Committee shall be authorized to seek any information that it requires from any employee of the Company, any employee of a Group company involved in the provision of services to the Company or ELAS, or any employee of an external service provider.

5. Responsibilities

The responsibilities of the Investment Committee are to:

Company Policies

- Ensure the Company adheres to the Utmost Life and Pensions' Investment Policy, the Strategic Business Plan and any relevant areas of the Risk Management Policy, as approved by the Board
- Ensure ELAS adheres to the ELAS Investment Policy, as approved by the ELAS Board
- Review the continued appropriateness of the Company's and ELAS's investment policy on an ongoing basis, particularly if there are any significant changes in the company's liability profile, making recommendations to the Board as appropriate
- Make recommendations to the Board in respect of the Company's and ELAS's strategic and tactical asset allocations, recognizing that shareholder assets should be invested to produce the best possible returns consistent with the Company's and ELAS's Risk Appetite
- Ensure the Company and ELAS adhere to the requirements of the most up-to-date investment related matters as outlined in the Group Risk Guidelines and other investment related guidelines as issued and adopted by the Board, the ELAS Board or the Utmost Life and Pensions' CEO, as appropriate, from time to time, making recommendations as appropriate in respect of same
- Identify and monitor the risk adjusted performance to be managed by way of investment activity
- Continually review the permissible range of assets allowed for the various product lines as outlined in the Company's and ELAS's investment policy, and the Utmost Group Responsible Investment Policy.

- Oversee the appointment of Asset Managers and define mandates and service level agreements in accordance with the Company's and ELAS's guidelines
- Monitor relevant regulations and recommend amendments to the Company's and ELAS's investment policy where required or where new opportunities present themselves
- Approve specific transactions in accordance with the investment policy and guidelines, as approved by the Utmost Life and Pensions Board, or the ELAS Board
- Set guidelines, where necessary, for foreign exchange trading and foreign currency positions for shareholder funds.

Monitoring

- Consider and address investment issues related to the Company's and ELAS's assets and to review existing performance and identify future investment opportunities within the remit of the adopted investment policy
- Discuss and review the ALM positioning of the business as a whole
- Review any reports prepared by management on the Company's and ELAS's asset exposures and the associated risks including Environment, Social and Governance (ESG) aspects.
- Consider and monitor investment issues arising from insurance and shareholder funds
- Monitor the performance of internal and external managers
- Monitor on a quarterly basis asset/liability matching to confirm that Utmost Life and Pensions has invested in assets appropriate to the nature and term of its corresponding liabilities.

Investment Parties

- Determine and oversee the procedures, controls and guidelines in place for the appointment of Custodians, Counter-Parties and Asset Managers for all assets, to be delegated to management for implementation
- Define the parameters under which the Authority of each Asset Manager to act will be specified, to be delegated to management for implementation

6. Agenda and topics to be covered

The Investment Committee agenda will cover the following topics from time to time:

- Approval of previous minutes and follow-up from previous meeting Actions Log
- Financial Markets overview
- Investment strategy review (at Portfolio level)
 - ALM/SAA review (Actual/Target)
 - Investment Income and KPIs/KRIs (Actual/Target)
 - Analysis of main investment activities during the period
 - Asset Holdings including unit-linked review
 - Support and input on the setting of Financial Limits, Investment Risk Appetite Statements and the ORSA
- TAA review (if applicable)
- Oversight of assignment/Review of Mandates to Asset Managers

- Specific items proposed by the Company's Chief Executive, Chief Financial Officer, Head of Investments and Heads of Control Functions including the Chief Risk Officer, Chief Actuary and the With-Profits Actuary
- Other items requiring the Committee's approval (as required by these ToR and Utmost Life and Pensions' and ELAS's Investment Policies).

The Investment Committee will receive reports from the Management Investments / Finance Functions in respect of the above items on a quarterly basis as appropriate.

According to the responsibilities set out in the Investment Policy, the Chief Financial Officer and Head of Investments Manager may introduce specific topics to be discussed and decided upon by the Committee in accordance with the Company's and ELAS's investment policy.

7. Reporting procedures

The Committee shall operate under delegated authority from the Board and the ELAS Board, and the Chair shall report formally to the Board and the ELAS Board on the key aspects of its proceedings after each meeting. Operational issues will be addressed to the Chair of the Risk and Compliance Committee. With-Profits issues will be addressed to the Chair of the With-Profits Committee. The Committee's role and activities should be referenced in the Company's Annual Financial Statements. The Committee shall make whatever recommendations to the Board it deems appropriate regarding any matter within its remit where action or improvement is needed.

The Secretary shall circulate the minutes of meetings to all members of the Committee in advance of the next Investment Committee meeting. The Board and ELAS Board shall receive a copy of the most recent minutes from the latest Investment Committee for review.

The Investment Committee members shall conduct an annual review of their work and these ToR and report to the Board on their activities during the year.

Appendix: Abbreviations and Definitions

The titles and functions in this document apply to both genders.

ALM	Asset Liability Matching
Board	The Board of Directors of Utmost Life and Pensions
Committee	The Committee to which these Terms of Reference are directed
Company	Utmost Life and Pensions Limited
CEO	Chief Executive Officer
Director Independence	<p>Independence is defined as the ability to exercise sound judgement and decision making independent of the views of Management, political interests or inappropriate outside interests. In determining Director Independence, the following criteria are to be considered:</p> <ol style="list-style-type: none">i. Has been an employee of the company or group within the last five yearsii. Has, or has had within the last three years, a material business relationship with the Company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Company;iii. Has received or receives additional remuneration from the Company apart from a director's fee, participates in the Company's share option or a performance related pay scheme, or is a member of the Company's pension scheme;iv. Whether the individual represents a significant shareholder;v. Holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;vi. Has close family ties with any of the Company's advisers, directors or senior employees; andvii. Has served on the board for more than nine years from the date of their first election.
ELAS	The Equitable Life Assurance Society
ELAS Board	The Board of Directors of the Equitable Life Assurance Society
ESG	Environment, Social and Governance
KPI	Key Performance Indicator
KRI	Key Risk Indicator

Independent Executive Director	Non-	A non-executive director who satisfies the criteria for director independence
Founding Non- Executive Directors		Paul Thompson and Ian Maidens
Management		Members of the ULP's Senior Management Team
Non-Executive Director		A Director without executive management responsibilities for the institution
ORSA		Own Risk & Solvency Assessment
SAA		Strategic Asset Allocation
TAA		Tactical Asset Allocation
ToR		Terms of Reference