

## **The Britannia Steam Ship Insurance Association Holdings Limited**

### **Investment Group**

### **Terms of Reference**

#### **Introduction**

1. The Investment Group (the Group) is a sub-committee of the Board of The Britannia Steam Ship Insurance Association Holdings Limited (Britannia). The Board is the primary decision making body of Britannia. The Board and all of its sub-committees are established pursuant to Britannia's Articles of Association (the Articles) and, unless specifically stated otherwise, the terminology, words or expressions used in these Terms of Reference have the same meaning as in the Articles.

#### **Membership**

2. The Group shall consist of the Chairman of the Board, three further non-executive Directors of the Board and the Manager Directors. Members of the Group shall be appointed by the Board from time to time and the composition of the Group shall be reviewed at least every three years. Membership of the Group shall be agreed by the Board, based on the recommendation of the Nomination Sub-Committee.
3. Only members of the Group shall have the right to attend meetings. However, the following shall be expected to attend meetings of the Group:
  - (a) Britannia's investment consultants;
  - (b) Britannia's investment adviser;
  - (c) Britannia's CRO; and
  - (d) The Managers' Director of Financial Reporting.
4. Additional employees or representatives of the Managers shall attend and participate in meetings as appropriate.
5. The Chairman of the Board shall chair each meeting of the Group. If the Chairman is absent the other members of the Group present shall choose one of their number as Chair.

#### **The Group's delegated authority and duties**

6. The Board has delegated to the Group the following authority and duties:
  - (a) in respect of Britannia's investment strategy and mandates as agreed by the Board:
    - (i) to review and monitor the long term performance of Britannia's investments against the objectives set out in the investment strategy;
    - (ii) to receive reports (in writing and in person) from Britannia's investment managers, investment consultants and investment adviser. The Group is expected to meet with each investment manager at least once per year.
    - (iii) to take such steps and/or decisions necessary to ensure adherence with that investment strategy and those mandates;
    - (iv) at least every three years, to review the long-term investment strategy of Britannia and recommend any changes to the Board for approval;

- (v) to periodically review the fees paid to the fund managers and appraise value for money; and
  - (vi) to review the value at risk (VaR) and ensure that this is within Britannia's stated risk appetite
- (b) to review and approve for recommendation to the Board any changes to Britannia's investment strategy and mandates;
  - (c) to review and monitor the custodian arrangements of Britannia;
  - (d) to make recommendations to the Board on the selection of investment managers, sub-managers, custodians and, where appropriate, specialists, including in respect of their fees; and
  - (e) if determined necessary by the Group, to approve the movement of Britannia's assets (and any consequential change in fund manager), subject to such movement being (i) within Britannia's existing investment strategy and asset allocation and (ii) into assets of a comparable nature
7. In fulfilment of their duties, each year the Group shall be entitled to pre-approve up to £50,000 of additional costs to Britannia.
  8. Other than set out above, the Board retains sole authority in respect of all matters involving Britannia's investments, including but not limited to setting Britannia's investment strategy and associated mandates, risk appetite, allocation of assets and agreeing Britannia's investment managers, sub-managers, custodians and advisers.

#### Meetings

9. The quorum for the Group shall be two members (excluding the Manager Directors).
10. The Group shall meet at least four times per annum, with scheduled meetings being held in March, June, September and December. If necessary, the Group shall hold further meetings from time to time, as may be called by the Company Secretary of Britannia or by any member of the Group. All meetings shall be conducted in accordance with these Terms of Reference and the Articles.
11. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, with all available supporting papers, shall be forwarded to each member of the Group and any person required or invited to attend, no later than five working days before the date of the meeting.
12. Appendix I details the schedule of regular agenda items for the Group.
13. The Chair shall chair each meeting of the Group. If the Chair is absent the members of the Group present shall choose one of their number (excluding the Manager Directors) as Chair for that meeting.
14. The Managers shall minute the proceedings of each meeting of the Group, including recording the names of those present and in attendance. The Group's Chair (through the Managers) will report on the Group's decisions and recommendations to the Board no later than at the Board's next meeting following the relevant Group meeting.

Adopted by the Board on 11 May 2021

## Appendix I

### Schedule of regular agenda items for the Investment Group

#### For each regular meeting

Apologies  
Declaration of conflicts of interest  
Minutes of the previous meeting  
Matters arising from the previous meeting  
Dates and venues of future meetings of the Group  
Any other business

#### At each March meeting

Formal presentations from one or more investment managers  
Review asset allocation and VaR

#### At each June meeting

Formal presentations from one or more investment managers  
Review asset allocation and VaR  
Review half year performance report

#### At end September meeting

Formal presentations from one or more investment managers  
Review asset allocation and VaR

#### At each December meeting

Review of the Group's performance  
Review of the Group's Terms of Reference  
Formal presentations from one or more investment managers  
Review asset allocation and VaR  
Review half year performance report  
Review actual concentrations by sector, equity, bond issuer and derivative counterparty