

The Board of the Pension Protection Fund

Terms of Reference

Investment Committee

Preamble

The Investment Committee (the Committee) is a Committee of the Board established under paragraph 15 of Schedule 5 to the Pensions Act 2004 (“the Act”) and the Board has authorised the Committee to discharge certain investment functions on its behalf under paragraph 17 of Schedule 5 to the Act.

Membership

The majority of the Committee will comprise Non-executive Members. One of the Non-executive Members will be appointed Chair of the Committee. The Chairman of the executive Asset and Liability Committee (ALCO) shall be an ex-officio member of the Committee.

Three Committee members, of whom at least two must be Non-executive members, will constitute a quorum.

All members of the Board have rights of attendance.

Secretary

The Board Secretary will provide secretarial support to the Committee.

Meetings

The Committee will meet at least four times each year. The Chair of the Committee may convene additional meetings.

The Committee may invite any persons to attend all or part of any meeting but such invited persons shall not have a right to vote on any matter before the Committee.

Reporting

The minutes of the Committee will be reported for information to the next convenient meeting of the Board.

A formal annual report of the Committee’s work (including an assessment of its effectiveness) will be provided to the Board at the end of each year.

Responsibilities

The Investment Committee will have delegated authority for the discharge of certain functions including:

- developing the Pension Protection Fund investment principles and strategic approach to investment
- approving revisions to the Statement of Investment Principles or recommending changes, where these are material, to the Board
- developing and maintaining the Pension Protection Fund's responsible investment policies
- determining the overall approach to risk management of investments and asset liability matching
- determining the principles for dealing with the investments of schemes in assessment and subsequent transfer to the PPF
- approving the annual investment report of the PPF
- reviewing the investment accounts prior to their submission to the Audit Committee
- deciding on the appointment, retirement and contractual review of the fund managers (as defined in section 113(5) of the Act) including the assessment of appropriate knowledge and experience under section 113 (6) of the Act
- approving the mandates and performance criteria for fund managers and general oversight of performance
- approving the processes for the appointment, retirement and contractual review of any investment advisers
- approving the processes for the appointment, retirement and contractual review of the custodian to the fund.

The Committee will have the authority to commission any reports or advice that it needs to fulfil its responsibilities.

Version	Recommended by	Approved by	Effective from
V1	Investment Committee	Board of the PPF	February 2005
V2	Investment Committee	Board of the PPF	April 2007