

1.0 GENERAL

The Investment Committee is a sub-committee of the Board of the Ancient Order of Foresters Friendly Society Ltd. It considers matters in relation to the investment strategy and decisions of the Society. It formally reports to the Board of the Ancient Order of Foresters Friendly Society Ltd and conducts its business in accordance with the Rules of Foresters Friendly Society and with its own Standing Orders.

2.0 LEGAL STATUS

The Ancient Order of Foresters Friendly Society Ltd is a registered Friendly Society and must ensure that the Society achieves its objectives within the relevant legal framework and in compliance with the requirements of the Financial Services Authority.

The members have responsibilities as Non-Executive and Executive Directors and are of approved person status.

3.0 MISSION & VALUES OF THE FORESTERS FRIENDLY SOCIETY

Foresters Friendly Society has adopted a Mission and Values statement. The Investment Committee will seek to ensure that the Organisation follows that mission and upholds the values.

4.0 THE FORESTERS FRIENDLY SOCIETY'S OBJECTIVES

Foresters Friendly Society has agreed strategic objectives and the Investment Committee will seek to monitor performance against the objectives.

5.0 MAIN FUNCTIONS

.1 The Committee will consider the following

- 5.1.1 To review and approve the investment management agreements and the appointment of external investment managers.

- 5.1.2 To monitor the fund performance of all asset classes plus the total portfolio against performance measurement targets (benchmarks), understanding the impacts of external factors.
- 5.1.3 To review the performance and fees of all external investment managers
- .4 To review the Investment Risk Management policy in conjunction with the Risk Management Executive Committee
- .5 To approve all Investment transactions in excess of £1m with an upper limit of £10m, above which must be referred to the Board. Levels to be reviewed after one year.
- .6 To ensure compliance with all applicable legislation.
- .7 To obtain external professional advice where necessary.
- .8 To carry out such other activities as may be determined by the Board.
- .9 To review Conflicts of Interest Guidelines and any insider trading events.

6.0 REPORTING RESPONSIBILITIES

- .1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- .2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- .3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.

7.0 OTHER

- 7.1 The Committee shall meet at least once a year, review its own performance constitution and Terms of Reference to ensure it is operating at maximum

effectiveness and recommend any changes it considers necessary to the Board for approval.

8.0 AUTHORITY

- 8.1 The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
- 8.2 The Committee is authorised to obtain, at the Society's reasonable expense, outside legal or other professional advice on any matters within its terms of reference.

9.0 ADDITIONAL RESPONSIBILITIES

- .1 The Committee is authorised by the Board to determine the investment strategy, including asset allocation, for the Society in conjunction with the with-profits actuary and the Audit and Risk Committee and RMEC.
- .2 The policy is to be reviewed and approved by the Board on an annual basis.

10.0 DELEGATION

The day-to-day business of the Society shall be delegated to the staff led by the Chief Executive and the Management Team. The scheme of delegation is set out in the "Delegation Framework" and in the 'Financial Policies and Procedures'. The conduct of the day-to-day work shall be monitored by the Committees of the Society in accordance with their various Terms of Reference and Standing Orders

Approved by the Board 29 October 2008

1.0 MEMBERSHIP

- 1.1 The members of the Investment Committee shall be appointed by the Board following recommendation by the Nominations Committee.
- .2 The Committee shall be made up of
 - a) Three (3) Non-Executive Directors
 - b) Chief Executive
 - c) Finance Director
 - d) External advisor/actuary/investment specialist
- .3 The Chairman of the Board shall not be Chairman of the Investment Committee
- .4 Only members of the Committee have the right to attend Committee meetings. However, other individuals and external advisors may be invited to attend the whole or part of the meeting if appropriate.
- .5 The Company Secretary or their nominee shall act as Secretary to the Committee.
- .6 Any member of the Board may attend a committee meeting providing reasonable notice is given to the Chairman of the Committee.
- .7 When the Committee discusses any item which poses a conflict of interest for any Committee member that member should declare the interest. If the conflict is clear and substantial that member should withdraw from the meeting.

All declarations of conflict of interest shall be recorded in the minutes.

2.0 QUORUM

- 2.1 The quorum necessary for the transaction of any business shall be two (2), one of which must be a Non Executive Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of any of the authorities, powers and discretions vested in or exercisable by the Committee.

3.0 FREQUENCY OF MEETINGS

- 3.1 The Committee shall meet not less than four times a year and at such other times as the Chairman of the Committee shall require.

4.0 NOTICE OF MEETINGS

- 4.1 Meetings of the Committee shall be summoned by the Secretary to the Committee at the request of the Chairman of the Committee.

- .2 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, any other person required to attend and all other Non-Executive Directors, no later than (5) working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

5.0 MINUTES OF MEETINGS

- 5.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings including names of attendees and of any apologies received.
- 5.2 Minutes of the Committee meetings shall be circulated promptly to all members of the Committee and the Chairman of the Committee and, once agreed, to all other members of the Board, unless a conflict of interest exists.

6.0 ANNUAL GENERAL MEETING

- 6.1 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any questions on Committee activities.

7.0 REPORTING TO MEMBERS

- .1 The Annual report will contain a separate report reporting addressing the frequency and attendance by members at Investment Committee meetings, together with disclosure of remuneration, including pensions, as set out in the Director's Remuneration Regulations 2002.

8.0 URGENT DECISIONS

- .1 Should decisions be required that cannot be deferred to the next scheduled meeting, the Chairman shall make the decision after contacting other members of the Committee where possible.
- .2 Any decisions made must be reported at the next scheduled meeting and the extent of consultation and expressed views of the Committee members recorded in the minutes.

Approved by the Board 29 October 2008