
LANCASHIRE HOLDINGS LIMITED

TERMS OF REFERENCE OF THE

INVESTMENT COMMITTEE

**Adopted on 29 April 2025
(replacing version adopted 8 February 2023)**

Lancashire Holdings Limited
(the “Company”)

Investment Committee

Terms of Reference

On 9 December 2005 the Board of Directors of the Company (the “**Board**”) resolved to establish an Investment Committee of the Board (the “**Committee**”). These Terms of Reference were amended, restated and adopted by the Board on 17 February 2011 and further amended and adopted on 19 February 2013, 1 May 2013, 28 July 2015, 2 May 2018, 27 April 2022 and 8 February 2023 respectively.

1. Membership

- 1.1 The Committee shall comprise at least two non-executive directors (one of whom may be the Chair of the Board) and the Chief Financial Officer and/or the Chief Investment Officer. Any executive director may also serve on the Committee. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination and Corporate Governance Committee and in consultation with the chair of the Investment Committee.
- 1.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Board members, members of the Executive Team and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 1.3 Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for further periods of up to three years, provided the director still meets the criteria for membership of the Committee.
- 1.4 The Board shall appoint the Committee chair. In the absence of the Committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board.

2. Secretary

- 2.1 The Company secretary or his or her nominee shall act as the secretary of the Committee.

3. Quorum

- 3.1 The quorum necessary for the transaction of business shall be two members, one of whom shall be a Non-Executive Director. 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.

4. Frequency of meetings

- 4.1 The Committee shall meet at least quarterly and otherwise as required.

5. Notice of meetings

- 5.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chair.
- 5.2 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 five 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.

6. Minutes of meetings

- 6.1 The secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board, unless it would be inappropriate to do so.

7. Annual General Meeting

- 7.1 The Committee chair should attend the annual general meeting to answer shareholder questions on the Committee's activities.

8. Duties

The Committee is responsible for monitoring the management of the investments of the Company and its subsidiary undertakings (the “**Group**”), including but not limited to:

- 8.1 the review of investment strategies, guidelines and policies proposed by management and the recommendation of such strategies, guidelines and policies to the Board and other Group entities to approve annually;
- 8.2 the recommendation and setting of risk asset definitions and risk tolerance levels as proposed by management;
- 8.3 recommendation of the appointment of investment managers proposed by management to manage the Group investments, to the relevant Boards;
- 8.4 monitoring the performance of investment strategies within the risk framework;

- 8.5 receiving and reviewing reports as detailed in Schedule 1 or as otherwise agreed with the Committee Chair and reporting to the relevant Boards as necessary; and
- 8.6 establishing and monitoring compliance with investment operating guidelines relating to custody of investments, internal control and accounting.

9. Reporting responsibilities

- 9.1 The Committee chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10. Other matters

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- 10.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- 10.3 arrange for periodic reviews of its own performance and, at least annually, review its 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; and
- 10.4 make these terms of reference available, explaining its role and the authority delegated to it by the Board.

11. Authority

- 11.1 The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

Adopted 29 April 2025

Schedule 1

Indicative content of the Investment Memo received and considered by the Investment Committee at periodic meeting to include the following:

Executive Summary: a high level summary of the subjects covered in the Main Memo

Main Memo:

Subject	Topics Included
Market Commentary	Overall state of the Market and Volatility Yield curve changes and future expectations of Yields Credit Spreads
Investment Performance	By Asset Class
	By Manager
	Alternative Investment Performance
Asset Allocation	Approved Asset Class Ranges
	Allocation by Manager
	Allocation by Credit Rating
Risk Analytics	Duration and Spread Duration
	VaR Tolerance
	Stress Scenarios
Compliance	Liquidity Compliance
	Guideline Compliance
	FX Hedging Compliance
ESG	ESG Ratings Summary
	Climate Risk and Carbon Intensity
Every 2 Years	Strategic Asset Allocation Study
Ad Hoc	New Manager or Product Review
	Investment Opportunities
	Liquidity Plan for Large Losses