

Terms of Reference

Royal London

Investment Advisory Committee

1. PURPOSE

- 1.1 The Investment Advisory Committee (“the Committee”) provides a forum within which Royal London (“RL”) unit-linked investment solutions are given independent challenge. The RL Investment Solutions team purpose is to “design and promote market-leading propositions”. The Committee is a key enabler of this, providing independent challenge during the design phase, so as to avoid problems and help optimise customer solutions.
- 1.2 RL has an investment framework within which the Investment Solutions team operate. This framework is defined by a series of policies, key to which are our Investment Philosophy & Beliefs, and the Investment Risk Framework. The Committee should be aware of these policies but are not responsible for defining or reviewing them.
- 1.3 The Committee is an advisory committee to the Investment Solutions team within the UK Product division and operates under the delegated authority of Group Chief Commercial Officer. The Committee will provide advice and guidance to RL on the investment elements only and do not have responsibility to provide independent challenge to the wider RL propositions.
- 1.4 The Committee’s primary remit is the Governed Range and Matrix Funds.

2. MEMBERSHIP

2.1 Members of the Committee shall be:

Role	Current Incumbent
Independent Chairperson	Candia Kingston
Independent Member	Jon Beckett
RL CEO Office Director	Ewan Smith
RL Group Investment Director	Vidur Bahree
RLAM Chief Investment Officer	Piers Hillier

- 2.2 The Committee shall have at least two Independent members, one of whom shall be appointed Chairperson. The Committee shall comprise of not less than three members.
- 2.3 All members of the Committee shall have sufficient knowledge of RL’s business and of the industry to bring independent and objective challenge. Membership of the Committee will be reviewed annually.

3. QUORUM AND VOTING

- 3.1 A quorum shall be two members, one of whom must be an independent member.
- 3.2 In the absence of the Committee Chairperson and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

- 3.3 Each member of the Committee shall have one vote, and matters requiring a vote of members shall be approved by a simple majority of those members present at the meeting, or by the unanimous written consent of all the Committee members.

4. ATTENDANCE AT MEETINGS

- 4.1 Alongside Committee members, members of the RL Investment Solutions team will attend meetings as appropriate to the subjects being discussed.
- 4.2 The RL Group Chief Risk Officer, RL UK Product Director, and Chair of the RL IGC will also be standing invitees.
- 4.3 The Committee may invite external advisers and other attendees to attend meetings where it considers this to be appropriate.
- 4.3 The Committee shall appoint a person to be the Secretary of the Committee. The Secretary shall not be a member of the Committee.

5. FREQUENCY

- 5.1 The Committee will meet at least four times a year.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of its members.
- 6.2 Reasonable written notice (including email) 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 and any other person required to attend.
- 6.3 Meetings will normally take place in person but may also take place via telephone, video, or other electronic means, and - if necessary - by a series of meetings.

7. PROCEEDINGS

- 7.1 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and by exception, raise them and minute them accordingly.
- 7.2 The Committee shall maintain minutes of each meeting which shall be approved by all members of the Committee as soon as is reasonably practicable after the date of the meeting. Following approval, the minutes may be distributed as agreed by the Chairperson.
- 7.3 The minutes will also be made available on the Company's website

8. AUTHORITY AND ACCOUNTABILITY

- 8.1 The Committee is formed under the authority of the Group Chief Commercial Officer.

9. DUTIES OF THE COMMITTEE

9.1 The Committee's principal responsibilities are to provide advice, guidance and support as follows:

- For RL's Governed Range, those funds and strategies used for Investment Pathways and any other unit-linked funds that are designed to meet a specific objective and risk profile where Investment Solutions deem the additional oversight of the IAC appropriate
 - reviewing the Strategic Asset Allocations ("SAAs") to ensure they remain suitable for their objectives and that these objectives are suitable for the intended customers;
 - reviewing the SAAs in light of any new investment capabilities;
 - monitoring the efficiency and risk of the SAAs and recommend changes;
 - monitoring tactical positions to ensure they are within acceptable risk levels and review and challenge the performance; and
 - reviewing recommendations to replace any underlying manager where the Committee believe that the manager is liable to breach the risk targets, or to underperform in the future relative to benchmark and/or peer group, or does not meet the requirements of RL's Investment Philosophy and Beliefs, including policies related to Responsible Investment.
- For all other unit linked funds on RL's Matrix Range:
 - monitoring and challenge of the performance and risk relative to benchmark;
 - reviewing recommendations to replace any underlying manager where the Committee believe that the manager is liable to breach the risk targets, or to underperform in the future relative to benchmark and/or peer group, or does not meet the requirements of RL's Investment Philosophy and Beliefs, including policies related to Responsible Investment.
 - consider whether any replacement managers offer good value for money to customers, ideally with no increase to costs.
- To review any matters referred to it by any other RL Group Committee. For example, the Board Investment Committee and the Independent Governance Committee. The Committee is under no obligation to accept referrals and shall only do so provided that the Chairperson reasonably believes this to be consistent with the purpose of the Committee.

10. REPORTING LINES

10.1 The Committee will report on its activities to the Group Chief Commercial Officer.

11. TERMS OF REFERENCE

11.1 The terms of reference will be reviewed at least annually to ensure that they remain relevant and fit for purpose.

11.2 The terms of reference of the Committee will be available on the Company's website.

12. REVIEWING EFFECTIVENESS

12.1 The Committee will review its effectiveness at least triennially and assess whether it is fulfilling its obligations under these Terms of Reference. A more frequent review should be considered in the event of any significant change in membership or terms of reference.