

Investment, Governance and Engagement Committee

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| DATE: | 26th February 2024 |
| VENUE: | Hybrid Meeting (MS Teams and 18 Smith Square) |
| TIME: | 11:00 – 13:00 |

AGENDA

| Item | | Paper | Timings |
|------|--|----------------|---------|
| 1 | Welcome, introductions, apologies and declaration of interests | | 11:00 |
| 2 | Meeting protocol | | 11:05 |
| 3 | Actions and Agreements from 20 th November 2023 | Paper A | 11:10 |
| 4 | Code of Transparency Compliance Update | Paper B | 11.15 |
| 5 | Code of Transparency Project Update - CONFIDENTIAL | Paper C | 11:20 |
| 6 | Update on Economic Activity of Public Bodies (Overseas Matters) Bill - aka Boycotts, Divestment & Sanctions (BDS) Bill | | 11:30 |
| 7 | RI Cross-Pool update | | 11:40 |
| 8 | Sharia Law and the LGPS – CONFIDENTIAL | Paper D | 11:50 |
| 9 | Investment Strategy Statement review discussion | | 12:05 |
| 10 | Pooling guidance discussion | | 12:20 |
| 11 | Updated terms of reference | Paper E | 12:35 |
| 12 | DLUHC Update | | 12:50 |
| 13 | AOB and Date of next meeting | | 12.55 |

Investment, Governance and Engagement Committee (IGE)

MEETING – 26th February 2024

Item 3 Paper A

Hybrid meeting – 20 November 2023

Actions and Agreements

Present

| | |
|---------------------------|--|
| Councillor Yvonne Johnson | Chair – London Borough of Ealing |
| Councillor Robert Chapman | Local Authority Pension Fund Forum (LAPFF) |
| Sandra Stewart | Greater Manchester Pension Fund (Chair of Responsible Investment Advisory Group) |
| Peter Wallach | Practitioner – Merseyside |
| Euan Miller | Practitioner – West Yorkshire Pension Fund |
| Nick Buckland | Practitioner – Kent Pension Fund |
| David Walker | Investment Consultant (Hymans) |
| Mary Lambe | Governance Consultant (Aon) |
| Tony English | Investment Consultant (Mercer) |
| Pete Smith | Investment Consultant (Barnett Waddingham) |
| Fiona Miller | Asset Pool (Border to Coast) |
| Andrew Dobbie | Member representative – Unison |
| Tommy Bowler | Member representative – Unite |
| Richard Lane | Academies representative |
| Christophor Ward | Government Actuary's Department (GAD) |
| Oliver Watson | Department for Levelling Up, Housing and Communities (DLUHC) |
| Jo Donnelly | Head of Pensions, Local Government Association (LGA) |
| Jeremy Hughes | Senior Pensions Secretary, LGA |
| Becky Clough | Board Support & Policy Officer, LGA |
| Ona Ehimuan | Pensions Secretary, LGA |
| Jonathan Hunt | Consultant to the SAB secretariat |

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Item 1 – Welcome, introductions and declarations

1. The Chair welcomed all in attendance.
2. Apologies had been received from Jeffrey Dong (Swansea Pension Fund) and George Georgiou (GMB). Gary Delderfield (Eversheds Sutherland) was absent without apology.
3. In relation to Item 5 – Cost Transparency Compliance Update, and in particular the discussion on delays in the provision of private markets data templates, Fiona Miller (Border to Coast) declared a conflict of interest due to Border to Coast being a body which completed these templates.
4. In relation to Item 6 – Provision of Code of Transparency Online Compliance System, Mary Lambe (Aon) declared that Aon currently held a contract with ClearGlass, which is authorised as an Aon sub-contractor to offer investment management cost monitoring and reporting services through the LGPS Frameworks. Though she was not a part of the team involved in the work relating to the contract, she informed the committee as a representative of Aon she would not be commenting on the contents of Paper C to avoid any perception of a conflict of interest.

Item 2 – Meeting protocol

5. The Chair advised members of the virtual meeting protocol.

Item 3 – Actions and agreements from the meeting of 3 July 2023

6. The actions and agreements from the previous meeting were agreed as a fair and true record of the meeting.

Item 4 – Sharia Law update

7. Jeremy Hughes (JH) delivered a presentation on the findings of the report into whether membership of the LGPS was compliant with Sharia law which the Board had commissioned from Mufti Faraz Adam of Amanah Associates, an Islamic finance expert. Mufti Faraz Adam unfortunately had to send his apologies to the meeting. The report was commissioned after legal counsel advised that the Board obtain the opinion of an Islamic finance expert on the issue. Now that the report had been received, the Board would re-engage with legal counsel to readdress the questions posed by the Board in 2022.

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8. The Committee asked what the next steps were and JH said that the report would be published on the SAB website once the communications strategy to support the publication had been agreed with the Board. It was expected that the findings of the report would be discussed at various levels within the LGPS and Muslim communities. It was hoped that it would be seen as credible and persuasive, helping Muslim employees to make informed decisions about participation in the Scheme. Once Counsel had issued her revised opinion, the Board would decide any next steps for this workstream.
9. It was noted that there would always be a diversity of opinion within the Muslim community on this issue and this made it more difficult to determine a definite stance and answer to some of the questions posed.
10. Councillor Robert Chapman (RC) said that it would be imperative to address any underlying social issues that were a barrier to employees participating in the LGPS as this would leave them at a significant disadvantage on retirement.
11. Fiona Miller (FM) asked whether there was opt out information in this area. Jo Donnelly (JD) said that it was believed that opt out rates in the public sector were very low in general. The Board was working on getting accurate opt out data but this was still a work in progress. However, until data was collected for protected characteristics, such as religious belief, by LGPS administering authorities then this would never be known. Given this, Tommy Bowler (TB) asked where the information on Muslim members opting out on the basis of their faith had come from. JH explained that this was primarily through IDRPs cases which had arisen within funds with a larger proportion of Muslim employees. JD added that it was the potential risk of a legal case being brought against an LGPS employer that had led the Board to approach Counsel and subsequently to commission this report.
12. Andrew Dobbie (AD) said that Unison would be willing to support the Board in promoting the publication of the report and it was agreed that the Secretariat liaise with AD to enable this.

ACTION – that the Secretariat liaises with AD to discuss Unison’s support in promoting the publication of the Sharia report

13. JH reminded the committee that the Board could not make changes to the scheme in light of the report, it could only make recommendations to the Minister.
14. It was agreed that the Secretariat would circulate the draft communications for the publication of the report with the committee

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before publication. It was also agreed that the secretariat report back to the committee on the response received from legal counsel.

ACTION – that the Secretariat circulate the draft communications to accompany the report with the committee before publication

ACTION – that the Secretariat report back to the committee on the response received from legal counsel

Item 5 – Code of Transparency (CoT) compliance update

15. Ona Ehimuan (OE) introduced Paper B to the committee.
16. Since the July 2023 meeting, compliance with the Code of Transparency online system had improved
 - for 2019/20 it had risen slightly to 97%
 - for 2020/21 it had remained at 97%
 - for 2021/22 it had remained at 95% and
 - for 2022/23 it had risen to 95% (up from 41% at the last meeting). This was due to the end of the reporting cycle for year 2023/24 leading to a significant increase in template uploads by fund managers.
17. The Committee also received an update on the fund managers that had a significant number of late uploads. The Secretariat would continue engagement with these managers to ensure these templates are uploaded.
18. As requested at the previous Committee meeting, Paper B also separately reported information on late private market templates. Across all years (excluding 2023-24) private markets templates accounted for the majority of late templates with the mean average being 64.4%. FM explained that there were several issues contributing to this outcome, such as complexity of fee structures, and that collecting data in the alternatives markets proved to be particularly difficult.
19. One of these challenges was that the format in which costs are reported on the Cost Transparency Initiative (CTI) templates were different to the administrator report format some managers used for their clients. With regards to quarterly reporting and the potential impact this could have on private markets managers, Jonathan Hunt (JHu) explained that quarterly reporting was not mandatory and the Code only required annual reporting. More frequent reporting would be by agreement between funds and managers.

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Item 6 – Provision of the online compliance reporting system

20. OE introduced Paper C (Confidential) to the committee. Since the last meeting, the secretariat had concluded a series of training and awareness sessions on cost transparency across the country. The feedback collected from the sessions was presented to the committee within Annex A. The sessions were thought to have been a success with 155 attendees and engagement from over 60 funds in England, Wales and Scotland.
21. The Secretariat had also been asked to investigate the potential options to support the Board's final decision on the future of the system and a project plan for this work was at Annex B. The Committee supported the approach set out in the paper, however, Richard Lane (RL) reiterated his view that a better approach would be for funds to procure their own systems rather than the Board procuring one on behalf of all funds.
22. FM thanked the Secretariat for holding a training and awareness session at the Border to Coast offices in Leeds, saying that there had been a productive conversation about the system and the Code of Transparency in general. Peter Wallach (PW) echoed this, thanking the Secretariat for travelling across the country and spending time to engage with funds.
23. The committee agreed that the approach in the papers be taken to the Board for approval.

ACTION – That the Secretariat presents a paper to the Board containing feedback from the roadshows and the project plan at Annex B at its next meeting on 4 December 2023.

Item 7 – Update on Economic Activity of Public Bodies (Overseas Matters) Bill - aka Boycotts, Divestment & Sanctions (BDS) Bill

24. Jo Donnelly (JD) informed the committee that a date for the third reading of the Bill had not yet been set. During the Public Bill Committee stage of the Bill, Jo Donnelly as Board Secretary and Jon Richards, Vice-Chair of the Board, provided oral evidence on behalf of the Board. Written evidence had also been submitted by the Local Government Association. All amendments submitted on the Bill at

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committee stage were defeated by the Government. The Minister did however undertake to make amendments to the Explanatory Notes to the Bill to address some of the points made, particularly on the liability of individual councillors to enforcement action.

25. The LGA and Board would continue to work with Parliamentarians by issuing technical briefings as the Bill passed through Parliament.

Item 8 – Climate risk reporting

26. There was no further information on the expected climate risk reporting requirements from DLUHC. JH observed that if DLUHC still considered 1 April 2024 as a possible date for funds to have to implement the new requirements then funds needed to have certainty on that soon. Otherwise they would not have sufficient time to prepare to implement the new duties. DLUHC was asked to provide more information as soon as possible to assist funds.

Item 9 – Private Markets Data Transparency

27. Jo Donnelly (JD) informed the committee that she would be meeting with pools' Chief Operating Officers to discuss possible ways of improving the transparency of information in private markets. This meeting was set for 21 November 2023.

Item 10 – Terms of reference

28. BC gave an update to the Committee. It had been agreed at the last Board meeting on 17 July 2023 to update the Terms of Reference to reduce the number of meetings per year from four to three. The Committee agreed the change in the frequency of meetings. The Secretariat would be conducting a broader review of the current Terms of Reference and a paper outlining any changes would be brought to the next meeting.
29. Point 28 of the current Terms of Reference was raised which mentioned the personal liability of Committee members. This point is being considered as part of the broader review.

Item 11 – Committee workplan

30. OE introduced Paper E (confidential) to the committee. The key workstreams expected to be undertaken in 2024 were presented to the Committee for subsequent approval to be taken to the next Board meeting on 4 December 2023.

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31. Mary Lambe (ML) suggested that The Pensions Regulator (TPR) General Code be added to the Committee's workplan. PW suggested that Good Governance also be added to the workplan. JH explained that there would need to be further discussion to determine where these workstreams would be best placed. In the case of Good Governance, the Compliance and Reporting committee (CRC) was already looking at this and had an active working group which was developing a revised version of the 2008 DLUHC Governance Strategy Statement.
32. JD said the Compliance and Reporting Committee had become well established and broadened its scope since its inception in 2021. This had created the need to have a more detailed discussion in the future about the scope of each committee and the possible renaming of committees and review of appropriate workplan items relevant to each.

ACTION – the Secretariat submit the IGE Committee workplan for 2024 to the Board for approval at its next meeting on 4 December 2023

Item 12 – Responsible investment advisory group (RIAG) report

33. Sandra Stewart (SS) gave the committee a report of the last RIAG meeting which was held on 15 November 2023. The group received a presentation from academics from the University of Exeter (UoE) on a new approach to climate scenario analysis that they were developing with the Universities Superannuation Scheme (USS). The group were interested to receive more information on this and how scenario analysis could be made more decision useful. The Group wanted to have a further discussion on this before deciding on the best way to move forward.
34. The Group had also received a presentation from Mufti Faraz Adam on the Sharia Law and the LGPS report. The Group welcomed the conclusions reached in the final report and felt that the most important issue was how the report would be shared and used. Cllr Rob Chapman said that the need for funds to collect broader demographic data on members was something that was being discussed by the Local Authority Pension Fund Forum (LAPFF).

Item 13 – DLUHC update

35. Oliver Watson (OW) informed the committee that there was a new Minister (Simon Hoare MP) in post and DLUHC officials were working to bring him up to speed on the investments consultation. OW thanked the Board and others for their thorough and constructive responses and said that there would be a response from DLUHC to the consultation soon.

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Item 14 – AOB and date of next meeting

36. There were no items raised.

37. The date of the next meeting was confirmed as 26 February 2024.

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Investment, Governance and Engagement Committee

Meeting – 26 February 2024

Item 4 – Paper B

LGPS Cost Transparency Compliance Update (standing agenda item)

Recommendations:

- **That the Committee notes this summary**

Background

1. The LGPS Investment Code of Transparency (Code) requires signatories to provide certain cost information to their LGPS clients. To enable the SAB to have direct oversight of Code compliance as well as see scheme-wide cost data, the SAB procured an online system, specifically for the LGPS, which is provided by Byhiras. This was launched at the end of March 2020.

Recent developments

2. The table in Annex A sets out how uptake and use of the system has developed since the system was launched. In terms of “headline numbers” for timeliness, the overall percentage of completed templates for 2019/20 has risen slightly to 98%. The largest proportion of missing templates remain in the infrastructure and unlisted equity asset classes.
3. For 2020/21 the overall completion rate has decreased slightly from 97% to 95%. Late templates remain predominantly in the unlisted equity (more commonly known as private equity), private debt and active listed equity asset classes.
4. For 2021/22 the overall completion rate has decreased slightly from 95% to 94%. Late templates are predominantly in the unlisted equity, infrastructure, active listed equity and ‘other’ asset classes.
5. For 2022/23 the overall completion rate has decreased slightly from 95% to 94%. Late templates are predominantly in the unlisted equity, active listed equity and private debt asset classes.
6. The slight decrease in the completion rate for these years is due to retrospective changes to schedules that give rise to an increase in the number of templates expected. We are working with a number of managers, see below, to improve the accuracy of data submitted for these years.
7. The Secretariat has identified fund managers that have a significant number of late templates. These are as follows:

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- a. Neuberger Berman Europe Limited has 281 late templates at the time of writing (62 for 2020/21, 101 for 2021/22, 69 for 2022/23 and 49 for 2023/24), a significant increase from 107 late templates at the last meeting. The Secretariat made contact with Neuberger Berman in February 2024 to discuss the lateness of these templates and the reasons for this steep increase. Most of these templates are private markets and ILPA templates and NB informed us that the late submission of some of these templates is due to them having set up both quarterly and annual mandates in areas where one or the other mandate is what is actually needed.
 - b. At the time the Secretariat contacted NB to discuss this matter, they had 359 late templates on the system which has now decreased. Though this is a positive development and additional context for the late templates has been provided, the new total of 281 late templates is still very high and this error should have been addressed by now. Hence the Secretariat have been preparing to commence the formal escalation process. A letter has been drafted to be sent by Jo Donnelly, Board Secretary. As this is an evolving situation, the letter has not been sent to NB at the time of writing this report. The draft letter requests a plan and timeline for the resolution of the late templates and will be sent if the number of NB's late templates does not continue to decrease. The draft letter also includes a warning that NB could be at risk of losing their signatory status if significant progress isn't made in the coming weeks. NB have been responsive to Secretariat contact, which is positive.
 - c. Partners Group UK Limited have 34 late templates at the time of writing (9 for 2019/20, 8 for 2020/21 and 17 for 2021/22), which is the same as at the last meeting. Partners Group informed us that they would not be uploading the late templates for previous years as they did not have the capacity to do so. The Secretariat made contact with Partners Group in February 2024 to request further context on this statement; however, we have not yet received a response and await this to determine our next steps.
 - d. JP Morgan Asset Management have 17 late templates at the time of writing (5 for 2019/20, 1 for 2020/21, 1 for 2021/22, 1 for 2022/23, 6 for 2019, 2 for 2020 and 1 for 2021), which is a decrease from 62 at the last meeting. The Secretariat made contact with JP Morgan in February 2024 to ask for an update on the remaining outstanding templates and await a response from them.
8. The Secretariat will continue to work with fund managers to resolve issues that are preventing better compliance. Additional fund managers that have been identified to make contact with are as follows:

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- a. Aviva Investors Global Services Limited (22 late templates)
 - b. Harris Associates LP (12 late templates)
 - c. Morgan Stanley Investment Management Limited (17 late templates)
 - d. State Street Global Advisors Limited (15 late templates)
9. The Secretariat will bring an update on the outcome of these discussions to the next meeting.

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Annex A

Headline statistics on cost transparency compliance system users and uses

Cumulative totals to the date shown

| Date | No. of managers on system | Total no. of schedules established | No. of templates complete | No. of templates due | No. of templates late |
|----------------|------------------------------|---------------------------------------|------------------------------|-------------------------|--------------------------|
| June 2020 | 46 | 1,023 | 922 | 96 | 5 |
| January 2021 | 69 | 1,358 | 1,265 | 0 | 93 |
| April 2021 | 86 | 2,984 | 1,394 | 1,448 | 142 |
| September 2021 | 95 | 4,252 | 3,639 | 163 | 450 |
| November 2021 | 103 | 4,551 | 3,732 | 208 | 611 |
| February 2022 | 107 | 4,995 | 3,863 | 439 | 693 |
| May 2022 | 114 | 7,326 | 4,089 | 2,215 | 1,022 |
| September 2022 | 113 | 7,102 | 6,360 | 53 | 744 |
| November 2022 | 115 | 6,884 | 6,411 | 15 | 458 |
| February 2023 | 114 | 7,147 | 6,508 | 264 | 363 |
| May 2023 | 114 | 9,584 | 6,869 | 2,344 | 371 |
| July 2023 | 113 | 9,706 | 7,751 | 1,603 | 352 |
| November 2023 | 115 | 9,792 | 9,418 | 15 | 359 |
| February 2024 | 116 | 10,357 | 9,630 | 262 | 465 |

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Totals (non-cumulative) for each financial year

| Date | No. of managers with schedules | Total no. of schedules established | No. of templates complete | No. of templates due | No. of templates late |
|---|-----------------------------------|---------------------------------------|------------------------------|-------------------------|--------------------------|
| 2019/20 Change from November 2023 | 77 No change | 1,431 Up 8 | 1,407 Up 20 | 0 No change | 24 Down 12 |
| 2020/21 Change from November 2023 | 104 Up 1 | 2,645 Up 63 | 2,543 Up 28 | 0 No change | 102 Up 35 |
| 2021/22 Change from November 2023 | 111 Up 1 | 2,888 Up 91 | 2,727 Up 45 | 0 No change | 161 Up 46 |
| 2022/23 Change from November 2023 | 113 No change | 3,031 Up 86 | 2,901 Up 93 | 0 Down 1,603 | 127 Down 7 |

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Investment, Governance and Engagement Committee

Meeting – 26 February 2024

Item 11 – Paper E

Terms of Reference (ToR) Update

Recommendation

- **For this Committee to be renamed the Investment Committee, and**
- **To agree that the Governance representative on this Committee, Mary Lambe from Aon, should move over to the Compliance and Reporting Committee and be replaced with another Aon investment consultant. The appropriate timing of this replacement is being considered alongside the cost transparency procurement work, to manage a conflict of interest**

Background

1. At the last meeting, it was reported that the Secretariat was conducting a broader review of each of the Board Committee's current ToR, scope and workplan. The ToR, together with the Committee's scope and workplan, have been reviewed to ensure they are still relevant.

Current position

2. The Secretariat have concluded that the current ToR and workplan is still generally relevant and appropriate, however we wish to recommend that the Committee name is changed from the Investment, Governance and Engagement Committee to the Investment Committee. This is because governance and engagement are important parts of each Committee's work, but they do not need to be specifically in this Committee's title. The new title also more accurately reflects this Committee's usual workplan items.
3. It is also recommended that the Governance representative on this Committee, Mary Lambe from Aon, should move over to the Compliance and Reporting Committee, along with another governance consultant (to be appointed) to align with the workplan items on the CRC.
4. There are some minor additions to the current ToR at paragraphs 3, 6, 7, 9, 11, 14, 19 and 23 and 29 to provide clarity on the Committee's Remit and Scope, Membership and Reappointment process and Declaration of interests.

Investment, Governance and Engagement Committee

5. The Secretariat would also recommend that there is an additional pool representative added to the Committee's membership. Given the focus on the future of pooling, and indications from the government that it expects pools to collaborate more going forwards, it would be useful to have more than one pool company structure represented on the committee. The suggested additional representative is Chris Rule, CEO of LPPI.
6. The updated ToR can be found at Annex A and the Committee are asked to approve the updated ToR.
7. Following the wider Committee review, this Committee may wish to note that the Secretariat have made the following 2 specific recommendations applicable to the Compliance and Reporting Committee:
 - a) For the Compliance and Reporting Committee (CRC) to amend the current ToR to remove the specific number of seats within each category of membership. To allow more flexibility to manage the membership needed, according to the availability of members to sit on the committee and to achieve the aims of the committee workplan.
 - b) For the CRC, to add the role of 'governance advisor' to the list of membership categories.

Recommendations

To approve the above recommendations and to approve the changes to the ToR at Annex A.

Terms of Reference for the Investment Committee

Constitution

1. The Local Government Pension Scheme Advisory Board (the Board) is constituted under Section 7 of the Public Service Pensions Act 2013 and regulations 110 to 113 of the Local Government Pension Scheme Regulations 2013.
2. Regulation 110 (4) provides that the Board may establish sub-committees and working groups as and when required, whether short-term or otherwise.

Remit and Scope

3. The Committee shall consider items passed to it by the Board within the scope of Investments, related to the Local Government Pension Scheme. **Example topics are Responsible Investment, Code of Transparency and Pooling.** Such items may include a request for options to be brought back to the Board for further consideration and possible recommendation to the Secretary of State.
4. The Committee may request that Board approve its consideration of other items, within the scope, as the Committee judge to be significant to the effective running of the Scheme from time to time.
5. The Committee should limit their considerations to the remit and provide, as requested, information and options to the Board which shall reserve to itself the ability to make recommendations and/or release such information or options to any third party.
6. **The Committee will not directly commission work or reports from third parties. Any requests for such items will be through the Board and from the Board budget.**

Membership

7. The Chair of the Committee shall be nominated from and agreed by the members of the Board **but does not have to be a voting member of the Board.**
8. Nominations for membership of the Committee may come from the Chair of the Board, the Chair of the Committee, members of the Board or the Secretariat. In accordance with Regulation 111 (6) appointments to committees shall be made by the Chair of the Board with the agreement of the Board members.
9. The Chair of the Board together with the Chair of the Committee shall seek to achieve a balance in the membership of the sub-committee between the various scheme stakeholders **appropriate to the remit and specific projects undertaken by the Investments Committee.** The following membership and nominating organisations are proposed for the Committee:

| |
|--------------------|
| Member type |
|--------------------|

| |
|---------------------------------|
| Chair |
| Treasurers |
| Practitioners (England & Wales) |
| Investment Consultant |
| Scheme members |
| Employers |
| Asset Pool |

10. Subject to the needs of the Committee, membership shall be limited to 20 members in total. Appointed substitutes may attend if a committee member is unable to attend.
11. Substitutes shall be determined by the same method of appointment as members of the Committee **or by nomination of the standing member with the approval of the Committee chair.**
12. Substitutes will be provided with meeting papers and subsequently with draft minutes, where their attendance is notified to the Secretariat. Members of the Committee should make arrangements to ensure substitute members (and vice-versa where the substitute attends) are briefed on discussions taking place at each Committee meeting.
13. Substitute members are not permitted to attend meetings in addition to the member of the Committee.
14. The Chair and members shall serve for no longer than five years and may be reappointed on no more than one occasion. **The reappointment process is the same as the nomination process whereby the Chair of the Board with the agreement of the Board members, confirms reappointment.**

Work plan

15. Each Committee is required to develop and submit a work plan for approval by the Board on an annual basis within the timescales advised by the Board. Committees shall strive to carry out the key areas of work in line with the agreed work plan but the work plan will be subject to flexibility to respond to other matters as they arise. The Chair of the Committee must update the Board on a regular basis on progress against that sub-committee's work plan including any additional areas of work.

Transparency and Communication

16. The membership, appointment processes, meeting dates, agendas, and minutes of the committee shall be published regularly by the secretariat on the Board website. The Board may however choose to redact commercially sensitive or confidential information where Freedom of Information legislation so allows.

Agreement of reports to the Board

17. Where the Board have asked for a report on the item or items under consideration, the report shall be subject to receiving the approval of the Committee by consensus.
18. Consensus of the committee shall be determined by the Chair. However, where consensus cannot be reached or where the view of the Chair is challenged, it shall not be put to a vote rather the Chair will notify the Board that a report cannot be produced by the committee.

Attendance

19. All committee members are expected to regularly attend meetings. Where a member of the committee fails to attend regularly, the Chair may seek **permission from the Board** for that person to be replaced.

Quorum

20. The Committee will have a formal quorum of 50% of the membership, rounded up where the membership is an odd number. Where the Committee has failed to meet its quorum over two consecutive meetings, an agenda item will be placed on the following Board agenda to allow it to reconsider the terms of reference and/or membership of the Committee if it is considered appropriate.

Frequency of Meetings

21. The Committee will meet a minimum of three times a year. The Chair may call meetings more frequently if deemed necessary or on the joint request of two or more committee members.

Declaration of interests

22. Each member of the Committee will be expected to declare, on appointment and at each meeting any interests which may lead to conflicts in the subject area or specific agenda of that committee meeting.
23. It shall be the responsibility of the Chair for ensuring that the Board is made aware of any conflict of interest which the Chair deems to be material to the work of the committee. **The Board will then agree with the Chair either how to manage the risk or, if that is not possible, replace the conflicted member of the Committee with someone who is not conflicted.**

Administration

24. The Board Secretariat will agree an agenda with the Chair prior to each Committee. The agenda and any papers for the Committee will be issued at least 5 working days (where practicable) in advance of the meeting except in the case of matters of urgency.
25. The Board Secretariat will record high level minutes of each meeting including all actions and agreements which will be circulated to all Committee members within 10 working days after the meeting. These minutes will be subject to formal agreement at the following Committee. On agreement they will be added to the Board website.

Remuneration of committee members

26. Members of the Committee or other attendees of Committee meetings shall not be paid remuneration or expenses for attending out of SAB funds.

Personal Liability of committee members

27. Members of the Committee shall carry no personal liability in respect of recommendations made to the Board in respect of any of the areas of work within the scope or workplan of the Committee.

Term of committee

28. The committee will continue its work as long as the Board believes it has sufficient purpose.

26 February 2024