

**Key Insurance Company Limited**  
**(hereinafter referred to as “Key” or “the Company”)**

**INVESTMENT & LOANS COMMITTEE**  
**Terms of Reference**

**Purpose**

The Investment & Loans Committee (“the Committee”) is established in accordance with Regulation 75 of the Insurance Regulations, 2001 (“the Regulations”), which is issued pursuant to the Insurance Act, 2001 (“the Act”).

It is mandated to perform such duties with respect to the Company’s loans and investments pursuant to the Act and Part VII of the Regulations as well as those required by the Financial Services Commission.

**Duties**

The duties of the Committee shall be to:

1. Set out broad guidelines within which the Finance Department may prudently invest the funds of the Company.
2. Assist the Company’s Board of Directors with respect to its exposure to credit risk, market risk, foreign exchange risk, liquidity risk, interest rate risk, and operational risk.
3. Review and, if thought fit, provide written approval for transactions or recommendations for the Board of Directors’ approval.
4. Review and evaluate previous investment activities and yield as well as the current status of all funds held by the Company.
5. Review the investment activity for the next period and to recommend investment strategies to the Management of the Company (“Management”).
6. Approve any external fund managers/managing arrangements in relation to the Company’s investment portfolio.

These guidelines do not supersede applicable laws established under the Act and Regulations thereunder and the general Laws of Jamaica.

**The Investment & Loans Policy**

The Investment & Loans Policy governs all investing, this includes all cash and financial investments of the Company (local and foreign).

The Committee will be responsible for recommending the Investment & Loans Policy (“the Policy”) of the Company to the Board of Directors for approval. The Policy will include, but is not limited to: investment objectives, the universe of Approved Investments, diversification limits, counter-party risk, authority and responsibilities of officers performing the investment function. Management will be responsible for:

- (i) Appointing officers who coordinate the day-to-day investment activities consistent with the Policy.
- (ii) Reporting on portfolio activity in a timely fashion to the Committee.
- (iii) Compliance with the relevant provisions of the Regulations.

The Committee will also be responsible for ensuring that Management implements the Policy and is accountable to the Board of Directors for its execution.

All loan and investment decisions must be guided by the Policy as approved by the Board of Directors from time to time.

The Policy shall be reviewed annually by the Board of Directors.

### **Committee Membership**

The Committee shall comprise of at least three Directors who shall be elected by the Board, the majority of whom shall not be officers or employees of the Company.

### **Quorum**

A quorum shall be two (2) Committee members.

### **Committee Chairman**

- The Board shall appoint a Chairman for the Committee who will preside at meetings of the Committee.
- In the absence of the Chairman, another Committee Member shall be chosen by the Committee to preside at that meeting.

### **Meetings**

- The Committee shall meet quarterly, and shall, at its discretion, meet more frequently if required.
- Committee Meetings may be called by the Chairman or by any two members of the Committee.
- The Committee shall have the power to request any officer(s) of the Company to attend its meeting.
- The Company Secretary or his/her designate shall keep the minutes of all meetings.

### **Reporting Requirements**

- The Committee and/or the Chairperson shall provide updates on the Committee’s activities and any significant issues, actions or decisions taken by the Committee to the Board of Directors.

**Terms of Reference**

The Committee's Terms of Reference shall be reviewed annually and recommendations made to Board for any proposed changes.