

Terms of Reference – Investment Committee

1. Introduction and Purpose

The Board of Directors of Vestcor Inc. (Board) has established the Investment Committee to assist the Board in fulfilling its obligations by providing a focus on investment operations. These are intended to enhance Vestcor Inc.'s performance and ensure that Vestcor Inc.'s Investment Team continues to follow best practices for investment operations and management.

The purpose of the Board Investment Committee is to oversee and consider Vestcor Inc.'s (Vestcor) long-term investment strategy, investment activities, investment risk management, investment operations and product construction; review investment and risk-related reports from Management; and vote on specific investment-related matters, as required. The Board Investment Committee may be delegated other matters as may be determined by the Board.

These terms of reference are designed to articulate and clarify the delegated responsibilities of the Investment Committee.

2. Duties and Responsibilities

Subject to the powers and duties of the Board, and to the requirements of the *Vestcor Act* (the "Act"), Members' Agreement, and corporate By-Laws, the Investment Committee will perform the following duties in relation to Vestcor Inc., as may be appropriate in the context:

2.1 Quarterly Investment Update

The Chief Investment Officer (CIO) will provide the Investment Committee with a quarterly investment report that includes detailed performance and risk analysis of all Vestcor Investment Entities, as well as significant business updates for the Investment Team operations. Risk analysis includes risk types that have been identified in the Enterprise Risk Management Framework, including, but not limited to, investment strategy, active management, benchmark, credit, valuation, and liquidity risk.

2.2 Vestcor Product Platform

Upon recommendations from Management, the Investment Committee will review and recommend changes to the Board when warranted the Vestcor Investment Entity Profiles that set out guidelines for the implementation and management of investment strategies on behalf of clients. They include the:

- i. Approval of the creation of new investment entities and pooled funds.
- ii. Approval of material changes to existing investment entities and pooled funds, including but not limited to fund characteristics such as investment benchmarks, permissible investments, and operational considerations for fund management.
- iii. Approval of, and modifications to, the active return and risk targets for all investment entities and pooled funds.

2.3 Investment Program Guidelines

Upon recommendations from Management, the Investment Committee will review, and recommend changes to the Board when warranted, the publicly disclosed Investment Program Guidelines:

- i. Trade Matching Statement
- ii. Trade Management and Best Execution
- iii. Responsible Investing
- iv. Co-Investment Program Overview
- v. Counterparty Selection

2.4 Investment Authorities

On at least an annual basis, the Investment Committee will receive from Management a detailed listing of all staff members with recommended authorizations for levels of trading authority and trade blotter approval, and approve any modifications, additions, and deletions.

2.5 Investment Team Reports

On an annual basis, on a rotating schedule, the Investment Committee will receive an investment team report with detailed performance reporting, team structure and operations details, and resource and market outlooks from the following teams:

- i. Fixed Income Team
- ii. Equity Team
- iii. Quantitative Investing Team
- iv. Real Assets Team

2.6 Investment Transactions

At each regularly scheduled meeting, the Committee will receive a report from Management regarding all significant transactions occurring since the previous report. This will include:

- i. Additions and removals of public market external manager relationships, as well as significant modifications to mandate characteristics for existing external manager relationships.
- ii. Commitments to private market funds.
- iii. Co-investment, joint venture, and direct investments in private market investments.
- iv. Significant changes in service providers for investment operations.

This report will include a summary of the investment characteristics, appropriateness of the investment for client investment strategy, details as to client allocations, and a summary of due diligence activities taken by Management.

2.7 Transaction Costs and Best Execution

On an annual basis, the Committee will receive a report from Management reporting on Vestcor's total trading activity, including transaction costs as well as broker additions and deletions since the previous report.

2.8 Asset Mix Strategy

On an annual basis, the Committee will receive a report from Management outlining changes to client investment strategy transitions arising from asset-liability modeling since the previous report, with a specific focus on implications for Vestcor's product mix, including risk implications.

3. Committee Membership

The Investment Committee shall be composed of not fewer than three Directors. All Committee members shall be independent of Management of Vestcor Inc.

The Board will, after reviewing the Board Chairperson's recommendation, appoint a Chairperson for the Committee.

A quorum for the transaction of business at a meeting of the Investment Committee will be a majority of Directors appointed to the Committee. The Committee Chairperson will vote on matters requiring a decision and will cast the deciding vote in the event of a tie.

Any Director who is a member of the Investment Committee may be removed and replaced at any time at the pleasure of the Board.

The Board Chairperson shall serve as an ex-officio member of the Investment Committee and will have the right to vote.

Board members who are not members of the Investment Committee may attend Committee meetings but will not have the right to vote on matters requiring decisions.

4. Committee Meetings

The Investment Committee shall meet at least quarterly, with additional meetings at the discretion of the Committee Chairperson or at the request of a majority of the Committee members.

5. Accountability

The Investment Committee shall prepare a written report of its discussions and decisions for inclusion in the Board's meeting package.