

## **ADVISORY ARRANGEMENT – TERMS OF REFERENCE**

### **GENERAL**

1. The Advisory Arrangement shall consist of up to 4 members of the Board of the Society
2. The quorum of the Advisory Arrangement shall be 3 members
3. The Chairman of the Board shall not be a member of the Advisory Arrangement
4. All members of the Advisory Arrangement shall be non-executives, at least one of whom shall have relevant financial or actuarial experience
5. The Advisory Arrangement shall elect its own Chairman
6. No-one other than the Advisory Arrangement's Chairman and members shall be entitled to attend and speak at an Advisory Arrangement meeting
7. The Advisory Arrangement shall have the authority to require the attendance of the Chief Executive and/or any member of staff and/or any other person, who in the Advisory Arrangement's opinion will assist in carrying out its functions
8. Other members of the Board of Management may be invited to attend and speak at the Advisory Arrangement on an as needed basis
9. Notwithstanding the provision of 6 above, the Chairman of the Board shall be entitled to attend meetings of the Advisory Arrangement but shall only be entitled to speak at the invitation of the Chairman of the Advisory Arrangement
10. The Advisory Arrangement shall meet at least once a year

### **RESPONSIBILITIES**

The Advisory Arrangement is required to advise on, recommend or monitor

1. Whether the With-Profits Fund is managed in the best interest of all With-Profits members including the costs incurred in managing the Fund
2. The impact of management decisions and how conflicting interests between With-Profits members and non with-profits members are dealt with effectively
3. How Surplus is distributed (including smoothing) and how bonus rates are calculated and communicated to members
4. How New Business impacts on Surplus and Bonus Rates
5. Changes to the Society Risk and Investment Profile
6. The performance of the With-Profits Actuary annually
7. Whether the Society complies with its Principles and Practices of Financial Management (PPFM) when appropriate or applicable
8. Drafting, review and updating and compliance with Run-Off plan if applicable