

Independent Governance Committee Terms of Reference.

The Independent Governance Committee (IGC) is established by the Board of Directors of True Potential Investments and follow these Terms of Reference.

References to the regulatory rules and guidance governing the Independent Governance Committee, as set out in the Financial Conduct Authority Conduct of Business Sourcebook (COBS) are incorporated into this document.

Contents.

- 1. Confidentiality.**
- 2. Constitutional Charges.**
- 3. Roles and Duties.**
- 4. Meeting Conduct.**
- 5. Reporting.**
- 6. Engagement Protocols.**
- 7. Glossary.**
- 8. Appendix A.**
- 9. Appendix B.**
- 10. Appendix C.**

1. Confidentiality.

The Terms of Reference of the Independent Governance Committee and Annual Report of the Independent Governance Committee Chair will be made publicly available through the website of True Potential Investments.

Matters otherwise discussed at meetings of the Independent Governance Committee, and any commercially sensitive information shared by the members within the Committee, are confidential and should only be communicated to third parties with the permission of the Independent Governance Committee Chair and True Potential Investment's governing body, and to the extent permitted or required by regulation or legislation. The Independent Governance Committee Chair and members are also bound by the confidentiality clauses contained within their individual contracts for service.

2. Constitutional Changes.

Any amendments to these Terms of Reference, including its appendices, shall be considered by the Independent Governance Committee and subsequently be approved by the governing body of True Potential Investments.

3. Roles and Duties.

Role.

The establishment of the Independent Governance Committee is to satisfy the requirements of the Financial Conduct Authority (FCA) Conduct of Business Sourcebook (COBS) section 19 - Pensions supplementary provisions. This is, in summary, to represent the interests of relevant policyholders in True Potential Investments relevant schemes and pathway solution Investors.

Duties.

The Independent Governance Committee has the following core duties:

- a) the Independent Governance Committee will act solely in the interests of relevant policyholders or pathway solution Investors as defined by the definitions outlined in COBS 19.5.1A;
- b) the Independent Governance Committee will assess the ongoing value for money for Investors delivered by relevant schemes and any investment pathway solutions (Relevant Products);
- c) the Independent Governance Committee will compare the value for money for Investors delivered by Relevant Products against that delivered by a sample of scheme Comparators and pathway investment comparators (Comparators);
- d) review True Potential Investment's policies (if any) on environmental, social and governance (ESG) financial considerations, non-financial matters (e.g. members' ethical concerns), stewardship and other financial considerations to the extent that they pose a particular and significant risk of financial harm to Investors;
- e) consider and report on the quality and adequacy of True Potential Investment's policies, their reasons for not having a policy in respect to any of the above considerations and the implementation of True Potential Investment's stated policies;
- f) the Independent Governance Committee will raise with True Potential Investment's governing body any concerns it may have in respect of any of the matters it has assessed or considered, including where a Comparator offers better value for money or where is unable to obtain, or has difficulty obtaining from the True Potential Investments the information it requires;
- g) the Independent Governance Committee will escalate concerns to the Financial Conduct Authority or to employers or to Investors as appropriate where True Potential Investments has not, in the Independent Governance Committee's opinion, addressed those concerns satisfactorily or at all;
- h) the Chair of the Independent Governance Committee will be responsible for the production of an annual report covering all of the requirements detailed in COBS 19.5.5R(6);
- i) the Independent Governance Committee will be responsible for the publication and disclosure of costs and charges in accordance with COBS 19.5.5R(8);
- j) the Independent Governance Committee will retain copies of any evidence used in their assessment of ongoing value for money for a minimum of six years.

As all employer pension arrangements are offered on the same basis, the Independent Governance Committee will make assessments on an aggregated basis over all employers.

The Independent Governance Committee is expected to act in the interests of Investors both individually and collectively. Where there is the potential for conflict between individual and collective interests, the Independent Governance Committee should manage this conflict effectively. The Independent Governance Committee is not expected to deal directly with complaints from individual Investors.

The governing body of True Potential Investments has specific regulatory duties in relation to the Independent Governance Committee. These are set out in Appendices B and C.

Value for Money Policy.

The Independent Governance Committee will assess and compare the ongoing value for money for Investors delivered by Relevant Products with reference to its Value for Money Policy.

The Independent Governance Committee will ensure that its Value for Money Policy includes, as a minimum, the following assessments:

- a) the level of charges and costs, in particular:
 - i) administration charges and any transactions costs borne by Investors; and
 - ii) any other charges borne by Investors and any other costs incurred as a result of managing and investing, and activities in connection with the managing and investing of, the pension savings of Investors;
- b) investment performance; and
- c) the quality of services including whether:
 - i) the communications are fit for purpose and properly take into account the characteristics, needs and objectives of Investors; and
 - ii) core financial transactions are processed promptly and accurately, such as processing contributions, transfers or death benefits;
 - iii) default investment strategies within those schemes are designed and executed in the interests of Investors and have clear statements of aims and objectives;
 - iv) the characteristics and net performance of investment strategies are regularly reviewed by the firm to ensure alignment with the interests of Investors and that the firm takes action to make any necessary changes

The Independent Governance Committee's Value for Money policy will make clear that the costs and charges borne by Investors are likely to represent value for money when the combination of costs and charges, investment performance and services are appropriate for the Investors and when compared to other reasonably comparable options on the market, having due regard for the size and characteristics of the employer and Investors. The Independent Governance Committee's Value for Money policy will also make it clear that compliance with any regulatory costs and charges cap is not, of itself, evidence of value for money.

The Independent Governance Committee will also ensure that its Value for Money Policy details the procedure for a comparison of the Value for Money provided by Relevant Products using the following method as a minimum:

- a) select a small number of reasonably comparable Comparators (including those which could potentially offer better value for money in respect of factors (a)(i), (b) and (c));
- b) use reasonable endeavours to obtain and compare the relevant data that it needs to carry out useful assessments in respect of the factors set out in (a)(i), (b) and (c), in a manner which is proportionate to the likely member benefits that will result from the Independent Governance Committee assessing the data;
- c) assess the Relevant Products by reference to the Comparators based on factors (a)(i), (b) and (c) (to the extent that there is publicly, or readily, available information about the Comparators in respect of those factors); and
- d) consider whether any of the Comparators offer better value for money for Investors based on factors (a) (i), (b) and (c) (to the extent that there is publicly, or readily, available information about the Comparators in respect of those factors);

In designing its Value for Money Policy the Independent Governance Committee will take into account any guidance issued by the Financial Conduct Authority, any guidance issued by industry bodies and the policies of other Independent Governance Committees.

Environmental, Social and Governance Considerations and Stewardship.

Where True Potential Investments has an investment strategy or makes investment decisions which could have a material impact on the Investors' investment returns, the Independent Governance Committee will consider and report on:

- a) the adequacy and quality of True Potential Investment's policy (if any) in relation to environmental, social and governance financial considerations;
- b) the adequacy and quality of True Potential Investment's policy (if any) in relation to non-financial matters; and
- c) how the considerations or matters in (a) and (b) are taken into account in True Potential Investment's investment strategy or investment decision making; and
- d) the adequacy and quality of True Potential Investment's policy (if any) in relation to stewardship;

Where True Potential Investments does not have a policy in relation to environmental, social and governance financial considerations, non-financial matters or stewardship, the Independent Governance Committee will in each case consider and report on True Potential Investment's reasons for not having a policy.

Where True Potential Investments has not already adequately taken into account, in its investment strategy or investment decision making, other financial considerations that pose a particular and significant risk of financial harm to the Investors, the Independent Governance Committee will also:

- a) consider and report on the adequacy and quality of True Potential Investment's policy (if any) in relation to those other financial considerations, and whether and how those considerations are taken into account in True Potential Investment's investment strategy or investment decision; or
- b) consider and report on True Potential Investment's reasons for not having a policy in relation to those considerations

When considering the adequacy and quality of True Potential Investment's policies regarding environmental, social and governance financial considerations, non-financial matters, stewardship or other financial considerations, the Independent Governance Committee should form a view as to whether:

- a) a policy sufficiently characterises the relevant risks or opportunities;
- b) it considers that a policy seeks to appropriately mitigate those risks and take advantage of those opportunities;
- c) a firm's processes have been designed to properly take into account those risks or opportunities;
- d) a policy is appropriate in the context of the expected duration of the investment; and
- e) a policy is appropriate in the context of the main characteristics of the actual or expected Investors.

The Independent Governance Committee will consider and report on the extent to which True Potential Investments has implemented its stated policies in relation to the matters above.

Extent of Authority.

The governing body of True Potential Investments is jointly and severally responsible for setting the scope of the Independent Governance Committee, subject to the minimum regulatory requirements, and for ensuring that the Independent Governance Committee acts in accordance with its Terms of Reference. The Independent Governance Committee shall have the resources and authority appropriate to discharge its role and duties.

Should True Potential Investments ask the Independent Governance Committee to consider the interests of other members, True Potential Investments should provide additional resources and support to the Independent Governance Committee such that the Independent Governance Committee's ability to act in the interests of relevant policyholders is not compromised.

Chair.

The Chair of the Independent Governance Committee shall be appointed and removed by the governing body of True Potential Investments and will be an independent member.

Membership.

The members of the Independent Governance Committee are appointed and removed by the governing body of True Potential Investments in consultation with the Independent Governance Committee Chair, and in accordance with the requirements set out in Appendix C.

The Independent Governance Committee will consist of at least five members, the majority of which will be Independent. Independence in the context of the Independent Governance Committee is defined as set out in Appendix C.

Secretary.

A suitably qualified person will be appointed by the Chair to act as Secretary to the Independent Governance Committee. As a rule, the Company Secretary to either of True Potential Investments firms should not take on the role of the Secretary to the Independent Governance Committee.

Quorum.

The Independent Governance Committee will meet, or otherwise make decisions to discharge its duties, using a quorum of at least three members, with the majority of the quorum being independent members.

A duly convened meeting of the Independent Governance Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Independent Governance Committee.

Standing Ex Officio Invitees.

Standing invitees have no voting rights. The Chair can request individual standing invitees to leave the meeting for certain items if there is a conflict of interest or if it is otherwise believed appropriate to do so.

Attendance by Invitation.

The Chair may on his or her own, or upon request by another member of the Independent Governance Committee, or a Standing Ex Officio Invitee, invite other employees of True Potential Investments or advisors to attend all or part of the meeting.

Right of Access.

In order to discharge their roles effectively and in line with legal and regulatory requirements, the following role holders (providing services to both firms unless otherwise stated) should be considered as having a right of access to the Independent Governance Committee for the purposes of raising matters from assurance activity which are relevant to the remit of the Independent Governance Committee:

- Head of Compliance and Risk
- Chief Investment Officer

The role holders with a right of access to the Independent Governance Committee shall have no voting rights.

4. Meeting conduct.

Frequency of Meetings.

The Independent Governance Committee shall meet at least four times per year. The Chair, or on his behalf the Secretary, shall convene meetings of the Independent Governance Committee whenever the need arises, or upon the request of a member of the Independent Governance Committee.

Agenda.

The Chair, in conjunction with the Secretary, shall set the agenda, taking also requests from the other members of the Independent Governance Committee. The agenda will be based on the Standard Agenda and Annual Calendar as set out in Appendix A with additional items added as required. The agenda and supporting papers shall be distributed to the members and attendees no less than five working days before the meeting.

Meetings.

The Independent Governance Committee meets in person, in Newcastle or London. In exceptional cases meetings can be held in whole or in part by telephone or videoconferencing. The Chair shall chair meetings of the Independent Governance Committee. In his or her absence the members of the Independent Governance Committee will elect an independent member to act as an ad-hoc Chair for the meeting.

Minutes.

The proceedings of the Independent Governance Committee shall be recorded in minutes taken by the Secretary or his delegate. Draft minutes shall be received by the members of the Independent Governance Committee within one month of the relevant meeting. Copies of the draft minutes shall be sent to those attending and those with responsibilities for action. The minutes must be approved by the members at the subsequent meeting of the Independent Governance Committee.

Conflict of Interests.

In the event that a member of the Independent Governance Committee is affected by a potentially conflicting interest in respect of a matter to be decided by the Independent Governance Committee, the member shall declare their interest. If necessary, they will also excuse themselves from the relevant section of the meeting.

Decision-Making.

The Independent Governance Committee has no decision-making authority, other than the authority to escalate as set out in Chapter 5 of the Terms of Reference. A decision to make an escalation to the Financial Conduct Authority will be made with a majority vote of the Independent Governance Committee members. In the event that a member is absent, and the vote is tied, the Independent Governance Committee Chair (or in the absence of the Independent Governance Committee Chair, the member nominated as Chair of that meeting) will have the casting vote.

5. Reporting.

Reports Received.

The Independent Governance Committee will be closely involved with specifying the Management Information that it requires from True Potential Investments. The Independent Governance Committee shall receive and consider a Management Information report from True Potential Investments at each of its quarterly meetings. The report will provide sufficient information to enable the Independent Governance Committee to assess the ongoing value for money for Investors delivered by Relevant Products, and its other duties.

The Independent Governance Committee is authorised to commission additional papers to support specific topics on the agenda, or in response to specific actions, to ensure that the views of Investors can be directly represented to the Independent Governance Committee, and otherwise as is reasonable to support the discharge of its duties.

Reports Made.

The Chair of the Independent Governance Committee will produce a quarterly report for True Potential Investments summarising proceedings from its meeting/s, and any actions raised with Executive Management.

The Chair of the Independent Governance Committee will produce an annual report in respect of the previous calendar year for members setting out:

- a) the Independent Governance Committee's opinion on the value for money delivered by Relevant Products, with reference to the Independent Governance Committee's Value for Money policy and a statement setting out their overall assessment of whether the Relevant Product provides value for money and the reasons therefor;
- b) why the Independent Governance Committee considers that the Comparators it selected provided a reasonable comparison against the Relevant Products
- c) the adequacy and quality of the True Potential Investments environmental, social, governance and Stewardship policies, or reasons for not having policies, in relation to the considerations and matters listed above;
- b) how the Independent Governance Committee has considered Investor's interests;
- c) any concerns raised by the Independent Governance Committee with True Potential Investments governing body and the response receive to those concerns;
- d) how the Independent Governance Committee has sufficient expertise, experience and independence to act in Investor's interests;
- e) how each independent member of the Independent Governance Committee, together with confirmation that the Independent Governance Committee considers these members to be independent, has taken into account the Financial Conduct Authority's guidance on assessment of independence;
- f) the arrangements put in place by the True Potential Investments to ensure that the views of Investors are directly represented to the Independent Governance Committee.
- g) administration charges and transaction costs information complying with the requirements in COBS 19.5.16R;

The annual report will be produced by 30 September each year, in respect of the previous calendar year.

In addition, where an Independent Governance Committee is unable to obtain from True Potential Investments, and ultimately from any other person providing relevant services, the information it requires, the Independent Governance Committee should explain in the annual report why it has been unable to obtain the information and how it will take steps to be granted access to that information in the future.

The Independent Governance Committee will ensure the publication of administration charges and transaction costs information complying with the requirements in COBS 19.5.13R.

The Independent Governance Committee will ensure that all members of each relevant scheme are provided with an annual communication complying with the requirements in COBS 19.5.17R. and will make this available, on request, to relevant scheme members' spouses or civil partners and to persons within the application of the relevant scheme and qualifying or prospectively qualifying for benefits under the relevant scheme.

The Independent Governance Committee will ensure that the above annual reports and notifications are made in a manner that pays due regard to the purposes for which relevant policyholders might reasonably use the information.

21. Escalations.

The Chair of the Independent Governance Committee will in the first instance raise any concern/s requiring management action in relation to the value for money offered to relevant policyholders and/or pathway investors in True Potential Investments relevant schemes with the Managing Partner.

If the management response to the concerns raised by the Independent Governance Committee is not considered to be satisfactory by the Independent Governance Committee members, or if the management response is untimely in nature, the Chair of the Independent Governance Committee will escalate the concern/s with True Potential Investments governing body.

The Independent Governance Committee will allow sufficient time, being three months from the date of the escalation or the date of the next quarterly meeting of the Independent Governance Committee (whichever is earlier), for the Managing Partner and True Potential Investments governing body to respond to any concerns.

If, having raised concerns with True Potential Investments governing body about the value for money offered to relevant policyholders by a relevant scheme, the Independent Governance Committee is not satisfied with the response of True Potential Investments governing body, the Independent Governance Committee Chair may escalate concerns to the Financial Conduct Authority if that would be appropriate. The Independent Governance Committee may also alert relevant Investors and employers and make its concerns public, if the Independent Governance Committee considers that such disclosure could be of material utility to the Investors or employers.

Separately, the Independent Governance Committee Chair should raise with True Potential Investments governing body any concerns that the Independent Governance Committee has about the information or resources that True Potential Investments provides, or arrangements that True Potential Investments puts in place to ensure that the view of relevant policyholders are directly represented to the Independent Governance Committee. If the Independent Governance Committee is not satisfied with the response of True Potential Investments governing body, the Independent Governance Committee Chair may escalate its concerns to the Financial Conduct Authority if appropriate. The Independent Governance Committee may also make its concerns public.

All escalations made by the Independent Governance Committee and responses to escalations by the Managing Partner or True Potential Investments governing body are to be made in writing.

Any decisions to make an escalation to the Financial Conduct Authority should be subject to the Independent Governance Committee's decision making process as set out in Chapter 4 of the Terms of Reference.

6. Engagement protocols.

Engagement with Relevant Policyholders.

True Potential Investments must have arrangements to ensure that the views of Investors can be directly represented to the Independent Governance Committee.

The Chair will not undertake to respond individually to views from Investors but will set out within his annual report for each firm how the Independent Governance Committee has considered Investors' interests.

Engagement with the Firm.

The Chair and members of the Independent Governance Committee may interact with other parts of True Potential Investment's business and its management, outside of those role holders as set out in the Terms of Reference, through the Secretary to the Independent Governance Committee.

Engagement with the External Auditors.

The Chair and members of the Independent Governance Committee may interact with True Potential Investment's External Auditors through the Secretary to the Independent Governance Committee.

7. Glossary

Expression	Definition
Chair	The Chair of the Independent Governance Committee
Direct payment arrangements	As in section 111A of the Pension Schemes Act 1993, that is, arrangements under which contributions fall to be paid by or on behalf of the employer towards the scheme (a) on the employer's own account (but in respect of the employee); or (b) on behalf of the employee out of deductions from the employee's earnings.
Environmental, social and governance financial considerations	Environmental, social and governance factors (including climate change) that are material to the sustainability of an investment.
Non-financial matters	Factors which may influence True Potential Investment's investment strategy or decision, and which are based on the views (including ethical concerns regarding environmental, social and governance issues) of the firm's clients or relevant policyholders.
Pathway investor	A retail client investing in True Potential Investment's pathway investment.
Pathway solution	The process set out in COBS 19.10.14R to 19.10.21R that a retail client can use to select a pathway investment for investing the sums and assets in their capped drawdown pension fund or flexi-access drawdown pension fund.
Relevant scheme	A personal pension scheme or stakeholder pension scheme in respect of which direct payment arrangements are, or have been, in place, under which contributions have been paid in respect of two or more employees of the same employer.
Stewardship	True Potential Investment's exercise of rights or engagement activities in relation to the investments attributable to the firm's relevant policyholders or pathway investors, and may include: <ul style="list-style-type: none"> a) The exercise of True Potential Investments voting rights in those investments; and b) Monitoring and engaging on matters such as strategy, performance, risk, culture and governance of the investments.
Worker	As in section 88 of the Pensions Act 2008, that is, in summary, an individual who has entered into or works under (a) a contract of employment, or (b) any other contract by which the individual undertakes to do work or perform services personally for another party to the contract.

Appendix A

Standard Agenda:

The following items will be included in every quarterly meeting of the Independent Governance Committee. Any exceptions will be noted by the Chair in his introduction.

Ref:	Agenda item:
1	Introduction
2	Previous Minutes for Approval
3	Actions List for Review
4	Papers in Response to Matters Previously Escalated a) to the Managing Partner b) to the True Potential Investments Board
5	Standing Papers a) Quarterly Management Information Report
6	Value for money for policyholders a) (i) Any new default strategies proposed or changes to the design or execution of existing (ii) Analysis of aims and objectives of the default investment strategies & investment pathways b) whether the characteristics and net performance of investment strategies are regularly reviewed by the firm c) Processing of core scheme financial transactions d) Service and Product costs (i.e. platform, wrapper & OCF) e) Costs incurred as a result of managing and investing (i.e. transaction costs) f) Communications
7	Value for money for pathway investors a) (i) Any new investment pathways proposed or changes to the design or execution of existing (ii) Analysis of aims and objectives of the default investment strategies & investment pathways b) whether the characteristics and net performance of investment strategies are regularly reviewed by the firm c) Processing of core scheme financial transactions d) Service and Product costs (i.e. platform, wrapper & OCF) e) Costs in relation to managing the investments (i.e. transaction costs) f) Communications
8	ESG and non-financial matters
9	Annual Independent Governance Committee Report
10	Annual costs and charges publication and communication
11	Matters to Note from Assurance Functions (Risk and Compliance)
12	Matters for Escalation: a) to the Managing Partner b) to the True Potential Investments Board

Appendix A (continued)

Ref:	Agenda item:
13	Matters for Exceptional Escalation: a) to the Financial Conduct Authority b) to Relevant scheme members and/or members
14	Any Other Business

Annual Calendar:

The following items will be included in the relevant meeting of the Independent Governance Committee.

Ref:	Agenda item:	Duty & Obligation (as per TOR)	Lead	Timing
1	Independent Governance Committee Chair's Annual Report	Review of the annual report for each firm prepared by the Independent Governance Committee Chair.	Chair	April
2	Annual Declaration of Independence	Review whether independent Independent Governance Committee members continue to be independent.	Chair	April

Appendix B: Duties of True Potential Investments in relation to the Independent Governance Committee.

True Potential Investments must:

- a) take reasonable steps to ensure that the Independent Governance Committee acts and continues to act in accordance with its terms of reference;
- b) take reasonable steps to provide the Independent Governance Committee with all information reasonably requested by the Independent Governance Committee in good time for the purposes of carrying out its role;
- c) provide the Independent Governance Committee with sufficient resources as are reasonably necessary to allow it to carry out its role independently;
- d) have arrangements to ensure that the views of Investors can be directly represented to the Independent Governance Committee;
- e) take reasonable steps to address any concerns raised by the Independent Governance Committee under its terms of reference;
- f) provide written reasons to the Independent Governance Committee as to why it has decided to depart in any material way from any advice or recommendations made by the Independent Governance Committee to address any concerns it has raised;
- h) take all necessary steps to facilitate the escalation of concerns by the Independent Governance Committee
- i) make available the Independent Governance Committee's terms of reference and the three most recent annual reports in an appropriately prominent and relevant position on its website, and provide them on request to Investors and their employers;
- j) provide the Independent Governance Committee with administration charges and transaction costs information, setting out the costs and charges for each default arrangement and each alternative fund option that a member is able to select.

Appendix B: (continued).

True Potential Investments should:

- a) consider allocating responsibility for the management of the relationship between the firm and its Independent Governance Committee to a person at the firm holding Financial Conduct Authority significant-influence function or designated senior management function.
- b) fund independent advice for the Independent Governance Committee if this is necessary and proportionate.
- c) not unreasonably withhold from the Independent Governance Committee information that would enable the Independent Governance Committee to carry out its duties in the Independent Governance Committee's remit of review.
- d) provide the Independent Governance Committee with sufficient support and resources so that the Independent Governance Committee is properly able to carry out its duties in the Independent Governance Committee's remit of review.
- e) have arrangements for sharing confidential and commercially sensitive information with the Independent Governance Committee.
- f) use best endeavours to obtain, and should provide the Independent Governance Committee with, information on the costs incurred as a result of managing and investing, and activities in connection with the managing and investing of, the assets of a relevant scheme or which could impact a Relevant Products, including transaction costs. Information about costs and charges more broadly should also be provided, so that the Independent Governance Committee can properly assess the value for money of a Relevant Products.
- g) should provide additional resources and support to the Independent Governance Committee such that its ability to act within its terms of reference is not compromised if it asks the Independent Governance Committee to take on responsibilities in addition to those required in COBS 19.5.5 R.
- h) should provide secretarial and other administrative support to the Independent Governance Committee. The nature of the support, including how it is provided and by whom, should not conflict with the Independent Governance Committee's ability to act independently of the firm.

Appendix C: Appointment of Independent Governance Committee members.

True Potential Investments must take reasonable steps to ensure that the Independent Governance Committee has sufficient collective expertise and experience to be able to make judgements on matters in the Independent Governance Committee's remit of review.

True Potential Investments must recruit independent Independent Governance Committee members through an open and transparent recruitment process.

True Potential Investments must appoint members to the Independent Governance Committee so that:

- (a) the Independent Governance Committee consists of at least five members, including an independent Chair and a majority of independent members;
- (b) Independent Governance Committee members are bound by appropriate contracts which reflect the terms of reference in COBS 19.5.5R, and on such terms as to secure the independence of independent members;
- (c) independent Independent Governance Committee members who are individuals are appointed for fixed terms of no longer than five years, with a cumulative maximum duration of ten years;
- (d) individuals acting as the representative of an individual corporate member are appointed to the Independent Governance Committee for a maximum duration of ten years;
- (e) independent Independent Governance Committee members who are individuals, including those representing independent corporate members, are not eligible for reappointment to the Independent Governance Committee until five years have elapsed, after having served on True Potential Investment's Independent Governance Committee for the maximum duration of ten years;
- (f) appointments to the Independent Governance Committee are managed to maintain continuity in terms of expertise and experience of the Independent Governance Committee.

The effect of COBS 19.5.9R(3)(b) is that employees of True Potential Investments who serve on an Independent Governance Committee should be subject to appropriate contractual terms so that, when acting in the capacity of an Independent Governance Committee member, they are free to act within the terms of reference of the Independent Governance Committee without conflict with other terms of their employment. In particular, when acting as an Independent Governance Committee member, an employee will be expected to act solely in the interests of relevant policyholders or pathway investors and should be able to do so without breaching any terms of their employment contract.

An individual may serve on more than one Independent Governance Committee.

True Potential Investments should replace any vacancies that arise within Independent Governance Committees as soon as possible and in any event within six months.

True Potential Investments should involve the Independent Governance Committee Chair in the appointment of other members, both independent members and employees of True Potential Investments.

True Potential Investments, in appointing independent Independent Governance Committee members, must determine whether such a member is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, that member's judgment.

Appendix C (continued).

An Independent Governance Committee member is unlikely to be considered independent if any of the following circumstances exist:

- (a) the individual is an employee of True Potential Investments or of another company within True Potential Investment's group or paid by them for any other role other than as Independent Governance Committee member, including participating in True Potential Investment's share option or performance related pay scheme;
- (b) the individual has been an employee of True Potential Investments or of another company within True Potential Investment's group within the five years preceding his appointment to the Independent Governance Committee;
- (c) the individual has, or had within the three years preceding his appointment, a material business relationship of any description with True Potential Investments or with another company within True Potential Investment's group, either directly or indirectly.

True Potential Investments should review on a regular basis whether its independent Independent Governance Committee members continue to be independent and take appropriate action if it considers that they are not.



Head Office: Gateway West, Newburn Riverside, Newcastle upon Tyne, NE15 8NX

True Potential Investments LLP is authorised and regulated by the Financial Conduct Authority. FRN 527444.
Registered in England and Wales as a Limited Liability Partnership No. OC356027.

February 2025