

IEEE INVESTMENT COMMITTEE CHARTER

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I. ADMINISTRATION

Bylaw 305 - Investment Committee: “The Investment Committee shall be appointed by and shall report to the Board of Directors. The Investment Committee shall advise and assist the IEEE Board of Directors on matters relating to IEEE investments. The Investment Committee shall meet and act pursuant to such rules as it shall determine, but no report or recommendation shall be implemented without the approval of the Treasurer. The Investment Committee may recommend to the Board of Directors the appointment of one or more asset managers who shall have the authority to invest, manage, or control IEEE assets subject to the terms of their appointment, and to restrictions and specifications therein. The Investment Committee Chair may create subcommittees to address specific issues. The Chair and the members-at-large of each subcommittee must be members of the Investment Committee.”

Membership. The Investment Committee shall consist of not more than eleven members including a Chair; the IEEE Treasurer; one member appointed by the IEEE President; one member appointed by the Vice President, Technical Activities; and from four to seven members-at-large. The members-at-large, including the Chair, shall be appointed by the Board of Directors on the recommendation of the Treasurer. In view of the expertise required, with the exception of the appointments made by the President and the Vice President, Technical Activities who shall be IEEE members, nonmembers of IEEE shall be eligible for appointment as voting members of this Committee. The Chair of the Investment Committee shall be appointed for an initial one-year term, with the possibility for reappointment for up to four additional one-year terms. Members-at-large of the Investment Committee shall be appointed for an initial one-year term, with the possibility for re-appointment for two additional three-year terms, for a maximum of seven years of service. When deemed in the best interest of the IEEE, the Board of Directors may re-appoint a member-at-large for an additional three-year term. The maximum term of service for any member of the Investment Committee shall be ten years. (IEEE Bylaw I-305 - Functions and Membership of the Committees)

For re-appointment it is necessary for the members-at-large to be able to demonstrate currency in investment activities. To demonstrate currency, individuals must be employed either in an investment environment, or actively and professionally involved in investment or financial matters. The decision as to whether a member can demonstrate currency shall be determined by the Investment Committee, and approved by the Board of Directors.

II. OBJECTIVES

Monitor performance of the Long Term Investment Fund, Operational Cash Fund, Retirement Fund and the Savings and Investment Plan of IEEE Employees - 401(k).

IEEE Investment Fund

The purposes of the IEEE Investment Fund are outlined in the IEEE Operations Manual (IOM), which was initially approved by the IEEE Board of Directors on 16 November 2003.

IEEE Retirement Fund

This Fund is designated by IEEE to cover the defined benefit liabilities of the IEEE employees. Investments will be made for the sole interest of the participants and beneficiaries of the Plan and in accordance with the following objectives:

- A. To ensure funds are available to meet current and future obligations of the Plan when due.
- B. For the assets in the Fund to be equal to, or greater than, the future liabilities of the fund, over the long term.
- C. To ensure the assets of the Plan are invested with the care, skill and diligence that a prudent person acting in a like capacity would undertake.
- D. To ensure the assets of the Plan are invested in a manner that minimizes and controls the costs incurred in administering and managing the assets.
- E. To earn a minimum rate of return no less than the actuarial rate.
- F. To earn the maximum rate of return that can be realistically achieved, given existing market conditions, at an acceptable and controlled level of risk, in order to minimize future contributions.

The asset allocation and investment guidelines are based upon a long term investment horizon, so that interim fluctuation should be viewed with appropriate perspective.

IEEE Savings and Investment Plan

This Plan is a defined contribution plan in which IEEE employees select their own asset allocation, and the Institute matches dollar for dollar the first 4% of employee contribution. Additionally, IEEE contributes a percentage of the employee's annual salary in accordance with a salary deferral matrix developed by the Employee Benefits and Compensation Committee.

III. DUTIES, RESPONSIBILITIES, AND AUTHORITY OF THE INVESTMENT COMMITTEE

A. Long Term Investment Fund

Develop and recommend to the IEEE Board of Directors investment management policy and activities, including:

- Asset allocation guidelines and strategies.
- Investment guidelines and objectives.
- Selection, retention and termination of investment managers and consultants.

Review the actions results and philosophies of the IEEE Investment Managers on a periodic basis. The Committee shall not approve specific investments.

Evaluate the performance of the IEEE Investment Managers relative to their benchmarks and peers and report to the Board of Directors, as appropriate.

Provide oversight with respect to investment manager compliance with investment guidelines with support from the Finance Staff, and report on same.

The IEEE Board of Directors has fiduciary responsibility for the investments of the IEEE.

B. Operational Cash Fund

Develop and recommend to the IEEE Board of Directors investment management policy and activities, including:

- Asset allocation guidelines and strategies.
- Investment guidelines and objectives.
- Selection, retention and termination of investment managers and consultants, as applicable.

The Committee shall not approve specific investments.

C. Retirement Fund

Develop and recommend to the IEEE Board of Directors investment management policy and activities, including:

- Asset allocation guidelines and strategies.
- Investment guidelines and objectives.
- Selection, retention and termination of investment managers and consultants.

Review the actions, results and philosophies of the IEEE investment managers on a periodic basis. The Committee shall not determine or approve specific investments or make investment decisions. Exclusive authority to determine and approve investment

decisions and the delegation to investment managers resides with the Board of Directors.

Evaluate the performance of the IEEE investment managers relative to their benchmarks and peers and report to the Board of Directors, as appropriate.

Provide oversight with respect to investment manager compliance with investment guidelines with support from the Finance Staff, and report on same.

D. IEEE Savings and Investment Plan

Consult on appropriate investment options with the Employee Benefits and Compensation Committee upon request.

Review the performance of the investment options and report same to the Employee Benefits and Compensation Committee.

The Committee shall not determine or approve specific investments or make investment decisions. Exclusive authority to determine and approve investment decisions and the delegation to investment managers shall reside with the Board of Directors.

IV. ROTATION PLANS FOR MEMBERS-AT-LARGE AND CHAIR

Members-at-large are defined as members of the Committee. Members-at-large are expected to possess expertise in investment-related matters.

A. Members-at-Large

Members-at-large of the Investment Committee shall be appointed by the IEEE Board of Directors for an initial one-year term, with the possibility for re-appointment for two additional three-year terms, for a maximum of seven years of service. When deemed in the best interest of the Institute, the IEEE Board of Directors may re-appoint a member-at-large for an additional three-year term. The maximum years of service on the Investment Committee shall be 10 years.

B. Chair

The Chair of the Investment Committee is appointed by the IEEE Board of Directors for an initial one-year term, with the possibility for re-appointment for up to four additional one-year terms.

C. Recruitment / Nomination Process for Members-at-Large

The Chair of the Investment Committee, with the approval of the IEEE Treasurer, shall appoint a sub-committee for the purpose of recruiting / nominating members-at-large. The sub-committee shall comprise the IEEE Treasurer, and two other current members of the Investment Committee, one of whom shall serve as Chair of the sub-committee.

The process that shall be followed by the sub-committee, in recruiting and nominating members-at-large is as follows:

- Determine the needs of the Investment Committee in terms of experience and background (e.g., equity vs. fixed income, institutional vs. plan sponsor, U.S. vs. Non-U.S.).
- Solicit input from current Investment Committee members with respect to qualified candidates.
- Identify a primary candidate who is then interviewed by at least two members of the sub-committee. The candidate's professional references are checked as appropriate.
- Obtain the consensus of the sub-committee that the candidate's name should be brought forward for discussion / consideration by the Investment Committee.
- The Investment Committee shall recommend a candidate to the IEEE Treasurer.
- The Treasurer recommends to the IEEE Board of Directors the appointment of the nominee as a new member-at-large of the Investment Committee for an initial one-year term.

D. Nomination Process for Chair and Vice Chair

When nominating candidates to the IEEE Board of Directors for the positions of Chair and Vice Chair, the IEEE Treasurer considers both the remaining terms of the current members-at-large of the Investment Committee, as well as the attendance / participation at meetings of those members. Based on these criteria, the IEEE Treasurer suggests a slate of candidates for the Investment committee to consider. The Investment Committee votes to recommend these candidates for the positions of Chair and Vice Chair. The IEEE Treasurer recommends to the IEEE Board of Directors the appointment of the nominees to the positions of Chair and Vice Chair.

V. CONFLICT OF INTEREST

IEEE Policy 9.9 - Conflict of Interest is applicable to all Committee members who are serving the Institute in some capacity. The following guidelines are intended to be more specific to the activities of the Investment Committee, and to strengthen and support the principles embodied in Policy 9.9, which is provided to Investment Committee members on an annual basis.

Guidelines:

- A. In all instances regarding potential conflicts of interest, materiality should be considered.
- B. If a member has either a direct or indirect personal interest in any item under the purview of this committee, it should be disclosed to the next higher authority as appropriate.
- C. In cases where new business may be awarded to a firm in which a member has either a direct or indirect personal interest, the member should excuse himself / herself from the meeting, and refrain from voting.

VI. ROLES AND RESPONSIBILITIES

Roles / Responsibilities Long Term Investment Fund

Body Action	Investment Committee	Board of Directors
Strategic Asset Allocation	Recommends to Board	Exclusive Authority to Determine and Approve
Manager Selection / Retention	Recommends to Board	Exclusive Authority to Determine and Approve
Investment Guidelines / Objectives	Develops, & Recommends to Board	Exclusive Authority to Determine and Approve
Manager Performance	Evaluates & Reports To Board	Receives Reports
Compliance w/ Investment Guidelines	Monitors with Support from Finance Staff	Receives Reports

Roles / Responsibilities Defined Benefit Plan (Frozen 2007)

Body / Action	Investment Committee	Board of Directors
Strategic Asset Allocation	Recommends to Board; Advises EBCC	Exclusive Authority to Determine and Approve
Manager Selection / Retention	Recommends to Board; Advises EBCC	Exclusive Authority to Determine and Approve
Investment Guidelines / Objectives	Develops, & Recommends to Board	Exclusive Authority to Determine and Approve
Manager Performance	Evaluates & Reports To Board	Receives Reports
Compliance w/ Investment Guidelines	Monitors with Support from Finance Staff	Receives Reports

Roles / Responsibilities
Savings and Investment Plan

Body / Action	Staff Committee	Employee Benefits and Compensation Committee (EBCC)	Investment Committee	Board of Directors
Plan Design (Eligibility, Benefit Levels, Vesting)		Establishes & Recommends to Board	—	Exclusive Authority to Determine and Approve
Investment Options	Recommends to EBCC	Recommends to Board (considers recommendations received from the Investment Committee)	Recommends to EBCC	Exclusive Authority to Determine and Approve
Record Keeper	Recommends to EBCC	Recommends to Board	—	Exclusive Authority to Determine and Approve
Manager Selection/ Retention	Informed by Investment Committee	Informed by Investment Committee	Recommends to Board (Informs EBCC)	Exclusive Authority to Determine and Approve
Manager Performance		Provided to Human Resources upon request; Human Resources distributes to EBCC	Evaluates and Reports to Board	Receives Reports
Participant Education	Monitors & Reports to EBCC	Monitors with Support from Human Resources Staff	—	—