**TERMS OF REFERENCE**

**FUNDING COMMITTEE**

## Purpose

The Funding Committee was established as a sub-committee of the Board of Directors of the ICCL to assist the Board in fulfilling its oversight responsibilities. The Funding Committee's responsibilities include:

i. Funding of the ICCL
ii. Review of Bad Debts
iii. Payment of Compensation
iv. Formalisation of Policies
v. Other responsibilities

---

## A. SCOPE OF RESPONSIBILITIES

### Funding of the ICCL

Section 19 of the Investor Compensation Act, 1998, states that …
'*The Company shall establish and maintain a fund or funds out of which payments shall be made in accordance with this Act to clients of investment firms and may establish and maintain in respect of specified classes or categories of investment firms particular funds in accordance with this Act*.'

The Funding Committee will discharge the following responsibilities in respect of the funding of the Company:

#### *Funding Targets*

i. Proposing Funding targets and projections to ensure that fund levels are adequate to meet claims as they arise.
ii. Proposing funding models for each fund to be used for allocating funding requirements across member firms.

#### *Consultations with Industry*

i. On a regular basis, as agreed by the Board, prepare a Consultation document setting out the proposed levels of levies to be paid by Participating Firms of each fund approved in accordance with section 19 of the Act.
ii. Discuss and agree the contents of the Consultation document prior to consulting with the Central Bank and Industry and submit to the Board of the ICCL for approval, prior to circulation to participant firms and relevant stakeholders.
iii. Review and discuss the responses received from participant firms and Representative Bodies and the points raised at the meetings with industry representatives to reach a collective viewpoint.

#### *Funding Arrangements*

i. Review and recommend to the Board for approval, the financial forecasts, an assessment of strategic alignment, financial sustainability, key assumptions and risks of same.
ii. Discuss any revisions to Funding Arrangements and recommend these to the Board for approval prior to publication and circulation to participant firms and relevant stakeholders.
iii. Discuss alternative financing options for inclusion in the ICCL's funding options (for example, Excess of loss insurance) and recommend these to the Board for approval.

### Review of Funding Policy and mandated items

i. Review levy and debt collection, refunds, interest write-off, waivers and bad debt write-offs.

### Review of Compensation Payments and Provisions

i. Review legal advice(s), where a conflict may exist between the ICCL and the Administrator, interpreting the scope of compensatable cover provided by the Investor Compensation Act, 1998 and make recommendations to the Board on such matters.
ii. Review estimates of compensation payable as provided by Administrators and consider implications for funding targets.

### Formulation of Policies

i. Assist the Board with formulation of policies which affect the Funding and Operations of the Company.

### Other Responsibilities

i. As assigned from time to time, perform other activities related to these terms of reference as agreed with the Board of Directors.

---

## B. OPERATIONS OF THE COMMITTEE

The Funding Committee will:

i. Regularly report to the Board of Directors on issues dealt with by the Committee and related recommendations,
ii. Review any other reports which the Company issues that relate to the Committee's responsibilities,
iii. Review the Terms of Reference of the Funding Committee as necessary and at least on an annual basis and submit these to the Board for approval,
iv. Evaluate the Committee's performance on an annual basis and report to the Board. The review shall include the records of attendance at committee meetings.

### Authority

The Board of Directors of the ICCL has, inter alia, authorised the Funding Committee to:

i. conduct or authorise investigations into matters within its scope of responsibility
ii. retain outside expertise to advise it in the conduct of its business
iii. seek any information it may require from the Executive
iv. meet with the Executive, the Central Bank of Ireland and external advisors, as necessary.

## Composition

The Funding Committee will consist of a minimum of three members of the Board of the ICCL. The Board will appoint the Funding Committee chair. The Board will appoint the Members of the Funding Committee in consultation with the Funding Committee chair. Appointments to the Committee shall be for a period of up to three years, which in the ordinary course can be renewed for a maximum of 6 years in total.

The current composition of the Committee can be found on the ICCL website at Funding Committee (investorcompensation.ie):

## Meetings and attendance

The Committee will meet at least four times each year and will have the authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting and a quorum is a simple majority of the members of the Funding Committee. A duly convened meeting of the Funding Committee at which a quorum is present shall be competent to exercise all or any authorities, powers or discretions vested in or exercisable by the Funding Committee. Subject to the prior approval of the Chair, members may participate in meetings in person or by videoconference or teleconference.

The Committee may invite members of the executive, legal advisors and others to attend meetings and provide pertinent information as necessary.

Meeting agendas along with appropriate briefing materials will be prepared and provided to the Committee members at least one week in advance of meetings. The Chief Operations Officer will designate a member of the executive to act as Secretary to the Funding Committee and minute all meetings. The Secretary is permitted to record a transcript of the Committee meeting with the approval of the Chair in advance. All members of the Committee must be informed via meeting invite, agenda and by the Chair at the start of the meeting that a transcript of the meeting will be recorded. The Secretary may prepare minutes of the meeting with the assistance of Microsoft Copilot Chat. A transcript of a meeting (including copy transcripts taken and converted into Word or other formats) will be retained until the minutes are approved at the subsequent board meeting. It is the responsibility of the Secretary to ensure that the transcript is deleted following approval of the minute Minutes of each meeting will be supplied to the Committee members on a timely basis. The Chairperson of the

Funding Committee will report to the ICCL Board after each meeting of the Funding Committee.

**Approved by the Board**
**14 September 2026**