Charter of the ICC Investment Management Program Committee

1.0 Introduction: The Board of Directors of The International Code Council, Inc. (the “Board”) has delegated all powers and authorities of the Board with respect to the oversight and administration of the Comprehensive Investment Management Program (the “Plan”) to the ICC Investment Management Program Committee (“the Committee”).

2.0 Composition of the Committee: The Committee shall consist of not less than (5) members of the Board. The Secretary/Treasurer of the Board shall be a member of the Committee and serve as Chair. The President shall appoint not less than (4) additional Board members as voting members of the Committee.

3.0 Investment Powers: The Board has delegated certain rights, duties, and obligations to the Committee. The Investment Committee’s investment powers and duties associated with the investment of Plan assets are described in CP#32 – Investment Policy. The CEO shall appoint an ICC staff member to serve as Investment Officer and to be responsible for authorizing investments in conformance with CP#32 – Investment Policy.

4.0 Documentation: The Committee or ICC Staff shall prepare minutes reflecting each of its meetings and shall prepare documents and records of its activities. The minutes shall set forth all decisions made, including the reasoning behind the decisions.

5.0 Amendments to this Charter: Only the Board shall have the authority to amend this Charter.
1.0 **Background:** The International Code Council, Inc. ("ICC") is a Delaware non-profit organization that has established a comprehensive investment management program (the "Plan") to support the operating needs of the organization and accumulate reserves to support the long-term mission of the organization. The Plan consists of Operating Cash and an Investment Funds account (the "Account") as defined in this investment policy (the "Policy").

1. The Board of Directors of ICC (the "Board") has established and delegated responsibility for oversight of the Plan to an Investment Committee (the "Committee"). The Committee maintains the authority to direct professional experts and staff to act in accordance with this Policy.

2. The Committee has hired a professional Investment Management Consultant (the "Consultant") to assist with its oversight responsibilities and investment of the Account’s assets.

a. **Purpose:**

In general, the purpose of this Policy is to set forth the objectives and guidelines governing the Account’s assets. This Policy outlines the investment objectives, goals, and guidelines for the Account and is set forth in order that, if applicable:

1. Establish a clear understanding for all involved parties of the investment goals and objectives for invested assets so as to minimize the chance of ICC being unprepared for results different from what could be expected to occur during various stages of a market cycle.

2. Offer guidance and limitations to the Consultant regarding invested assets.

3. Establish a basis to evaluate the Consultant in order for the Committee to meet its responsibility to prudently monitor the Account.

b. **Prudence:**

The Account shall be managed at all times in accordance to and in compliance with the standards of prudent investment. The investments shall be prudently selected and properly diversified so as to minimize the risk of large losses in accordance with applicable laws.

c. **Intent of Statement:**

It is the intent of this Policy to outline a philosophy and attitude that will guide the Consultant toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.
2.0 Rules and Procedures:

a. Definitions:

1. “Investment Management Consultant” shall refer to any individual or organization hired by the Committee to assume the advisory responsibilities as outlined in this Policy.

2. “Investment Managers” shall refer to professionals with various investment management firms that the Consultant intends to utilize in the investment of the Account’s assets. For mutual funds, ETFs, and/or other commingled investment vehicles, the prospectus or Declaration of Trust documents of the commingled investment vehicle will govern the investment policies of the Account’s investments.

3. “Custodian” shall refer to any qualified financial institution hired by the Committee to hold any portion or all of the Account’s assets.

4. “Securities” shall refer to the marketable investment securities that are defined as acceptable in this statement.

5. “Investment Horizon” shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met.

6. “Operating Cash” is unrestricted cash deposits and cash equivalents on deposit in ICC bank accounts managed by ICC staff for purposes of conducting daily operations. Operating cash is the amount of cash needed to cover day-to-day expenses, such as payroll, rent, utilities, and taxes. Operating cash is also used to fund Strategic Growth Opportunities, (“Strategic Cash”).

Strategic Cash is a subset of operating cash, the funds are commingled in the ICC bank operating account. Strategic cash includes items such as working capital, new projects, acquisitions, and capital expenditures. Operating cash is also used to fund debt service and repayment of principal.

ICC’s objective is to:

- Maintain an adequate level of operating cash to support normal business operations and to avoid cash shortages or idle excesses.
- Create an effective mechanism to facilitate the flow of operating cash into the Investment Funds.

The guideline for managing Operating Cash is as follows:

- The ICC’s Target Operating Cash balance is:

  \[
  \text{Target Operating Cash} = \left( \left( \text{Annual Budget expenses (operating expenses + cost of goods + interest expense)} \right) - \text{Depreciation & amortization} \right) \times 15\% + (\text{Strategic Cash}^* + \text{current year repayment of debt principal})
  \]
• Staff, in consultation with the Budget Committee, have discretion over which items to include in the calculation of Strategic Cash.
• The operating cash balance will be monitored and reviewed on a regular basis by the Executive VP & CFO.
• Portions of the operating cash balance can be invested in high quality, secure, short-term cash equivalents such as certificates of deposit or money market accounts.
• The operating cash target calculation will be periodically reviewed and updated by the Investment, Merger & Acquisition Committee to reflect any changes in the business environment, cash flow patterns, or financial objectives of ICC.
• Operating Funds in excess of the Target Operating Cash can, with the approval of the Committee, be re-classified as Investment Funds defined below.

7. “Investment Funds” are funds held by the Custodian and managed by the Investment Manager(s).

   **b. Delegation of Responsibility:**

Responsibility of the Board:

1. Appointing members to and overseeing the Investment Committee.
2. Approving the investment policy and long-term investment strategy for the Account.

Responsibility of the Committee:

1. Hiring investment professionals to assist with their oversight responsibilities and to invest the assets, as they deem necessary. The Committee will:
   a. Assess the investment professional’s independence, including any conflicts of interest such agent has or may have.
   b. Establish the scope and terms of the delegation, including the payment of compensation.
   c. Monitor the investment professionals’ performance and compliance with the scope and terms of the delegation.
2. Selecting a suitable Custodian to oversee all securities and brokerage transactions and provide detail of all such transactions to the Consultant.
3. Hiring additional specialists such as attorneys and auditors to assist with their oversight responsibilities, as they deem necessary.
4. Evaluating and recommending revisions to this Investment Policy Statement to the Board.
5. Evaluating and recommending revisions to the long-term investment strategy for the Account to the Board.
6. Expressing the Account’s risk posture to the Consultant.
7. Monitoring the Consultant’s compliance with the approved investment policies and guidelines.
8. Regularly evaluating the performance of the Consultant.
9. Determining the Plan’s projected financial needs and communicating such to the Consultant on a timely basis.
10. Ensuring that the Plan comply with all applicable laws, regulations, and rulings and other such duties as may be described in this policy, except to the extent that ensuring such compliance is otherwise inherent in the duties and responsibilities of the Consultant or the Investment Manager(s), as the case may be.
Responsibility of the Investment Management Consultant
1. Implementing the appropriate allocation of assets in accordance with this Investment Policy Statement.
2. Prudently and diligently selecting and retaining the Investment Manager(s) in accordance with this Investment Policy Statement.
3. Regularly evaluating the performance of the Account and the Investment Manager(s) to assure adherence to policy guidelines and monitor investment objective progress.
4. Developing and enacting proper control procedures. For example, replacing an Investment Manager due to fundamental change in the Investment Manager’s process, or failure of the Investment to comply with its established guidelines.

The Consultant will also provide investment advice and guidance to the Committee to enable them to meet their responsibilities as outlined above. In this capacity, the specific responsibilities of the Consultant include, but are not limited to:

6. Assisting in the development and periodic review of the long-term investment strategy for the Account, based on an evaluation of capital markets and asset class performance.
7. Providing "due diligence," or research, on the Investments as needed to support the Committee’s evaluation of the Consultant.
8. Monitoring and reporting to the Board and Committee on the performance of the Account, performance of the Investment Manager(s), and the Account’s compliance with this Investment Policy Statement.

c. Investment Objectives:

The ICC’s investment priorities for the Account, in order of priority, are legality, capital preservation, liquidity, current income, and long-term growth of capital.

1. Short-term fluctuations may result on occasion in the loss of capital earned (i.e., negative returns). Asset growth, exclusive of contributions and withdrawals, should grow in the long run while avoiding excessive risk.
2. The Account should generate a level of income to meet withdrawal needs on a periodic basis.
3. Investments will be diversified in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that may result from concentrated positions.

d. Risk Tolerance:

The aggregate risk posture of the Account can best be characterized as conservative, based upon the results of an assessment which included the following factors:

1. Time horizon of the Account.
2. Business and financial condition of ICC.
4. General economic conditions.
5. The possible effect of inflation or deflation.
6. The role that each investment or course of action plays within the overall investment portfolio.
7. The expected total return from income and the appreciation of investments and other resources of ICC.
8. The needs of ICC and the Account to make distributions and to preserve capital.
9. An asset’s special relationship or special value, if any, to the purposes of ICC.

The risk tolerance of the Account and ICC may change over time, including the definition of risk, the risk posture of ICC, and the allocation of the risk budget to various sources.

e. Asset Allocation:

The Committee is responsible for establishing long-term strategic asset allocation targets for the Account that are consistent with their investment objectives. The current long-term strategic asset allocation targets and permissible asset allocation ranges, in each case as established by the Committee with the assistance of the Consultant and approved by the Board, are detailed in Section g.

The Consultant is responsible for directing the Investment Manager(s) to invest the Account consistent with the long-term strategic asset allocation targets.

1. It is expected that the Account’s actual asset allocation at any given time will vary from the long-term strategic target asset allocation, given the varying returns earned by different asset classes over any given period of time.
2. The Consultant may make tactical shifts in the actual asset allocation of the Account based upon their assessment of current and prospective market conditions. Any tactical asset allocation shifts are to remain consistent with the maximum and minimum asset allocation ranges outlined in Section g.

The Consultant is responsible for directing the rebalancing of the Account’s assets. The Account will be periodically rebalanced to the long-term strategic asset allocation targets. Rebalancing will be achieved through the allocation of contributions, the allocation of withdrawals, and/or purchase or sale of assets among the Investment Managers.

f. Liquidity:

All Investments selected for the Account must have a readily ascertainable market value, and must be readily marketable.
### g. Asset Allocation Guidelines for Investment Funds:

Investment management of the Investment Funds Account shall be directed by the following asset allocation guidelines:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Representative Index</th>
<th>Min</th>
<th>Target</th>
<th>Max</th>
<th>Inv. Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>BBgBarc US Treasury Bill 1-3 Mon TR USD</td>
<td>0%</td>
<td>0%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-Term Bond</td>
<td>BBgBarc US Govt/Credit 1-5 Yr TR USD</td>
<td>8%</td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Core Bond</td>
<td>BBgBarc US Agg Bond TR USD</td>
<td>34%</td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>S&amp;P/LSTA Leveraged Loan TR USD</td>
<td>10%</td>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td>High Yield Bond</td>
<td>BBgBarc US HY Ba TR USD</td>
<td>13%</td>
<td></td>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Emerging Mkts Bond</td>
<td>JPM EMBI Global Core TR USD</td>
<td>13%</td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>TIPS</td>
<td>BBgBarc US Treasury US TIPS TR USD</td>
<td>2%</td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td>6%</td>
<td>12%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>Russell 3000 TR USD</td>
<td>8%</td>
<td></td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td>Foreign Equity</td>
<td>MSCI ACWI ex USA NR USD</td>
<td>4%</td>
<td></td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td>4%</td>
<td>8%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Global REITs</td>
<td>FTSE EPRA/NAREIT Global REITs TR USD</td>
<td>3%</td>
<td></td>
<td></td>
<td>n/a</td>
</tr>
<tr>
<td>**Absolute Return</td>
<td>BBgBarc US Treasury Bill 1-3 Mon TR USD</td>
<td>5%</td>
<td></td>
<td></td>
<td>n/a</td>
</tr>
</tbody>
</table>

*Credit quality varies based on current credit rating of countries included in the representative index.

**“Absolute Return” defined as investment strategies that pursue consistent positive absolute returns and typically fall within the long/short credit, nontraditional bond, long/short equity, or market neutral Morningstar categories.

### h. Selection of Investment Managers:

The Consultant intends to use the following criteria in the selection of the Investment Manager(s):

1. Past performance relative to other investments having similar investment objectives. Consistency of performance and the level of risk taken to achieve results will be considered.
2. Investment Manager style and discipline.
3. Fit of the Investment Manager’s strategy with other Investments held in the Account, including risk controls and diversification.
4. Investment Manager experience, personnel turnover, financial resources, and staff.
5. Willingness and ability to service the Account according to this policy and the agreement with the manager.
6. Any restrictions placed by the Investment Manager regarding liquidity of Account investments.
8. A qualifying Investment Manager must be a registered investment advisor under the Investment Advisers Act of 1940

The Investment Manager(s) will be considered based on the focus of their primary investment strategy. The Account may hold both passive and active investment strategies to achieve investment results. Performance net of investment management fees and expenses will be considered for selection and evaluation purposes. All Investments selected for the Account must have a readily ascertainable market value, and must be readily marketable.

i. Account Performance Reporting, Review, and Evaluation:

The Committee is responsible for monitoring the performance of the Account and the performance of the Consultant. Recognizing that short-term fluctuations may cause variations in performance, the Committee intends to evaluate performance of the Account and the Consultant from a long-term perspective.

The Committee, with assistance from the Consultant, will monitor the performance of the Account on a periodic basis to evaluate how successful it has been at meeting its stated investment objectives. The total return of the Account, net of fees, will be judged against the following standard:

1. Policy Benchmark: A composite benchmark consisting of the representative indexes for each target asset class, weighted equal to the target asset allocation guidelines detailed in Section g.

The performance of the Consultant will be monitored on an ongoing basis, relative to achieving the performance objectives of the Account.

2. Consolidated monthly statements and transaction confirmations will be provided by the Consultant, to the ICC, on a timely basis. The ICC staff and the Consultant will periodically report to the Committee on the following:

   A) The amount of Operating Cash and Investment Funds on hand.
   B) The performance against the Operating Cash Target.
   C) Account performance against the Policy Benchmark.
   D) Compliance with the Asset Allocation Guidelines for Investment Funds.

j. Investment Manager Performance Evaluation:

The Consultant is responsible for monitoring and evaluating the performance of the Investment Manager(s), and taking action to replace the Investment Manager(s) as appropriate. Investment Manager performance will be evaluated relative to the Investment Manager’s expected role in meeting the Account’s investment objectives.

The Consultant intends to maintain a “Watch List” as a way to track Investment Managers which risk failing to meet the Committee’s expectations. Any Investment Manager may be placed on the “Watch List”, in the discretion of the Consultant, when any of the following occur:

1. The Investment Manager performs below both its predetermined benchmark and the 50th percentile of its peer group for three consecutive quarters.
2. The Investment Manager performs below both its predetermined benchmark and the 50th percentile of its peer group in seven of the preceding twelve quarters.
3. The Investment Manager has violated any law, established rule, or published regulation of the Securities and Exchange Commission (SEC) or other applicable government agency or regulator with jurisdiction over the Investment Manager.
4. There is a material change in the senior management professionals.
5. There is a significant change in the assets held under (or otherwise comprising) the Investment Manager and/or in the total assets under management.
6. There is an indication that the Investment Manager is materially deviating from its stated style and/or strategy.
7. There is a material increase in the Investment Manager’s fees and expenses.
8. Any extraordinary event occurs that may interfere with the Investment Manager’s ability to meet the Committee’s expectations.

**k. Adoption of Investment Policy Statement:**

The Board and Committee will periodically review this Investment Policy Statement to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the Investments. The Board and Committee understand and agree that the provisions of this document are subject to any relevant investment advisory agreement with the Consultant and to the extent of any conflict the terms of the investment advisory agreement controls. The Board and Committee further understand that this Investment Policy Statement does not provide any additional rights other than those that are described in the investment advisory agreement with the Consultant.