

## RETIREMENT PLAN AND LIFE INSURANCE COMMITTEE

This Committee is responsible for monitoring Bank policy and performance regarding our pensions, in particular the Staff Retirement Plan (SRP) and helping to respond to member requests for assistance in pension-related issues. It also is charged with monitoring benefits paid out at the time of a retiree's death. Through the participation of the two representatives of retirees on the Plan's two governance committees (Managing and Pension Committees), who also serve on this Committee, the Association has a direct channel to promote our interests and rights, while honoring the fiduciary duty of the retirees' representatives to the Plan's governance. Directors Kurt Focke and Javier Hernández are these representatives.

Key issues during 2021 involved an assessment of the economic conditions as a result of the global pandemic on the Plan's assets and the initiation of the asset-liability management in addition to regular reporting and administrative matters. Together with the Membership and Chapters Committee, this Committee completed a review of the need to adjust the benefit paid out at the time of death of a retiree or a spouse of a retiree, that for over 15 years has been fixed in the amounts of US\$ 10,000 and US\$ 5,000 respectively. The proposal was discussed at the Board of Directors of the Association and the analysis underpinning the proposal has been shared with relevant members of Bank Management.

In addition, the Association submitted a proposal to the Plan's Executive Secretariat to adjust pensions more frequently for local retirees living in countries with extraordinarily high inflation, such as Argentina.

The Committee has been actively following up and monitoring the application of the Plan provisions in reference to the COLA for 2022. In December, the Bank granted a 5% cost-of-living (COLA) increase—a figure not seen in the previous 30 years. However, the official inflation rate was 6.8%. As a result, the Committee initiated a detailed review of the relevant articles in the Staff Retirement Plan and continued to dialogue with the Plan's Executive Secretariat to ensure the application of the relevant COLA provisions as stated in the SRP.

**Membership.** From May 2021, the members of the Committee were Directors Ana-Mita Betancourt, Álvaro Beca, Sandra Darville, Pablo Roldán, Kurt Focke and Javier Hernández (Coordinator), with Robert Cole. Committee members who served from January to May 2021 were Director Kurt Focke (Coordinator), with Directors Javier Hernández, Alvaro Beca and Ana-Mita Betancourt.