INTERNATIONAL BOARD OF HEART RHYTHM EXAMINERS

INVESTMENT POLICY

The purpose of the International Board of Heart Rhythm Examiners, Inc. (IBHRE) is to design examinations for the field of pacing and electrophysiology; to administer the examinations to members of the healthcare professions for the purpose of assisting them in measuring their skills in the area of pacing and electrophysiology; and to encourage continuing competency in the field of pacing and electrophysiology. In order to assist in fulfilling its purpose, IBHRE requires sound financial management, including prudent investment and oversight of its funds (“Operating Fund”, “Intermediate Fund” and “Long Term Fund”).

This Investment Policy has been prepared by the HRS Finance Committee and approved by the IBHRE Board of Directors. The investment guidelines and restrictions presented in this Policy serve as a framework to achieve the investment objectives at a level of risk that the Board of Directors deems acceptable.

The assets of the International Board of Heart Rhythm Examiners, Inc. will be invested in a manner that provides the safeguards and diversity that a prudent investor would adhere to. All transactions will be undertaken to fulfill the objectives of the IBHRE.

PURPOSE

This policy is adopted in order that:

1) There is clear statement of the investment objectives and guidelines.

2) Clear responsibilities are defined.

3) HRS has an appropriate basis for evaluation of the investment performance for invested funds on a regular and ongoing basis.

PROCEDURES

Roles and Responsibilities

Management of International Board of Heart Rhythm Examiners, Inc. will be vested in the Board and Staff as specified in the following levels of responsibility:

A. Unless the Board delegates its authority, the Board will:
1) Approve all investment and spending policies for HRS, and any changes thereto.

2) Review the investment performance of the funds at least annually.

B. The Board will:
   1) Monitor implementation of this Policy to ensure that investment decisions comply with this Policy
   2) Consider any proposed revisions to this Policy and recommend any appropriate action to the Board as necessary.
   3) Select, review and replace investment consultants and/or custodians, subject to Board approval.
   4) Approve the specific dollar amounts to be maintained in each fund.
   5) Approve the long-term target asset allocation of the Long Term Fund.
   6) Review the investment objectives, investment performance, and spending forecasts for the funds and the performance of the investment managers at least annually. Report results to the Board at least annually.
   7) Consider from time to time investment related issues deemed necessary and appropriate to IBHRE mission.
   8) Appoint an Investment Subcommittee and delegate any of the above responsibilities as appropriate.

C. The Staff will:
   1) Recommend to the Board the specific dollar amounts to be maintained in each of the Funds.
   2) Review the investment performance of the funds on a regular basis, at least quarterly.
   3) Receive and distribute to the Board statements/reports for IBHRE funds on at least a quarterly basis.
   4) Review this Policy at least annually and present any recommended changes to the Board.

D. Investment Consultant
   The Investment Consultant's role is that of a discretionary advisor to the IBHRE. Specific responsibilities of the Investment Consultant include:
   1) Assist in the development and periodic review of the investment policy.
   2) Determine an appropriate asset allocation strategy consistent with policy return objectives, risk tolerance, and time horizon.
3) Effect investment decisions consistent with this Investment Policy.

4) Select Investment Managers and other investment vehicles to implement the overall investment strategy.

5) Conduct periodic research on the Investment Managers and investment vehicles.

6) Monitor the performance of the Investment Managers and other investment vehicles to provide Staff and the Finance Committee with the ability to determine the progress toward the investment objectives.

7) Communicate matters of policy, manager research, and manager/vehicle performance to Staff and the Board.

8) Report on a timely basis, quarterly and annual investment performance results.

9) Confer with Staff, or Board, as necessary, to discuss portfolio structure, investment performance, capital markets, this Policy and investment strategies.

E. Investment Managers
It is anticipated that IBHRE may utilize the services of investment managers, mutual funds or other investment vehicles to manage all or a portion of the IBHRE’s funds. Such managers will be given discretionary authority over the funds allocated to them and subject to the guidelines in this Policy. Each investment manager is responsible for timely investment of both principal and income, settlements of transactions, and providing liquidity as directed by Staff and/or the investment consultant.

OPERATING FUND

Purpose

The purpose of the Operating Fund is to provide supplemental cash to meet the needs of IBHRE’s general operations within the approved budget.

INVESTMENT OBJECTIVES

The investment objectives of the Operating Fund are, in this order of priority:

1) Liquidity

2) Preservation of capital

3) Preservation of purchasing power

Investment Goal
The total return of the Operating Fund should meet or exceed the return of the Lipper Institutional Money Market Index.

INVESTMENT GUIDELINES

ALLOWABLE INVESTMENTS

The COO or his/her designated staff shall be authorized to invest the Operating Fund as follows:

1) Federally insured Certificates of Deposit not to exceed $100,000 per financial institution

2) Money market funds

3) Checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts unless the bank is rated at least “A” by Fitch Ratings

4) U.S. government and agency issues

5) Commercial paper rated A2/P2 or higher

6) Repurchase agreements (in conjunction with bank sweep accounts collateralized by U.S. government obligations)

7) Mutual funds or exchange traded funds investing in the above

MATURITY

The maturities on investments for the Operating Fund shall be limited to one year or less. The COO shall be responsible for scheduling maturities.

REPORTING

The COO will prepare a report at least quarterly to be presented to the Board. The report will include a schedule of investments, interest income year to date, and current yield.

INCOME FROM OPERATING RESERVE

Income from the Operating Fund shall remain in the Operating Reserve and be available to support current operations during the course of the year, subject to annual adjustment of the level of the investment pools by the Board upon recommendation of the Staff. Income in this Fund may be used for Operations.

INTERMEDIATE FUND

PURPOSE
The purpose of the Intermediate Fund is to meet expenses occurring as the result of unanticipated contingencies or budgeted special projects and to improve the return on funds held for expenditure over the next one to three years.

**INVESTMENT OBJECTIVES**

The investment objectives of the Intermediate Reserve are:

1) Current Income

2) Preservation of capital

3) Preservation of purchasing power

Recognizing that intermediate market fluctuations may cause variations in the Intermediate Fund’s performance, the expectations will be to achieve the following objectives over a 3-year time period.

**Investment Goals**

The goal of the Intermediate Fund is to achieve the higher of the following two objectives:

1) The Intermediate Fund’s total return, net of investment expenses, should exceed the U.S. 90-day Treasury Bill Index by an average of 1% annually.

2) The Intermediate Fund’s total return, net of investment expenses, should exceed the U.S. Consumer Price Index (CPI) by an average of 1% annually.

**INVESTMENT GUIDELINES**

**Diversification**

No more than 5% (at market) of the Intermediate Fund may be in the securities of any one issuer, with the exception of securities of the U.S. Government, its agencies and instrumentalities, federally insured certificates of deposit, mutual funds or exchange traded funds.

**Maturity**

The Intermediate Fund shall be invested in securities appropriate for a 1-3 year time horizon. The average weighted maturity of the Intermediate Fund will be 7 years or less.

**Credit Quality**

The average credit quality of the portfolio shall be “A” or higher.

**Reporting**
The investment consultant will prepare a quarterly performance report for distribution to Staff and the Board.

**Income from Intermediate Fund**

Income from the Intermediate Fund shall remain in the Intermediate Fund, subject to annual or more frequent adjustment of the level of the investment pools by Staff and/or the Board.

**PERMISSIBLE INVESTMENTS**

It is the intention of the IBHRE that its investments be professionally managed. Therefore, the investments listed herein should only be utilized as part of a mutual fund, exchange traded fund (ETF) or other professionally managed pool of investments.

**Cash & Equivalents**

1) Federally insured Certificates of Deposit not to exceed $100,000 per financial institution
2) Money market funds
3) Checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts unless the bank is rated at least “A” by Fitch Ratings
4) U.S. government and agency issues
5) Commercial paper rated A2/P2 or higher
6) Repurchase agreements (in conjunction with bank sweep accounts collateralized by U.S. government obligations)
7) Corporate, mortgage-backed, or asset-backed securities rated “BBB” or higher
8) Mutual funds or exchange traded funds investing in the above

**Fixed Income**

1) Senior, adjustable-rate U.S. bank notes.
2) U.S. government and agency issues.
3) Foreign government or foreign corporate bonds (up to 10% of the market value of the Fund).
4) Investment grade (rated BBB or better) corporate bonds. Exception: up to 20% of the market value of the Intermediate Fund may be invested in
bonds whose ratings are below investment grade.

5) Convertible U.S. corporate bonds (up to 20% of the market value of the Intermediate Fund with an average credit quality of “A” or higher).
6) Mutual funds or exchange traded funds investing in the above.

**Equities**

1) Preferred Stocks of U.S. corporations.
2) Mutual funds or exchange traded funds investing in the above.

**LONG TERM FUND**

**PURPOSE**

The purpose of the Long Term Fund is to enhance the purchasing power of funds held for future expenditure and help maintain the financial stability of the IBHRE.

**INVESTMENT OBJECTIVES**

The investment objectives of the Fund are:

1) Long-term growth of capital
2) Preservation of purchasing power
3) Preservation of capital

The objectives of the Long Term Fund should be pursued as a long-term goal designed to maximize returns without exposure to undue risk. Recognizing that intermediate market fluctuations may cause variations in the Long Term Fund’s performance, the expectations are to achieve the following objectives over 5-7 year time periods.

**Investment Goals**

The goal of the Long Term Fund is to achieve the higher of the following two objectives:

1) The Long Term Fund’s total return, net of investment expenses, should exceed the U.S. Consumer Price Index (CPI) by at least 3% annually.
2) Over a 5-7 year period to achieve a rate of return equal to or greater than a blended benchmark consisting of 60% S&P 500 and 40% Lehman Aggregate Bond Index
INVESTMENT GUIDELINES

Risk Tolerance

The Long Term Fund should maintain a moderate risk tolerance. The portfolio may be expected to experience a loss of 15% once (or less) in a 20 year period. Actual results may vary from these expectations.

Diversification

No more than 5% (at market) of the Long Term Fund may be invested in the securities of any one issuer, with the exception of obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities; federally insured certificates of deposit; mutual funds or exchange traded funds. No more than 25% (at market) of the Long Term Fund may be invested in any one industry. Allocations to passive investment strategies (e.g., indices) shall be excluded from this calculation.

Maturity

The average weighted maturity of the fixed income portion of the Long Term Fund will be 12 years or less.

Credit Quality

The average credit quality of the fixed income portion of the portfolio will be “A” or higher.

Asset Allocation

The Long Term Fund may be invested in cash and cash equivalents, fixed income securities, equities, and alternative investments. The proportion of the Long Term Fund invested in each asset class should not be less or more than the following percentages:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Equivalents</td>
<td>0%</td>
<td>30%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>20%</td>
<td>60%</td>
</tr>
<tr>
<td>Total Equities</td>
<td>40%</td>
<td>80%</td>
</tr>
<tr>
<td>International Equities</td>
<td>0%</td>
<td>30%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>0%</td>
<td>10%</td>
</tr>
</tbody>
</table>
**Target Allocation**

A target asset allocation will be established periodically for the Fund. The target asset allocation will fall within the asset allocation guidelines established in this policy. The Investment Consultant will have discretion to deviate periodically from the target allocation based on current and expected market conditions, but within the overall guidelines of this policy.

**Rebalancing**

The investment consultant will monitor the portfolio’s asset allocation on at least a quarterly basis and rebalance the portfolio as necessary and appropriate.

**Monitoring & Reporting**

The Investment Consultant will prepare a quarterly report to be distributed to the Board containing an asset summary, the current asset allocation and investment performance compared to the objectives of this Policy.

The performance of each Investment Manager and/or investment vehicle will be compared to appropriate benchmark indices and peer groups.

IBHRE recognizes that Investment Managers will experience periodic underperformance relative to benchmarks and/or peer groups, sometimes over extended periods. However, maintaining a long-term focus combined with regular due diligence increases the probability of success in any active management strategy. Thus, while managers will be monitored closely to assess the source(s) of short term underperformance, meaningful manager evaluations may be over a long time frame (defined as more than 5 years).

**PERMISSIBLE INVESTMENTS**

It is the intention of the IBHRE that its investments be professionally managed. Therefore, the investments listed herein should only be utilized as part of a mutual fund, exchange traded fund (ETF) or other professionally managed pool of investments.

**Cash & Equivalents**

1) Federally insured Certificates of Deposit not to exceed $100,000 per financial institution

2) Money market funds

3) Checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts unless the bank is rated at least “A” by Fitch Ratings

4) U.S. government and agency issues
5) Commercial paper rated A2/P2 or higher

6) Repurchase agreements (in conjunction with bank sweep accounts collateralized by U.S. government obligations)

7) Corporate, mortgage-backed, or asset-backed securities rated “BBB” or higher

8) Mutual funds or exchange traded funds investing in the above

**Fixed Income**

1) Senior, adjustable-rate U.S. bank notes.

2) U.S. government and agency issues.

3) Foreign government or foreign corporate bonds (up to 10% of the market value of the Fund).

4) Investment grade (rated BBB or better) corporate bonds. Exception: up to 10% of the market value of the fund may be invested in bonds whose ratings are below investment grade.

5) Convertible U.S. corporate bonds (up to 10% of the market value of the Fund with an average credit quality of “A” or higher).

6) Mutual funds or exchange traded funds investing in the above.

**Domestic Equities**

1) Common stocks of U.S. corporations.

2) Preferred Stocks of U.S. corporations.

3) Mutual funds or exchange traded funds investing in the above.

**International Equities**

1) Common stocks of international corporations (corporations domiciled outside the U.S.)

2) Preferred stocks of international corporations (corporations domiciled outside the U.S.)

3) Emerging (or Developing) Market stocks shall be limited to 10% of the market value of the fund.

4) Mutual funds or exchange traded funds investing in the above
Alternative Investments

Alternative Investments are non-traditional asset classes used to reduce portfolio volatility. Examples of alternative asset classes include, but are not limited to, managed futures, commodities, absolute return and market neutral funds. Such strategies will only be employed through investment in registered investments such as mutual funds or exchange traded funds.

PROHIBITED INVESTMENTS

Investments not listed as “permissible” in this Policy shall be considered prohibited investments unless given prior Board approval.