

**SANTAM LIMITED
INVESTMENT COMMITTEE**

TERMS OF REFERENCE

INVESTMENT COMMITTEE
(hereinafter referred to as “the Committee”)

TERMS OF REFERENCE

1. BACKGROUND

The Investment Committee has been established by the Board of Directors (“the Board”) of Santam Limited (“the Company”) to function as a committee of the Board to assist the Board in its portfolio and cash investment responsibilities and also to assist the Management Investment Committee on the activities and processes relating to the investment of Company funds. The Management Investment Committee is the management team responsible for the day-to-day operations of the Company funds.

The remit of the Investment Committee is separate from that of the Management Investment Committee, save in instances where the formal input of the Investment Committee is required on specific issues.

This Charter describes the terms of reference, purpose and scope, constitution, responsibilities and authority of the Investment Committee of Santam Limited.

2. REQUIREMENTS

It shall be incumbent upon each Committee member, before accepting responsibility for his or her function, to become familiar with the legal and regulatory requirements associated with such function, the rules and procedures, and any other aspect in regard thereto which the Board may deem necessary and appropriate.

3. MEMBERSHIP AND QUORUM

The Investment Committee shall be constituted by two Executive directors (the Chief Executive Officer and Financial Director, as well as at least two non-Executive directors nominated by the board. The Chairperson of the Committee shall be appointed by the board and shall be an independent non-executive director.

The quorum for the transacting of business of the Committee shall be fifty percent of members (at least one of whom must be a non-Executive director) of the Committee present.

Meetings may be conducted virtually by way of electronic media such as video or telephone conferencing.

4. MEETINGS AND PROCEEDINGS

4.1 The Committee will meet on a quarterly basis in order to assist the Management Investment Committee on investment decision-making outside the ordinary scope of the Management Investment Committee.

4.2 Meeting agendas will be prepared and distributed in advance, together with appropriate pre-reading to enable Committee members to prepare for meetings.

- 4.3 The chairperson shall ensure that comprehensive minutes are taken at all meetings of the Committee. The minutes shall be reviewed and distributed timeously. The minutes shall be submitted to the Santam Board and the Committee chairperson shall provide a report of the Committee's proceedings at the Board meeting held thereafter. The minutes must be presented for confirmation at the next meeting of the Committee.
- 4.4 In the event that minutes of any meeting cannot be completed in time for reporting to the next Board meeting, the chairperson shall report verbally to the earliest Board meeting thereafter.
- 4.5 The Committee must establish an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

5. ATTENDANCE AT MEETINGS

- 5.1 Other executives of the company may attend the meetings of the Committee by invitation. All invitees shall have unrestricted access to the chairperson of the Committee and any other member of the Committee as is required in relation to any matter that falls within the remit of the Committee.
- 5.2 Other professional advisors, officers or members of staff whose input may be required, may be invited to the meetings, at the discretion of the chairperson.
- 5.3 Board members who are not members of the Committee, may attend meetings of the Committee.
- 5.4 The chairperson may request any of the attendees at a meeting who may have or may be considered by the Committee to have a conflict of interest to recuse themselves from the meeting or from discussions pertaining to a specific item on the agenda.
- 5.5 No invitee shall have a vote at meetings of the Committee. Only Committee members shall be entitled to vote.

6. RESPONSIBILITIES AND AUTHORITY

- 6.1 The Committee shall assist the Management Investment Committee on:
 - 6.1.1 setting investment policies (subject to the approval of the board) and guidelines, including those relating to the asset classes, asset allocation ranges, credit, concentration and liquidity exposures and prohibited and unduly risky investments;
 - 6.1.2 setting, reviewing and making recommendations to the Board regarding:
 - 6.1.2.1 the investment policies and guidelines, their implementation, and compliance with those policies and guidelines;
 - 6.1.2.2 advising the Management Investment Committee on potential hedging programs and derivative transactions;
 - 6.1.2.3 risk management with regard to investment activities.

- 6.2 The Committee shall review the performance of the Investment Managers, and shall in appropriate circumstances recommend to the board the termination of the services of the Investment Managers, and the appointment of any other external investment managers, in conjunction with the Management Investment Committee;
- 6.3 The Committee shall help the board to ensure that responsible investment is practised by Santam to promote good governance and creation of value by the companies in which Santam invests:
- 6.3.1 The Committee will set the direction for how responsible investing will be approached and conducted by the organisation. The Committee shall therefore assist the board in approving a policy that articulates Santam's direction on responsible investment. This policy should provide for the adoption of a recognised responsible investment code, principles and practices.
- 6.3.2 The Committee shall assist the board in holding the outsourced service providers accountable for complying with the responsible investment principles incorporated in the Santam Group Investment Policy. To give effect to this, the Committee will from time to time consider reports from the outsourced service providers regarding their compliance with the responsible investment principles. The Committee will ensure that outsourced service providers are engaged by means of a formal mandate which reflects and gives effect to the Santam Responsible Investment Policy.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its duties, from time to time.

7. FEES

Non-executive directors who are members of the Committee shall be remunerated for attending Committee meetings in terms of the criteria approved by the company's shareholders at the Annual General Meeting of the Company.

8. SECRETARY

The company secretary, or any other person deemed appropriate by the Committee, shall be the secretary of the Committee. It shall be incumbent upon the committee secretary to ensure that contents of agendas of meetings are agreed with the chairperson, that agendas and papers are distributed timeously to Committee members and attendees, that minutes are taken and agreed by members of the committee and to do all other things necessary to ensure that meetings are held as scheduled.

9. GOVERNANCE

- 9.1 Effectiveness of the Committee:
- 9.1.1 The Committee shall annually determine its effectiveness taking cognizance of the Committee's duties and responsibilities in terms of this charter and shall report on its findings to the Board; and
- 9.1.2 The Board shall review such findings to satisfy itself on the Committee's effectiveness.

- 9.2 The Committee, in carrying out its tasks, may obtain such outside or independent professional advice (at the Company's expense and in accordance with a procedure developed by the Board for this purpose), as it considers necessary to carry out its duties.
- 9.3 The Committee members are obliged to disclose any interests they have that might interfere or conflict with the performance of their duties.

10. REPORTING AND ACCOUNTABILITY

- 10.1 The chairperson shall account to the Board for its activities and make recommendations to the Board on any matter arising from the above responsibilities.
- 10.2 The Committee shall make a statement in the annual report on its terms of reference and activities, the processes used in discharging its responsibility, the membership of the Committee, number of Committee meetings held and attendance of members over the course of the year.

11. ACCESS TO RECORDS, CONSULTANTS AND OTHERS

- 11.1 In discharging its responsibilities the Committee shall:
- 11.1.1 have full access to any relevant records of the Company.
- 11.1.2 have the authority and responsibility to retain, in its sole discretion, experts, consultants and other advisers to aid the Committee in fulfilling its duties pursuant to this Charter, and to approve the fees and other terms for the retention of such persons.
- 11.1.3 assist the Committee in fulfilling its duties, Management will provide the Committee with such information and recommendation as needed and required.

12. REVIEW OF THE CHARTER

The Committee shall review and reassess the adequacy of this Charter on an annual basis. If any revisions to the Charter are deemed necessary or appropriate, it should submit such recommended changes to the Board for its consideration and approval.
