

 Committee Charter



Sanlam Kenya Plc

## Investment Committee Charter

Life Insurance

General Insurance

Investments



<b>Governance Addressed:</b>	<b>Area</b>	Board Governance
<b>Approving Authority:</b>		Sanlam Kenya Plc Board of Directors Sanlam Kenya Plc Investment Committee
<b>Responsible Functionary:</b>		Group Company Secretary
<b>Date of First Approval:</b>		February 2016
<b>Frequency of Review or Update:</b>		Annually
<b>Date of Last Review:</b>		18 <sup>th</sup> February 2020
<b>Date of this Review:</b>		25 <sup>th</sup> March 2021
<b>Date of Next Review:</b>		February 2022
<b>Related Policies</b>		<ol style="list-style-type: none"><li>1. Investment Policy Statement</li><li>2. Investment Management Committee Terms of Reference</li></ol>



## 1. Definitions

### **“Sanlam Kenya Plc” / “the Company”**

Sanlam Life Insurance Limited (registration number: C. 10/46)

### **“The Committee”**

The Investment Committee of Sanlam Kenya Plc, a Committee of the Sanlam Kenya Plc Board of Directors



## 2. Constitution & Purpose

The Investment Committee is a Committee of the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities by:

- Providing high level input on investment strategies of the Company
- Reviewing and recommending for approval by the Board, investment policies and guidelines including investment objectives and long-term asset allocation targets.
- Selecting, monitoring and replacing investment managers
- Monitoring investment performance and regularly reporting performance to the Board.
- Evaluating and advising on the investment performance of the Company. The evaluation will take into account compliance with investment policies and guidelines.
- Annually, performing a self-assessment relative to the Committee's purpose, duties and responsibilities outlined herein, review and assess this charter, and submit to the Board any recommended changes.

The Committee will fulfil these responsibilities primarily by carrying out the activities described in this Charter. These responsibilities contained in this charter, may be amended as required, subject to the approval of the Board.

The Board of Directors has authorised the Committee to investigate any activity within its terms of reference. The Committee is authorised to seek any information it requires from any employee in the Company or Cluster, and all employees are expected to co-operate with any request made by the Committee.

The Committee may in consultation with the Chairperson of the Board, and in cooperation with the Board's Company Secretary obtain outside legal or other independent professional advice.



### 3. Composition

3.1 The Board of Directors shall nominate the members of the Committee with assistance from the Board Human Resources, Nomination and Remuneration Committee.

3.2 The Committee shall comprise a minimum of three (3) directors who must be Non-Executive Directors.

3.3. The Board shall appoint the Committee Chairperson who need not be an Independent Director but must be a Non-Executive Director.

3.4 The Chairman of the Board should be a person with strong financial background.

3.5 Unless the Board elects a chairperson, the members of the Committee may designate a chairperson by majority vote of the full Committee membership.

3.6 The Chairperson of Sanlam Life Insurance Limited Board or Sanlam Kenya Plc shall not be eligible to be appointed as chairperson of the Committee and should not be a member of the Committee.

3.7 The Company Secretary of the Board will act as secretary for Committee meetings.

3.8 All members of the Committee must be financially literate and within the membership, accounting and related financial management expertise. It is desirable that one or more members have an appreciation of the information systems environment and associated risks. Committee members may enhance their familiarity with finance, information systems and accounting by participating in educational programmes arranged by the Company.

3.9 The Committee may request members of management or other persons to attend Committee meetings. Permanent invitees include:

- CGEO/CEO /Executive directors
- Fund Managers
- Finance Business Manager
- Property Manager (if any)

4.0 All other Board members may attend the Committee meetings by invitation.

### 4. Administration/Meetings

#### 4.1 Frequency & Format of Meetings

The Committee shall meet as often as circumstances dictate, but at least four times a year.

Special meetings of the Committee may be convened as and when there is urgent business that requires deliberation by the Committee.

The Committee will establish an annual workplan for each year to ensure that all relevant matters are covered by the standing agenda items of the meetings scheduled for the year.

Meetings should be organised so that attendance is maximised. The agenda together with the discussion papers, will other than under exceptional circumstances be forwarded to each member of the Committee at least seven days before the meeting.



The Committee has the prerogative to and should meet with management on a regular basis at separate executive sessions.

#### **4.2 Quorum**

4.2.1 The quorum necessary for the transaction of business shall be two (2) members.

4.2.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **4.3 Minutes of the Meeting**

The Committee secretary shall take minutes of meetings. Minutes of all meetings shall be circulated to all members of the Committee, and may also, if the Chairperson of the Committee so decides, be circulated to other members of the Board. Any director may, provided that there is no conflict of interest and with agreement of the Chairperson, obtain copies of the Committee's minutes.

Minutes of all Committee meetings must be tabled at the subsequent meeting

#### **4.4 Reporting to the Board**

The Chairperson of the Committee will report to each Board meeting of the Company on any resolutions passed by the Committee, the Committee's findings and make recommendations for the Board's approval.

Significant risks and internal control breakdowns shall be reported to the Sanlam Life Insurance Limited Board meeting.

#### **4.5 Remuneration**

Having regard to the functions performed by the members of the Committee in addition to their functions as directors, and pursuant to the specific power conferred upon the Board by the Company's Articles of Association, non-executive members of the Committee may be paid such additional remuneration in respect of their appointment as will be determined by the Board.

Such additional remuneration will be in addition to the annual retainer fees payable to directors.

### **5. Conflict of Interest**

5.1 Matters of Conflict of Interest will be dealt with in accordance with the relevant provisions of the Companies Act and the Board Charter with regard to Disclosure and Conflict of Interests.

5.2 At each Committee meeting, if any member has any interest in a matter in the agenda for the meeting such member will disclose such interest after which the Disclosure and Conflict of Interests provisions in the Board Charter will come into play.

5.3 All Declarations of Interest shall be minuted.



## 6. Responsibilities and Duties

In discharging its responsibility to provide assurance to the Board, and to ensure the optimal functioning of the Committee, the Committee will from time to time prepare a list of its specific duties and areas of focus. These may not be comprehensive and will be amended as and when required.

The Committee will conduct its meetings in accordance with an annual pre-approved plan to ensure that it fulfils all of its responsibilities.

The Committee must report at least annually to the Board on its function, responsibilities and activities. It will include an evaluation of the effectiveness of the Committee and propose amendments (if any) to its charter.

### 6.1 Specific Duties and Main Areas of Focus

- Adopt an investment policy for the Company, which shall set forth the Company's investment objectives, the criteria for the composition of the Company's investment portfolio, performance standards and other policies relating to the Company's investment activities, including transaction authority, documentation, safekeeping and monitoring and reporting requirements and procedures.
- Review the investment policy, guidelines, objectives and strategies of the Company at least annually, and approve changes thereto as deemed appropriate.
- Delegate authority to the Company's management and/or to the Company's independent investment advisers, if applicable, to execute individual investment transactions on behalf of the Company and to approve investment transactions on behalf the Company that exceed such delegated authority.
- Receive periodic reports from management and/or the Company's independent investment advisers, if applicable, on the conformance of the Company's invested assets to its investment policy, strategies and objectives.
- Review periodic reports on the performance of the Company's invested assets compared to appropriate indices and peer companies, and rates associated therewith, and select such appropriate indices and peer companies.
- Review periodically asset allocation among types of investments and the quality and maturity of investments.
- Review periodically the capital structure, capital adequacy and financial flexibility of the Company, including compliance with rating agency, regulatory capital requirements and other applicable requirements.
- Review periodically compliance with applicable state investment codes and regulations.
- Review periodic reports from management and/or from independent investment advisers, if applicable, on hedging programs and derivative transactions, to the extent these programs or transactions are permitted under the Company's investment policies.



- If applicable, evaluate the performance of the Company's independent investment advisers.
- Oversee the management of the Company's investment portfolio and compliance by management and/or independent investment advisers, if applicable, with the Company's investment policy and guidelines.
- Review and provide guidance to the Board on significant financial policies and matters of corporate finance.
- Evaluate annually the Committee's performance and the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- Investigate any matter brought to its attention within the scope of its duties.
- Perform such other functions as assigned to it by the Board from time to time.

## 6.2 Delegation of Authority

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee or, to the extent permitted by applicable law, to any other body or individual.

### 5.2.1 Fund Manager

The manager will have discretion to purchase, sell, or hold the specific investment vehicles as authorized by the Company

### 5.2.2 The Custodian

The Custodian will physically maintain possession of investments owned by the effect organisation, collect dividend and interest payments, and redeem maturing securities and receipts and delivery following purchases and sale. The custodian will also take stock and regularly prepare accounting reports of assets held, purchased or sold.

### 5.2.3 Management Investment Committee

The Investment Committee has authorized the establishment of a Management Investment Committee as has approved its Terms of Reference.





### 6.3 Other Consultants

Additional consultants such as lawyers, auditors, actuaries and others may be engaged by the organization to assist in meeting its responsibilities and obligations to administer investment assets prudently, from time to time.

### 6.4 Resources and Authority

The Committee shall have the resources and authority appropriate, to discharge its responsibilities and functions as authorized by the Board

## 7. Confidentiality

7.1 All deliberations of the Committee, and all records, material and information pertaining to SKP or its subsidiaries obtained by any member of any Committee shall be considered confidential.

7.2 Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

## 8. Investment Committee Workplan

		Meetings			
		Q1	Q2	Q3	Q4
1.	Report on the investment performance for the Quarter	✓	✓	✓	✓
2.	Report on the compliance to the investment guidelines	✓	✓	✓	✓
3.	Report on the Internally managed Funds, if any	✓	✓	✓	✓
4.	Report on the Property	✓	✓	✓	✓
5.	Review of the Investment Policy, Investment Guidelines & Investment Strategy				✓
6.	Review of the Performance of external service providers				✓
7.	Assessment of the effectiveness of the Committee		✓		

