

**SME EQUITY FUND LTD**  
**INVESTMENT COMMITTEE CHARTER**

**1. Purpose**

The Investment Committee (hereinafter referred to as "the Committee") is responsible for determining the Company's investment strategy, reviewing and monitoring the investment activities, policies, guidelines and risk limits and making recommendation to the Board.

**2. Membership**

2.1 The Committee shall comprise of at least three (3) members and the majority should be non-executive and where possible, independent.

2.2 Only members of the Committee have the right to attend Committee meetings. However, the Committee may invite other persons to attend all or part of any meeting, as deemed necessary and appropriate.

2.3 The Board shall appoint the Committee chairperson who should be non-executive director, and where possible, independent. In the absence of the Committee chairperson, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

**3. Secretary**

3.1 The Company Secretary shall act as the secretary of the Committee.

**4. Quorum**

4.1 The quorum necessary for the transaction of business shall be two.

**5. Frequency of meetings**

5.1 The Committee shall meet on a frequency required by the number of files being reviewed.

**6. Notice of meetings**

6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee chairperson or the Chief Executive Officer.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person required to attend at least two days prior to the

meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

**7. Minutes of meetings**

- 7.1 The secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance. Minutes of meetings shall be circulated within three working days of the meeting.

**8. Written resolutions**

- 8.1 Decisions may also be taken by way of written resolutions signed by all members of the Committee.

**9. Terms of Reference**

The Committee shall fulfill its duties and responsibilities as follows:-

- 9.1 Recommend to the Board of Directors the investment policies, strategies, standards and procedures. Also, ensure compliance with the applicable legislative framework, reviewing same and recommending changes to the Board of Directors as necessary;
- 9.2 Assess the new investment opportunities and recommend to the Board investments in companies in terms of equity/preference shares;
- 9.3 Address mix, duration, quality and risk of investments;
- 9.4 Review investment performance reports received from Fund Manager/Investment Manager and to recommend changes to the composition of the portfolio of investments;
- 9.5 Review the progress on investments already authorized but not yet completed;
- 9.6 Recommend to the Board the appointment or termination of contract of the Fund Manager/Investment manager;
- 9.7 Require management to implement and maintain appropriate procedures to:
- Monitor the application of the Company's investment policies, standards and procedures; and
  - Ensure that the Company's agents comply with relevant legislations and to the Company's investment policies, standards and procedures.
- 9.8 Manage and monitor risk exposure of the Company with regards to assets and liabilities; and
- 9.9 Perform any cognate duties that are assigned to it by the Board of Directors.

**10. Reporting responsibilities**

- 10.1 The Committee chairperson shall report to the Board on its proceedings.
- 10.2 The Committee shall make recommendations to the Board where it deems appropriate, on any area within its remit where action or improvement is needed.

**11. Other matters**

The Committee shall:


- 11.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
- 11.2 Give due consideration to applicable laws, regulations and rules.
- 11.3 Arrange for periodic reviews of its own performance and, as when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes its considers necessary to the Board for approval.

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**12. Authority**

- 12.1 The Committee is authorised by the Board to obtain, at the company's expense, outside legal or other professional advice on any matter within its terms of reference.

Approved by the Board on . . . 18 September 2019

  
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**CHAIRMAN**

  
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**COMPANY SECRETARY,  
PRIME PARTNERS LTD**