

DE BEERS BENEFIT SOCIETY

SOCIETY POLICY DOCUMENT

INVESTMENT POLICY STATEMENT

Revision no	Review cycle	Effective date
005	Annual	6 December 2023



A registered medical scheme
Registration no. 29/4/2/1068

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1. INTRODUCTION

The Investment Policy Statement (the or this Policy) has been prepared to record the issues considered by the Board of Trustees (The Board) of the De Beers Benefit Society (the Society) in establishing an appropriate investment policy and strategy for the Society, and to record that policy and strategy.

The primary purpose of this Policy is to document the investment strategy of the Society, in its entirety, together with the relevant governance processes, in a single accessible document. It is intended to improve and facilitate the good governance of the management of the Society's investments as well as to define the investment strategy. In addition, the Policy is crucial to achieving appropriate transparency and facilitating effective communication with all stakeholders as well as promoting consistency of, and accountability for, the investment decisions made.

The Policy has been developed in compliance with the current legislative environment and specifically the requirements of Regulations 29 and 30 of the Medical Schemes Act No 131 of 1998 (the Act), as well as the Society Rules where applicable. Regulation 29 specifies the minimum accumulated funds to be maintained by a medical scheme while Regulation 30 refers to the limitation on assets held by a medical scheme with specific reference to the kinds and categories of assets, as specified in column 2 of Annexure B to the Regulations.

Setting an investment strategy involves considering the risks and rewards of various asset classes and investment opportunities, as well as the Society's constraints. These constraints include, but are not limited to:

- the Society's claims risk profile and associated liabilities;
- the term and level of uncertainty of the liabilities;
- the funding of the liabilities;
- the level of reserves and capital adequacy;
- ongoing liquidity requirements; and
- statutory and regulatory requirements.

There are a number of stages required in establishing a comprehensive investment policy for the Society. These stages include:

- An analysis of the constraints above;
- Setting the investment objectives;
- Evaluating available asset classes and associated investment opportunities, as well as their potential risk / return profiles and their inter-relationships;
- Determining the strategic asset allocation when required;
- Designing an appropriate investment management structure to implement the Policy; and
- Developing criteria for appointing, monitoring and removing asset managers.

The Investment Board Committee reviews this Policy annually with assistance from the Society's appointed Asset Consultant, prior to final review and approval by the Board.

2. NATURE OF THE SOCIETY

The Society is a self-administered not for profit closed medical scheme registered in terms of the Act, providing healthcare benefits for the employees and pensioners of the Employer and Associated Employers (participating employers as defined in the Society Rules) and their dependents only, as provided for and in accordance with the Society Rules.

The Society is classified as a benefit fund in terms of Section 1 of the Income Tax Act No 58 of 1962 and is exempt from income tax in terms of Section 10(d).

The Society has the following characteristics relevant to its investment strategy:

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- The Society only provides one benefit option.
- The objectives of the Society are to:
 - provide healthcare benefits in respect of its members and their dependants in return for a contribution paid;
 - make provision for granting assistance to members defraying expenditure incurred by them or their dependants in connection with relevant healthcare services, as provided for and in accordance with the Society Rules; and
 - meet relevant healthcare, managed care and administrative expenditures as they arise.
- The Society had a solvency ratio of 178% as at 30 September 2023, with a forecasted solvency level of 175% at December 2023, compared to the statutory minimum level of 25% required by the Act. This regulated ratio expresses “accumulated funds excluding unrealised gains” as a percentage of “gross annual contributions”.
- The 25% statutory minimum solvency reserve level has been under review by the Regulator for some time, with reserves based on a risk-based solvency requirement considered more appropriate for evaluating the sustainability of the Society.
- The Society Actuary reviews various indicators such as reserves per member, membership size and average age of members in relation to the Society’s sustainability, with a reserving level between 80% to 100% (including unrealised gains) of the Society’s gross annual contribution income being one of these indicators.
- The investment time horizon of the Society will generally be short- to medium-term. This is due to the uncertainty regarding the liabilities and to help ensure the medium- to long-term financial stability and viability of the Society in a rapidly changing South African healthcare environment and in view of the increasing average age and claims profile of the membership.

3. STAKEHOLDERS IN THE SOCIETY AND THEIR OBJECTIVES

The following parties are stakeholders in the Society:

3.1 The Board of Trustees and Investment Board Committee

The Board is the main fiduciary to the Society and is responsible amongst other things for directing, controlling and overseeing all aspects of the Society including its assets.

The Board is ultimately responsible for the Society’s assets, the investment of those assets, the associated investment performance and taking corrective action as appropriate. The Board cannot relinquish or cede these responsibilities but are, however, permitted to delegate certain of the actions and activities related to the management of the Society’s assets. This has been accomplished by the establishment of an Investment Board Committee, which acts under the authority of its Terms of Reference as set out in Appendix 3. The Terms of Reference are reviewed annually by the Board.

In some cases, the Board or the Investment Board Committee will not be fully conversant with the complexity of investment matters and may obtain expert advice from inter alia an asset consultant. The Board and the Investment Board Committee should however critically evaluate this advice before making any decision.

The objectives of the Board and the Investment Board Committee in respect of the overall investment objectives of the Society are set out in Section 6.1.

3.2 Members

The members pay contributions to the Society, which in turn undertakes to assist members in defraying expenditure incurred by them or their dependents in connection with relevant healthcare services. Members’ objectives in terms of investment strategy include an expectation that the Society will remain solvent and be in a position to provide benefits as defined in the Society Rules and prescribed by the Act, and that the investment return assumed as a part of setting the annual contribution will assist in keeping annual contribution increases affordable.

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3.3 Participating Employers

The participating employers' objectives are to:

- have a satisfied and healthy workforce, hence the provision of healthcare benefits by a closed medical scheme in return for contributions paid to the Society;
- limit the impact on IAS 19 accounting requirements (i.e. limiting the volatility of funding levels on the respective participating employers' balance sheets); and
- provide a set of attractive, market related healthcare benefits that are aimed at attracting and retaining staff.

4. ROLES AND RESPONSIBILITIES OF STAKEHOLDERS AND SERVICE PROVIDERS

The table below details the roles and responsibilities of the different Stakeholders and Service Providers of the Society, relevant to the investment strategy:

Stakeholders / Service Providers	Roles and responsibilities
Board of Trustees	• Mandates the Investment Board Committee to act on its behalf as documented in the Investment Board Committee's Terms of Reference (refer to Appendix 3). • Reviews and approves this Policy and resultant strategy as proposed by the Investment Board Committee considering the nature of the Society, its liabilities and governance budget in determining the investment objectives of the Society. • Reviews and notes the Investment Board Committee's decisions. • Is ultimately accountable for all investment related decisions, outcomes and matters regardless of the roles of any of the parties described herein. • Attends the Annual Investment Day(s) at which the asset manager(s) present on matters relating to the investments entrusted to them. • Is ultimately responsible for compliance with Regulations 29 and 30 of the Act.
Investment Board Committee	• Monitors and evaluates the Society's appointed asset manager(s) with regard to investment performance and service levels and to ensure that their appointment remains appropriate in the context of the investment strategy and risk profile of the Society. This includes annual due diligence visits to service providers and presentations by service providers at the Society's Annual Investment Day. • Appoints or terminates asset managers in accordance with changes in the Society's investment strategy or as a result of unacceptable performance or service levels, or for any other reason it may deem appropriate. • Enters into and regularly reviews agreement(s) with asset manager(s) and ensures that these agreements are subjected to due consideration and input by specialist advisors as required. • Ensures that investment management agreement(s) with asset manager(s) are implemented in accordance with industry best practice. • Ensures that the Society complies with Regulations 29 and 30 of the Act and any other relevant legal or regulatory requirements in relation to its investments and associated processes by employing adequate mechanisms to ensure ongoing compliance monitoring and corrective action as required. • Seeks expert advice on matters where the Investment Board Committee lacks sufficient expertise. • Approves the movement and allocation of assets within the Society and between the appointed asset managers in accordance with the Society's investment strategy or for operational reasons.

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Stakeholders / Service Providers	Roles and responsibilities
	- Ensures that an acceptable control environment is maintained in relation to the Society's overall investment process and ensures that sound governance is applied, maintained, monitored and reviewed on an ongoing basis. - Identifies and evaluates risks associated with the investment process and recommends appropriate mitigation measures to the Board in the form of a risk log. - Investigates and advises on any investment related matters referred to the Investment Board Committee by the Board. - Authorises all investment instructions, contracts or agreements on behalf of the Society. Any two members of the Investment Board Committee are authorised to sign such documents on behalf of the Society. - Ensures that the Board remains appropriately informed regarding the activities of the Investment Board Committee, including decisions taken and the performance of the Society's investments.
Participating Employers	- Nominate employer appointed trustees to the Board with due consideration of the desired personal characteristics and attributes of a trustee and of the skill sets and experience that would prove useful to the Board, as well as the amount of time needed to fulfil the role of a trustee. - Monitors the contribution rate and healthcare benefits being offered.
Membership	- Elects member trustees to the Board giving due consideration to the desired personal characteristics and attributes required of a trustee, the skill sets and experience that would prove useful to the Board, as well as the amount of time needed to fulfil the role of a trustee. - Takes ownership of prudent use of Society benefits. - Accesses and reads the Society's benefits booklets. - Remains abreast of Society's developments by reading Society communication, attending workshops and workplace briefing sessions. - Seeks clarity on issues not understood. - Provides the Society with any relevant personal documentation and information timeously in order to ensure that an up to date personal record is maintained. - Assists with maintaining reasonable contribution increases through prudent submission of claims.
Asset Consultant	- Provides services to the Society as described in the agreement between the parties. The full scope of the roles and responsibilities of the Asset Consultant are also reflected in the relevant agreement. - Provides investment advice and assists the Investment Board Committee and Board with understanding the investment industry market product developments and the opportunities for implementation of these within the Society. - Assists the Investment Board Committee in setting the Society's investment philosophy and objectives and with the development and implementation of the investment strategy to achieve these goals. - Provides recommendations on strategic asset allocation decisions, as well as tactical short-term strategy decisions. - Assists with the monitoring of investment performance, asset manager(s) and other aspects of the investment strategy. - Provides updates on asset managers including qualitative and quantitative reviews.

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	• Advises the Investment Board Committee with regard to the appointment and termination of asset managers, formulation and maintenance of investment management agreements and mandates, sourcing and management of transition management services and asset manager continuation policies. • Provides investment related educational input for Investment Board Committee members and Board as required. • Assumes responsibility for arranging and facilitating the annual Trustee Investment Day and the investment strategy review day. • Assumes responsibility for arranging and facilitating annual due diligence visits to each of the Society's asset manager(s) and periodic reviews of the Custodian. • Reviews the Policy in conjunction with the Investment Board Committee and Board on an annual basis and provides recommendations and/or advice in modifying the Policy where necessary. • Provides secretarial services to the Investment Board Committee. • Assists in providing the required recommendations and implementation on the transactions required to rebalance the Society's portfolios back to their strategic weightings where required.
Asset Manager(s)	• Management of the Society's assets in accordance with the specific mandates granted by the Society, within legislative requirements, according to their best investment view and in the best interests of the Society. • Provide the Investment Board Committee and the Society's Asset Consultant with quarterly statements of the Society's assets and a quarterly report on actions and future intentions together with any changes to the investment process. • Reconcile their record of the Society assets held with that of the Custodian, where applicable. • Report to the Investment Board Committee as required and to the Board when necessary. • Host annual due diligence visits by the Investment Board Committee and present at the Annual Investment Day(s). • Co-operate with the Asset Consultant and provides investment related information accurately and promptly.
Actuary	• Provides comment on the appropriateness of the investment strategy to both the Board and the Investment Board Committee in relation to the nature and term of the Society's liabilities, as determined by the contribution rates and benefit obligations set out in the Society Rules. • Assesses the medium- to long-term financial sustainability of the Society. • Assesses and advises on the contribution rate charged by the Society and benefit structure offered by the Society.
Society Management (Administrator)	• Is responsible for the day-to-day management and in-house administration of the Society, collection of contributions, payment of benefits, financial reporting, ongoing research and recommendations of strategies to improve and protect the Society in consultation with industry experts as required. • Oversees the provision of services by all service providers. • Ensures that formal reporting to the Investment Board Committee, Board and the authorities on compliance with Regulations 29 and 30 takes place timeously. • Determines and notifies the asset manager(s) of the annual liquidity requirements of the Society, and updates/informs the asset manager(s) of these requirements

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Stakeholders / Service Providers	Roles and responsibilities
	quarterly in order to ensure disinvestments can be made to meet Society cashflow requirements.
External Auditor	- Audits the investments of the Society on an annual basis for regulatory purposes or from time-to-time for any other purpose required by the Society. - Advises the Society on regulatory reporting requirements. - Signs off on the classification of assets in terms of Regulation 30.
Internal Auditor	Audits the investments of the Society for regulatory and internal control compliance from time-to-time, or for any other purpose required by the Society.
Custodian	- Responsible for the safekeeping of all the directly held assets of the Society. - Undertakes all appropriate administration relating to the directly held assets of the Society. - Processes all investment income with respect to the Society's directly held assets in a timely manner. - Reconciles records of assets held with the asset manager(s).

5. GOVERNANCE PRINCIPLES

The ongoing maintenance and review of good standards of governance should ensure that the Society's investments are managed appropriately and will thus collectively reduce the risk of material failure of the Society's investment strategy. Governance principles accordingly define the framework of an investment policy.

The Society must adhere to the Annexure B limitations referred to in Regulation 30 of the Act read with Regulation 29. The Society is also bound by the Act and its registered Rules.

The Society will be cognisant of the investment implications of the Health Sector Charter. The assets of the Society will be invested responsibly and prudently to ensure financial solvency.

6. INVESTMENT PHILOSOPHY

6.1 Objectives

The overall objective of the Society is to provide members with competitive healthcare benefits in exchange for regular monthly contributions. The Investment Board Committee has agreed to implement an investment strategy that takes into account appropriate investment approaches in respect of the statutory solvency requirement, the Society's liquid asset requirement, as well as the balance of assets held in excess of the statutory solvency and liquid asset requirements, taking into account the investment return assumed as part of setting the annual contributions (the "Contribution Shortfall" referred to below).

The Society's investment objectives can be described as follows:

- To preserve capital over any twelve-month period.
- To achieve a targeted overall net (of fees and taxes) real return of 3% p.a. over a rolling 36-month period on Society assets since the liabilities are linked to medical inflation (CPI plus 2% - 3%).
- To invest the Society's liquid asset requirements in cash / money market assets to cover the Contribution Shortfall plus a Liquidity Buffer where these are defined as follows:
 - Contribution Shortfall** - the portion of the annual contributions that are budgeted to be funded out of investment returns; and
 - Liquidity Buffer** - an additional liquid asset allowance set to be sufficient to cover healthcare, managed care and other administrative expenses as they arise.

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- To invest the Society's statutory solvency requirement as well as the balance of assets held in excess of the statutory solvency and liquid asset requirement in "enhanced income" assets to earn a higher, although still capital protected return, although subject to a three month notice period for withdrawals.

The Board has a statutory duty to invest the Society's assets in a responsible and prudent manner. In view of this the Board has decided that the risk and return objectives of a combination of enhanced income and cash / money market mandates closely match the objectives of the Society. These assets are currently invested with a single manager, but the inclusion of additional managers for diversification purposes will remain under review and will be implemented if considered necessary.

6.2 Risk Tolerance

The Investment Board Committee has chosen to invest in low risk enhanced income and cash / money market assets. The Society's investment policy and asset manager combinations and performance will be regularly monitored to ensure that the Investment Board Committee is comfortable with the potential fluctuations in performance and ability to meet the Society's investment objectives.

6.3 Performance Measurement

Performance measurement will be done quarterly by the Asset Consultant. The quarterly report is then sent to the Investment Board Committee to monitor and evaluate the performance of the Society's investments. Performance measurement will be presented at least three times a year to the Board and Investment Board Committee by the Asset Consultant. Each portfolio will be evaluated in relation to the objectives set, taking the liabilities into account. The asset manager(s) will also be evaluated against the benchmarks at both asset manager level and portfolio level.

It is recognised that performance monitoring is done with long-term objectives in mind. Short-term under-performance relative to benchmarks is not in itself cause for concern.

If the overall strategy does not perform in line with the Society's objectives, a review of the strategy will be performed in consultation with the Society's advisors.

7. RISKS TO BE RECOGNISED

In terms of the investment strategy, the Board views risk primarily as the likelihood that the chosen strategy will result in the investment return objectives not being met. The investment strategy adopted is designed to maximise the likelihood of meeting these objectives, while controlling and managing, as far as is possible, those factors which may result in the investment return objectives not being met.

The expected long-term return from an investment portfolio may reasonably be expected to increase as the risk increases. Thus, higher returns are a likely consequence of a less conservative strategy.

Risk and expected return will therefore always present a trade-off. The control of one of the aspects of risk is often at the expense of another. For example, investing in cash will reduce the risk of a decrease in asset value (capital loss), but will increase the risk of the assets being eroded by inflation (negative real returns).

Whilst greater expected long-term returns could be achieved by accepting greater short-term risk, the Society has opted to follow an appropriately conservative investment strategy (refer to Section 9) that attempts to achieve the most appropriate balance between the various risks, given the objectives and liability profile of the Society.

In arriving at the Society's investment strategy, the Board has considered the following specific risks:

7.1 Negative Real Returns

This arises if the nominal returns fall below the rate of inflation and the real values of assets decline over time. This risk is reduced over the long-term by investing in growth assets such as equities, which can, as an asset class, be expected to produce the highest returns in the long-term. Due to the volatility of the equity market, it may not be possible to eliminate this risk over the short-term. Inflation-linked bonds provide some real capital protection if held to maturity, but the real yields they offer tend to be low.

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7.2 Capital Loss

This risk can be reduced in the short-term by investing in cash and shorter-dated bonds, where the future nominal capital value is known (although the risk of default still exists). The returns on these assets are however, expected to be lower than on growth assets over the long-term, negatively impacting on the ability to provide real returns to meet the required investment objectives. Portfolios with explicit capital guarantees generally provide capital preservation, but counterparty risk means that the capital may not be fully protected.

7.3 Volatility

The different asset classes experience different levels of volatility. Diversifying portfolios between asset classes and investing a greater proportion in assets typically displaying lower volatility, such as cash and short-term bonds, may reduce this risk.

7.4 Liquidity Risk

Liquidity risk involves not having liquid assets to meet current liabilities or being unable to realise assets on a reasonable basis when cash is required. This risk is avoided by investing in liquid assets (highly tradable assets). This risk can also be minimised by investing a portion of the assets in cash and short-dated bonds to provide the necessary liquidity.

7.5 Asset Failure

Asset failure is the risk of investing in an institution which then fails. The impact of asset failure is reduced by diversifying the investment portfolios between investments in different companies in the case of equity investments, in different properties in the case of property investments and deposits with different institutions in the case of cash deposits. The risk is further reduced by investment in well-researched companies and placing deposits only with institutions with high credit ratings (although, the Board understands that ratings from credit rating agencies may not be enough). Government bonds are underwritten by the Government and can therefore be considered to have a low risk of failure.

7.6 Market Timing

Market timing is an investment technique where the investor seeks to improve long-term returns by correctly anticipating major moves in investment markets. In practice market timing more often reduces returns rather than increasing, as human nature is such that it is very difficult for an investor to sell assets when markets are at their peak and sentiment is positive, or to buy assets when markets are depressed. Investors who actively try to time investment markets face the risk of doing exactly the opposite. In addition, the frequency of trading will result in higher accumulated trading costs, which will further reduce any returns, even when negative.

7.7 Tracking Error

It is often accepted that in South Africa active portfolio management can add additional value over passive management (index tracking). Active management does, however, introduce the risk of significant underperformance of indices if excessively divergent positions are taken. Risk management techniques can be employed by active managers to measure and monitor this tracking error risk, which will be included, where relevant, in the investment management mandates and monitored by the Asset Consultant and the Investment Board Committee to ensure that excessive tracking error (or active risk) is not taken.

7.8 Manager Risk

The risk exists that a particular asset manager employed by the Society could underperform its peers, resulting in poor peer relative returns and / or could act contrary to the agreement between the parties. Manager specific risk is thus reduced by investing across a range of managers and by ongoing monitoring of manager performance.

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7.9 Benchmark Risk

The performance of the Society's asset manager(s) must be measured against different relevant benchmarks in order to determine whether they are performing their function adequately. The choice of benchmark against which an asset manager is measured is critical.

The responsibility for selecting an appropriate benchmark rest with the Investment Board Committee in consultation with the Society's Asset Consultant. Formal development of an investment strategy together with professional asset consultants, as has been done, reduces the chances of the Board selecting inappropriate benchmarks.

7.10 Derivative Instruments

Derivatives serve a useful purpose in investment portfolio management, when derivatives are used for asset allocation or hedging purposes. Derivative instruments can also be useful when used to insure against specific events, or when the asset manager seeks to enhance the portfolio's return through taking advantage of anomalies in derivative market pricing.

Where derivatives are used to speculate or gear performance, the Society could be exposed to unacceptable levels of risk. The risks associated with derivative instruments are managed by including derivative investment guidelines in asset managers' mandates, where appropriate, which explicitly exclude speculation and gearing or reviewing the managers' derivative policy statements when the Society invests in pooled investment products.

7.11 Foreign Investments and Currency Risk

Investors seek to reduce volatility of returns and dependence on the South African economy by investing a portion of their assets in foreign investments. The Society's liabilities are in Rands and therefore investing in foreign investments introduces a currency-mismatch risk, in that the currency invested in could weaken against the Rand.

The volatility risk associated with foreign investments is reduced when only a limited portion of the Society's assets is invested offshore, in terms of the limits prescribed by Regulation 30.

Where short-term capital preservation is required, it would not be appropriate to invest a large portion of the assets in foreign investments.

7.12 Credit Risk or Counterparty Default Risk

Credit risk or counterparty default risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The credit exposure will primarily affect money market and bond portfolios but can also be important when considering investment transactions involving contractual arrangements with counterparties (for example scrip lending and derivatives traded over the counter).

Furthermore, the Board recognises that taking on an additional risk, like credit or counterparty risk, can result in the expectation of earning additional return and that, in some circumstances where the actual occurrence of default is relatively rare, like corporate bonds, this can be a useful source of return for a long-term investor.

7.13 Custody Risk

The risk of misappropriation of assets, delivery that is not in accordance with instructions, unauthorised use of assets for the benefit of other customers of the custodian, inadequate segregation of customer assets, failure to collect income, recover tax or respond to corporate events, custodian default, etc. exists. The Investment Board Committee will at the outset enter into an agreement with the Custodian and will, on an ongoing basis, assess and consider the performance of the Custodian in order to mitigate the risks.

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8. CONSTRAINTS

The investment constraints are limitations on the ability to make use of particular investments. These are realities, either imposed from outside the Society or from within the Society, which impact on the investment decision-making process. The investment constraints and their mitigating actions are listed below to assist in limiting the risk of the overall portfolio.

8.1 Time Horizon

The investment time horizon of the Society will generally be short- to medium-term due to the uncertainty of the liabilities and to help ensure the medium- to long-term financial stability and viability of the Society in a rapidly changing South African healthcare environment, and in view of the increasing average age of the membership the potential for amalgamation with a larger scheme at some stage.

8.2 Liquidity

Due to the short- to medium-term nature of the Society's liabilities, the Society is constrained by liquidity considerations. A portion of investments must be liquid in order to pay relevant healthcare, managed care and administrative expenditure as they arise and to avoid liquidating assets unnecessarily. A portion of the Society's assets is held in liquid assets in order to cover these liquidity requirements.

Any cash requirements should be raised in advance by Society Management, with the Investment Board Committee. In the event that additional liquidity is required, the Investment Board Committee will, in consultation with the Asset Consultant, decide on the best course of action to achieve the necessary liquidity without incurring unnecessary costs or compromising the Society's investment strategy unnecessarily. The majority of the Society's assets should be invested in appropriately liquid and/or listed securities.

8.3 Legal Constraints

The Society is subject, amongst other things, to the provisions of the Act in particular, to Annexure B and Regulation 30 read together with Regulation 29. This governs the maximum permitted levels of exposure to various asset classes. The Society is also subject to the provisions of its registered Rules, as amended from time to time.

9. INVESTMENT STRATEGY AND PORTFOLIO STRUCTURE

Developing an investment strategy is not an exact science and there may be a number of different strategies that could be equally appropriate to a particular medical scheme.

Documenting the Society's investment strategy increases the Board's understanding of the strategy they have adopted. Once an investment strategy is developed and implemented, the documented strategy will prove to be a useful tool for the Board to analyse and understand the Society's investment experience as it unfolds. A documented investment strategy also provides a reference for a future Board taking over the mantle of trusteeship to understand both the strategies adopted by their predecessors and the reasoning behind the strategies adopted.

The Investment Board Committee recognises the importance of the Society's liabilities in designing an investment strategy i.e. the interaction between the assets and the liabilities with respect to their nature (whether real or nominal), term (from short-term to long-term), currency (local Rand or foreign currencies) and certainty (with respect to timing and the anticipated amounts of receipts and payments).

Finally, the Investment Board Committee recognises that the assets, the liabilities, the membership profile of the Society, and the relevant legislation and regulations change over time, and that these could have a significant impact on the investment strategy. An annual investment strategy review of the Society is therefore undertaken to determine whether the investment strategy adopted by the Society is still appropriate for the Society's liabilities and objectives. The Society Actuary is invited to this review so as to provide comment on the appropriateness of the investment strategy in line with his or her assessment of the medium- to long-term sustainability of the Society.

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The strategy makes use of a single discretionary mandate that has underlying allocations to an enhanced income mandate and a core income mandate. In order to meet the Society's overall targeted minimum net (of all investment related costs) real return objective of 3.0% p.a. over rolling three-year periods, the assets of the Society are invested, at the discretion of the asset manager, approximately according to the following strategic asset allocation:

Managers	Expected Average Asset Allocation
Taquanta enhanced income mandate	90%
Taquanta core income mandate	10%
Total	100%
Targeted Real Return Objective (net of fees and taxes)	3.0% p.a.

The 10% allocation to the core income mandate is an approximation depending on the Society's liquidity requirements.

Liquid Assets

These assets are invested within a core income mandate. Taquanta is advised of Society liquidity requirements annually, with updates provided quarterly, to ensure that cash management is efficient.

The core income mandate is intended to provide capital protection over the short-term and to fund the Contribution Shortfall and any liquidity requirements in respect of the payment of relevant healthcare, managed care and administrative expenditure as may be required from time to time.

Balance of Assets

The balance of the assets is allocated to an enhanced income mandate.

The purpose of this mandate is to achieve higher returns than money market investments but with minimal risks of capital losses over the short-term.

The real return objective of the combined allocation to the core income and enhanced income mandates is to achieve a real return (net of all investment related costs) of 3.0% p.a. over rolling three-year periods.

Because of the complexities introduced by regulations and accounting guidelines, the Board will closely monitor realised and unrealised gains, and will take action if necessary to maintain the Society's solvency ratio.

Rebalancing

Allocations to asset managers are set by the Investment Board Committee after input from the Asset Consultant.

10. ASSET MANAGER AND SERVICE PROVIDER SELECTION / APPOINTMENT / TERMINATION

10.1 Manager selection

The responsibility for the selection of the relevant asset manager(s) is delegated by the Board to the Investment Board Committee. This responsibility is performed in consultation with and on the advice of the Society's Asset Consultant on the basis of the criteria set out below used in selecting underlying asset managers:

- Investment management philosophy and process;
- Quality of investment professionals;
- Business management skills and reputation of the organisation;

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- Customer relationship management;
- Risk management;
- Reporting and administration capabilities;
- Size of assets under management;
- Past investment performance;
- Fees and other costs;
- Operational capabilities (including back up and disaster recovery capabilities);
- Corporate governance, including proxy voting guidelines; and
- Key man risk.

10.2 Manager termination

Conversely, if there is any cause for concern regarding any of the underlying asset manager(s), the Investment Board Committee reviews the issues affecting the relevant manager before deliberating on whether to retain or exclude that manager from the portfolio.

Importantly, the Investment Board Committee is aware of the fact that both quantitative and qualitative factors may lead to the need to terminate a manager. Based on quantitative assessment, the following, in addition to any issues highlighted by the Asset Consultant, are factors that would cause the Investment Board Committee to consider terminating an agreement with a manager:

- Failure to consistently meet or exceed the specified benchmark;
- Poor risk-adjusted excess return (indicating a lack of manager skill in delivering consistent value-added performance);
- Unfavourable peer group ranking; and
- Negative feedback regarding other relevant appointment criteria listed above.

The measurement period for the quantitative assessment is typically a three to five-year period unless adverse qualitative factors lead to a shortening of the evaluation period.

Qualitative factors or any significant change in the criteria used for selection that could potentially accelerate the decision to review and possibly terminate a manager include, but are not limited to:

- A change in the ownership of the firm, or organisational turmoil;
- Any significant loss of key investment personnel involved with the management of either the investment process or the portfolio;
- A change in investment philosophy that represents a deviation from that presented during the selection process and required by the Society for the purpose of the specific investment portfolio;
- Any development that may impair the ability of the organisation to manage the portfolio in accordance with prudent standards;
- Any situation that has the potential to impact on the professionalism, financial position or integrity of either the Society or the manager;
- Violation of investment policy guidelines;
- Breach of the terms of the agreement; and
- Other criteria as deemed appropriate by the Investment Board Committee.

The Investment Board Committee retains the right to add, change or waive any of these considerations if they decide that such addition, change or waiver is in the best interest of the Society and/or its stakeholders.

10.3 Other Service Provider Appointments / Terminations

The Investment Board Committee regularly reviews the appointments of all investment related service providers to the Society including the Asset Consultant.

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Factors taken into account include many of those that apply to asset managers, in addition to service delivery for the specific services required.

11. REVIEW OF INVESTMENT POLICY

The investment policy is not static. It is appropriate as it relates to the Society's membership and liabilities at a point in time and will be reviewed by the Investment Board Committee and Board at least annually. A significant change in the Society's liabilities, legislation and regulatory requirements, membership profile and/or the investment environment will require an interim review of the Policy. Any change to this Policy document must be approved by the Board.

12. SIGNATORIES

This document records the current Investment Policy of the Society and records the issues considered by the Board in establishing an appropriate strategy for the management of the Society's investments.



C W Coltman: Chairperson
On behalf of the Board of Trustees

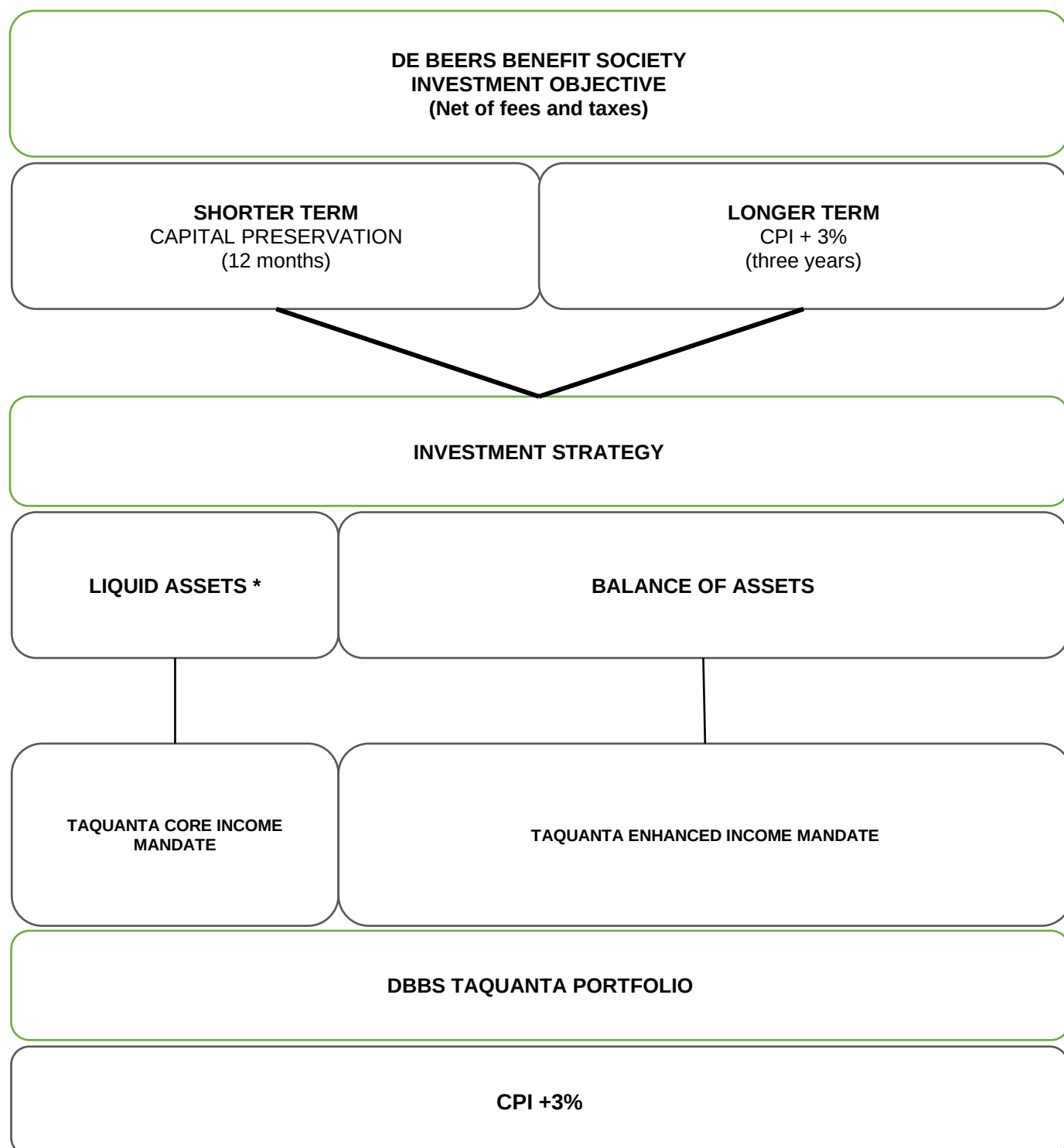
SOCIETY POLICY DOCUMENT				
Organisation	De Beers Benefit Society (the Society)			
Subject	Investment Policy Statement			
Revision no	005	Review cycle	Annual	Effective date 6 December 2023

REVISION HISTORY

Revision no	Description	Date Reviewed	Date Incorporated and Approved on Strategy Review	Minute no
001	Convert to new format	November 2019	5 December 2019	69.19
002	Annual review	November 2020	3 December 2020	58.20.2
003	Annual review	November 2021	9 December 2021	53.21.1
004	Annual review	November 2022	8 December 2022	41.22.1
005	Annual review	November 2023	6 December 2023	35.23.1

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Subject	Investment Policy Statement				
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APPENDIX 1 – BENEFIT SOCIETY STRUCTURE DIAGRAM



* A 10% allocation to liquid assets is an approximation of the level expected to apply, depending on the Society's liquidity requirements.

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APPENDIX 2 – ANNEXURE B REFERENCED IN REGULATION 30 TO THE MEDICAL SCHEMES ACT

[Annexure B substituted by GN R1360/2002]

<i>Item</i>	<i>Categories or kinds of assets</i>	<i>Maximum percentage of aggregate fair value of liabilities and the minimum accumulated funds to be maintained in terms of Regulation 29</i>
1	(a) Inside the Republic -	100%
	Deposits and balances in current and savings accounts with a bank, including negotiable deposits, money market instruments and structured bank notes in terms of which such a bank or mutual bank is liable, as well as margin deposits with SAFEX, and collateralised deposits:	
	(i) per bank with net qualifying capital and reserve funds per Reserve Bank D1900 return greater than R 5 billion	35%
	(ii) per bank with net qualifying capital and reserve funds per Reserve Bank D1900 return greater than R 100 million	10%
	(iii) deposits collateralised with securities issued by the government of the RSA where an appropriate International Securities Masters Agreement (ISMA) has been concluded	20%
	(b) Territories outside the Republic	
	Deposits and balances in current and savings accounts with a bank, including negotiable deposits, and money market instruments in terms of which such a bank is liable:	15%
	(i) per bank	10%
2	Bills, bonds and securities issued or guaranteed by and loans to or guaranteed by:	
	(a) Inside the Republic -	100%
	(i) instruments guaranteed by the government of the RSA	100%
	(ii) a local authority authorized by law to levy rates upon immovable property	10%
	(iii) Development Bank	20%
	(iv) Industrial Development Corporation (IDC)	20%
	(v) Infrastructure Finance Corporation Limited (INCA)	20%
	(vi) Land and Agricultural Bank	20%
	(vii) Trans-Caledonian Tunnel Authority (TCTA)	20%
	(viii) SA Roads Board	20%
	(ix) Eskom	20%
	(x) Transnet	20%
	(xi) Per bank with net qualifying capital and reserve funds per Reserve Bank DI900 return greater than R5 billion	35%
	(xii) Per bank with net qualifying capital and reserve funds per Reserve Bank DI900 return greater than R100 Million	10%
	(xiii) Per corporate institution not included in above categories where debt is traded on the Bond Exchange of South Africa and	10%

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Subject	Investment Policy Statement				
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<i>Item</i>	<i>Categories or kinds of assets</i>	<i>Maximum percentage of aggregate fair value of liabilities and the minimum accumulated funds to be maintained in terms of Regulation 29</i>
	included in the Other Bond Index (OTHI) or All Bond Index (ALBI)	
	(xiv) Per other institution not included in above categories, which is approved by the Registrar	10%
	(b) Territories outside the Republic	15%
	(i) Per institution	10%
3	Immovable property and claims secured by mortgage bonds thereon. Units in unit trust schemes in property shares and shares in, loans to and debentures, both convertible and non-convertible, or property companies:	
	(a) Inside the Republic	10%
	(i) Per single property, property company or development project	2.5%
	(b) Territories outside the Republic	0%
4	Preference and ordinary shares in companies excluding shares in property companies. Convertible debentures, whether voluntary or compulsory convertible, exchange traded funds, units in equity unit trust schemes with the objective to invest mainly in shares and linked policies of insurance with the proceeds and value determined by the performance of an underlying equity portfolio. These investments are subject to the following limitations:	
	(a) Inside the Republic	40%
	(i) Unlisted shares, unlisted debentures and shares and convertible debentures listed in the Development Capital and Venture Capital sectors of the JSE Securities Exchange	2.5%
	(ii) Shares and convertibles listed on the JSE Securities Exchange other than in the Development Capital and Venture Capital sectors:	
	i. Per company with a market capitalisation of more than R 50 billion	7.5%
	ii. Per company with a market capitalisation of between R5 billion and R 50 billion	5%
	iii. Per company with a market capitalisation of less than R5 billion	2.5%
	(iii) Exchange traded funds traded on the JSE Securities Exchange:	
	i. Per fund with diversified holdings across the component sectors of the JSE Securities Exchange	20%
	ii. Per fund with holdings focused in sub-sectors of the JSE Securities Exchange	10%
	(iv) Units in equity unit trusts or pooled equity managed funds:	
	i. Per unit trust with diversified holdings across the component sectors of the JSE Securities Exchange	40%
	ii. Per fund with holdings focused in sub-sectors of the JSE Securities Exchange	20%
	(v) Policies of insurance linked to the performance of underlying	

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<i>Item</i>	<i>Categories or kinds of assets</i>	<i>Maximum percentage of aggregate fair value of liabilities and the minimum accumulated funds to be maintained in terms of Regulation 29</i>
	equities or equity indices:	
	i. Per policy of insurance with diversified equity holdings across the component sectors of the JSE Securities Exchange	20%
	ii. Per policy of insurance with underlying equity investment focused in subsectors of the JSE Securities Exchange	10%
	(b) Territories outside the Republic	0%
5	Listed and unlisted debentures:	
	(a) Inside the Republic	5%
	(b) Territories outside the Republic	0%
6	Policies of insurance with:	
	(a) Insurers registered in the Republic -	90%
	(i) Per registered insurer where the policy proceeds are not directly linked to the market value of the underlying assets	35%
	(ii) Per registered insurer where the policy proceeds are directly linked to the market value of the underlying assets and the underlying assets are invested in a balanced manner across the asset classes and categories stipulated in Sections 1 - 7 above - complying with all the stated maxima and minima	90%
	(b) Insurers registered in territories outside of the Republic	0%
7	Any other assets not referred to elsewhere in this Annexure:	
	(a) Inside the Republic -	2.5%
	(i) Where inventories are included, inclusion at the smaller of book and realisable value	2.5%
	(ii) Other	2.5%
	(b) Territories outside the Republic	0%

Explanatory notes and conditions for Annexure B

- In respect of items 1(a)(i) and 1(a)(ii), for banks that are subsidiaries of foreign banks, the foreign parent's capital may not be taken into account.
- The sum of deposits in categories 1(a)(i) and 1(a)(ii) shall not be less than 20%.
- Total amounts in categories 1(b) and 2(b) are subject to an aggregate maximum of 15%.
- The aggregate of amounts in categories 1(a)(ii), 2(a)(ii) and 2(a)(xiii) shall be subject to a maximum limit of 30%.
- The total exposure allowance per bank, being the aggregate of amounts included in categories 1(a)(i) and 2 (a)(xi) is subject to an aggregate maximum of 35%.
- The total exposure allowance per bank, being the aggregate of amounts included in categories 1(a)(ii) and 2(a)(xii) is subject to an aggregate maximum of 10%.
- The total exposure allowance for all banks within categories 1(a)(ii) and 2(a)(xii) is subject to an aggregate maximum of 30%.
- Unit trusts and policies of insurance may not be utilised to circumvent the limitations of these regulations. Medical schemes are required to demonstrate on a "look through" basis that such avenues have not been utilised to bypass the limitations imposed by Annexure B.

SOCIETY POLICY DOCUMENT					
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APPENDIX 3 – INVESTMENT BOARD COMMITTEE TERMS OF REFERENCE

[Terms of reference to be added in here]

DE BEERS BENEFIT SOCIETY

BOARD COMMITTEE TERMS OF REFERENCE

INVESTMENT BOARD COMMITTEE

Revision no	Review cycle	Effective date
013	At least every two years	28 September 2022



A registered medical scheme
Registration no. 29/4/2/1068

BOARD COMMITTEE TERMS OF REFERENCE

Organisation	De Beers Benefit Society (the Society)			
Board Committee	Investment Board Committee			
Revision no	013	Review cycle	At least every two years	Effective date 28 September 2022

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BOARD COMMITTEE TERMS OF REFERENCE

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1. INTRODUCTION

The Board of Trustees (Board) of the De Beers Benefit Society (the Society) has established an Investment Board Committee (the Committee) to manage and monitor the investment of the Society's financial assets (investments) with the intention of meeting the investment objectives of the various stakeholders in the Society as provided for in the Investment Policy Statement (IPS).

2. THE OBJECTIVES, RESPONSIBILITIES AND AUTHORITIES OF THE COMMITTEE

The main objective of the Committee is to oversee the investment of the Society's investments in terms of the Society Rules, the Medical Schemes Act No. 131 of 1998 (the Act) and the Society's IPS. The responsibilities and authorities delegated by the Board to the Committee are as follows:

Consulting Firm, Asset Managers and Other Service Providers

- 2.1. To recommend to the Board the appointment/termination of asset consultants (unless the Committee is expressly mandated to make the appointment/termination) to the Society and to manage the relationship between the Society and the asset consultants based on agreed service levels;
- 2.2. To ensure that the Committee has oversight of the due diligence reviews conducted on the asset consultants, by utilising a suitable questionnaire for this purpose, and to advise the Board of any areas of concern that may be identified through these reviews;
- 2.3. To appoint or terminate the appointment of asset managers in accordance with changes in the Society's investment strategy or resulting from unacceptable performance or service levels;
- 2.4. To appoint or terminate the appointment of other investment related service providers in accordance with changes in the Society's investment strategy or resulting from unacceptable performance or service levels;
- 2.5. To enter into and regularly review agreements with asset managers, asset consultants and other investment related service providers, and to ensure that these agreements are subjected to due consideration and input by specialist advisors as required;
- 2.6. To ensure that agreements with asset managers, asset consultants and other investment related service providers are implemented and maintained in accordance with industry best practice; and
- 2.7. To annually review the fees of the appointed asset consultants and asset managers, and to approve the annual or any other fee increase of the asset consultants and asset managers subject to the terms of the Society's Signing Authorities and Approval Framework Policy.

Investment Monitoring, Performance Evaluation and Compliance Monitoring

- 2.8. To employ mechanisms to monitor current economic conditions and market opportunities and, with the assistance and advice of the relevant advisors, implement tactical investment changes to maximise the possibility of achieving the Society's investment objectives;
- 2.9. To employ mechanisms to monitor the Society's investment performance on an ongoing basis, to seek advice and information as required and to take corrective action as appropriate;
- 2.10. To monitor activities related to the investment of the Society's financial assets in terms of the IPS;

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- 2.11. To monitor and evaluate the Society's appointed asset managers based on agreed investment performance benchmarks and service levels and to ensure that their appointment remains appropriate in the context of the investment strategy and risk profile of the Society. This process includes regular reporting by asset managers and analysis of results and reporting by the asset consultants, annual due diligence visits to asset managers and presentations by asset managers at the Society's Annual Trustee Investment Review Day and other meetings as deemed appropriate;
- 2.12. To ensure that the Society complies with Regulations 29 (Minimum accumulated funds to be maintained by a medical scheme) and 30 (Limitation on assets) of the Act and any other relevant legal or regulatory requirements in relation to its investments and associated processes by employing adequate mechanisms to ensure ongoing compliance monitoring and corrective action as required. In addition, to ensure that the investments and associated processes take place in accordance with the Society Rules, where applicable;
- 2.13. If necessary and in addition to the advice provided by the asset consultants, to seek further expert advice on matters where the Committee lacks sufficient expertise and as and when such advice is deemed appropriate;
- 2.14. To approve the investment of the Society's funds, including the movement and allocation of assets within the Society and between the appointed asset managers;
- 2.15. To ensure that an acceptable control environment is maintained in relation to the Society's overall investment process and to ensure that sound governance is applied, maintained, monitored and reviewed on an ongoing basis;
- 2.16. To investigate and advise on any investment related matters referred to the Committee by the Board; and
- 2.17. To sign any investment instructions, agreements and other investment related documents on behalf of the Society. Any two members of the Committee are authorised to sign such documents on behalf of the Society.

Investment Policy Statement (IPS) and Strategy

2.18. With regard to the Society's IPS and investment strategy:

- To annually review the Society's IPS and investment strategy;
- To consider recommendations made by the asset consultants and Society Management regarding any proposed amendments to the Society's IPS and present such proposed amendments to the Board for consideration; and
- To ensure that the policy is approved in terms of the Society's Signing Authorities and Approval Framework Policy.

In reviewing the Society's IPS, cognisance must be taken of the Society's actuarial assessments (including but not limited to the risk-based capital requirements) of the appropriateness of the Society's investment strategy as contained in the IPS in relation to its medium- to long-term funding requirements.

Risk Management

- 2.19. To identify and evaluate risks associated with the investment process and to recommend appropriate mitigation measures to the Board as part of the annual review in the form of a Committee specific risk log.

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Other Governance Matters

- 2.20. To take account of the principles of Treating Customers Fairly (TCF – hereinafter refer to as Treating Members Fairly (TMF)) (see item 9 below) and to carefully consider the application of TMF principles in the execution of its role;
- 2.21. To review and assess the adequacy of the Committee's Terms of Reference and to request Board approval for proposed changes; and
- 2.22. To ensure that the Board remains appropriately informed of the activities of the Committee, including decisions taken and matters concerning the Committee, by briefing the Board at its meetings as required and, on an ad-hoc basis when deemed appropriate.

3. MEMBERSHIP AND QUORUM

- 3.1. The members of the Committee shall be appointed by resolution of the Board from amongst the Trustees or other persons who are not Trustees and shall consist of at least three members. The Chairperson of the Board shall be the Chairperson of the Committee.
- 3.2. If a vacancy occurs that reduces the number of Committee members to fewer than the minimum as stipulated in item 3.1 above, the vacancy must be filled by the Board within 30 business days after the vacancy arises.
- 3.3. In the absence of the appointed Chairperson of the Committee, the members present at the meeting of the Committee are required to elect from amongst themselves, under the supervision of the Principal Officer of the Society, an individual to chair the relevant meeting. If the Chairperson is unable to attend the meeting, and if possible he or she should propose a suitable Committee member to chair the meeting and thereafter advise the other committee members accordingly, where practical. The formal election process, referred to above, will however still be required.
- 3.4. The appointment of alternates or proxies to act for or on behalf of the Committee members is not permitted.
- 3.5. The Principal Officer of the Society as well as other Society employees as deemed appropriate by the Committee shall be invited, ex officio, to attend and to make contributions at all meetings of the Committee but shall not be considered members of the Committee and shall have no voting rights.
- 3.6. A Committee Secretary shall be appointed by the Committee but shall not be a member of the Committee and shall have no voting rights. The Principal Officer may nominate an alternate in the event of the absence of the appointed Committee Secretary.
- 3.7. The quorum for the transaction of business by the Committee shall be fifty percent (or, if a fraction arises in the calculation of this number, then it shall be rounded up to the next whole number) of the appointed members of the Committee.
- 3.8. Committee members are appointed by the Board and their tenure is at the sole discretion of the Board. In addition, the Board will review the composition of the Committee on an annual basis.

4. SKILLS, EXPERIENCE AND TRAINING

- 4.1 The Committee requires the Principal Officer to make available to new members of the Committee a suitable induction process which will cover:

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- 4.1.1 the role of the Committee, including its Terms of Reference;
- 4.1.2 an overview of the medical aid industry and in particular the Society's business, identifying the main business, financial dynamics and risks; and
- 4.1.3 an understanding of the Society's Rules and the Act, particularly the requirements of Regulations 29 and 30.

4.2 Training shall also be provided to existing members of the Committee on an on-going basis as agreed to by the Board.

5. MEETINGS AND PROCEEDINGS

- 5.1. Meetings of the Committee shall be held at least 3 times a year. Meetings may also be convened by the Chairperson of the Committee or at the instance of the Board when such further meetings are considered necessary.
- 5.2. Meetings shall be conducted in the same manner as meetings of the full Board and the applicable board governance policies, for example the Board Charter, Trustee and Principal Officer Code of Conduct, Statement of Corporate Governance and the Conflict of Interest, Trustee Remuneration and Travel Policies, will apply.
- 5.3. Written resolutions circulated on a round robin basis shall be considered by the Committee in the same manner as resolutions presented at a meeting of the Committee and the applicable board governance policies, for example the Board Charter, Trustee and Principal Officer Code of Conduct, Statement of Corporate Governance and the Conflict of Interest Policy will apply.
- 5.4. The Chairperson of the Committee or the Principal Investment Consultant on his or her behalf shall report on the proceedings of and recommendations and decisions made by the Committee at the next meeting of the Board immediately following a meeting of the Committee. As soon as they are available, the approved minutes of such meetings shall also be published on the confidential Trustee website.

6. ATTENDANCE AT MEETINGS

- 6.1. The Committee shall be entitled to invite any party, in addition to those referred to herein, to attend and be heard at meetings of the Committee. Such party shall have no vote.
- 6.2. Trustees who are not Committee members shall also have the right of attendance with no voting rights. Such attendance shall take place at their own expense unless they are specifically delegated by the Board to attend any specific meeting.
- 6.3. Eligible Committee members, as well as eligible Trustees who are not Committee members or non-Trustee members of other Board Committees who are specifically delegated by the Board to attend a meeting, will be remunerated in terms of the Society's Trustee Remuneration and Travel Policies where applicable.
- 6.4. The Chairperson of the Committee shall have the sole right to exclude any party from a meeting or from any item on the agenda, should any conflicts of interest be declared or become evident in his/her opinion or for any other reason.

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7. ANCILLARY POWERS

- 7.1. The Committee is authorised by the Board to investigate any matter which it, in its sole discretion, considers as falling within the powers delegated to it. The Committee is authorised to seek any information it requires from any Society employee or applicable service provider and such employees or service providers shall comply with any reasonable request made by the Committee.
- 7.2. In terms of corporate governance best practice the Committee is authorized by the Board in its discretion but with due regard to budgetary constraints to:
- 7.2.1 obtain professional advice;
 - 7.2.2 invite parties with relevant skills and experience to attend meetings on an ad-hoc basis; and
 - 7.2.3 obtain the resources reasonably required for the effective discharge of its responsibilities.

8. CONFIDENTIALITY AND CONFLICTS OF INTEREST

- 8.1. The members of the Committee and attendees at its meetings are required to exercise the Committee's mandate with confidentiality, to treat all documents and information they receive and produce as confidential, and not to discuss any aspect of the Committee's work with anyone outside the Board, other than with relevant members of the Society staff and with the professionals it engages to assist with the performance of its functions.
- 8.2. Committee members are required to avoid conflicts of interest, where possible, and to inform the Committee and the Board of areas of conflict or potential areas of conflict timeously. All members of the Committee must complete annual declaration of interest forms or when new areas of conflict have arisen since the last declaration.

9. TREATING MEMBERS FAIRLY

In recognition of the TMF principles as referred to in item 2.21 above, the fair treatment of members is central to the Society's culture. In exercising its mandate granted to the Committee by the Board, to the extent possible, the Committee shall ensure that decisions taken, and recommendations made, reflect the Board's commitment to treating members fairly.

10. PERFORMANCE EVALUATION

The Committee's performance will be evaluated by the Board and Board Committee members as part of the Board and Board Committee's annual self-assessment process and progress on the implementation of any actions arising from these evaluations must be reported to the Board.

11. REPORTING

The following matters shall be reported on in the Society's Annual Financial Statements and/ in such other reports as may be deemed appropriate by the Board , in terms of the King IV reporting requirements:

- 11.1. The Committee's overall role and associated responsibilities;
- 11.2. The composition of the Committee, including each member's age, qualifications and experience;

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- 11.3. Details of external advisors or invitees who regularly attend the Committee meetings;
- 11.4. Key areas of focus during the reporting period;
- 11.5. The number of meetings held during the reporting period and attendance at those meetings; and
- 11.6. Whether the Committee is satisfied that it has fulfilled its responsibilities in accordance with its Terms of Reference for the reporting period.

12. AUTHORISATION AND APPROVAL

Approved by the Board of Trustees.



CW Coltman
Chairperson of the Society

BOARD COMMITTEE TERMS OF REFERENCE

Organisation	De Beers Benefit Society (the Society)			
Board Committee	Investment Board Committee			
Revision no	013	Review cycle	At least every two years	Effective date 28 September 2022

REVISION HISTORY

Revision no	Description	Date reviewed	Date approved	Minute No.
001	New document	Original	21 June 2007	19.07.4
002	Annual review	August 2011	21 September 2011	38.11.8
003	Annual review	October 2012	6 December 2012	61.12
004	Annual review	November 2013	5 December 2013	59.13
005	Annual review	October 2014	4 December 2014	69.14
006	Annual review	November 2015	3 December 2015	57.15
007	Annual review	November 2016	8 December 2016	56.16
008	Annual review	October 2017	7 December 2017	59.17
009	Annual review	October 2018	6 December 2018	68.18
010	Annual review	October 2019	5 December 2019	68.19
011	Annual review	November 2020	3 December 2020	60.20
012	Clarifying the requirement when a vacancy must be filled within 30 business days.	April 2022	7 April 2022	08.22.1.1
013	Biennial review and alignment of terminology with other Society governance and policy documents.	September 2022	28 September 2022	TBC