

RIVER AND MERCANTILE GROUP PLC

INVESTMENT COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

The Investment Committee is responsible for assisting the Board in its oversight of the Group's investment performance. To provide oversight of process, performance, risk, resources, product governance and value for money assessment.

2. DUTIES

- 2.1 Investment reports from each investment team describing their investment performance. The review of investment performance of investment mandates against relevant benchmarks and peer group metrics looking at the returns and risks of key mandates and products.
- 2.2 Oversight of changes in the investment policies and processes of investment teams and investment products.
- 2.3 Review of strategy, investment performance and mandate gains and losses.
- 2.4 Deep dive into the policy, process and implementation of individual investment products.
- 2.5 Oversight of the Group's approach to ESG and ESG investment initiatives, including a report from the Group ESG Committee.
- 2.6 Oversight of product development, specifically the product definition, the target market, investment competencies and capacity and investment objectives.
- 2.7 Oversight of product governance, including evidence that products are fit for purpose.
- 2.8 Any other area which the Committee or Board deem as appropriate to fall within the remit of the Committee.

3. REPORTING RESPONSIBILITY

- 3.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities. This report shall include:
 - 3.1.1 The significant issues it considered in relation to investment process, investment performance, investment risk and product governance;
 - 3.1.2 Where a review has been conducted the appropriate course of action;
 - 3.1.3 Any other issues on which the Board has requested the Committee's opinion; and
 - 3.1.4 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

3.2 The Committee shall make available to shareholders these terms of reference by placing them on the Company's website.

4. OTHER MATTERS

4.1 The Committee shall:

- 4.1.1 have access to sufficient resources (including information, provided by the Board on a proactive and reactive basis) in order to carry out its duties, including access to the Company Secretariat for assistance as required;
- 4.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 4.1.3 oversee any investigation of activities which are within its terms of reference;
- 4.1.4 work and liaise as necessary with all other committees of the board;
- 4.1.5 at least once a year, review its performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- 4.1.6 The Committee should consider such other matters as the Board may from time to time refer to it.

5. AUTHORITY

5.1 The Committee is authorised, at the Company's expense:

- 5.1.1 to investigate any activity within its terms of reference and seek information it requires from any employee of the Group in order to perform its duties (all such persons being directed to co-operate with any such request by the Committee, including requests to attend meetings of the Committee).
- 5.1.2 to obtain outside professional or legal advice on any matter within its terms of reference;
- 5.1.3 to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary (but such persons shall not be members of the Committee);
- 5.1.4 to call any employee to be questioned at a meeting of the Committee as and when required.

6. MEMBERSHIP

- 6.1 The membership of the Committee shall comprise at least three Non-executive Directors who shall be independent of management and free of any relationship which could interfere with the exercise of their independent judgement. Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee, in consultation with the Chairman of the Investment Committee (other than in respect of the initial members of the Committee as set out above).
- 6.2 All members of the Investment Committee shall be independent Non-executive Directors. The Chairman of the Board may not be a member of the Committee but may attend meetings of the Committee.
- 6.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods provided the Non-executive Director continues to meet the criteria for membership.

6.4 The Board shall appoint the Committee Chairman who shall be an independent Non-executive Director. In the absence of the Committee Chairman and/or appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

7. SECRETARY

The Company Secretary or his/her nominee shall act as secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

8. QUORUM

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

9. PROCEEDINGS OF THE COMMITTEE

Only members of the Committee have the right to attend and vote at the Committee meetings. However, the Committee may invite or require other persons to attend meetings where appropriate to assist in the effective discharge of the Committee's duties. Standing invitations to the Committee are extended to the Chairman, Group Chief Executive Officer, Chief Investment Officer, Head of Investments, Secretary to the Group Investment Committee and the Chief Risk Officer.

10. FREQUENCY OF MEETINGS

10.1 The Committee shall meet at least four times a year and otherwise as required. Meetings should be organized so that the attendance is maximized.

10.2 Outside the formal meeting programme, the Committee Chairman will maintain a dialogue with key individuals involved in the Group's investment functions, the Chief Investment Officer and the Head of Investments.

11. NOTICE OF MEETINGS

11.1 Meetings of the Committee shall be called by the Secretary of the Committee; (a) in accordance with the agreed schedule of meetings of the Committee; (b) at the request of any of the Committee's members; or (c) at the request of the Chief Investment Officer.

11.2 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, any other person required to attend and all other Non-executive Directors, no later than five working days before the date of the meeting. Supporting papers shall, wherever practicable, be sent to Committee members and to other attendees as appropriate, at the same time.

11.3 Meetings of the Committee may be conducted when members are physically present or in the form of either video or audio conferences.

11.4 Shorter notice and late submission or circulation of papers will be permitted at the discretion of the Chairman of the Committee.

11.5 Supporting papers may be circulated electronically or in hard copy as the circumstances permit.

12. MINUTES OF THE MEETINGS

12.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

12.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

12.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the Chairman of the Committee.

12.4 Final signed copies of the minutes of the meetings should be maintained for the Company's records, in hard and soft copy where possible.

13. ANNUAL GENERAL MEETING

The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.