

QANTARA PRIVATE CAPITAL (PTY) LTD

INVESTMENT TERMS OF REFERENCE POLICY

POLICY / PROCEDURE		
INVESTMENT TERMS OF REFERENCE POLICY	Revision	Annually
	V1/2025	Financial Advisory and Intermediary Services Act, 2002 (FAIS Act) Financial Sector Regulation Act, 2017 (FSRA) Board Notice 194 of 2017
	Final Approver	Key Individual / Directors

Document Control

Creation Date:	2025
-----------------------	------

Document History

Version	Date	Status	Amended by	Summary of Changes
Version 1/2025	07/2025	Draft	Mike Hodgkiss	Initial Drafting
Version 1/2025	07/2025	Draft	Ebrahim Moolla	Qantara Contributions
Version 1/2025	07/2025	Review	Neels Van Schalkwyk	Head of Legal
Version 1/2025	07/2025	Review	Orce Pesev	KI Revision

Management approval

Document Version	Name	Position	Signed	Date
Version 1/2025	Orce Pesev	Key Individual		
Version 1/2025	Ebrahim Moolla	Managing Director		
Version 1/2025	Ross Oosthuizen	Head of Finance		

CONTENTS

1. Purpose and Organisation.....	4
2. Term	4
3. Roles and Responsibilities	5
3.1 Committee Governance	5
3.2 Investment Risk Oversight	5
3.3 Compliance with Legislation and Shari'ah	6
3.4 Performance and Service Provider Oversight	6
4. Oversight of Implementation	7
5. Shari'ah ADVISORY Committee (SAC) Relationship	7
6. Reporting and Relationships	7
7. Meetings.....	8
8. Applicable Laws, Standards, and Frameworks	8
9. Review and Evaluation	8

1. PURPOSE AND ORGANISATION

The Investment Committee (“the Committee”) is a subcommittee of the Board of Directors of Qantara Private Capital (Pty) Ltd (“the Company”). Its role is to provide strategic direction, oversight, and governance of the Company’s Private Equity (“PE”) funds, ensuring both financial prudence and Shari’ah compliance.

Management is responsible for the operational implementation and execution of the Investment Policy Statement, which is developed by the Committee, reviewed by the Shari’ah Advisory Committee (SAC), and approved by the Board.

The Committee is appointed by the Chairperson of the Board and is composed of:

- Two Directors (one of whom shall serve as Chairperson), and
- Two to three other persons, including the Chief Financial Officer (CFO) of the fund.

In appointing members, the Board Chairperson shall consider:

- Years of experience in financial services or business,
- Academic and professional qualifications,
- Relevant committee experience,
- Demonstrated expertise in investment, financial oversight, and/or Shari’ah-compliant finance.

2. TERM

The term of office for each Committee member shall be 24 (twenty-four) months from the date of appointment, subject to renewal by the Board.

The Committee shall comprise no more than seven (7) members at any given time.

3. ROLES AND RESPONSIBILITIES

The Committee is accountable to the Board and shall perform its functions in line with the Investment Policy Statement, Shari'ah standards, and applicable laws.

3.1 Committee Governance

- Draft and maintain governance documents, including the Investment Policy Statement (and Asset Allocation Policy) and these Terms of Reference.
- Annually review and recommend updates to the Investment Policy, Asset Allocation Policy, and operating guidelines for Board approval.
- Submit all relevant policies to the SAC for Shari'ah review and endorsement.
- Assess appropriateness of investment targets in view of market, business, and Shari'ah compliance conditions.

3.2 Investment Risk Oversight

- Evaluate the Company's risk tolerance in consultation with the Board, management, and SAC where relevant.
- Review analyses including:
 - Liability and cash-flow projections,
 - Operational and disaster risk scenarios, and
 - Portfolio Shari'ah risk assessments (e.g., income purification, non-compliant revenues).
- Assess viability of proposed investments, including:
 - Business competence of investee firms,
 - Their ability to realise projected outcomes, and
 - Their compliance with Shari'ah principles.
- Recommend adjustments to the Investment Policy Statement or Asset Allocation Policy as needed.

3.3 Compliance with Legislation and Sharī'ah

- Ensure investments comply with:
 - FSCA and FAIS Act requirements,
 - FIC Act obligations,
 - CISC (if applicable),
 - Companies Act,
 - POPIA, PAIA, CPA, and
 - Any other applicable laws.
- Ensure investments are consistent with **Sharī'ah principles** and vetted by the SAC prior to approval.
- Seek Legal/Compliance or SAC advice where investment legality or Sharī'ah compliance is uncertain.
- Obtain regulatory and SAC approvals where required before execution.

3.4 Performance and Service Provider Oversight

- Review fund performance quarterly against benchmarks and Sharī'ah criteria.
- Conduct annual evaluations of service providers, covering:
 - Performance,
 - Ethics and conflicts of interest,
 - Sharī'ah compliance processes.
- Recommend retention or replacement of service providers based on performance and Sharī'ah integrity.
- Assess annual fees for appropriateness and Sharī'ah acceptability.

4. OVERSIGHT OF IMPLEMENTATION

- Monitor compliance with both the Investment Policy Statement and Sharī'ah rulings.
- Oversee manager and fund selection, ensuring Sharī'ah-screening of investment opportunities.
- Ensure operational functions (e.g., rebalancing, purification processes, reserve funding) are performed appropriately under the CFO's supervision and in consultation with the SSC.

5. SHARĪ'AH ADVISORY COMMITTEE (SAC) RELATIONSHIP

- The SAC serves as the independent Sharī'ah governance authority overseeing compliance of all funds and investments.
- The Committee shall:
 - Submit investment policies and proposals to the SAC for Sharī'ah review.
 - Ensure SAC approvals (fatāwa/resolutions) are documented and implemented.
 - Cooperate fully with SAC reviews, audits, and Sharī'ah assurance processes.
- The SAC may attend Committee meetings by invitation where investment proposals or compliance matters are being considered.

6. REPORTING AND RELATIONSHIPS

- Maintain accurate records and minutes of all Committee meetings.
- Provide quarterly reports to the Board covering performance, risk, compliance, and Sharī'ah oversight.
- Share investment performance and compliance updates with the SAC at least quarterly.
- Escalate any material breaches of investment or Sharī'ah compliance immediately to the Board and SAC.

7. MEETINGS

- Meet at least four times per year, and more frequently as required.
- Meetings may be held in person, virtually, or by other means.
- A majority of voting members shall constitute a quorum.
- Resolutions shall be passed by majority vote; the Chairperson has a casting vote in the event of a tie.
- May establish ad hoc subcommittees, provided their findings are reported back to the Committee and, where relevant, the SAC.

8. APPLICABLE LAWS, STANDARDS, AND FRAMEWORKS

This ToR is subject to and guided by:

- FAIS Act (2002)
- Financial Sector Regulation Act (2017)
- Board Notice 194 of 2017 (Fit and Proper Requirements, Section 37: Operational Ability)
- General Code of Conduct for FSPs (BN 80 of 2003, as amended)
- Financial Intelligence Centre Act (2001)
- Companies Act (2008)
- CISCA (2002), if applicable
- POPIA (2013), PAIA (2000), CPA (2008)
- FSCA Treating Customers Fairly (TCF) Outcomes
- King IV (2016) Governance Principles
- AAOIFI Shari'ah Standards and rulings of the Company's Shari'ah Advisory Committee (SAC)

9. REVIEW AND EVALUATION

- The Committee shall conduct an annual self-assessment of its effectiveness and submit results to the Board and SAC.
- These Terms of Reference shall be reviewed annually and updated in line with legal, regulatory, Shari'ah, and governance changes.

