



**CHARTER
of the
INVESTMENT COMMITTEE
of the
BOARD OF DIRECTORS
of
KEMPER CORPORATION**

1. **PURPOSE.** The principal purpose of the Investment Committee (the “Committee”) of the Board of Directors (“Board”) of Kemper Corporation (“Kemper,” or the “Company”) shall be to oversee the Company’s investment objectives and policies and to monitor the performance of the Company’s investment portfolios on a consolidated basis.

2. **NATURE AND COMPOSITION.** The Committee shall be a standing committee of the Board and shall consist of three or more directors appointed annually by the Board of Directors, considering the recommendation of the Nominating & Corporate Governance Committee. The Board shall select one of the Committee members as the Chairperson of the Committee, considering the recommendation of the Nominating & Corporate Governance Committee.

The Board shall have the power at any time to change the membership of the Committee and to fill vacancies in it. Except as expressly provided in this Charter, the Amended and Restated Bylaws of the Company, the Corporate Governance Guidelines of the Company or applicable law (collectively, the “Governing Rules”), the Committee shall fix its own rules of procedure.

3. **COMMITTEE RESPONSIBILITIES.** The principal responsibilities of the Committee shall be as follows.

A. **Investment Policies and Objectives.** Policies and objectives for the Company’s investment activities (“Policies”) shall be established and maintained by Kemper’s Chief Investment Officer, subject to the prior review and approval of the Committee. Any changes to the Policies proposed from time to time by the Chief Investment Officer shall likewise be subject to the prior review and approval of the Committee. The Policies shall seek to provide an appropriate balance of risk and return with the objective of maintaining the financial strength of the Company, and to be reasonably adaptable to changing economic, business and investment market conditions over time. The Policies shall take into account such factors as the Chief Investment Officer, with the concurrence of the Committee, deems appropriate and prudent given the Company’s circumstances at any given time. Such factors may include, but are not limited to:

- (i) asset allocation and diversification,
- (ii) the Company's liquidity needs,
- (iii) targeted yields and investment income,
- (iv) the duration of assets,
- (v) expected rates of return and return volatility,
- (vi) federal and state taxes, and
- (vii) legal requirements and constraints, including those imposed on Kemper's subsidiaries by applicable laws and regulations.

B. Performance Oversight. The Committee shall review, with such frequency as it shall deem appropriate, the performance of the Company's investment portfolios on a consolidated basis, using both absolute and relative measures, and the Company's compliance with the Policies. The Committee shall also regularly review the Policies to assure their continuing propriety.

C. Limitations. The Committee's role is solely to oversee management's investment of Company funds for the Company's own accounts and not to make operating decisions on behalf of the Company, nor to oversee funded employee benefits. Accordingly, the Committee accepts no responsibility for the following matters, all of which shall be the responsibility of management:

- (i) actual investment results,
- (ii) investment research or the purchase or sale of individual investments,
- (iii) the selection or compensation of third party money managers, and
- (iii) portfolio management for the Company's pension, 401(k) or other employee benefit plans.

4. COMMITTEE GOVERNANCE

A. Resources. The Committee shall have the resources and authority appropriate to discharge its responsibilities, including the sole authority to: (i) select, retain and terminate any counsel, expert, consultant or other advisor to the Committee (collectively, "advisors") as it deems necessary or appropriate, (ii) approve such advisors' fees and other terms of retention and may direct the proper officers of the Company to cause Kemper to pay the reasonable fees and expenses of any such advisors.

B. Subcommittees. The Committee may form subcommittees of two or more members and may delegate to such subcommittees such power and authority as the Committee deems appropriate; provided that the Committee may not delegate to a subcommittee any power or authority required by the Governing Rules to be exercised by the Committee as a whole.

C. Review of Charter. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

- D. Performance Review. The Committee shall annually review its own performance.
- E. Meetings Of Committee. The Committee shall meet at such times as deemed necessary or appropriate by the Chairperson or a majority of the members of the Committee.
- F. Minutes Of Meetings. The Committee shall maintain minutes of each meeting of the Committee, to be prepared by the Company's Secretary, Assistant Secretary or another person designated by the Chairperson as the secretary of such meeting and shall be submitted to the Committee for approval at its next meeting. All such minutes shall be filed with the records of the Company.
- G. Reports. The Committee shall make regular reports to the Board of its findings and actions.

Approved: December 2009
Last Reviewed: November 2011