



Western Cape Communities Trust Investment Committee Charter

The Investment Committee Charter was reviewed, finalised and adopted by the Western Cape Communities Trust at their Board of Directors Meeting of Wednesday 9 March 2016, Resolution WCCT-090316-7.



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Investment Committee Charter

1.0 WESTERN CAPE COMMUNITIES TRUST VISION

As members of the Western Cape Communities Trust and its three Sub-Regional Trusts, we recognise, honour and respect our past, and in unity we seek sustainable advancement and development for the future of our communities.

2.0 PURPOSE

The Investment Committee in conjunction with the Portfolio Manager will effectively supervise, manage and evaluate the management of the Western Cape Communities Trust (WCCT) Investment Portfolio as it is defined in the overall WCCT Investment Strategy and provide advice and recommendations to the Main Trust Board of Directors regarding relevant investment activities.

The Investment Committee will:

- Perform the functions and roles delegated to it by the Main Trust Board of Directors and discharge the responsibilities required of it under the WCCT Investment Strategy, WCCT Trust Deed and Trusts Act 1973
- Prepare and annually review the Investment Strategy which will be presented to the Main Trust Board of Directors for approval. All investments shall be made in pursuit of that adopted Investment Strategy
- Report on each financial year's investment performance as well as provide quarterly updates to the Main Trust Board of Directors
- Ensure that the long-term objective of the Investment Strategy and WCCT Portfolio is sustained
- Review over time the appropriateness of the WCCT Investment Portfolio, as defined by the Investment Strategy
- Manage the interactions with and performance of the Investment Committee's Independent Advisor and advise the Main Trust Board of Directors accordingly

- Ensure that appropriate communication protocols are established and maintained among the WCCT Investment Committee, the Main Trust Board of Directors, the Portfolio and Asset Manager and the Custodian Trustee, with the protocols to include formal reporting at quarterly Main Trust Board Meetings
- Ensure that amongst its members is a "sound knowledge: of the investment environment in order to comply with the requirements under the Trusts Act

3.0 COMMITTEE MEMBERSHIP

The WCCT Investment Committee will be chaired by a member of the Main Trust Board of Directors and comprise membership which gives representation to the Parties represented on the Main Trust as follows:

- 1 **Main Trust Director representative from the Northern Trust Area**
- 1 **Main Trust Director representative from the Central Trust Area**
- 1 **Main Trust Director representative from the Southern Trust Area**
- 1 **Chairperson from the Main Trust**
- 1 **Executive Officer (no voting rights)**
- 1 **Independent Advisor who is suitably qualified and active in the Finance Industry with no conflicts with the Management of the WCCT Portfolio**

Representatives will be appointed to the WCCT Investment Committee for a period of 2 years after the Commencement Date, following the WCCCA elections and subsequent appointment of Main Trust Directors. Main Trust Directors will nominate WCCT Investment Committee members. Only Main Trust Directors are eligible to become members of the WCCT Investment Committee.

4.0 MEETINGS

A quorum for a meeting will consist of **any three of the four being** the Chairperson from the Main Trust and 3 Main Trust Director representatives. The Independent Advisor (if one is appointed) is not required for there to be a quorum.

All advice and recommendations will be made by a majority vote of the votes cast at each meeting. The Committee Chairman will have the right to vote on all proposals and in the event of a tie will have the casting vote.

For continuity of investment advice and membership there will be no proxies for Investment Committee Members.

There will be, at times, the need for urgent recommendations to be made. Out-of-session voting will occur for these circumstances. Email circulars will be provided to Investment Committee Members for voting. There must be a **unanimous** vote for out-of-sessions proposals, and all out-of-session decisions must be presented at the next Investment Committee Meeting for ratification using normal procedures.

Meetings will be held quarterly, as per the approved WCCCA Meeting Schedule for that particular year, and will align with the week of other WCCCA committee meetings.

The WCCT Executive Officer or his/her nominated officer will provide secretarial services to the WCCT Investment Committee, including preparation of agendas and meeting papers and dissemination of minutes.

Meeting papers will be provided at least 5 days prior to the meetings.

Attendance of all guests and observers will be coordinated by the WCCT Executive Officer or nominated officer and must be approved by the Investment Committee Members.

The draft minutes will constitute a written record of each meeting and will include details of all advice and recommendations made. Draft minutes will be forwarded to the Main Trust Board of Directors for consideration and adoption.

5.0 AUTHORITIES AND RESPONSIBILITIES

To fulfil its responsibilities and duties, the WCCT Investment Committee, as delegated by the Main Trust Board of Directors, will define and instigate required authorities, delegations and responsibilities. These may include, for example, the authority to transfer monies or financial instruments between like investments (e.g. from one term deposit to another).

Such delegation is designed to allow for the efficient management of the Investment Portfolio and to take advantage of opportunities in the market in an efficient manner without being unnecessarily slowed by complex governance procedures. These allocated delegations and authorities, however, must be established with controls that satisfy the outcomes and intention of the overall governance model implemented at the WCCT.

The authorities and responsibilities will be defined in a supporting "Terms of Reference" document that will be a supplement to the Investment Committee Charter. This supplementary nature will allow for the progressive tailoring of the Terms of Reference as the Investment Committee operation evolves, without the need to change the Investment Committee Charter. The Terms of Reference will be presented to the Main Trust Board of Directors for adoption.

6.0 EXPENSES

The costs associated with the WCCT Investment Committee Meetings include the following:

- Reasonable costs for the hire of meeting places and provision of equipment necessary for the meetings
- Reasonable travel and accommodation costs for members to attend meetings
- Reimbursement of reasonable costs for food and out-of-pocket expenses incurred by representatives during their attendance at meetings
- Sitting fees and travel allowance for attendance at meetings

Costs that have been identified as directly related to the management and execution of the Investments and the Investment Committee will be paid out of Investment revenues. This includes Investment Committee Meeting Costs, Account Keeping Fees, Portfolio Management Fees and Investment Advisor Fees.



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