



# INVESTMENT COMMITTEE CHARTER



## 1. PURPOSE AND AUTHORITY

The Investment Committee (Committee) is a sub-committee of the Board of Directors (Board) of Nambawan Super Limited (Nambawan) charged with the responsibility of ensuring that all investments of Nambawan are made after having considered both the requirements of the Bank of Papua New Guinea's (BPNG) Superannuation Prudential Standards, and whether they are in the best interests of the Members.

The Committee is established pursuant to Clause 21.12 of Nambawan's Constitution, and BPNG's Superannuation Prudential Standards. The Committee has the authority and power to exercise the responsibilities set out in this Charter and those established by any resolution or delegation of the Board that may be handed down to it from time to time. In exercising its authorities and powers, the Committee takes advice from the Licenced Investment Manager (LIM), in conjunction with NSL Management.

## 2. ROLE OF THE COMMITTEE

The role of the Committee is to:

- (a) review Nambawan's investment objectives and strategies, as developed by NSL management in consultation with the LIM, and advise the Board on matters relating to Nambawan's Investments and recommend changes to the Investment Framework as and when deemed necessary;
- (b) monitor how NSL management, in consultation with the LIM, is complying with Nambawan's Investment Framework, Superannuation Prudential Standards and other statutory requirements;
- (c) ensure that NSL management, in consultation with the LIM, has appropriate systems and controls in place to identify and address the risks that arise and/or could arise from Nambawan's investments and investment proposals;
- (d) review and make recommendations to the Board in respect of investment proposals provided by NSL management, in consultation with the LIM. These must include a recommendation from the LIM and an assessment of:
  - (i) the risks and expected return;
  - (ii) consistency with investment objectives and strategies;
  - (iii) how performance of the investment is to be measured and monitored;
  - (iv) all of the minimum standards for investment proposals contained in the Investment Framework, where relevant
- (e) regularly review the investment portfolio, including funds under the control of externally appointed Investment Managers, in conjunction with and coordinated by NSL management, so as to ensure the continuing performance of investments to expectations;

- (f) in the case of a new, unusual or complex investments, require that NSL management seek, in consultation with the LIM, competent independent professional advice as to the structure, legality and security and where appropriate, consult with BPNG and relevant Government Departments and Instrumentalities, prior to making an investment decision;
- (g) review applications from appropriately licensed and qualified parties for appointment as LIM, with analysis and commentary provided by NSL management, and make recommendations to the Board with appropriate contractual arrangements;
- (h) review performance, diligence, cooperation and professionalism of the LIM, having regard to the advice and analysis provided by NSL management;
- (i) identify, select and review externally appointed Investment Managers, primarily from advice provided by NSL management, in consultation with the LIM.

### **3. COMMITTEE MEMBERSHIP**

#### **3.1 Composition and size**

- (a) The Committee shall be comprised of a minimum of four suitably qualified and experienced Directors of the Board
- (b) At least one member of the Committee must have financial, auditing or accounting qualifications, skills and relevant experience.
- (c) At least one member of the Committee must have investment management qualifications, skills and relevant experience.
- (d) The majority of the members must be Independent Directors.
- (e) Employees of Nambawan are not permitted to be members of the Investment Committee.
- (f) Committee Membership will be reviewed at least every two years and re-appointment to the Committee shall not be automatic, but shall be based on merit and the changing needs of the Committee . All appointments and changes will be decided by the Board.

#### **3.2 Chairperson**

- (a) The Chairperson of the Committee must be an independent Director, and be a person other than the Chairperson of the NSL Board.
- (b) The Chairperson must not be the Chairperson of any other Board Committee.
- (c) The Chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Chairperson is not present within 15 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for that meeting, noting subclause (b)

#### **3.3 Commitment of Committee members**

Committee Members are expected to devote the necessary time and attention for the Committee to carry out its responsibilities.

At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year. In the absence of such a commitment, an alternative board member may be nominated, from time to time to fill the vacancy.

#### **3.4 Secretary**

The Board will nominate a person to be secretary of the Committee.

### **4. COMMITTEE MEETINGS AND PROCEDURES**

#### **4.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions of Nambawan's Constitution regulating meetings and proceedings of the Board and Committees of the Board in so far as they are applicable and not inconsistent with this Charter.

#### **4.2 Frequency and calling of meetings**

The Committee will meet as frequently as required to undertake its role effectively, but not less than every 2 months. The Committee will have at least one meeting within the year arranged for an Investment Strategy Review. The Chairperson may call a meeting of the Committee if requested by any member of the Committee or the Chairperson of the Board.

#### **4.3 Quorum**

Three of the members specified in Clause 3.1(a) will constitute a quorum for meetings of the Committee.

#### **4.4 Attendance by Management and Advisors**

The Chief Executive Officer and Executive Managers, especially the Chief Investment Officer of Nambawan, and the LIM, are expected to attend each scheduled meetings of the Committee unless the committee chairman thinks otherwise.

The Committee Chairperson, may also invite Directors who are not members of the Committee, other senior managers and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as they require.

#### **4.5 Agenda and documents**

The Chairperson of the Committee is to determine the meeting agenda after appropriate consultation with management and the LIM.



The Secretary will distribute the agenda and any related documents to all Committee members and other attendees at least five working days before each proposed meeting.

#### 4.6 Minutes

The Secretary will keep minute books to record the proceedings, and resolutions of its meetings.

The Chairperson of the Committee will report to the Board on key specific matters within its responsibility or as requested by the Board. Minutes of Committee meetings will be included in the papers for the next Board meeting.

### 5. COMMITTEE'S PERFORMANCE EVALUATION

The Committee will review its performance from time to time based on investment outcomes and the overall efficiency and effectiveness of Committee activity.

The performance evaluation will have regard to the extent to which Nambawan has met its responsibilities in terms of this Charter.

### 6. REVIEW AND PUBLICATION OF CHARTER

The Board will review this Charter at least every two years to ensure that it remains relevant to the needs of Nambawan. The Charter may be amended by resolution of the Board.

The Charter is to be made available on Nambawan's website and the key features published in the Annual Report.

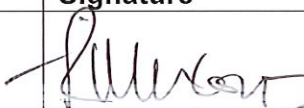
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