



Australian Government
Coal Mining Industry
(Long Service Leave Funding) Corporation

COALLSL

Investment Committee

Terms of Reference

Contents

1.	Introduction.....	3
2.	Objectives of the IC.....	3
3.	Powers of the IC.....	3
4.	Duties and responsibilities of the IC.....	3
	4.1. Investment Strategy	3
	4.2. Custodial Services.....	4
	4.3. Asset Consultant(s).....	4
	4.4. Investment Managers	4
	4.6. Delegations	5
	4.7. Risk Management.....	5
5.	Composition of the IC	5
	5.1. Members of the IC.....	5
	5.2. Quorum.....	5
	5.3. Chair of the IC	5
	5.4. Minute Secretary	5
	5.5. Term of appointment	5
	5.6. Authority to attend Board meetings	5
6.	IC meetings.....	6
	6.1. Frequency of meetings	6
	6.2. Decisions of the IC	6
	6.3. Minutes to be kept	6
	6.4. Observers and invitees	6
7.	Reporting.....	6
8.	Management of Code of Conduct	6
9.	Terms of Reference review	7
10.	References and related documents.....	7
11.	Version history.....	7

1. Introduction

The Board of Directors (**Board**) of the Coal Mining Industry (Long Service Leave Funding) Corporation (**CLSL**) has constituted the Investment Committee (**IC**) to discharge its functions in accordance with these terms of reference.

2. Objectives of the IC

The IC plays a key role in assisting the Board with its responsibility “to formulate and give effect to an investment strategy”.

The IC is a subcommittee of the Board that provides Directors with a forum to consider and determine matters relating to investments in detail and within its delegated authority.

The objectives of the IC are to:

- Provide assistance to the Board in the discharge of its responsibility to exercise due care and skill in relation to formulating and giving effect to an investment strategy
- Recommend investment strategy and policy to the Board
- Monitor and evaluate if the Fund is delivering or likely to deliver on investment objectives
- Oversee the performance of investment managers, asset consultant(s) and master custodian
- Provide an additional forum for communication on issues relating to investment management and performance and
- To improve the efficiency of the Board by undertaking in-depth tasks and detailed consideration on matters delegated to the IC.

3. Powers of the IC

- The Board authorises the IC to seek any information it requires within the scope of its duties and responsibilities
- The IC shall have unlimited access to the investment managers, master custodian, asset consultant and employees
- The IC may obtain independent professional advice where it considers this necessary to carry out its duties
- The IC may appoint a consultant to the IC where it considers this necessary to carry out its duties
- The IC shall review and approve selection and replacement of investment managers.

4. Duties and responsibilities of the IC

The functions of the IC are to meet to receive reports, review matters and make recommendations relating to the following areas of responsibility:

4.1. Investment Strategy

- Assess and endorse the Investment Strategy including the Strategic Asset Allocation (SAA) for recommendation to the Board for approval

- Ensure investment of the assets of the Fund is in compliance with the Investment Strategy adopted by the Board and also in compliance with relevant policies.
- Ensure the manager configuration in each asset class contributes to the overall performance of the Fund. This includes the setting of appropriate benchmark indices for investment managers and asset classes.
- Ensure any adjustments to the overall investment strategy, re-balancing, including dynamic asset rebalancing (if any), liquidity management and stress testing is undertaken in accordance with guidelines and implemented on a timely basis.
- Review investment performance against the stated short and long term investment objectives of CLSL and against the Performance and Risk Trigger Action Response Plans
-

4.2. Custodial Services

- Receive and consider reports, including investment performance reports from the Master Custodian
- Review and monitor the performance of the Master Custodian including Management reports
- Consider, endorse and make recommendations to the Board on the appointment and/or termination of custodial service providers.

4.3. Asset Consultant(s)

- Receive and consider reports from the Asset Consultant(s) on matters related to the investment of the assets of the Fund including investment strategy, reviews of asset classes and manager configurations
- Review and monitor the performance of the Asset Consultant
- Consider and make recommendations to the Board, as to the engagement or termination of the Asset Consultant(s), as deemed necessary.

4.4. Investment Managers

- Receive and consider reports on the investment of the assets including in relation to performance.
- Appoint or terminate investment managers in compliance with relevant policies.
- Approve exemptions to the following Investment Belief per CLSL's Investment Implementation Guideline:
"It is prudent to hold no more than 20% of a unit trust's assets, and also that no investment manager accounts for more than 20% of total assets."

4.5 Policies and other Governance Documents

To oversee policies and other documents on investment matters including but not limited to:

- Review and endorsement of the Investment Risk Appetite Statement for approval by the Board
- Review and endorsement of the Environmental, Social and Governance (ESG) Statement for approval by the Board
- Review and endorsement of the Investment Policy for approval by the Board
- Review and approval of the Investment Implementation, Strategic Asset Allocation and Liquidity Guidelines.

4.6. Delegations

- Such matters as relate to the investment of the assets of the Fund as are delegated to the IC by the Board.

4.7. Risk Management

The Investment Committee assumes responsibility for risk management relating to the investment strategy and investment of Fund assets. Such risk management activities are required to be consistent with CLSL's overall risk management framework.

5. Composition of the IC

5.1. Members of the IC

The IC shall consist of not less than two (2) Directors and at least one (1) non-Director with expert investment skills. IC members are to collectively have the appropriate qualifications, knowledge, skills and experience to perform the IC's functions. All IC members are appointed to the IC by the Board.

Committee members are required to demonstrate an understanding and ability to apply specific skills as identified in the CLSL Competency framework.

5.2. Quorum

A minimum of three (3) members of the IC must be present at the meeting to form quorum. Quorum must be maintained throughout the entirety of the meeting.

5.3. Chair of the IC

An IC Chair shall be appointed by the Board for an agreed term. If the IC Chair is unable to attend a meeting, the meeting shall be presided over by a temporary Meeting Chair selected by members in attendance.

The skills and experience of the IC Chair will be in line with the Directors' Competency Framework.

The IC Chair will regularly evaluate the IC's performance.

5.4. Minute Secretary

A Minute Secretary is to attend all meetings and record proceedings.

5.5. Term of appointment

The term of appointment of any Director or non-Director of the IC shall be as determined by the Board from time to time.

5.6. Authority to attend Board meetings

The IC Chair, if not a Director, is authorised, but not required, to attend Board meetings to present a report on IC meetings and matters referred to the Board by the IC.

6. IC meetings

6.1. Frequency of meetings

The IC shall hold a minimum of four (4) meetings per year. Special meetings may be convened as required.

6.2. Decisions of the IC

The findings and recommendations reported to the Board by the IC shall be determined by consensus.

Decisions of the IC shall be made by a majority of the IC members in attendance at the meeting who are entitled to vote on the matter. Where support for any matter is not unanimous among IC members entitled to vote, , reasons why an IC member does not support the recommendations and particulars of any numbers for and against any recommendation shall be indicated in the report to the Board containing such recommendation.

Only an IC member may vote in any deliberations of the IC.

The IC is empowered to make decisions via circular resolution and can conduct meetings by teleconference or videoconference should the need arise.

Decisions via circular resolution must be 100% in favour to be approved.

6.3. Minutes to be kept

The proceedings of all meetings shall be recorded as soon as practicable after the meeting has been held and provided to the next meeting of the IC for approval.

6.4. Observers and invitees

The CEO is entitled to attend IC meetings in an ex-officio capacity. The IC may invite other persons including CLSL Executives to observe meetings of the IC and provide information to the IC. Such persons may include other members of the Board of Directors, employees, consultants, advisers and investment managers of CLSL. Other relevant service providers may also be invited to attend IC meetings from time to time.

7. Reporting

The IC is to report its findings, decisions and any recommendations to a regular meeting of the Board of Directors.

The minutes, agenda and supporting papers of each IC meeting are to be made available to any Director via the Diligent Board portal .

8. Management of Code of Conduct

CLSL's Code of Conduct always applies in respect of the operations of this Committee.

9. Terms of Reference review

The Terms of Reference for the IC shall be reviewed at least every two (2) years. All amendments must be approved by the Board.

10. References and related documents

- Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)
- CLSL Board Charter
- CLSL Competency Framework

11. Version history

Ver.	Date	Changed/Approved by	Changes made
1	Dec 2010	Board	Original.
2-9	2015-2024	Board	Annual reviews.
10	Mar 2025	Board	Minor revision to clarify that the IC is delegated power to approve benchmarks for individual investment managers and asset classes.
11	Mar 2026	Board	Minor revisions throughout for clarity and efficacy