



Plenary
Funds Management

**Investment Committee
Terms of Reference**

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1. Purpose

This Terms of Reference sets out the role, responsibilities, composition, and operation of the Investment Committee that has been established as a governing committee of Plenary Funds Management Pty Ltd (“**PFM**”).

2. Definitions

In this Terms of Reference, unless the context otherwise indicates:

Term	Definition
Board	means the Board of Directors of PFM
CEO	means Chief Executive Officer of PFM
Committee	means the Investment Committee
PFM	means Plenary Funds Management Pty Ltd, the Investment Manager of the Fund(s) or separately managed client account(s)
DoA	means the PFM Delegations of Authority, approved by the Board
Member	means member of the Committee
Trustee	means Responsible Entity or Trustee of the fund
Fund	means the funds listed in Appendix A
IAG	means the Investor Advisory Group(s) of the Fund(s) operated by PFM
IAG ToR	means the Terms of Reference of a given Investor Advisory Group

3. Authority

The Committee is appointed by the CEO, with each Investor Advisory Group required to consent to the appointment of independent members.

The CEO appoints internal and independent members of the Committee under the DoA.

Each Investor Advisory Group must consent to the appointment of an independent member of the Committee under their IAG ToR.

4. Composition and Committee Membership

4.1 Members

The CEO determines the Committee's composition and has determined that the Committee shall have four members of which two are internal members and two are independent members.

4.1.1 Appointment of internal members

Internal members must be employees of PFM and must not be representatives of Plenary Group Holdings Pty Ltd. The members must have sufficient knowledge and expertise to exercise the responsibilities required under this Terms of Reference.

The current internal members are outlined in Appendix B.

4.1.2 Appointment of independent members

Independent members can be recommended by PFM, but their appointment is subject to the consent of each IAG.

4.1.3 Alternates

An internal member of the Committee may appoint an alternate provided the alternate is an employee of PFM and is approved by the Chair of the Committee.

Independent members are not permitted to appoint alternates.

4.1.4 Term

Internal members appointed to the Committee will serve in perpetuity until they are replaced or otherwise removed from the Committee.

Independent members appointed to the Committee will serve for a one-year engagement term. Their engagement may be renewed on an annual basis, subject to IAG consent.

4.1.5 Chair

The Committee Chair is appointed by the CEO. The Committee Chair cannot be the same for both the Investment Committee and Investment Valuation Committee.

If the Committee Chair is not available, a temporary Chair will be appointed by a majority vote of the Committee.

5. Role and Responsibilities

The overall role of the Committee is to review and approve investment opportunities and provide oversight of investment risk management as part of the investment approval process and via the approval of strategies and documents addressing investment risks.

The Committee acts as a key governance mechanism in the transaction process, both in reviewing the quality of the investment as well as its alignment to the mandate and investment strategy of the fund or separately managed client account (“SMA”). It is the role of the Committee to confirm that mandate compliance and portfolio fit has been suitably addressed as part of the proposed transaction.

The Committee is responsible for overseeing investment risk management, both at the transaction stage and as part of the ongoing management of the asset. At the transaction stage, investment risks are considered by the PFM Origination team, having regard to their materiality and any proposed mitigation strategies. The Committee will then consider such matters when providing investment approvals. Outside of the transaction process, the Committee will provide oversight of ongoing investment risks through the approval of strategies and documents addressing investment risks.

6. Scope of Authority

6.1 Investment process

The Committee exercises its key responsibilities during the investment process. During this process the Committee is authorised to approve:

1. Expenditure of due diligence costs
2. A non-binding indicative offer at the pre-approval stage.
3. A binding committed offer at the formal approval stage; and
4. Material variations to the formal approval.

The Chair is authorised to approve:

1. Non-material variations to the formal approval.

All investments on behalf of PFM funds or SMAs require the Origination team, with the support and endorsement of the Portfolio Management team, to seek Committee approval. The Committee approval process is as follows.

Stage	Description	Committee Authority
Pre-approval	<p>The pre-approval stage submission will detail the opportunity and endeavour to address the following:</p> <ul style="list-style-type: none"> ▪ Asset characteristics (e.g., risks, nature of return, value drivers). ▪ Funding source (e.g., funds or separately managed account). ▪ Portfolio fit (including alignment to mandate). ▪ Indicative transaction structure. ▪ Due diligence / bid costs sought; and ▪ Any other material considerations. <p>The Origination team will be able to get initial feedback from the Committee on key issues at this stage.</p> <p>It may also be used to seek approval for an indicative offer. It serves as a gateway approval required to submit a formal approval.</p>	<p>Approve due diligence costs</p> <p>Approval to make an indicative offer</p>
Formal approval	<p>Approval to submit a final binding offer capable of acceptance is sought during the formal approval stage. The approval must be provided at least a week in advance of the offer being made. The approval is predicated on the Committee's review of a detailed investment paper compiled by the Origination team and submitted to the Committee. This paper details the investment case and all material risks associated with the investment. It will also note any key conditions precedent to the investment and the expected financial close process.</p>	<p>Approve further due diligence costs (if required)</p> <p>Approval to make a committed offer</p>
Variations to Formal Approval	<p>Material variations to the approved deal terms require approval from the Committee.</p> <p>Materiality needs to be assessed on a case-by-case basis, but would include for example:</p> <ol style="list-style-type: none"> 1. Changes to the underlying investment return profile. 2. Changes to the underlying deal structure or pricing (debt/equity composition). 3. Material changes or external shocks to the broader market environment. <p>Immaterial variations may be signed off by the Chair. These variations are to be noted at the next Committee meeting.</p>	<p>Approval of material variations to formal approval</p>
Completion	<p>A completion paper is prepared shortly after financial close confirming that all due diligence parameters and Committee approvals have been satisfied. It will include details and directory locations of all due diligence materials, final terms of the acquisition, acquisition price and appropriate executive sign offs. The Committee must be provided with the completion paper within 30 business days of transaction completion (being the date of financial close).</p>	<p>Noting completion.</p>

6.2 Investment risk management

The Committee is responsible for overseeing investment risk management, both at the transaction stage and as part of the ongoing management of the asset. In the case of the latter, the Committee will provide oversight of ongoing investment risks through the approval of strategies and documents addressing investment risks.

6.3 Limits on authority

The following third party transactions require IAG consent:

1. Sensitive transactions; and
2. Large transactions above a maximum value of A\$250m or foreign currency equivalent.

Sensitive transactions are those transactions that are deemed to be sensitive by the CEO of PFM (after consulting with the Chair) having regard to their strategic, social, or political dimensions. For example, it can include circumstances where there is likely to be a serious brand risk associated with the transaction.

7. Meetings

7.1 Frequency

The Committee shall meet at least four times per calendar year or more frequently as required, as determined by the Chair. All members are expected to attend each meeting.

7.2 Modes of meeting

A meeting may be held by members of the Committee communicating with each other by video- or teleconference. The resolutions and business arising of the Committee will be circulated at each meeting.

7.3 Secretariat support

The Committee will have a secretary.

The role of the secretary will include:

1. Arranging meetings and preparing agendas.
2. Recording decisions and actions arising from the Committee meetings (including instructing those responsible for undertaking actions).
3. Advising the Chair, Committee members and parties making submissions to the Committee of outstanding actions arising from prior meetings, matters of process, and other such relevant matters.
4. Supporting the reporting obligations of members.
5. Ensuring the PFM Board has access to a current copy of the Terms of Reference.

7.4 Other attendees

Parties making submissions to the Committee should attend the meeting to explain the submission and respond to any questions from the members.

8. Voting and Quorum

8.1 Quorum

A meeting of the Committee shall be taken to be convened if at least three members including the Committee Chair, or their alternates, are present.

The Committee Chair will ensure that a quorum is met prior to commencing the meeting.

8.2 Voting at the meeting

All members that have not declared a conflict of interest may vote on resolutions.

A unanimous vote by all members present who have not declared a conflict of interest at the meeting of the Committee is required to carry a resolution.

Alternates are permitted to vote on resolutions.

8.3 Circular resolution

A resolution may be passed via circular resolution (i.e., without a Committee meeting) if all members entitled to vote consent to the resolution and the number of members voting is sufficient to constitute a quorum.

A member may consent to a resolution by:

- a. Signing a document which states that the member is in favour of the resolution (and details the resolution); or
- b. Providing written notice to the Committee secretary stating that the member is in favour of the resolution (and detailing the resolution).

9. Committee Procedures

9.1 Minutes and records

The Committee secretary will circulate the resolutions and business arising at each of the Committee meetings. Minutes and/or decision sheets will be completed and circulated by the Committee secretary for signature.

9.2 Agenda for meetings

The Committee's meeting agenda shall consist of such items as the Chair decides and may include, but will not be limited to, the following items:

1. Conflict disclosure.
2. Relevant items for noting, including previous minutes, decisions, and business arising.
3. Transaction approvals.
4. Risk management strategy discussions; or
5. Other business.

10. Conflicts of Interest

10.1 Prioritising investor's interests

The Committee and its members are subject to the PFM Conflicts of Interest Policy. In the event any conflict of interest or duty arises, the interests of investors should be given priority and conflicts must be managed in accordance with the policy and any applicable asset class guidelines or requirements under mandates.

Members must be vigilant to:

1. Disclose to the Committee any actual, apparent and potential conflicts of interest or duty that may exist or might reasonably be thought to exist, as soon as the situation arises; and
2. If deemed desirable by the Committee, take the necessary and reasonable steps to resolve any conflict of interest or duty within an appropriate time period.

The Chair will determine whether or not members who have declared a conflict should abstain from voting on the relevant matter or be absent from the meeting.

10.2 Related Party Transactions

Related party transactions require additional consents from relevant IAGs or separately managed client accounts.

11. Review

The members of the Committee will review and approve the Terms of Reference as and when appropriate and at least once every two years.

Any change to this Terms of Reference must be approved by the Committee and noted by the PFM Board.

12. Appendix A - Funds

1. Public Sustainable Infrastructure Fund (PSIF)

13. Appendix B - Composition

13.1 Internal members

Julie-Anne Mizzi – Managing Partner and CEO (PFM)

Simon Hunter – Partner and Head of Asset Management (PFM)

13.2 Independent members

Erin Flaherty (subject to IAG consent)

Sylvia Wiggins (subject to IAG consent)