

Internal Investment Committee Terms of Reference

INTRODUCTION

The Investment department of the Teachers' Retirement Allowances Fund (TRAF) has now grown to the size that additional internal structure and authorities is desirable. Specifically, it would be both appropriate and efficient from a governance perspective to have an internal process and committee to formally review and document certain material investment-related decisions.

MANDATE

There shall be a committee, to be known as the Internal Investment Committee (Internal IC), established for the purpose of reviewing, considering and approving (or providing guidance, as appropriate), in respect of the following items:

1. any resolution that is going to be presented to the Investment Committee for approval, including, without limitation, the engagement of any investment manager;
2. any investment that is proposed to be made by the Chief Executive Officer (CEO) under Board Policy 25.0 – Delegation to the Chief Executive Officer (Investment Matters);
3. the assignment (or removal) of Watchlist status to any investment manager; and
4. such other matters as may be identified and brought forward to the Internal IC by the CEO.

For certainty, it is expressly acknowledged that the Internal IC is not intended to be a general oversight body. Rather, the scope of the Internal IC is limited to those items expressly set out in this policy. Notwithstanding, the CEO may, in their discretion, bring other matters as determined to the Internal IC for guidance, advice or approval.

COMPOSITION

The Internal IC shall consist of the following voting members:

1. the CEO;
2. the Chief Investment Officer (CIO);
3. the Chief Risk Officer (CRO); and
4. such other employees of TRAF as shall be designated by the CEO from time to time.

Each voting member of the Internal IC shall be an employee of TRAF (i.e., there shall be no external members).

The CEO shall serve as the chair of all meetings of the Internal IC.

MEETING PROCEDURES

The CEO shall convene meetings of the Internal IC as and when required. The CEO shall also set the agenda, with input from the CIO and CRO as applicable. The CIO shall be responsible for the preparation of the meeting materials. The general objective shall be to provide at least three days' notice, and to also distribute the agenda and supporting materials on a timely basis.

Quorum shall require the attendance and participation of all voting members. While it is expected to be rare, it is acceptable for a voting member (other than the CEO, CIO and CRO) who is unable to attend a meeting to review the materials and confirm their support (or not) via email prior to the meeting.

As the operation of the Internal IC is intended to be flexible, the CEO shall establish all other meeting procedures.

Recommendations to the Investment Committee to engage an investment manager shall require the unanimous consent of the voting members of the Internal IC.

All other decisions shall require majority approval, provided that the CEO and CIO shall each be in favour (i.e., the CEO and the CIO shall each have a veto right).

Other employees of TRAF may attend any or all meetings of the Internal IC upon the invitation of the CEO.

MEETING MINUTES

The CIO shall be responsible to ensure that minutes are prepared and maintained for all meetings of the Internal IC. Minutes shall generally be approved at the next meeting of the Internal IC.

Notwithstanding the inherent delay in approving minutes, any action taken at a meeting of the Internal IC shall be effective as of and from the date of the original meeting.

INTERPRETATION

To the extent there is an inconsistency between this policy and the SIP&P, the terms of the SIP&P shall prevail. Further, nothing in this policy shall override or neutralize TRAF's obligation to comply with all applicable legislation.



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