

CORPORATE POLICY MANUAL
SECTION VI – BOARD / BOARD COMMITTEES
SUBSECTION 4. BOARD COMMITTEES’ DUTIES AND RESPONSIBILITIES

6. Investments Committee

- a. Membership. The Investments Committee ("IC") shall consist of at least two Green Valley Recreation Inc. ("GVR") members in addition to the IC Chairperson who shall be a director. The IC Chairperson shall be nominated by the President with Board approval. The IC chairperson and IC members should be knowledgeable in the investment of financial assets and, to the extent practical, experienced in investment management and/or investment oversight.
- b. Responsibilities. The IC has the following specific responsibilities and duties with respect to the IAs:
 1. Make timely recommendations to the Board of Directors concerning:
 - a. The hiring, termination, and replacement of the Investment Manager and/or Investment Adviser (collectively, the "IM/IA") for each of the accounts that comprise the IAs.
 - b. The terms and wording for any contract between GVR and an IM/IA.
 - c. The specific wording and specifications for the Investment Policy Statement ("IPS") set forth in Appendix I, Subsection 3 that governs each of the accounts that comprise the IAs and any changes thereto.
 2. Perform the following ongoing functions:
 - a. Complete due diligence and evaluation of each IM/IA at the end of each quarter or more frequently if required.
 - b. Monitor the IM/IAs to confirm compliance with the applicable IPS.
 3. Make timely reports, in accordance with the IPS, to the CFO, CEO and Board of Directors of the following
 - a. A serious and meaningful violation of the IPS.
 - b. A potential replacement of an existing IM/IA.
 - c. Any update requested by the Board of Directors. an.
 4. Collaborate with the CEO/CFO concerning the following:
 - a. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform it duties.
 - b. The specific actions required by the CEO/CFO in order to bring an IM/IA back into compliance with its applicable IPS.

5. In the process of completing its duties, the IC will generate the following documents:
 - a. An IPS for each of the accounts that comprise the IAs.
 - b. An investment management contract for each IM/IA hired by GVR.
 - c. Minutes of each meeting of the IC.

Investments Committee

- a. Membership. The Investments Committee ("IC") shall consist of at least two Green Valley Recreation Inc. ("GVR") members in addition to the IC Chairperson. The IC Chairperson is appointed by the President of the Board of Directors ("Board of Directors"). The IC chairperson and IC members should be knowledgeable in the investment of financial assets and, to the extent practical, experienced in investment management and/or investment oversight.
- b. Responsibilities. ~~The responsibilities of GVR's Chief Executive Officer and Chief Financial Officer (collectively, the "CEO/CFO"), IC, and Board of Directors with respect to the GVR's Investment Accounts ("IAs") are delineated as follows:~~
 1. ~~Preamble~~
 - a) ~~The purpose of this document is to identify the specific ownerships, responsibilities, and duties of the CEO/CFO, IC, and Board of Directors with respect to the administration and management of GVR's IAs.~~
 2. ~~The IAs (as of November 2019) consist of the:~~
 - a. ~~Operating Cash Investments Account.~~
 - b. ~~Initiatives Reserve Fund.~~
 - c. ~~Maintenance Repair/Replace Reserve Fund.~~
 - d. ~~Emergency Reserve Fund.~~
 2. ~~Generalized Approach to the Assignment of Duties~~
 - a) ~~In a general sense and at the highest level, the:~~
 1. ~~CEO/CFO are responsible for delivering proactive leadership and forward looking effective management of the IAs. Such leadership and management are expected to be in full alignment with the decisions made and communicated by the Board of Directors and IC to the CEO/CFO.~~
 2. ~~IC is responsible for:~~
 3. ~~Making recommendations to the Board of Directors concerning how the IAs should be structured and managed.~~
 4. ~~Deciding what information and analysis the IC requires in order to fulfill their duties.~~
 - c. ~~Board of Directors is responsible for making decisions concerning the structure and management of the IAs. The Board of Directors will make their decisions in alignment with the full range of overarching GVR needs, objectives, and resource limitations.~~
 1. ~~Investment Committee~~
 - a) ~~The IC has the following specific ownerships, responsibilities, and duties with respect to the IAs:~~

1. Make timely recommendations to the Board of Directors concerning:
 - a. The hiring, termination, and replacement of the Investment Manager and/or Investment Adviser (collectively, the "IM/IA") for each of the accounts that comprise the IAs.
 - b. The terms and wording for any contract between GVR and an IM/IA.
 - c. The specific wording and specifications for the Investment Policy Statement ("IPS") that governs each of the accounts that comprise the IAs **and any changes thereto**.
 - ~~d. Changes to the wording and specification of any already existing IPS.~~
2. Perform the following ongoing functions:
 - a. Complete due diligence and evaluation of each IM/IA once each year, and more frequently if required.
 - b. Monitor the IM/IAs to confirm compliance with the applicable IPS.
 - ~~c. When non-compliance with the IPS is identified, issue appropriate remedial instructions to the CEO/CFO designed to eliminate said non-compliance within a time period not to exceed 60 calendar days.~~
 - ~~d. Measure and evaluate the IM/IA's actions and results, in the context of the applicable IPS, in order to determine if modifications to the relationship are warranted.~~
3. **Make timely reports** Report to the Board of Directors **of the following** if:
 - a. A **serious and meaningful violation of GVR's Investment Policy (Appendix I, Subsection 6) and/or then IPS**. is in serious and meaningful violation.
 - b. The IC is considering the possible **A potential** replacement of an already existing IM/IA.
 - c. **Any update requested by** ~~the~~ Board of Directors. requests an update from the IC.
4. ~~Communicate~~ **with** ~~to~~ the CEO/CFO concerning **the following**:
 - a. What information and analysis the CEO/CFO will provide to the IC for the purpose of enabling the IC to perform it duties. ~~This communication may specify format (paper or electronic and associated layout),~~

frequency, timeliness, and delivery mechanism (in person, telephone, or live video).

b. The specific actions **required by** the CEO/CFO are required to take in order to bring an IM/IA back into compliance with its applicable IPS.

b) When executing its duties and responsibilities, the IC will consider the full range of fiduciary investment criteria. However, the IC will place special emphasis on the following six criteria (for each of the accounts that comprise the IAs):

1. Cost.

2. Investment Time Horizon.

3. Probability or likelihood of loss when measured over the applicable rolling Investment Time Horizons.

4. Measures and metrics tracked by the IC to alert the IC that modifications to an IM/IA relationship or to its associated IPS might be warranted.

5. Sustainability and anti-fragility of a particular investment approach.

6. Continuity in investment approach over the span of years.

2. Chief Executive Officer and Chief Financial Officer

a. The CEO/CFO have the following specific ownerships, responsibilities, and duties with respect to the IAs:

1. Deliver proactive leadership and forward looking effective management of the IAs.

2. Demonstrate initiative in their ongoing daily management of the IAs.

3. Faithfully execute and implement the instructions received from the IC and Board of Directors within a timely and prudent time period.

4. Serve as the primary (and at times exclusive) point of contact and coordination with all IM/IAs.

3. Board of Directors

a. The Board of Directors has the following specific ownerships, responsibilities, and duties with respect to the IAs:

1. Based, in part, upon the recommends that the Board of Directors receives from the IC, make decisions concerning:

a. Who the IM/IA will be for each of the accounts that comprise the IAs.

b. The terms and wording of any investment management contract between an IM/IA and GVR.

- ~~c. The terms and wording of the IPS that govern each of the accounts that comprise the IAs.~~
- ~~d. Replacement of any existing IM/IA with a new IM/IA.~~
- ~~2. Oversee the CEO/CFO to confirm that their execution and implementation of IC and Board of Directors decisions concerning the IAs are consistent with the full range of overarching GVR's overarching needs and objectives.~~
- ~~3. Communicate to the IC the Board of Directors requirements and expectations concerning periodic reporting by the IC to the Board of Directors.~~

- ~~4. Associated Documents (held separately from the Corporate Policy Manual)~~
 - ~~C. a. —In the process of completing its duties, the IC will generate the following documents:
 - ~~1. An IPS for each of the accounts that comprise the IAs.~~
 - ~~2. An investment management contract for each IM/IA hired by GVR.~~
 - ~~3. Minutes of each meeting of the IC.~~~~
 - ~~b. These associated documents will be archived by both the IC and the CEO/CFO and will not be a part of (or otherwise be included within) GVR's Corporate Policy Manual.~~

~~d. Definitions and Clarifications~~

- ~~1. The following terms are used above. The following provides additional definition and/or clarifications regarding the intended meaning of these terms:
 - ~~a) Cost is defined as the direct and indirect costs (both hidden and revealed) resulting from the use of a specific investment. For example, for a daily access mutual fund these would include the internal expense ratio, trading fees, custody charges, and advisory fees.~~
 - ~~b) Investment Time Horizon is defined as the specific number of years or months that a portfolio will be invested before withdrawals are made from it. For example, a particular account might have a very short Investment Time Horizon such as one month. In such a circumstance, one would want to avoid investing in higher risk securities because with just a one month investment time period, there is no opportunity to recover from market declines. In contrast, if a different account had a very long Investment Time~~~~

Horizon such as twenty years, then one could consider holding riskier investments. In such a circumstance, with this long twenty-year time horizon, one could recover from significant market declines. The specific Investment Time Horizon for each of the accounts that comprise the IAs will be identified in the applicable Investment Policy Statement.

- c) Sustainability and anti-fragility of a particular investment approach. Not all investment approaches or investment instruments will survive or thrive over time. Some investments are as yet unproven or overly susceptible to failure during severe market declines. For example, a new embryonic mutual fund with just \$25 million of assets is highly susceptible to closure during a significant market decline. Similarly, new burgeoning securities such as cryptocurrencies and cannabis are as yet unproven and untested. It remains unclear as to the viability much less the durability of such niche areas of the marketplace. The IC is expected to consider issues of sustainability and anti-fragility as it decides what Investment Managers to hire and how to construct the associated Investment Policy Statements.
- d) Continuity in investment approach over the span of years. Every investment management approach takes time to prove itself. Moreover, the longer the associated Investment Time Horizon, the longer the time period required for the investment approach to prove itself out. Successful investing requires that approaches to investing be given the time they require to grow, mature, and bear fruit. Moreover, by its inherent structure, the IC experiences a continuous turnover of membership. This high pace of turnover presents a potential challenge. It may make it difficult for the IC to have the required patience required to give each investment approach the time it requires to mature and bear fruit. For this reason, the IC is expected to apply particular attention to issues of continuity in investment approach across an ever-changing composition of the IC membership.

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