REGISTRY OF LAWS CERTIFICATION

I certify that the *Investment Management Policy Regulation* was passed by Executive Council on:

April 1, 2011

Chief Councillor Robert Dennis Sr.

I certify that the *Investment Management Policy Regulation* is enacted as law on:

April 1, 2011

T’a’yiłt Hawilth Derek Peters

I certify that the *Investment Management Policy Regulation* came into force on:

April 1, 2011

Law Clerk Connie Waddell
INVESTMENT MANAGEMENT POLICY REGULATION

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Definitions
1 In this regulation, “Act” means the Financial Administration Act.

Application
2 This regulation applies to
   (a) the Invested Wealth Fund established under the Act,
   (b) any other fund with a legislated purpose of generating investment income, and
   (c) funds held by a settlement trust established under section 58 of the Act for the purpose of generating investment income.

Purpose
3 The purpose of this regulation is to establish a framework to ensure prudent management of funds held to generate investment income.

Duties of Finance Committee
4 (1) As required by the Act, the Finance Committee must act as, and perform the duties and fulfill the responsibilities of,
   (a) the investment committee for the Invested Wealth Fund and any other fund with a legislated purpose of generating investment income, and
   (b) the trustees of each settlement trust.
(2) The Finance Committee must
   (a) use a competitive process to engage the initial investment manager and investment custodian,
   (b) adopt an initial statement of investment policy, including a description of
      (i) fund goals,
      (ii) performance objectives,
      (iii) risk tolerance,
      (iv) target, minimum and maximum shares for defined asset classes, and
      (v) limitations on specific investments,
   after consulting with the investment manager,
(c) review the investment manager’s performance at least once each year,
(d) manage the terms of the investment manager’s and investment custodian’s engagements as required, including
   (i) amending the terms of those engagements,
   (ii) renewing those engagements,
   (iii) terminating those engagements, and
   (iv) conducting a competitive process to engage a replacement for either or both the investment manager and the investment custodian,
(e) review the statement of investment policy at least once each year, in consultation with the investment manager, and adopt changes as needed,
(f) report quarterly to Executive Council on the management of invested funds,
(g) annually prepare a report on the management of the invested funds to be included in the annual report required under the Act, and
(h) before the start of each fiscal year and whenever there is a material change in circumstances, provide the investment manager with a forecast of monthly contributions to, and disbursements from, all funds.

(3) The Finance Committee must not interfere with the investment manager’s management of investments or make decisions in respect of investments or securities selected by the investment manager.

(4) The competitive process referred to in subsection (2) (a) may be completed before Effective Date by a Finance Committee appointed by the Huu-ay-aht First Nations Chief and Council.

(5) If the competitive process is completed before Effective Date, the Finance Committee must confirm the investment manager’s engagement at its first meeting after Effective Date.

Conflict of interest

5  (1) Individuals involved in any way with investment management are subject to Part 3 of the Code of Conduct and Conflict of Interest Act.

(2) Individuals with authority to make, or ability to influence, decisions related to investment management, who are not subject to Part 3 of the Code of Conduct and Conflict of Interest Act must comply with that Act.

Duties of investment manager

6  (1) The investment manager has full investment discretion to select specific investments and securities and to buy and sell investments and securities on account of the funds he or she manages, subject to the statement of investment policy.

(2) The investment manager must
   (a) participate in annual reviews of the statement of investment policy,
   (b) communicate and co-operate with the Finance Committee to fulfill its responsibilities,
(c) present annual reviews of investment performance to the Finance Committee including matters required under the statement of investment policy,
(d) provide the Finance Committee, at a minimum, with
   (i) quarterly written reports, and
   (ii) annual in-person reports
   in accordance with the statement of investment policy,
(e) provide the necessary statistical information for the Finance Committee to review the statement of investment policy and the investment manager’s performance, and
(f) identify provisions in the statement of investment policy that may need to be revised due to new investment strategies or changes in capital markets.

**Duties of investment custodian**

7 The investment custodian must
   (a) perform the regular custodial duties required by law,
   (b) perform the custodial duties required under agreements entered into with the Finance Committee,
   (c) provide the Finance Committee with
       (i) a copy of his or her annual credit rating report, and
       (ii) prompt written advice of any changes to that credit rating report,
   (d) communicate and co-operate with the Finance Committee to fulfill its responsibilities, and
   (e) provide the Finance Committee with monthly portfolio statements of all assets of funds managed by the investment manager and all transactions carried out during the month.