



<b>Policy Name:</b> ESMF Investment Committee Terms of Reference	<b>Policy Number:</b> BD012
<b>Original Date of Approval:</b> September 2018	<b>Policy Type:</b> Board
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### General Provisions

1. With respect to each committee, the Board of Directors shall:
  - a. Establish the terms of reference and life span;
  - b. Establish a budget and resources required;
  - c. Appoint an individual annually to chair the committee;
  - d. Appoint such other members annually as may be appropriate; and
  - e. To be considered for appointment, an individual other than a member of the Board must express interest, and if selected, commit to be bound by ESIO Policies.
2. A committee continues until the Board of Directors determines that it is no longer required.
3. The general purpose of each committee is to assist the Board of Directors in governing the ESIO by providing recommendations to the Board on any matter within the committee's terms of reference.
4. The Board will establish annual priorities for each committee including topics or issues within the committee's terms of reference for which the Board requires focused attention during the year. The committee will prepare an operational plan to fulfill its mandate and will present the plan ~~for~~ to the Board for approval.
5. The Chair of the Board of Directors is an ex officio member of each committee.

### Scope and Role of the Committee

1. The Committee works in an advisory capacity to the Directors of the ESIO, reviewing recommendations from ESIO Management, making recommendations and motions regarding policies, procedures, loans and investments for review by the ESIO Board.
2. The role of the Investment Committee is to provide advice and risk assessment based on members' expertise and experience (recognizing that not all members are expected to have an

opinion on every proposal). Members are asked to reflect, advise and make recommendations based on their appraisal of the quality of the proposals, the capacity of the management teams, the market potential of the project or venture and the reasonableness of the financial information and revenue projections.

3. Specifically, the Committee is asked to provide advice to the Directors of the ESIO in three main areas:
  - a. Assessing the risk and the risk management approach of a proposal, the proposed structure of the investment, security/collateral requirements and any other factors relevant to the potential risk of the investment;
  - b. The nature of the economic impact of the project or venture, including the importance and value of its impact to the City of Edmonton and the Edmonton screen media industries; and
  - c. Potential policy issues relating to the ESIO and the ESMF and their activities.

### **Membership**

1. The Committee will be comprised of up to seven (7) appointed members as follows:
  - a. Three (3) Board members, one of whom will be appointed as the Chair; and
  - b. Four (4) additional members.
2. The ESIO Board of Directors will establish the criteria for membership, ensuring there's a range of experience possessed by Committee members that may include the following:
  - a. Business start-up and scaling, including financing, sales, market development or human resources;
  - b. An understanding of screen-based enterprises;
  - c. An understanding of markets and customers;
  - d. Experience with the innovation and technology ecosystem;
  - e. Experience with venture capital or angel investor funds;
  - f. Business management experience.
3. Appointment terms:
  - a. Board members – One (1) year term, appointed annually
  - b. External members – One (1) year term, appointed annually
4. The term of office of the Chair and members appointed to the Committee shall commence January 1 each year and expire December 31 of that year.
5. Committee members shall:
  - a. Participate in the meetings of the Committee;
  - b. Represent the views and safeguard the interests of the ESIO;
  - c. Communicate with the ESIO Board regarding matters under consideration by the Committee, and
  - d. Exercise the same care, skill and diligence as a prudent person carrying out his/her duties.
  - e. Declare any potential conflicts of interest (real or perceived) for investments under discussion at the beginning of every meeting.

6. A member of the Committee ceases to be a member if that individual misses three consecutive meetings, unless they are authorized by the Chair of the ESMF Investment Committee to do so.
7. The individual appointed to chair the Committee shall be a member of the Board of Directors.
8. The Chair of the Committee shall:
  - a. Report regularly to the Board on the activities of the Committee, provide recommendations to the Board and ensure the recording of the minutes of the committee; and
  - b. Liaise with any Board member or volunteer who is assigned related responsibilities.
9. The Committee may select one of its members as Vice-Chair.
10. The Committee is expected to obtain advice and support from professional advisors as and when needed, commensurate with its objectives and available resources. If the ESIO Directors feel the need for other expertise to be brought to bear on any matter, they are free to seek this input.

### **Meetings**

1. The business opportunities and challenges to which ESIO is responding (in partnership with clients/stakeholders) are usually of a time sensitive nature. It is important that the ESIO be in a position to respond in a timely way if its investments are to be truly valuable to clients/stakeholders and to the sector. This is not to suggest undue haste, but that the ESIO staff, Committee members and Directors must be willing to work within a responsive timeframe, where possible.
2. Meetings will be held when ESIO staff have completed assessments and summary documents and believe, in consultation with the Committee Chair, that there are sufficient proposals to merit a meeting of the Investment Committee. Consideration will be given to making best use of the valuable time of Committee members by having multiple proposals ready for review at each meeting, whenever possible.
3. Additional meetings may be held as deemed necessary by the Chair of the Committee or if requested by any ESMF Investment Committee member.
4. Meetings of the Committee are to be conducted via the most efficient means (conference calls, video conferencing or in-person based on the meeting agenda). Members may be asked to review materials, provide feedback and/or vote on recommendations via email.
5. Where possible, it is assumed the Committee will work by consensus. However, consensus is not required, and Committee members are free to provide dissenting opinions to the Directors.
6. The Committee may hold in camera meetings as required.

7. If a matter arises in the Committee meeting which also falls within the responsibility of another committee, the Chair will ensure that the other committee is informed and can provide its input before a recommendation is made to the Board.

If there is an urgency which makes it impossible to have the matter discussed at a meeting of the other committee, the Chair will determine how the information will be provided and how the input will be gathered.