

The Organ Historical Trust of Australia

The OHTA Foundation Fund RULES

Adopted / / 2017

The Council of OHTA resolves to establish, under its constitution, a fund to be known as The OHTA Foundation Fund, to operate under the following procedures:

Section 1. Purposes, Governance and Powers.

The primary purposes of The OHTA Foundation Fund are:

- (a) To provide income for furthering the aims of OHTA;
- (b) To preserve the Principal of all donations and bequests to the Foundation Fund;
- (c) To foster long-term growth of the Principal through sound investment strategies.

The governance of the Foundation Fund is vested in the Council of OHTA, acting with due regard to the advice of an Advisory Board (“Advisory Board”) which will assist the Council of OHTA in making decisions about the Foundation Fund and which will be expected to take expert independent advice as referred to below.

Section 2. Advisory Board: Organisation, Qualification and Selection.

The Advisory Board shall consist of the Chair of OHTA (or his or her nominee) who will serve as Chair of the Advisory Board, the Treasurer of OHTA, and three Advisors. The OHTA Council shall appoint as Advisors responsible individuals appropriate to assisting the Council of OHTA in making decisions about the Foundation Fund. The Advisors shall be appointed by the OHTA Council, each for a term of three (3) years, except that in the cases of the first Advisors one shall be appointed for an initial term of one (1) year, one for an initial term of two (2) years, and one for an initial term of three (3) years. The Chair or nominee and the Treasurer of OHTA shall be members of the Advisory Board *ex officio* but shall not be eligible to vote. All Advisors shall act in an honorary capacity, and each

shall serve until his or her term expires, or until his or her earlier death, resignation or removal. An Advisor whose term expires is eligible for reappointment for a further term. Any Advisor may be removed from office by a majority vote of the OHTA Council. Each Advisor shall be a resident of Australia. In the case of vacancies, the Council may appoint new Advisors. There shall be no limitation on the successive terms of an Advisor.

A member of the Advisory Board Advisor shall not own stock, shares of any business, nor hold a position as an officer, director, trustee, partner, employee, or the like, nor hold any position of management of any bank, brokerage house, trust company, or other depository institution in which Foundation Fund assets are invested, provided, however, that a member of the Advisory Board shall not be prohibited from owning securities of any class of publicly traded entity, if such securities represent less than two percent (2%) of the outstanding amount of such class of securities on issue. Not fewer than two (2) Advisors shall be members of OHTA. No more than two (2) Advisors shall be a members of the OHTA Council.

Each new Advisor shall be appointed by majority vote of the Council at the scheduled meeting of the Council immediately prior to the close of an Advisor's term. Other than with regard to the initial Advisors, each Advisor shall hold office for three (3) years.

In the event of an Advisor being replaced before completing the full term of office, the replacement Advisor shall be appointed initially for the remainder of the previous Advisor's term.

Section 3. Responsibility of Advisory Board. The Council of OHTA shall cause to be established a specific section of the Trust's funds for the purpose of The OHTA Foundation Fund. The Advisory Board is charged first and foremost with giving timely advice to the Council of OHTA (with the benefit of independent professional advice which should be sourced on the basis that it will be given with regular recurrence and also when the professional advisor or the Advisory Board recognises an immediate need) for the preservation of Principal, and shall utilise sound financial discretion in recommending allocation of such Principal to investments.

The Advisory Board shall meet in person or by electronic means as frequently as is appropriate to the proper discharge of its functions (including advising the Council of OHTA prior to its Council meetings), but at least half yearly, one of the meetings being timed to accommodate

approval for presentation to the Treasurer of the annual review and budget or forecast referred to in Section 6.

Section 4. Definition of Principal and Income and Disposition of Annual Income.

The term “Principal” as used in these Rules means any realty or personalty which has been set aside by the Council so that it and any substitutions for it are to remain in trust indefinitely, including but not limited to, the initial contributions of donors to the Foundation Fund, plus additional contributions received from donors from time to time, plus any income reinvested as Principal in any given year. The term “Income” as used in these Rules means the return derived from Principal.

The Income generated by Foundation Fund assets shall be allocated having regard to the recommendations of by the Advisory Board annually as follows:

- (a) Thirty percent (30%) shall be reinvested and added to Principal;
- (b) No more than ten percent (10%) may be used for the reasonable annual operating expenses of the Foundation Fund; and
- (c) At least sixty percent (60%) shall be remitted to the OHTA Council for use at the discretion of the Council.

In the event that the reasonable annual operating expenses of the Foundation Fund (including independent professional consulting fees) exceed ten percent (10%) of the annual income in a given year, the OHTA Council shall consider subsidising its operating expenses from other funds. Any income not allocated in a given year may be added to Principal or remitted to the OHTA Council for use at its discretion.

Section 5. Withdrawals of Principal. The affirmative vote of three-quarters of the financial members of OHTA shall be required to authorise an expenditure of Principal from the Foundation Fund. Such voting shall be conducted by poll. The call for votes shall at a minimum indicate the amount of Principal currently invested in the Foundation Fund, the amount of expenditure to be voted upon, and the date by which votes must be received.

Section 6. Reports of Operations. The Treasurer shall prepare and deliver a report of the holdings, asset allocation, income, and expenditures of the Foundation Fund to the OHTA Council at least annually and in time

for incorporation of that report in the annual financial statements of OHTA. The Advisory Board shall prepare, or cause to be prepared, an annual review and budget or forecast for presentation to the Treasurer, and approval by the OHTA Council.

Section 7. Limitation of Personal Liability of Advisory Board Members. The personal liability of the members of the Advisory Board shall be limited to the fullest extent permitted by law, and the members of the Advisory Board shall be indemnified by OHTA to the fullest extent permitted by law.

Section 8. Amendments to these Rules. These Rules cannot be changed except by affirmative vote of three-quarters of the financial members of OHTA. The voting will be conducted by poll.

Approved by OHTA Council, [DATE]

Signed(Chair)

Signed(Secretary)