

Schedule 2 - Joint Governance Principles and Governance Framework

Item 1 – Joint Governance Principles

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Joint Governance Principles

16/12/2019

The Joint Governance Principles were developed by the parties in partnership to agree on how best to support the Yamatji Nation's desire for self-determination through a set of best practice governance principles to empower Yamatji Entities to succeed and prosper. The Governance Principles provide the guidance for the Yamatji Nation to make changes to the governance structure as the Yamatji Entities develop.

1. Yamatji Nation Vision
<ul style="list-style-type: none"> (a) Design the Governance Structure to support and promote self-determination of the Yamatji Nation coming together as one community. (b) Encourage, facilitate and support capacity building within the Yamatji Nation and through the Governance Structure from the first day of the settlement and beyond. (c) Transition to a full Yamatji Nation-controlled Governance Structure by the end of the State Contribution Period, starting that transition from the first day. (d) Recognise that time, effort and experience is needed to build a Yamatji Nation-wide vision internal governance and leadership capacity that is critical to a full Yamatji Nation-controlled Governance Structure. (e) Undertake a transparent and accountable Yamatji Nation consultation process to establish and approve the Governance Structure.
2. Cultural Governance
<ul style="list-style-type: none"> (a) Recognise, respect and provide for a cultural governance framework that facilitates self-governance, self-determination and self-development, with a structure akin to traditional ways of decision-making, negotiation and problem solving. (b) Provide for a Cultural Authority to be established by terms of reference which: <ul style="list-style-type: none"> (i) ensures that the Cultural Authority consists of Yamatji Nation representatives whom are descendants of apical ancestors with a traditional connection to the ILUA agreement area; (ii) is designed and developed by and for the Yamatji Nation in accordance with traditional laws and customs; (iii) consults with the Yamatji Nation and informs the Yamatji Entities on cultural decisions; and

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<ul style="list-style-type: none"> (iv) provides for four of its members to be the Executive of the Cultural Authority, and to be the primary point of contact for Yamatji Entities when the Cultural Authority needs to make a cultural decision. (c) A cultural decision of the Cultural Authority is a decision that will materially affect land or waters within the ILUA agreement area or materially impact the rights of the Yamatji Nation under traditional law and custom.
<h3>3. Best Practice Governance</h3>
<ul style="list-style-type: none"> (a) Reflect current best practice governance standards for Aboriginal organisations by incorporating: <ul style="list-style-type: none"> (i) an appropriate cultural advice policy that informs corporate decision making; and (ii) culturally appropriate communication, planning and reporting processes. (b) Each Board must include an appropriate mix of all of the following: <ul style="list-style-type: none"> (i) Directors who are Yamatji Nation representatives; (ii) Expert directors who are Yamatji Nation People; and (i) Expert directors who are independent. (c) All directors must have the right background, skills and experience and will be elected or appointed following a robust, fair and open selection process. (d) Reflect current best practice governance standards in mainstream community-controlled corporations and multi-generational trust structures. (e) Ensure that best practice governance rules, with checks and balances, always remain in all trust deeds, rulebooks and constitutions to ensure accountability to the Yamatji Nation.
<h3>4. Corporate Entities</h3>
<p>The corporate entities in the governance structure will comprise four key Yamatji Entities, each with specific roles to fulfil for the Yamatji Nation:</p> <ul style="list-style-type: none"> (a) One central Regional Entity that represents the Yamatji Nation whose role in the structure is to: <ul style="list-style-type: none"> (i) be the representative of the Yamatji Nation to which all Yamatji Nation People are entitled to become members; (ii) be the parent entity in the Governance Structure and to set the Yamatji Nation's strategic plan;

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- (iii) ensure compliance with the ILUA; and
 - (iv) undertake management activities in respect of managed reserves and conservation estate.
- (b) One **Aboriginal Corporation** incorporated under the *Corporations (Aboriginal and Torres Strait Islander Act) 2006* (Cth) whose role in the structure is to:
- (i) hold jointly vested land in accordance with the *Conservation and Land Management Act 1984* (WA);
 - (ii) be the prescribed body corporate (PBC), holding native title rights and interests; and
 - (iii) be the management body in respect of management orders under the *Land Administration Act 1997* (WA).
- (c) One **Economic Arm** whose role in the Governance Structure is to:
- (i) grow the economic, land and financial assets, and build the wealth, of the Yamatji Nation;
 - (ii) support and develop businesses owned by the Yamatji Nation; and
 - (iii) create employment and business opportunities for Yamatji Nation People.
- (d) One **Yamatji Trustee** Company whose role in the Governance Structure is to:
- (i) be the Joint Trustee (together with Licensed Trustee Company during the State Contribution Period) to hold and manage cash, non-cash benefits and land assets for future generations; and
 - (ii) from the first day of the settlement, build internal capacity to become the Sole Yamatji Trustee after the State Contribution Period.
- (e) The Yamatji Nation's broader aspirations, beyond the settlement package, may need additional entities which must:
- (i) not be funded from the Administration Fund; and
 - (ii) be designed and delivered in a manner that does not jeopardise the Governance Structure or the delivery of the Core Functions.

5. Yamatji Nation Trust

- (a) The Yamatji Trustee and Licensed Trustee will operate as joint trustees. From the first day of the settlement, the Joint Trustees will build the capacity of the Yamatji Trustee so it can transition to be the Sole Yamatji Trustee.

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- (b) Other than the corporate headquarters and management orders, the settlement assets will be held and managed within one charitable trust with various sub funds, each having clear rules for how the sub fund will operate.
- (c) The Joint Trustee will determine how the settlement funds will be allocated as between the sub funds provided that by the end of the State Contribution Period, the percentage allocations are:
 - (i) 15 percent: Administration Fund;
 - (ii) 60 percent: Future Fund;
 - (iii) 20 percent: Economic Development Fund; and
 - (iv) 5 percent: Land Fund for land holding costs.
- (d) There must be a sub fund called the General Fund which is to support the Yamatji Nation.
- (e) The land in the Land Fund will be allocated as either Development Land or Cultural Land and there must be appropriate agreed mechanisms for making decisions around how the land estate is managed and used.
- (f) Distributions of funding are only to the entities in the Governance Structure. No individual payments are to be permitted to Yamatji Nation People.
- (g) The Economic Arm will decide how the Economic Development Fund is used to advance self-determination within the Yamatji Nation, subject to following the good governance processes in the Trust Deed.
- (h) In administering the Economic Development Fund, the Joint Trustees' role is limited to governance, compliance, and administrative and not substantive decision making regarding the commercial merits of a development project.
- (i) Having regard to the long term capacity of the Trust to pursue the Trust Purpose and support the intergenerational aspirations of the Yamatji Nation, the Joint Trustees must manage risk and exposure of the Economic Development Fund and Land Fund through only making available a proportion of the assets for distribution in any 3 year period.
- (j) Select the Licensed Trustee through a robust and formal tender process, jointly conducted by the Yamatji Nation and the State.

6. Financial Sustainability

- (a) Strive to make the Governance Structure as cost effective as possible and manage costs through:
 - (i) collaborative action within the Governance Structure;

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<ul style="list-style-type: none"> (ii) avoiding duplication; and (iii) designing and implementing effective systems. <p>(b) Provide administration funding to Yamatji Entities during the State Contribution Period to facilitate the Yamatji Entities to perform their roles (as set out in clause 4 above) and deliver their core functions which include:</p> <ul style="list-style-type: none"> (i) remaining operational, functional and capable of making governance decisions in each key legal entity; (ii) complying with contractual obligations to the State under the ILUA; and (iii) engaging with the State, Federal and Local Government agencies and other third parties on matters of importance to the Yamatji Nation, <p>(“Core Functions”).</p> <p>(c) Invest the Future Fund in a way that ensures financial security for the Core Functions of the Governance Structure in perpetuity.</p> <p>(d) The majority of trust funds are to be preserved by the trust, to be invested and grow.</p>
<p>7. Settlement Requirements</p>
<ul style="list-style-type: none"> (a) The primary objective of the Governance Structure is to hold and manage the benefits from the settlement package, to deliver the Core Functions and fulfil obligations under the ILUA. (b) The Regional Entity will be responsible for fulfilling the contractual obligations under the ILUA, on behalf of the Yamatji Nation and engaging with State agencies in connection with the ILUA.
<p>8. Relationship with the State</p>
<ul style="list-style-type: none"> (a) Both parties agree to support the implementation and ongoing compliance with the Joint Governance Principles, and the Governance Framework and will manage communications through the Government Partnership Committee, and the Implementation Committee which is facilitated through the Government Partnership Committee. (b) The initial Governance Structure which includes constitutions, rulebooks and trust deeds is subject to the mutual consent of the Yamatji Nation and the State. (c) The Yamatji Nation may change the Joint Governance Principles provided that it receives: <ul style="list-style-type: none"> (i) the State’s consent during the State Contribution Period; or

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- (ii) the PBC's consent (as if it were a Native Title Decision) after the State Contribution Period.
- (d) Opportunities may arise for entities in the Governance Structure to engage with State agencies regarding Indigenous procurement, and economic growth and development and the State will assist to facilitate such relationships in support of the principles of the ILUA.

Schedule 2 - Joint Governance Principles and Governance Framework

Item 2 - Governance Framework

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Yamatji Nation Governance Structure
The Governance Framework

16 December 2019

Core Structure Components	
#	Description
1.	Joint Governance Principles
	<p>The Joint Governance Principles contains the best practice principles which will support and empower the Governance Structure to succeed and prosper.</p> <p>Each entity within the Governance Structure must at all times comply with the Joint Governance Principles.</p>
2.	Separation of Roles
	<p>Each entity within the Governance Structure must perform its role as set out in the Joint Governance Principles.</p> <p>An entity cannot perform the role of any other entity within the Governance Structure.</p> <p>The Governance Structure must be comprised of, at a minimum:</p> <ul style="list-style-type: none"> • a Regional Entity; • an Aboriginal Corporation; • an Economic Arm; • a Yamatji Trustee; • a Charitable Trust; and • a Cultural Authority.
3.	Entity Type
	<ul style="list-style-type: none"> • The Regional Entity, the Economic Arm and the Yamatji Trustee must be public companies limited by guarantee. • The Aboriginal Corporation must be an Aboriginal corporation, incorporated under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> (Cth). • The Charitable Trust must be a charitable trust in accordance with the <i>Trustees Act 1962</i> (WA) and the <i>Charitable Trusts Act 1962</i> (WA). • The Cultural Authority must be an unincorporated committee established by the Regional Entity and governed by a terms of reference.
4.	Registrations – Not-for-Profit and
	<p>Each entity must conduct its activities on a not-for-profit basis (i.e. not to generate profit or private gain for members).</p>

Core Structure Components	
#	Description
	<p style="text-align: center;">Governance Framework Requirements</p> <p>Each entity (other than the Cultural Authority) must:</p> <ul style="list-style-type: none"> • maintain endorsement as a registered charity with the Australian Charities and Not-for-profits Commission; • have an Australian Business Number; and • be registered for GST with the Australian Taxation Office.
5.	<p>Winding Up</p> <p>Each entity's constituent document must contain a winding up clause that:</p> <ul style="list-style-type: none"> • complies with any requirements contained in the Yamatiji Nation Indigenous Land Use Agreement; and • is consistent with any legal requirements necessary to maintain the entity's endorsement as a registered charity.
6.	<p>Core Functions and Objects</p> <p>Each entity's objects must reflect the role and Core Functions of the entity as specified in the Joint Governance Principles. The constituent document for each entity must ensure that it is able to perform its Core Functions. Each entity may undertake additional activities provided that these align with the entity's objects and do not prevent the entity from performing its Core Functions. Activities undertaken by an entity that are not Core Functions may be funded by:</p> <ul style="list-style-type: none"> • pre-identified areas of the settlement package; • third parties; or • the entity itself.
7.	<p>Management</p> <p>Each entity must appoint one person who is the most senior employee of each entity (i.e CEO, General Manager or other position), and must be selected by the relevant entity's board from a list of appropriately qualified and eligible candidates, as identified by the Nominations Committee.</p>
8.	<p>Group Charter</p> <p>The Regional Entity must prepare, maintain and act in accordance with a group charter that:</p> <ul style="list-style-type: none"> • clarifies the roles, responsibilities and reporting obligations of the entities; • provides for a group strategic plan for each three year period specifying the long-term goals of the group and each entity; • includes a code of conduct that is consistent with best practice governance standards; and • sets out a process to manage disputes that arise between entities within the Governance Structure. <p>Each entity must adopt and act in accordance with the group charter.</p>

Core Structure Components	
Governance Framework Requirements	
#	Description
9.	<p>Common Operational Platform</p> <p>The Regional Entity must develop a Common Operational Platform that is designed to provide back office support across the Governance Structure. The aim of the Common Operational Platform is to avoid duplication, limit costs and improve efficiency. Examples of what may be included in the Common Operational Platform include accounting systems, IT systems, HR support and arrangements with third party service providers.</p> <p>Each entity must commit to utilising, as far as practicable, the Common Operational Platform.</p>
10.	<p>Entity Plans</p> <p>Each Yamatiji Entity must implement a suitable process for the development of appropriate plans that address:</p> <ul style="list-style-type: none"> • long term objectives (horizon plan); • three year strategic goals (strategic plan); and • short term activities of the entity (annual plan).
11.	<p>Service Providers</p> <p>Service Providers must only be engaged following a selection process that is fair, robust, transparent and appropriate, having regard to the value of services to be provided.</p>
12.	<p>Provision of Information</p> <p>Each entity must make its reports, plans, budgets, audits and governance documents available to each entity in the Governance Structure (and the State, during the State Contribution Period).</p>
13.	<p>Dispute Resolution</p> <p>An entity must have a dispute resolution mechanism that allows for disputes to be resolved in a fair, timely, cost effective and efficient manner.</p>
14.	<p>Modifying Documents</p> <p>The Governance Structure and constituent documents must only be amended in accordance with the ILUA.</p>
15.	<p>Governance Structure Review</p> <p>An independent qualified consultant, as selected by the Regional Entity, must undertake a review of the Governance Structure once every five years (Review), to report on:</p> <ul style="list-style-type: none"> • the success to date of the Governance Structure meeting its strategic goals; and • recommendations to improve the operation of the Governance Structure. <p>The consultant must engage with each entity in the Governance Structure (and the State, during the State Contribution Period) to facilitate the Review process and prepare recommendations.</p> <p>The Regional Entity, in consultation with the other entities (and the State, during the State Contribution Period), will consider the recommendations and determine which recommendations will be adopted.</p>

Cultural Authority Terms of Reference	
#	Description
Governance Framework Requirements	
1.	<p>Terms of Reference</p> <p>The Cultural Authority is established and facilitated by the Regional Entity. The first Terms of Reference must be developed by the Board of the Regional Entity.</p> <p>The Terms of Reference must make provision for the relationship between the Cultural Authority and:</p> <ul style="list-style-type: none"> • the Joint Management Body in respect of the Yamatji Conservation Estate; • the Management Body in respect of managed reserves in the Yamatji Land Estate; and • the Aboriginal Corporation in respect of decisions relating to native title. <p>The Cultural Authority may amend the Terms of Reference, provided that the amendments are approved by the Board of the Regional Entity (such approval must not be unreasonably withheld).</p>

Regional Entity Constitution	
#	Description
Governance Framework Requirements	
1.	<p>Initial Membership</p> <p>The initial directors of the Regional Entity shall be the initial members at the time of incorporation.</p> <p>The Regional Entity Initial Board will process applications for membership following incorporation.</p> <p>The Regional Entity will convene the first general meeting at such time that the Regional Entity and the YNSRA Coordination Working Group determine appropriate.</p>
2.	<p>Membership</p> <p>The Board (including the Initial Board) must determine if a person is eligible for membership, having regard to whether they are a Yamatji Nation person under the terms of the native title determination.</p> <p>The Board must not unreasonably refuse an application for membership received from an individual who is an adult Yamatji Nation person, provided that:</p> <ul style="list-style-type: none"> • the individual has not been previously removed as a member of the Regional Entity in accordance with the Constitution; or • where the individual has been previously removed as a member, the members of the Regional Entity endorse the application by special resolution in a general meeting. <p>There must be an appeal process for applicants in the event that the Board refuses to accept their membership application.</p>

Regional Entity Constitution	
Governance Framework Requirements	
#	Description
	<p>There must be a mechanism for the Board to cancel a person's membership on the basis that their behaviour is contrary to the best interests of the Regional Entity.</p> <p>The Regional Entity may have an associate class of non-voting members, provided that the eligibility and rights of associate members are approved by the voting members by special resolution.</p>
3.	<p>Initial Board</p> <p>The Board on incorporation (Initial Board) will only hold office until the first general meeting of the Regional Entity. The Initial Board will comprise the members of the Traditional Owner Negotiating Team, that are eligible and willing to fulfil the interim role, as selected and endorsed by the Yamatji Nation.</p> <p>The Initial Board will have a very limited function, being:</p> <ul style="list-style-type: none"> • approving membership applications; • calling the first general meeting; • attending to routine technical administrative matters necessary for the establishment of the Regional Entity; • executing the ILUA once authorised by Yamatji Nation; and • otherwise only acting in an emergency. <p>The first general meeting shall be held at such time that the Regional Entity and the YNSRA Coordination Working Group determine appropriate, so that the Regional Entity members can elect Yamatji directors. For continuity, five members of the Initial Board will continue as directors until the second annual general meeting to ensure that the board has a good understanding of the Governance Structure and the settlement negotiations.</p> <p>The elected directors will, at their first board meeting, appoint two independent expert directors.</p>
4.	<p>Directors</p> <p>The Regional Entity Board must:</p> <ul style="list-style-type: none"> • be a reasonable size having regard to the functions and operations of the Regional Entity, the logistics of holding Board meetings and the operating budget of the Regional Entity; and • comprise: <ul style="list-style-type: none"> • 50% Yamatji Nation representative directors; and • 50% expert directors, with skills appropriate for the Regional Entity, which must include at least two independent expert directors. <p>There must be minimum eligibility requirements for directors that are appropriate having regard to the:</p>

Regional Entity Constitution

Governance Framework Requirements

#	Description
	<ul style="list-style-type: none"> • purpose and functions of the Regional Entity; and • other positions in the Governance Structure that a director may hold. <p>There must be a Nominations Committee that must confirm that all candidates meet the eligibility criteria. Yamatiji Nation representative directors must be members and be elected by Regional Entity members at a general meeting. Yamatiji Nation expert directors must be members and be elected by the Regional Entity members at a general meeting. Independent expert directors must be appointed by the Regional Entity Board.</p>
5.	<p>Prohibited Activities</p> <p>The Regional Entity must not undertake commercial activities, other than those that that directly further the Regional Entity's charitable purposes.</p>

Trust Deed

Governance Framework Requirements

#	Description
1.	<p>Trust Purpose</p> <p>The purpose of the Trust is to hold, invest, or otherwise apply the Trust fund exclusively for the benefit of one or more of the entities (and any registered charity that is approved by the Regional Entity) to promote and advance current and future generations of the Yamatiji Nation, and in a manner that is charitable at law, as the trustees decide, in accordance with the terms of the Trust Deed.</p>
2.	<p>Beneficiaries</p> <p>The beneficiaries of the Trust must only be the Regional Entity, the Economic Arm, the Yamatiji Trustee and the ORIC Entity. The Trust must not make distributions or payments to individuals.</p>
3.	<p>Appointment and Removal of Trustee</p> <p>Other than the first Trustees, a Trustee must be appointed by the Appointors acting jointly. A Trustee may be removed by the Appointors. The Appointors must consult with the existing Trustee and the Regional Entity Board before appointing or removing a Trustee. The Appointors must be:</p> <ul style="list-style-type: none"> • a person appointed by the State; and • a person appointed by the Regional Entity Board by special resolution.

Trust Deed	
Governance Framework Requirements	
#	Description
	<p>The Trust Deed must contain a process that allows the Appointors to investigate potential breaches of the Trust Deed, the Joint Governance Principles or the Governance Framework.</p>
4.	<p>Joint Trustee Requirements and Relationship</p> <p>During the first ten years of the State Contribution Period, there must be two trustees of the Trust acting jointly being:</p> <ul style="list-style-type: none"> • the Yamatiji Trustee; and • a licensed trustee company. <p>The Joint Trustees' decisions must be unanimous.</p> <p>Where the Joint Trustees are unable to agree:</p> <ul style="list-style-type: none"> • if the licensed trustee has determined that the decision would not be compliant with the Trust Deed, the law or the ILUA, then the licensed trustee's determination applies; and • in all other cases, the Joint Trustees must resolve the matter using the dispute resolution process contained in the Trust Deed.
5.	<p>Licensed Trustee Requirements</p> <p>The licensed trustee company must at all times be an organisation that:</p> <ul style="list-style-type: none"> • is a "trustee company" as that term is defined in section 601RAB of the <i>Corporations Act 2001</i> (Cth) (Corporations Act); • holds a current relevant Australian Financial Services Licence: <ul style="list-style-type: none"> • authorising the provision of "traditional trustee company services" as defined in section 601RAA of the <i>Corporations Act</i>; and • with appropriate authorisations as required to permit it to carry out functions under the Trust Deed; and • has at least 5 years' experience in carrying out the functions and providing the services similar to those required of charitable trusts managing native title trusts in Australia.
6.	<p>Sole Yamatiji Trustee Requirements</p> <p>Where there is a Sole Yamatiji Trustee, the trustee must at all times:</p> <ul style="list-style-type: none"> • have an appropriately qualified chief executive officer; • be operating in accordance with an appropriate governance structure which includes: <ul style="list-style-type: none"> • a delegations of authority policy; • operational policies and procedures; and • an organisational chart;

Trust Deed	
#	Description
	<p style="background-color: #002060; color: white; padding: 5px;">Governance Framework Requirements</p> <ul style="list-style-type: none"> • have an appropriate accounting system in place; • have engaged an appropriately qualified accountant, auditor and lawyer; • be operating from a functioning office with all necessary infrastructure and equipment in place; • have recruited and retained sufficient administrative staff having regard to the functions and operations of the Sole Yamatiji Trustee; • have appropriate employment contracts in place for all staff; and • have appointed a custodian trustee.
7.	<p>Transition to Sole Yamatiji Trustee</p> <p>The licensed trustee has a positive obligation to support the Yamatiji Trustee from the first day of the Trust to transition to a Sole Yamatiji Trustee.</p> <p>Where the Yamatiji Trustee seeks appointment as the Sole Yamatiji Trustee, it may only be appointed where it has undertaken the Transition Process for at least two years.</p> <p>The Formal Handover Process for the Yamatiji Trustee to become a Sole Yamatiji Trustee must include:</p> <ul style="list-style-type: none"> • developing and implementing a handover plan for the Yamatiji Trustee to become Sole Yamatiji Trustee; • selecting a Custodian Trustee to be appointed once there is a Sole Yamatiji Trustee; • ensuring that the Yamatiji Trustee: <ul style="list-style-type: none"> • has staff and directors with the appropriate skills, expertise and capacity to become the Sole Yamatiji Trustee, including an appropriately qualified chief executive officer; • has appropriate operational policies and procedures in place; • has appropriate employment contracts for all staff; • is operating from a functioning office with all necessary infrastructure and equipment in place; and • has engaged an appropriately qualified accountant, auditor and lawyer; • ensuring that the tasks, actions and directions provided by the licensed trustee are clearly documented in the handover of the Yamatiji Trustee; and • where the Formal Handover occurs during the State Contribution Period, obtaining the State's consent to the Yamatiji Trustee becoming the Sole Yamatiji Trustee. <p>Where there is a Sole Yamatiji Trustee, a licensed trustee company must be appointed as Custodian Trustee to:</p>

Trust Deed	
#	Description
	<p style="text-align: center;">Governance Framework Requirements</p> <ul style="list-style-type: none"> • hold the legal title to the assets of the Trust that are not required by the Yamatiji Trustee for the day to day operations of the Trust; and • be empowered to act as the Trustee if the Yamatiji Trustee is in default or ceases to operate or exist.
8.	<p>Future Fund</p> <p>The purpose of the Future Fund is to maintain a sustainable capital value that generates sufficient income to fund the Core Functions of the Governance Structure.</p> <p>There must be an investment policy for the Future Fund, developed by the Trustee in consultation with the Investment Committee.</p> <p>During the State Contribution Period, up to 50% of the net income of the Future Fund in any financial year may be transferred to another sub fund of the Trust.</p> <p>The Trustee must at all times ensure that the value of the Future Fund on and from the end of the State Contribution Period exceeds:</p> <ul style="list-style-type: none"> • the target capital base at the end of the financial year in which the State Contribution Period ends; and • the Adjusted Target Capital Base at the end of each subsequent financial year. <p>The target capital base is an amount not less than the sum of:</p> <ul style="list-style-type: none"> • \$195 million; and • not less than 50% of the net income (including any realised capital gains) of the Future Fund during the State Contribution Period. <p>At the end of each financial year following the financial year in which of the State Contribution Period ends, the target capital base must be increased by multiplying the target capital base at the end of the previous financial year by the current consumer price index for that financial year and dividing it by the consumer price index of the previous financial year (Adjusted Target Capital Base).</p> <p>After the end of the State Contribution Period, the income or capital of the Future Fund in excess of the Adjusted Target Capital Base may be transferred to another sub fund of the Trust.</p>
9.	<p>Administration Fund</p> <p>The Administration Fund must be held and managed for the purpose of providing funding for each entity's Core Functions.</p> <p>The Trustee must determine the maximum allocation to each entity in 3 yearly allocations.</p>
10.	<p>Economic Development Fund</p> <p>The Economic Development Fund is to be held and managed for the purpose of providing funding for development projects. In administering the Economic Development Fund, the Joint Trustees must have regard to the following principles:</p>

Trust Deed

Governance Framework Requirements

#	Description
	<ul style="list-style-type: none"> • the goal of providing a streamlined and efficient process for the release of funds for development projects; and • the Joint Trustees must manage risk and exposure of the Economic Development Fund through limiting allocations of funding from the Economic Development Fund to 3 yearly allocations, having regard to the long term capacity of the Trust to pursue the Trust Purpose and support the intergenerational aspirations of the Yamatiji Nation.
11.	<p>Land Fund</p> <p>The Land Fund comprises all of the land related assets of the Trust which must be identified as:</p> <ul style="list-style-type: none"> • Cultural Land; • Development Land; • Unclassified Land; or • Holding Costs. <p>The Land Fund must have sub rules for the land assets which are consistent with the LUA, including rules regarding the economic use of Land and the process for conversion of Cultural Land to Development Land.</p>
12.	<p>Distribution</p> <p>When making distributions, the Trustee must have regard to the following distribution principles:</p> <ul style="list-style-type: none"> • it is a matter for each Yamatiji Entity to determine how it will pursue its charitable objects; • the Regional Entity may make a funding application in respect of development projects or general projects for a distribution from any of the sub funds; • the Trustee's role in relation to the Economic Development Fund and the Land Fund is governance, compliance and risk management having regard to the Trust Purpose, and not substantive decision making about how the Economic Arm should pursue its objectives in furtherance of the group strategic plan; • the Economic Arm has been established in order to make informed decisions regarding the strategic direction of the Economic Arm and the specific development projects to be undertaken; • the Regional Entity and the Economic Arm need certainty of available funds to successfully develop the potential economic opportunities for Yamatiji Nation; • the Trustee must manage risk and exposure of the Trust Fund through limiting allocations of funding to 3 yearly allocations, having regard to the long-term capacity of the Trust to pursue the Trust Purpose and support the intergenerational aspirations of the Yamatiji Nation; • other than distributions of Administration Funding, where a distribution recipient successfully generates a financial return from a development project or general project, then it would be beneficial for some of those returns to be contributed to the Trust;

Trust Deed	
#	Description
	<p style="text-align: center;">Governance Framework Requirements</p> <ul style="list-style-type: none"> • to support the Yamatiji Nation's vision, to create a strong and sustainable foundation for current and future generations of the Yamatiji Nation; and • to help ensure that sufficient funds will be available from the Trust Fund for future generations. • distributions should be made in a way that supports the entities to benefit a broad cross-section of the Yamatiji Nation but without limiting the Trustee's discretion as to the manner in which it will make distributions between entities; • funding applications can be made by any entity in the Governance Structure; • distributions should, in the Trustee's reasonable opinion, be just, fair and equitable as between entities (which does not necessarily require equal distributions); and • distributions must only be applied by entities in furtherance of the Trust Purpose.
13.	<p>Funding Guidelines</p> <p>The application process must require submission of the following documents:</p> <ul style="list-style-type: none"> • project plan that details the manner in which the project will be executed, managed and controlled; • due diligence report prepared by an independent adviser that outlines the legal, financial and commercial implications of the project; • key governance documents, which may include annual plan, strategic plan, financial statements and statement from the relevant board that the entity is compliant with its governance requirements; • impact measurement analysis which outlines the intended objectives and outcomes of the project; • confirmation that the Regional Entity board has considered and approved the project; • risk and compliance plan that identifies: <ul style="list-style-type: none"> • the risks associated with the project and how these will be managed; and • how the entity's compliance program and governance policies will be applied to the project; and • budget that outlines the requested distribution and itemises the anticipated costs of the project. <p>Having regard to the distribution principles, and having obtained advice from the Investment Committee, the Trustee must approve a funding application from an entity in the Governance Structure provided that the Trustee is satisfied with:</p> <ul style="list-style-type: none"> • compliance with the terms of the Trust Deed; • the value of the proposed distribution will not jeopardise the long-term capacity of the Trust to pursue the Trust Purpose and support the intergenerational aspirations of the Yamatiji Nation;

Trust Deed	
Governance Framework Requirements	
#	Description
	<ul style="list-style-type: none"> • the entity is in good governance order; and • the standard of the documents submitted by the entity in its funding application having regard to: <ul style="list-style-type: none"> • the requirements in the funding guidelines of the Trust Deed, and • the standard reasonably expected of a submission for a project of a similar nature and scope.
14.	<p>Investment Committee</p> <p>An Investment Committee appointed by the Trustee must:</p> <ul style="list-style-type: none"> • make recommendations to the Trustee regarding the Investment Policy; • review the Trustee's compliance with its investment obligations; • provide advice and guidance to the Trustee on its investment activities; • provide guidance to the Trustee on whether funding applications for development projects meet the requirements in the Trust Deed; and • consider and, if the Investment Committee determines appropriate, give its consent to, investments and distributions of the Trust Fund over the value of \$5 million. <p>The Investment Committee must comprise persons with appropriate skills and expertise which shall include, on the recommendation of the Nominations Committee:</p> <ul style="list-style-type: none"> • one Yamatiji Trustee representative who shall be the chair; • one licensed trustee representative; • two independent members with business expertise, as nominated by the Regional Entity on recommendation of the Nominations Committee; and • one independent member with financial expertise, as nominated by the Joint Trustees on the recommendation of the Nominations Committee.
15.	<p>Trustee Remuneration and Expenditure</p> <p>The Trustee's remuneration must be structured in accordance with the following principles:</p> <ul style="list-style-type: none"> • there are appropriate incentives (pricing and otherwise) to encourage the Trustee to seek to achieve agreed outcomes; • there is a regular outcomes-based assessment to ensure that Trustee's services are provided to a sufficient standard and there are remuneration consequences arising out of the assessment; • stakeholders are clear on exactly what services are included in the licensed trustee's annual management fee, which must include all compliance tasks for the Trust (unless otherwise delegated to the Yamatiji Trustee);

Trust Deed

Governance Framework Requirements

Description

- costs related to building the Yamatiji Trustee's capacity during the State Contribution Period shall not form part of the Yamatiji Trustee's budget when applying for a distribution from the Administration Fund;
- costs and expenses must be incurred in accordance with the Trustee's budget or otherwise in consultation with the Regional Entity;
- there is appropriate ongoing oversight over the Trustee's remuneration and costs;
- failure to achieve agreed outcomes may trigger an independent performance review;
- the Trustee must be accountable to stakeholders regarding procurement of external goods and services;
- the Trustee adopts robust and transparent processes regarding procurement of external goods services;
- there is maximum transparency in relation to Trustee remuneration and costs; and
- the Trustee is not in a position to incur excessive or unwarranted costs.

Yamatji Trustee Constitution	
#	Description
Governance Framework Requirements	
1.	<p>The Regional Entity must be the sole member of the Yamatji Trustee.</p>
2.	<p>The Yamatji Trustee board must:</p> <ul style="list-style-type: none"> • be of reasonable size having regard to the functions and operations of the Yamatji Trustee; • include some Yamatji Nation persons and some independent persons; • comprise only persons that have: <ul style="list-style-type: none"> • demonstrated experience working with, managing or holding a decision-making position in a similar trust to the Yamatji Nation Trust; • recognised specialist financial skills and acumen to assist with the objects of the Yamatji Nation Trust; and • other demonstrated experience and expertise relevant to the Yamatji Trustee as determined by the Regional Entity board. <p>Directors are to be appointed by resolution of the Regional Entity board provided the Nominations Committee has confirmed their eligibility to be a director.</p>

Aboriginal Corporation Rulebook	
#	Description
Governance Framework Requirements	
1.	<p>The members of the Aboriginal Corporation are:</p> <ul style="list-style-type: none"> • the Regional Entity (sole voting member); and • the Regional Entity directors who are also directors of the Aboriginal Corporation (non-voting members).
2.	<p>The Aboriginal Corporation must have between four and six directors.</p> <p>The board shall comprise Yamatji Nation directors from the Regional Entity board that the Regional Entity board nominates.</p>
3.	<p>The Aboriginal Corporation may, to the extent permitted at law, delegate to the Regional Entity, or engage the Regional Entity to perform, the specific functions and obligations of the Management Body under a Management Order, and a Joint</p>

Aboriginal Corporation Rulebook

Governance Framework Requirements	
#	Description
	Management Body under a Joint Management Agreement.
4.	<p>Mining Tenements</p> <p>The rule book must require that in relation to any Affected Tenement (as that term is defined in the ILUA):</p> <ul style="list-style-type: none"> • where the Aboriginal Corporation is requested by the Minister for Mines and Petroleum to provide a recommendation under section 24(5B) of the <i>Mining Act 1978</i> (WA) with respect to an Affected Tenement, the Aboriginal Corporation must make a written recommendation to the Minister for Mines and Petroleum that it agrees to the giving of the consent under section 24(5A) of the <i>Mining Act 1978</i> (WA) with respect to that Affected Tenement, within 20 Business Days of receiving the request; and • if the Aboriginal Corporation fails to make the written recommendation within the required timeframe specified above, the Aboriginal Corporation is deemed to have made a recommendation for the purposes of section 24(5B) of the <i>Mining Act 1978</i> (WA) that it does not object to the giving of the consent under section 24(5A) of the <i>Mining Act 1978</i> (WA).

Economic Arm Constitution	
Governance Framework Requirements	
#	Description
1.	<p>Membership</p> <p>The Regional Entity must be the sole member of the Economic Arm.</p>
2.	<p>Directors</p> <p>The Economic Arm board must:</p> <ul style="list-style-type: none"> • be of reasonable size having regard to the functions and operations of the Economic Arm; • include some Yamaji Nation persons and some independent persons; • comprise only persons that have: <ul style="list-style-type: none"> • demonstrated experience working with, managing or holding a decision-making position in a similar company to the Economic Arm; • recognised specialist business skills and acumen to assist with the objects of the Economic Arm; and • other demonstrated experience and expertise relevant to the Economic Arm as determined by the Regional Entity board; and <p>Directors are to be appointed by resolution of the directors of the Regional Entity provided the Nominations Committee has confirmed their eligibility to be a director.</p>

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