E. CASH, INVESTMENT AND DEBT MANAGEMENT

In accordance with the provision of R.S. 33:2955(D), as enacted by Act. No. 374 of 1995, the Greater Lafourche Port Commission hereby adopts this Investment Policy.

The Greater Lafourche Port Commission shall operate under the "Prudent Person" rule, exercising judgment and care, under the circumstances prevailing, which people of ordinary prudence would employ in the management of their own affairs - not in regard to speculation, but as to the permanent disposition of their funds, considering both income and safety of capital.

This policy is not intended to remain static. Normally, the Greater Lafourche Port Commission will review this policy at least annually and, if deemed advisable, recommend changes.

OBJECTIVES

The primary investment objective of Greater Lafourche Port Commission is to ensure that the current and future obligations are adequately funded in a cost-effective manner. The goals of this investment policy shall be safety of principal first, liquidity second, and yield third.

RESPONSIBILITY

1. Investments

The investment of funds shall be managed by Executive Director and the Director of Finance and may be accomplished by the selection of an investment manager(s). The selection must be approved by the Greater Lafourche Port Commission in accordance with the criteria established by the Greater Lafourche Port Commission. The investment manager(s) must acknowledge in writing his obligations as a fiduciary responsible for the investment of Greater Lafourche Port Commission's assets.

Prospective investment managers shall be registered investment advisors with the Securities and Exchange Commission; a trust department of an institution that is insured by the Federal Deposit Insurance Corporation, that exercises trust powers in Louisiana, and that has a main office or a bank branch in Louisiana; or a trust company that has offices in Louisiana, that is regulated by the Office of Financial Institutions or the applicable federal agency, and that owes a fiduciary duty to act solely in the best interest of the political subdivision.

2. Reserves and Debt Management

The Commission recognizes that one of the keys to sound financial management is the development of formal financial policies that include policies related to reserves and debt management. This sentiment is echoed by bond rating agencies, investors and the Government Finance Officers Association.

The following reserves and debt management policies are designed to help protect the Commission's financial resources by:

a. Promoting sound financial management;

b. Ensuring prudent use of the Commission's debt issuance authority; and

c. Prevent the Commission from overleveraging its available resources.

GUIDELINES

It is the financial policy of the Commission that finances shall be maintained and applied within the following guidelines:

1. **Cash and Investments Balance –** maintain a minimum combined unrestricted cash, cash equivalents and investments balance of $50,000,000; and

2. **Investments**- will be invested in accordance with R.S. 33:2955.

3. **Debt Management -** Maintain at least a 2.0x coverage of annual net revenues to annual debt service requirements. Net revenues will include all receipts and other income derived from the ownership or operation of the seaport facilities less operating expenses of the seaport facilities. For purposes of this calculation, operating expenses will exclude non-cash items such as annual depreciation. Annual debt service will be based on actual principal and interest payments during the year (i.e., not accrual based).

The Commission shall use these guidelines in relation to financial planning including funding of future capital improvements and the issuance of debt by the Commission.