

The Actuarial Foundation of Canada Policies and Procedures Manual

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1. Introduction

The Actuarial Foundation of Canada (**Foundation**) was incorporated under part II of the *Canada Corporations Act* with Letters Patent granted Sept. 22, 2003. In 2014, it was continued under the *Canada Not-for-profit Corporations Act* (CNCA) with Articles of Continuance (**Articles**) replacing the Letters Patent. The Foundation is a registered charity under the Income Tax Act (ITA) Canada.

This document is adopted and amended by a resolution of the Board of Directors (**Board**) of the Foundation. It expands on the management and governance of the Foundation set out in the CNCA, the Articles and By-laws. This manual must not conflict with the CNCA, the Articles or By-laws. In the event of conflict, the CNCA, the Articles and By-Laws take precedence in that order.

Policies, which spell out standards of conduct and decision-making, articulate the strategy and philosophy of an organization's governing body. Policies provide the framework upon which the Foundation builds its procedures.

Procedures delineate how to administer the policy; procedures spell out the steps needed to turn a particular concept into reality.

Once supporting policies and procedures have been approved, the Board, at its discretion, may arrange for legal counsel to review the document. The purpose of this review would be to ensure that the policies and applicable procedures comply with applicable federal and provincial laws, the Articles and By-laws, and to address any other issues that the Board may raise.

2. Mission and Vision Statements

Mission Statement

The Foundation's mission in Canada is

- to promote youth awareness and education in mathematics and financial matters,
- to advance the public's financial literacy and understanding of financial risk-related matters, and
- to research societal issues involving risk and to advance actuarial knowledge in the interest of the public.

This mission will be accomplished by utilizing the unique skills and abilities of actuaries and pursuing partnerships whenever appropriate.

Vision Statement

A Canadian public literate in financial and risk-related matters and an increased interest in mathematics and financial matters among Canadian youth.

3. Board Composition

The Board of this Foundation shall consist of a minimum of five (5) and a maximum of twenty-one (21) Directors as set out in the Articles. The specific number of Directors between 5 and 21 inclusive is determined by the Board from time to time as authorized by the members.

4. Officers

Officers are appointed by the Board at the first Board meeting immediately following the annual members meeting. Officer appointments are for one-year terms beginning at such Board meeting and ending at the Board meeting immediately following the next annual members meeting. Officers normally serve for at least two consecutive terms; longer service is permitted if the Board considers extension to be in the best interests of the Foundation. The Nominating Committee (see Section 17) may assist the Board in identifying candidates who have the suitable skills, experience and willingness to serve as Officers.

If an Officer must be replaced prior to the end of their full term, the Board will appoint an individual to fill the remaining term of such Officer. Such individual will be eligible for re-appointment to the Officer position at the end of such term.

Position Description – Chair

The Chair of the Foundation must also be a Director. The Chair shall, when present, preside at all Board, member or Executive Committee meetings of the Foundation. The Chair shall be an observer of all committees and task forces of the Foundation on which the Chair is not otherwise an appointed member or chair. As an observer, the Chair will receive meeting notices and minutes, and may be a non-voting attendee at these committee or task force meetings.

The Chair shall perform all duties and exercise all powers, which are, by law or by custom, incident to the office of Chair, and such other duties and powers as may be determined by the Board and as noted in the By-laws of the Foundation. The vote of the Chair or other presiding officer will count only in the case of a tie in the other votes (By-law clauses 4.12-Member meetings and 6.07-Board meetings).

Each year the Chair shall submit annual written reports to the members, the Canadian Institute of Actuaries, the Society of Actuaries and Casualty Actuarial Society regarding the Foundation's activities, plans and finances.

Position Description – Vice-Chair

The Vice-Chair of the Foundation must also be a Director. The Vice-Chair shall perform all duties and exercise all powers that are, by law or by custom, incident to the Office of Vice-Chair and such other duties and powers as may be determined by the Chair. The Vice-Chair shall perform the duties and exercise the powers of the Chair including serving as the presiding officer at meetings of the Directors, members or Executive Committee of the Foundation, in the absence or inability to act of the Chair.

Position Description – Treasurer

The Treasurer is responsible for supervising the financial operations and business affairs of the Foundation, to perform all customary duties of a Treasurer as well as such other duties as may be assigned.

Other areas of responsibility include:

- Shall sign, with the Chair, or any other proper representative of the Foundation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments that the Board have authorized to be executed.
- Oversee the preparation of the annual financial statements for the Foundation and ensure that the financial statement audits are completed in a timely and effective manner.
- Present to the Board the annual budget, including donations received, grants and expenditures and financial targets for the past and coming years.
- Summarize the financial health of the organization including review of investments, expenditures and income.
- Provide an annual review of the Investment Policy for approval by the Board.
- Complete the required filings with the Canada Revenue Agency, or ensure that such filings are completed.

Position Description – Secretary

The Secretary has responsibility for all records and correspondence of the Foundation and serves as a liaison to all committees and task forces. While others may perform many of the administrative duties ascribed to the Office of Secretary, the Secretary has ultimate responsibility for ensuring that the following duties are properly carried out:

- Ensure that member and Board meetings are called with an appropriate notice period and that quorum is achieved for all actions approved by the members and the Board.
- Ensure that appropriate and accurate minutes are maintained and duly approved by the members and the Board.
- Record the approved minutes of the member and Board meetings as the official minutes of the organization with the date of their approval, signing them to attest to their validity.
- Review previous minutes and call attention to actions not yet completed.
- Maintain the Board's annual checklist of requirements and status of compliance with it.
- Maintain registers of Directors, Officers and members as required by CNCA Part 4, or ensure that such registers are maintained.
- Complete the required filings with Corporations Canada as required by CNCA section 134 and 278, or ensure that such filings are completed.
- Maintain the Policies and Procedures document, ensure that it contains all approved policies and procedures and ensure that it is available for each Board meeting.

Position Description – Executive Director

The Board may appoint an Executive Director of the Foundation; to date, none has been appointed. The Executive Director, if one were to be appointed, shall assist the Officers, Directors, committees and task forces of the Foundation in the performance of their duties, and be responsible for managing the business office of the Foundation. The Executive Director, if one were to be appointed, shall also be responsible for, but not limited to, the following:

- Shall prepare or cause to be prepared, at least annually, a financial statement for the Foundation and provide the Treasurer with such projections of financial operations as may seem appropriate at the time.
- Shall sign, with the Chair and the Treasurer, or any other proper representative of the Foundation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments that the Board have authorized to be executed.
- Shall administer and follow procedures for authorization of expenditures as provided in these Policies and Procedures.

If the Board does not appoint an Executive Director, these duties may be performed by an AFC Director, or by a staff member of the CIA, in accordance with the service agreement with the CIA (see Section 23) with such duties being performed under the direction of one or more Officers.

5. Directors

Directors shall normally serve a two year term ending at the close of the annual meeting of members. Directors may be re-elected so as to serve up to six full years on the Board except that if a Director holds an Office (Chair, Vice Chair, Secretary or Treasurer) the continuous service could be extended to eight years. Also, after the member has gone off the Board for a year, he or she is eligible to be elected again to start a new six year period of service. While the By-laws allow Directors to be eligible for re-election without limitation, it is desirable to have a rotation of candidates on the Board and so these limits on service are usually observed in the recruiting of candidates for Director. A Director may be elected by the members for additional terms notwithstanding this desire for rotation.

Position Description

Directors have two areas of responsibility, governance and advocacy. Both require personal commitment and active involvement. The CNCA as well as the Articles and By-laws determine powers and structure of the Board. Directors are expected to be advocates on the Foundation's behalf, to be enthusiastic communicators of the mission and vision and to play an integral role in providing leadership, implementing policies, executing programs and fundraising activities for the Foundation. Directors should be involved in the following governance and advocacy roles:

Governance

- Directors govern in a group action; individuals support decisions of the group.
- Directors make an effort to attend all Board meetings.
- Directors act as fiduciaries of contributor funds as well as in the public interest.
- Directors establish policies in concert with the Bylaws and monitor compliance.
- Directors establish operating protocols for the Foundation and act accordingly. Protocols address Board management, investment strategy, financial management, fundraising and grant making.
- Directors ensure effective and efficient administration of the Foundation.
- Directors empower committees and workgroups to fulfil designated duties, including active service on one or more committees as appropriate.
- Directors evaluate Foundation performance relative to its mission and vision.
- Directors identify new candidates for the Board.

Advocacy

- Directors are well informed of the mission and vision of the Foundation and are enthusiastic communicators for these.
- Directors support the strategies, policies and programs of the Foundation.
- Directors include the Foundation in their personal philanthropy and volunteerism.
- Directors enhance the public appreciation of the Foundation by their advocacy for its work.
- Directors undertake Foundation assignments with commitment to further enhancement of the Foundation in the public interest.
- Directors support the fund raising activities of the Development Committee.
- Directors promote the public interest in all the Foundation does.

6. Director Qualification and Reporting Requirements

By-law section 5.03 sets out qualification requirements for Directors, including those imposed by CNCA Section 126. The reference to “ineligible individual” is to ITA Section 149.1. In general terms, an ineligible individual is one who has been convicted of a relevant criminal offence, or has been involved in governance, management or promotion of a charity or amateur athletic association whose registration was revoked by CRA in the previous five years.

Both CRA and Corporations Canada require the Foundation to report information about Directors, including birth date, residential address and telephone number. The Nominating Committee will collect this information and provide it to the Secretary, Treasurer, CIA staff or auditor as required to complete the mandatory regulatory returns. CNCA section 134 requires the Foundation to notify Corporations Canada of a change in Directors within 15 days. A Director is required to notify the Foundation of a change in residential address within 15 days after the change is

effective, and the Foundation in turn is required to notify Corporations Canada of the change of address within 15 days after receiving the notice from the Director.

7. Ambassador Emeritus

The Board has established the honorary position of Ambassador Emeritus to be appointed by the Board after due nomination by the Nominating Committee. The position of Ambassador Emeritus extends for a five-year term ending on December 31st, with renewal for further five year terms as recommended by the Nominating Committee and approved by the Board, for those who have fulfilled their obligations and remained active within the Foundation. An Ambassador Emeritus is also automatically admitted as a member of the Foundation.

To be considered for appointment as an Ambassador Emeritus, a person must have previously served as an elected Director of the Foundation and have agreed to fulfill the role as set out below:

- To serve upon request as a vigorous advocate for the Foundation.
- To keep up-to-date on activities of the Foundation and freely offer advice to the Board when so moved.
- To include the Foundation in his/her personal philanthropy and volunteerism.
- To agree to be identified in listings of the Foundation Ambassadors Emeriti.
- To nurture others with respect to the mission and vision of the Foundation.

8. Audit of Financial Statements

As a soliciting corporation under the CNCA, the Foundation must engage a public accountant under By-law clause 2.04. While it would be possible (as long as annual donations received are less than \$250,000) to have the public accountant do only a review engagement, the Foundation has chosen to have an audit engagement. It is expected that the Foundation will engage the same public accountant as the CIA for efficiency. If this is done, the CIA will pay the accountant's fees under the AFC-CIA agreement.

9. Board Management Protocol

1. The Board meets at face-to-face meetings four times a year at some cost-effective site, with conference call facilities for those unable to attend in person. Additional Board meetings may be held either face-to-face or by conference call as needed. Normally the Board will hold a regular business meeting just before the annual members meeting. Then immediately after the annual members meeting, the newly-elected Board will have an organizational meeting at which the Board will appoint officers and the Chair will appoint committee chairs.

2. Meetings may be held by other electronic means in accordance with procedures approved by the Board in accordance with Section 10.
3. The purposes of the meetings include, but are not limited to: 1) Confirm that Foundation activities are in compliance with laws, Articles, By-laws and Board policy and protocols; 2) authorize disbursements of grants; 3) review, accept and approve the financial statements of the Foundation, 4) approve and support fundraising activities of the Foundation, and 5) review the performance of the Foundation.
4. The work of the Foundation is primarily undertaken through its Committees. Each Committee determines its method of operation, its mandate, and its strategic focus: the latter two items are presented to the Board annually for confirmation. The Board shall appoint the members of committees or task forces. The Board Chair shall appoint Chairs of Committees from among the Directors for a term of one year, commencing at the first meeting of the Board immediately following the annual members meeting, with reappointment for up to two additional one-year terms at the discretion of the Chair. Under exceptional circumstances, Committee Chairs may be asked to serve for one or more additional terms, subject to approval by the Board.
5. Action items require advance information accompanying the agenda packet.
6. The Board and each committee shall develop an annual checklist of requirements and regularly review the status of compliance.
7. The Directors seek to operate by consensus.
8. The Directors may convene as a committee of the whole to address a Committee item of interest to the full Board.
9. Board meetings focus on action items, strategy and policy. Committee reports of activity and progress are distributed to Directors as available.
10. Board meetings conform to the By-laws and specific Board policies as set out in this protocol. The protocol may be amended with respect to future meetings by majority vote.
11. The Foundation Chair shall chair Board, member and Executive Committee meetings. In the absence of the chair, the Vice-Chair shall chair these meetings. In the event that the Chair and the Vice-Chair are both absent from one of these meetings those present shall choose one of their number to chair the meeting.

10. Meeting Procedures

1. Directors may vote at a meeting of the Board only if they are considered to be present, as described below.
2. Meetings of the Board, for the purpose of discussing and voting on a particular item of business, are held in person and/or by telephone conference call and/or by video conference and/or by other electronic means (see item 4 below.)
3. Those Directors who are able to communicate simultaneously and directly with the other members are considered to be present at the meeting for the purposes of By-law clauses 6.05 (participation) and 6.06 (quorum).
4. When the Chair of the Foundation (or the Vice-Chair if the Chair is unable to act) considers that a full discussion, where all Directors are able to communicate simultaneously and directly with each other, is not required or necessary, such as for administrative matters or when a full discussion has already taken place during a previous meeting, and should it be impractical for a meeting of the Board to be held with all Directors being present in person, a meeting for the purpose of voting on a particular item of business may be held by fax or by electronic mail.

In such event, a call to vote is transmitted to all Directors of the Foundation that specifies the date by which the Director must respond to the vote. They shall respond within the time provided in the call to vote, which shall normally be no less than three (3) days after transmission thereof. Only those Directors who respond in any manner to the call to vote within the time provided therein are considered to be present at the meeting for the purposes of By-law clause 6.05 (participation) and 6.06 (quorum).

For the purposes of such a vote, Directors are only provided with the following four (4) options: voting in favour of the motion, voting against the motion, abstaining, or requesting that a discussion take place. If fewer than two Directors request that a discussion take place, the motion is adopted if a majority of the Directors present at the meeting vote in favour of the motion. If two or more Directors request that a discussion take place in response to a call to vote, the votes cast are automatically null and the Chair of the Foundation (or the Vice-Chair if the Chair is unable to act) shall arrange for a full discussion (in person and/or by telephone conference call and/or by video conference) to discuss the particular item of business. A new vote on the particular item of business shall then take place.

The call to vote is to include a detailed voting ballot, which provides sufficient detail to enable the Directors to make a reasoned judgement on the matters contained therein.

The call to vote is to be issued by the Secretary taking every reasonable step to ensure that all Directors are informed in a timely way of the call to vote. Secure procedures are to be put in place to ensure that:

- Only valid votes made by a Director in the response time provided are counted;

- Each Director casts at most one vote; and
- The vote is documented and auditable.

The results of votes taken at such meetings shall be recorded in the minutes of the next following regular meeting of the Board.

Written Resolutions: The By-laws provide for written resolutions in lieu of member meetings (clause 4.14) or Board meetings (clause 6.10). This provision would normally only be used for routine matters and must be unanimous. A resolution in writing can be done electronically, provided it complies with Section 270 of the CNCA which provides:

“Except with respect to a statutory declaration or an affidavit, a requirement under this Act or the regulations for a signature or for a document to be executed is satisfied in relation to an electronic document if the prescribed requirements, if any, pertaining to this section are met and if the signature results from the application by a person of a technology or a process that permits the following to be proven:

- (a) the signature resulting from the use by the person of the technology or process is unique to the person;
- (b) the technology or process is used by the person to incorporate, attach or associate the person’s signature to the electronic document; and
- (c) the technology or process can be used to identify its user.”

Members may also vote at Member meetings by mailed-in ballot if arrangements for such ballots have been approved by the Board in advance.

11. AFC-FAC Language Policy

1. The AFC-FAC will produce bilingual documents to communicate effectively its goals, plans and activities and for fund raising.
2. The AFC-FAC name, acronyms, logo and letterhead are bilingual. The English short form for “THE ACTUARIAL FOUNDATION OF CANADA” is “AFC” and the French short form for “LA FONDATION ACTUARIELLE DU CANADA” is “FAC”. The bilingual short form is “AFC-FAC”.
3. The AFC-FAC By-laws, the AFC-FAC Policies and Procedure Manual, AFC-FAC contribution forms, documents posted to the AFC-FAC webpage and general communication material will be maintained in both French and English. Where there is inconsistency between the English and French versions of governing documents, the English version will be deemed to be accurate.
4. The production of bilingual AFC-FAC work products, programs, grant material and other development materials is desirable, so as to reach both English and French

audiences. Consequently, translation of such materials will be carefully evaluated in light of the charitable objectives of the AFC-FAC and the funding and translation resources available.

5. The agenda, minutes and other internal working documents of the AFC-FAC will generally be produced in English only. The working language for Board and committee meetings will generally be English.

12. Conflict of Interest

The integrity of the Foundation and of the projects and activities the Foundation undertakes depends on the avoidance of conflicts of interest, or even the appearance of such conflicts, by the individuals involved in those activities. At the same time, the Foundation recognizes that the elected and appointed leaders of the Foundation, as well as other individuals directly involved in its activities, also have significant professional, business, and personal relationships. The Foundation has developed a conflict of interest statement to address these issues (a copy of the conflict of interest statement is included as Appendix 1). CNCA section 141 sets out requirements for disclosure of interest where there may be a conflict.

13. Compensation and Expense Reimbursement

Directors

Article 10 of the Articles states, “Directors shall serve without remuneration, and no Director shall directly or indirectly receive any profit from his or her position as such, provided that a Director may be reimbursed for reasonable expenses incurred in performing his or her duties.”

No compensation will be provided to any Director for their services or time as a Director of the Foundation.

Expense reimbursements are subject to specific limits and constraints approved by the Board from time to time.

Travel expenses will not normally be reimbursed. However reimbursement for travel or other expenses may be made within reasonable limits upon written request to the Chair. Reimbursement requests must be approved by the Chair and by the Treasurer.

Reimbursement will be considered on an individualized basis. Consideration will be given to each request as to whether the reimbursement is deemed to be in the best interests of the Foundation and/or the activities it supports.

Committee and Task Force Members

No compensation will be provided to any Committee or task force member for their services or time as a member of a Foundation committee or task force. A member of a Foundation Committee or task force may be reimbursed for reasonable expenses.

Travel expenses will not normally be reimbursed. However, reimbursement for travel or other expenses may be made within reasonable limits upon written request to the chair of the Committee or Task Force. Reimbursement requests must be approved by the chair of the Committee and by the AFC Chair and the Treasurer.

Reimbursement will be considered on an individualized basis. Consideration will be given to each request as to whether the reimbursement is deemed to be in the best interests of the Foundation and/or the activities it supports.

14. Membership

Directors and Ambassadors Emeriti of the Foundation are automatically members of the Foundation for the duration of their term of office as a Director or Ambassador Emeritus. The Board may admit other individuals into membership upon application. The application must evidence an interest in furthering the objectives of the Foundation; participation on a committee, task force or working group of the Foundation or donation of funds to the Foundation is prima facie evidence of such interest. Memberships are annual, expiring on December 31 unless renewed by the Board; renewal does not require application. At the time of application, members will be asked to consent to communication by e-mail from the Foundation. The Secretary will maintain a register of members.

15. Privacy and Use of Donor Information

The identity of a Foundation donor and amount range of donations may be publicly disclosed, unless the donor requests anonymity. Personal Foundation donor information is not to be disclosed, if the donor requests anonymity.

Foundation paper and electronic contribution forms must enable donors to elect anonymity.

A report providing names of all donors, the amount of their donation, whether the donor has requested anonymity or not, and other donor information is to be prepared by the CIA staff for the Development Committee automatically at the end of each calendar year and at other times on request by the Development Committee Chair. Members of the Development Committee are not to disclose to anyone who is not a member of the Development Committee any personal Foundation donor information contained in this report that relates to individuals who have requested anonymity.

16. Executive Committee

Pursuant to clause 5.10 of the By-laws of the Foundation, the Board shall annually appoint from the Directors, an Executive Committee that shall include the Chair of the Board (who will chair the Executive Committee), the Vice-Chair, the Secretary and Treasurer.

Chairs of all standing committees may also, at the discretion of the Chair of the Board, participate in meetings of the Executive Committee as non-voting members.

Authority

The Executive Committee shall be responsible for the management of the Foundation when the Board is not in session, and shall have and exercise the full authority of the Board therein. A summary report of action taken by the Executive Committee shall be provided to all Directors and ratified at the next Board meeting. Decisions made by the Executive Committee may be implemented immediately if required, but remain subject to ratification by the full Board at its next regularly scheduled meeting. The Executive Committee shall not have the authority of the Board with respect to:

- Amending the Articles, By-laws, or Policies and Procedures.
- Adopting a plan of merger or a plan for the distribution/sale of assets.
- Appointing or removing any officer or director of the Foundation or any member of the Executive Committee.
- Altering, amending or rescinding any action of the Board without the express prior authorization of the full Board to do so.

Method of Operating

Meetings of the Executive Committee may be called by the Chair or any other two members of the Committee. Two members of the Executive Committee shall constitute a quorum for the transaction of business. All actions of the Executive Committee must be approved by a majority vote of the voting Executive Committee members present at the meeting and receive at least two votes. The Chair shall only vote in the case of a tie in the other votes, or to fulfill the required minimum of two votes.

17. Nominating Committee

The Nominating Committee's goals are to:

- Recruit Directors with high level and broad-based leadership skills.
- Ensure that the perspective of the entire actuarial profession is present at the board level to ensure collaboration, coordination and inclusivity.
- Nominate a Board that shows diversity in geographical location, professional specialty, gender and ethnicity whenever practical.

- Consider the need for specific skills or experience, e.g. fundraising, marketing, research, youth and adult education or investments, in recruiting candidates for the Board or committees.
- Recruit and nominate candidates for the role of Ambassador Emeritus.
- Assist chairs of committees in recruiting individuals to serve on their committees, subject to Board approval of the appointments.

The Nominating Committee will identify candidates considering the following:

- It is desirable to maintain a close relationship with the Canadian Institute of Actuaries. To promote this, the Nominating Committee should seek to recruit one or two members of the CIA Board as AFC Directors. The CIA President and Past-President may be helpful contacts in this recruiting effort. Recognize that AFC Directors who are also CIA Board members often do not have time to participate in other AFC committees.
- Directors who are not actuaries should have interests and/or expertise that include some of the following specialty areas: marketing, education, research, government, fundraising, economic and social issues.
- Upon the resignation, death or removal of any Director, the Nominating Committee shall, at its discretion, present nominations for a successor to fill a vacancy at a meeting of the Board.

The Nominating Committee shall:

- Continuously solicit recommendations for new Directors and Committee members from current Directors, actuarial and other business leaders to develop and maintain a prospect list.
- Screen and evaluate potential candidates based on the criteria noted above.
- Ensure that candidates are aware of their role and responsibilities as a Director, including arranging an orientation session for new Directors.
- Select, in conjunction with the Foundation Chair, and in consultation with the full Board as appropriate, candidates from among the prospects and arrange for the prospects to be invited to serve.
- Make nominations for the election of Directors at meetings of members.
- Make recommendations to the Board for the election of Ambassadors Emeriti.
- Advise the Board on potential candidates from amongst the members of the Board to fill the officer positions of the Board.
- Verify with candidates that they meet the qualification requirements set out in Section 6 of this manual.
- Gather from Directors the information required for CRA and Corporations Canada filings with respect to Directors, and provide it to the Secretary, Treasurer, staff or auditors as appropriate.

18. Development Committee

The Development Committee's goals are to:

- Raise Directors' awareness and understanding of the development process and their role in this process.

- Guide Directors' involvement in identification and cultivation of prospects for individual, annual and major gifts.
- Develop, recommend and conduct fundraising programs of the Foundation.
- Regularly review fundraising opportunities for new gifting opportunities and strategies.
- Develop and monitor stewardship programs.

Areas of development include, but are not limited to:

- Annual campaign.
- Planned giving.
- Major gifts (a major gift is considered to be \$10,000 or above from a corporation, \$5,000 or above from an individual).

The Development Committee shall:

- Implement fundraising programs within the budget and parameters approved by the Board.
- Report to the Directors on committee activities as appropriate at each regular Board meeting and as otherwise requested.
- Be aware, along with the affected Program and Grants Committee(s), of guidelines specified by donors for restricted funds.

19. Program and Grants Committees

Three separate committees (the Youth Education Committee, the Financial Literacy Committee and the Research Committee) have been established, with each committee responsible for the development and funding of programs and the awarding of grants under one of the three major goals included in the Foundation's mission statement.

Each of the Program and Grants Committees shall:

- Report to the Directors on committee activities as appropriate at each regular Board meeting and as otherwise requested.
- Evaluate all relevant grant requests received by the Foundation.
- Make recommendations for grant approvals to the Directors of the Foundation.
- Participate on project oversight groups for projects receiving Foundation grants.
- Develop guidelines for the approvals of disbursement and monitoring of ongoing programs and grants.

When the AFC makes grants to other Canadian registered charities, CRA accepts that those expenditures are appropriate for charitable purposes. If grants are made to organizations that are not Canadian registered charities, CRA imposes a higher

standard requiring more direct supervision of the expenditure and activities by the AFC. The Program and Grants Committees shall ensure that all contracts for services with other organizations that are not registered charities, including research contracts, are in a form acceptable to the Canada Revenue Agency, such as the samples set out in Appendices 6 and 7. Researchers associated with Canadian universities will likely already have access to sample contracts through the university.

Youth Education Committee

The Youth Education Committee's goals are to establish and/or fund self-sustainable, replicable and transferable programs that promote:

- Math and financial education of elementary and secondary school students; may extend to pre-schoolers and college/university.
- Awareness of the actuarial profession and that actuarial expertise can help individuals understand, manage and make decisions about personal and social financial security.

The Youth Education Committee's activities include:

- Providing funding to other registered charities to support activities that advance the Foundation's objectives.
- Managing the Hugh White Award and any new scholarships or bursaries that may arise.
- Forging strong partnerships with other actuarial organizations such as The Actuarial Foundation (US), academic institutions, and other organizations to leverage resources and maximize utilization and dissemination of educational materials.

Financial Literacy Committee

The Financial Literacy Committee's goals are to establish and/or fund self-sustainable, replicable and transferable programs that promote:

- Public understanding of all aspects of personal and social financial security.
- The leveraging of actuarial expertise and volunteer spirit in the public interest.
- Awareness that actuarial expertise can help individuals understand, manage and make decisions about personal and social financial security.

The Financial Literacy Committee's activities focus on:

- Arranging actuarial volunteers to assist other organizations in developing, enhancing or delivering programs whose purpose is to improve the Canadian public's financial literacy.
- Areas with significant gaps in the public's understanding of, or information about, financial security that can be closed using actuarial expertise.

- Forging strong partnerships with local communities, consumer organizations and other organizations to leverage resources and maximize utilization and dissemination of project materials.
- Providing information to the public: 1) in special educational, consumer, research and partner publications; 2) on Foundation and other Websites; 3) for speeches, media articles; and 4) by participating in conferences and symposia.

Research Committee

The Research Committee's goals are to fund research that promotes:

- Actuarial and related academic research for the benefit of the public.
- The leveraging of actuarial expertise and volunteer spirit in the public interest.
- Awareness that actuarial expertise can help individuals understand, manage and make decisions about personal and social financial security.

The Research Committee's activities focus on:

- Areas with significant gaps in the public's understanding of, or information about, financial security that can be closed using actuarial expertise.
- Forging strong partnerships with academic institutions, researchers and other organizations to leverage resources.
- Providing information to the public: 1) in special educational, consumer, research and partner publications; 2) on Foundation and other Websites; 3) for speeches, media articles; and 4) by participating in conferences and symposia.

20. Communications Committee

Purposes, Duties and Powers

The Communications Committee goals are to:

- Support and promote the goals of the Foundation.
- Disseminate information about mission, goals and programs to the actuarial profession in Canada and the Canadian public.
- Establish communications and marketing guidelines.
- Develop strategies and innovative ideas for communication.

In pursuing these goals the Communications Committee shall:

- Report to the Directors on committee activities as appropriate at each regular Board meeting and as otherwise requested.
- Develop communications programs in coordination with the Development Committee and the Program and Grants Committees.

- Leverage the expertise and contacts of individual Directors to the benefit of the Foundation and the public.
- Develop the Foundation's website strategy including a secure governance database and work with the CIA Head Office staff on its design, content and operation.

21. Audit and Finance Committee

Purposes, Duties and Powers

The Audit and Finance Committee's goals are to:

- Develop and recommend investment policy and strategy for the Foundation.
- Oversee the preparation of annual audited financial statements for the Foundation.
- Ensure that financial activity is in compliance with the Canada Revenue Agency requirements.
- Oversee the financial management of the Foundation.

In pursuing these goals, the Audit and Finance Committee shall:

- Recommend investment policy for annual review by the Board.
- Review investments of the Foundation and report on these annually to the Board.
- Review financial matters of the Foundation, in consultation with the Development Committee for donations and the Program and Grants Committees for program expenditures, and ensuring that any restrictions applicable to donations are met.
- Recommend audited financial statements of the Foundation to the Board for approval.
- Ensure that the Canada Revenue Agency requirements are met.
- Oversee the preparation of annual budgets and monitor expenditures relative to budgeted amounts.
- Assume responsibility for relationship with the auditor.
- Review the Foundation's insurance coverage, if any, and make recommendations to the Board concerning it.

22. Investment Policy

Purpose

The management of the Foundation and the administration of its assets are vested in the Board. One of the duties of the Directors is to invest and administer the Foundation's funds. The Directors, pursuant to the authority of the Foundation's By-laws, have delegated to the Treasurer and the Audit and Finance Committee the

duty to manage the investment program of the Foundation pursuant to the Statement of Investment Policy (**Investment Policy**). A copy of the Investment Policy is attached as Appendix 2.

23. Service Agreement Between the Foundation and the CIA

The service agreement entered into between the Foundation and the Canadian Institute of Actuaries (CIA), effective December 16, 2008, is reproduced in Appendix 4. The service agreement also includes Schedule A (AFC Donations Management Procedure) and Schedule B (Contents of Receipts).

Under the Service Agreement, the CIA maintains general liability insurance and the AFC is also insured thereunder. The CIA's Volunteer Management Policy notes that: "It is the policy of the CIA to protect its volunteers against potential legal issues, in respect of volunteer work, as appropriate. The CIA will arrange for insurance coverage for its volunteers, as appropriate." This coverage also applies to AFC volunteers. It is good practice to ensure that volunteer assignments are documented in committee minutes or reports prior to undertaking the work. Inquiries concerning this insurance program should be directed through the AFC Treasurer to the CIA Head Office staff.

24. Relationship with The Actuarial Foundation (U.S)

The Actuarial Foundation (U.S.) and The Actuarial Foundation of Canada have a common purpose as expressed in their similar missions, visions and goals. To further this common purpose, both organizations have entered into a Memorandum of Understanding. A copy of this memorandum as amended in Dec. 2013 is included as Appendix 5.

APPENDIX 1

Conflict of Interest Statement

The integrity of the Actuarial Foundation of Canada (AFC) and of the projects and activities the AFC undertakes depends on the avoidance of conflicts of interest, or even the appearance of such conflicts, by the individuals involved in those activities. At the same time, the AFC recognizes that the leaders of the AFC, as well as other individuals directly involved in its activities, also have significant professional, business, and personal relationships. The following policy is intended to address potential conflicts primarily through liberal disclosure of any financial or other interest that might be construed as resulting in an actual, potential or apparent conflict. The Conflict of Interest Policy should not be construed as creating a presumption of impropriety in the existence of financial interest or other relationships. Rather, it represents the AFC's recognition that many factors can influence judgements about projects and activities, and it reflects a desire to make as much information as possible available to those individuals having decision-making authority and to the public.

These guidelines are provided as guidance for members of the AFC Board and Committees in the accomplishment of their duties. CNCA section 148 requires each Director in exercising their powers and discharging their duties to the Foundation to act honestly and in good faith with a view to the best interests of the Foundation, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Foundation applies the same responsibility to Committee members. A Director or Committee member should refrain from participating in the deliberations of the Board or Committees on issues with respect to which he or she may be in a conflict of interest. These Guidelines are designed to assist members of the Board and Committees in determining whether or not they are in such a situation.

Ultimately, the responsibility belongs to each member of the Board and Committees to ensure that the deliberations of the Board and Committees remain pristine and above reproach.

Pecuniary Interest

Guideline No. 1: No person should participate in the deliberations of the Board or Committees if the matter under consideration involves a contract, an appointment or any other commercial or profitable transaction in which that person, his or her firm or partnership, or any member of his or her immediate family has a material interest. That person should disclose the interest to the Board or Committee and have it recorded in the minutes. A person who knows of any reason that would give rise to a reasonable belief that a member of the Board or a Committee might be in such a situation must disclose such knowledge immediately to the chair of the Board or Committee.

Professional Interest

Guideline No. 2: No person should participate in the deliberations of the Board or Committees regarding matters which may affect the practice of that person or

that of his or her firm or partnership, or the interests of one of his or her clients, in a manner that is personal and specific to that person, his or her firm or partnership or one of his or her clients and that is distinct from the manner in which that matter will affect the practice of all or of a group of Members or Associates and their firms or partnerships or the interests of all or of a group of members of the general public. That person should disclose the interest to the Board or Committee and have it recorded in the minutes. A person who knows of any reason that would give rise to a reasonable belief that a member of the Board or a Committee might be in such a situation must disclose such knowledge immediately to the chair of the Board or Committee.

Sections 141 through 151 of the Canada Not-for-profit Corporations Act set out various provisions relating to the responsibilities and liabilities of Directors.

Each member of the AFC Board and AFC Committees shall be required to sign a conflict of interest statement upon the initial assumption of their duties and annually thereafter.

To Be Completed By Each Board and Committee Member Annually

I agree to the terms of this statement and shall conduct my involvement in the Actuarial Foundation of Canada accordingly.

Name: _____

Signature: _____ Date: _____

If there is a possible conflict of interest, please explain on the reverse side and forward to the Foundation Chair.

APPENDIX 2

Statement of Investment Policy December 17, 2013

Investment Guidelines and Restrictions

General

The Actuarial Foundation of Canada accumulates invested assets over time. Most of these assets are accumulated through donations. For investment purposes, the assets are considered in three categories:

- **Operating Funds** - required to meet short term (in the next 12 months) obligations.
- **Restricted Funds** - funds designated for a specific purpose, either by the donors or the Board. Currently this category consists solely of the Hugh White Awards Fund.
- **Surplus Funds** - the remainder of the funds.

This Policy recognizes that the Foundation is now established as a going concern and cash outflows are predictable and controllable. However the Foundation assets are still relatively small and cash inflows are uncertain, so the Board is unwilling to accept significant investment risk.

Purpose

The purpose of this Policy is to establish the guiding principles for the investment of the assets of the Foundation; the investment objectives and policies applicable to its investment portfolio; and the investment guidelines and procedures relating to directing and monitoring performance of the investment activities.

General Investment Objectives

The primary objectives for the investment of the financial assets of the Foundation are to:

- provide sufficient liquidity to meet operating requirements;
- protect the financial assets from undue risk of loss;
- support the carrying out of the intended purposes of any restricted funds; and
- earn interest and other investment income consistent with the other objectives.

Roles and Responsibilities

The final authority and responsibility for the investment of the financial assets of the AFC is the Board of Directors. The Board of Directors fulfills this responsibility by establishing the Investment Policy. The Board may enter banking arrangements and engage investment advisors, fund managers, investment brokers or custodians.

The Treasurer, with guidance from the Audit and Finance Committee, will be responsible for implementing the investment strategy and communications with the AFC's bank, investment advisor, fund manager, broker or custodian (if any). The Audit and Finance Committee will determine the amount of the Operating, Restricted and Surplus Funds. The Treasurer will be

responsible for management of cash and short term investments. Transactions involving securities of more than 12 months to maturity require the approval of the Audit and Finance Committee.

At all times, the investments will be managed with the care, skill and diligence that a person of ordinary prudence would exercise in dealing with the property of another person.

Asset Allocation

In the table below, “cash” includes bank or trust company checking accounts, interest bearing accounts, money market accounts, certificates of deposit or similar instruments; demand accounts with an investment firm which is a member of the Canadian Investor Protection Fund.

The Restricted Funds will be invested consistent with their intended purpose. The Hugh White Awards fund was initially intended to provide annual awards of \$2000 for at least 20 years. Accordingly it was invested primarily in long-term fixed income securities which provide cash payments of at least \$2000 each year. The annual awards were increased to \$2,500 for 2013 and later years.

Funds	Asset Class	Term to Maturity	Authority
Operating	Cash, Fixed Income	≤1 year	Treasurer
Restricted: Hugh White	Cash, Fixed Income	≤25 years	Audit and Finance
Surplus	Cash, Fixed Income	≤5 years	Audit and Finance

Investment Restrictions

Equity Restrictions

The Foundation will not invest in equity holdings or derivatives. As the funds grow, it is expected that equity investment may be introduced in future revisions of the investment policy.

Any equities received as donations must be sold as soon as practical. However, substantial gifts may be accepted with the understanding that they will be invested consistent with the wishes of the donor subject to Foundation approval. It is expected that this would give rise to a new restricted fund with a distinct asset allocation consistent with its intended purpose.

Fixed Income Restrictions

1. Fixed income investments may be those
 - a) guaranteed by the Canada Deposit Insurance Corporation, or
 - b) issued or guaranteed by the Government of Canada or a Canadian provincial government, or
 - c) issued by corporations or limited partnerships (see quality restrictions below.)
2. No private placements or mortgages are allowed.
3. No asset backed securities are allowed.
4. All short term investments (1 year or less) must have a credit rating of R1mid or higher as rated by DBRS. If such investment is subsequently downgraded below R1mid, then an action plan to sell the security should be immediately developed and implemented.
5. Longer term (more than 1 year) fixed income securities issued by a corporation or limited partnership must have a credit rating of AAminus or higher as rated by DBRS at the time acquired. If such investment is subsequently downgraded below Aminus, then an action plan to sell the security should be immediately developed and implemented.

6. No derivatives are allowed.

Other Matters

Securities Lending

No securities lending will be allowed.

Reporting and Administration

Quarterly the Treasurer will provide the Audit and Finance Committee with a copy of the portfolio, which will show all the investments held, the cost and market value of each investment, its credit rating, if applicable, and any transactions executed during the quarter. Annually the Treasurer will report to the Board on investments. Given the nature of the investments allowed by this investment policy, portfolio rates of return would not be meaningful and benchmark rates of return have not been established.

Review of Investment Policy

The Audit and Finance Committee must review this policy at least annually, and report to the Board with recommendations for change, if any. The Board must review this policy at least annually.

Borrowing

Except as provided herein, the AFC is not permitted to borrow money. In very special circumstances, the Treasurer may request approval from the Board of Directors to borrow funds. Each such request must be accompanied by a report that documents fully the reasons for the request and the terms of the borrowing.

APPENDIX 3

Corporate Donor Recognition Policy

Categories

Contributions made to the Foundation by donating corporations will be designated as part of our “actuarial partnership” and will be categorized as shown below.

Contributor:	\$500-\$999
Builder:	\$1,000-\$2,499
Pacesetter:	\$2,500-\$4,999
Pathfinder:	\$5,000-\$9,999
Pioneer:	\$10,000-\$24,999
Visionary:	\$25,000-\$49,999
Architect:	\$50,000+

Each category will be valid as follows:

- Categories “Contributor” through “Pathfinder”: until the end of the year following the year in which the contribution is made.
- Categories “Pioneer” and “Visionary”: until the end of the second year following the year in which the contribution is made.
- Category “Architect”: until the end of the third year following the year in which the contribution is made.

Recognition

Corporate partners will be recognized on the AFC’s Corporate Donor webpage while the corporate partner’s category is valid, as follows:

Contributors, Builders and Pacesetters will be listed under the appropriate category.

Pathfinders will be listed under the appropriate category and will also include, if provided by them and not exceeding 100 words, a description of their main activities.

Pioneers: the same as Pathfinders and in addition their company logo will be included (at their option).

Visionaries and Architects: the same as Pioneers but a direct link to their webpage of their choice will also be included.

Repeat contributors will be recognized with a parenthetical note against their category showing the number of years they have been contributing.

Acknowledgement

Builders and above can state on their website, at their option, that they are contributors to the Actuarial Foundation of Canada while their category is valid provided they do not use our name for sales or promotion of their products and services.

Pathfinders and above can, in addition, include our logo on their web site at their option for the same period if they agree to our conditions for the use of the logo, documented through an exchange of a letter which the contributor will return indicating acceptance. The conditions are as follows:

1. The logo remains the property of AFC and cannot be altered in any way.
2. The use of the logo is subject to the contributor's website providing a link to our website.
3. Our logo cannot be used for the endorsement or promotion of the contributor's products or services or in their sales material.

Supporting Organizations

Actuarial organizations that support us with their contributions will be recognized on our website with a link to their website.

APPENDIX 4

Agreement Between The Foundation and The CIA

A. The CIA recognizes that certain programs of the AFC, such as support to research and creating awareness of mathematics and mathematical careers for young people, are consistent with its strategic plan and priorities.

B. The AFC wishes to acquire certain administrative and other services as defined below and the CIA has agreed to provide such services to AFC to help the AFC accomplish its mission.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and provisions herein set forth and other good and valuable consideration (the receipt of which is hereby by each of the parties acknowledged), the parties hereto agree, each with the other, as follows:

1. The CIA agrees to provide the following services (the “Services”), at no charge to the AFC, to assist the AFC in fulfilling its charitable mandate, and on the understanding that the value of the Services will be shown as a contribution in kind in the records of the AFC:
 - i. All unrestricted gifts to the AFC in the form of cash and near cash (cheque, money order and credit card payment) as well as publicly-listed securities will be received by the CIA accounting department on the AFC’s behalf and processed in accordance with the provisions of Schedule “A. Where the CIA receives a gift to the AFC which contains restrictions on the purpose or use of the gift by the AFC or if a gift is subject to any conditions or does not otherwise fall within the one of the types of gifts described in this paragraph (such as a gift received by way of a bequest or a gift in kind), the CIA shall not accept or deposit the donation into AFC’s bank account but shall notify the Chair of the AFC regarding the gift and the precise details of the potential donation. The AFC is responsible for determining whether it will accept the gift and will notify the CIA whether the gift should be returned or if it is to be accepted, how the donation should be processed and receipted by the CIA on the AFC’s behalf.
 - ii. The CIA accounting department will provide draft quarterly financial statements for the AFC, which include the following items: Balance Sheet, Income and Expense Statement, Bank Reconciliation, Statement of Donations received.
 - iii. The CIA accounting department will provide reasonable support to the AFC to complete the annual audit of the AFC financial statements. The audit will be performed at the CIA Secretariat. If the AFC uses the same accounting firm as the CIA, the CIA will pay for the cost of the audit.

- iv. The CIA will provide appropriate space for the storage of the AFC financial records for the current year as well as for the previous year, and for the AFC historical documents.
- v. The CIA will provide translation services to the AFC, up to a maximum of 5 hours per month, non-cumulative.
- vi. The CIA will maintain the AFC website. Updates to the AFC website will occur on the first Monday of every month. Requests for changes will be submitted by the AFC to the CIA Website Developer at least one week in advance.
- vii. The CIA will maintain a database of AFC donors, including such information as AFC may reasonably require.
- viii. The CIA will provide reasonable telephone, internet and facsimile facilities to the AFC and under AFC's name, including the arrangements for conference calls for AFC Board and Committee meetings. Messages will be checked by CIA staff daily and forwarded to the appropriate person at the AFC.
- ix. The CIA accounting department will provide reasonable assistance to the AFC Board in connection with the preparation by the AFC Board of the AFC's annual registered charity information return (Form T3010).

Except as specifically set out in Section 1 above, the CIA shall not have any responsibility to provide services to or in respect of the AFC.

2. The provision of Services under this Agreement shall commence on the Effective Date and shall continue until terminated in accordance with Section 10.
3. Both the CIA and AFC hereby confirm that each will remain a separate and distinct corporate entity with an independent board of directors that will remain ultimately responsible for the management and governance of each of their respective organizations notwithstanding any other provisions of this Agreement. In particular, but without limiting the generality of the foregoing sentence, the AFC acknowledges that it shall remain responsible for meeting all requirements under the *Income Tax Act* (Canada) and under Canada Revenue Agency policies for registered charities.
4. The CIA shall at all times maintain comprehensive/commercial general liability insurance and such other insurance that a reasonable prudent person would obtain under the circumstances as may be reasonably determined by the CIA, which shall also confirm that the AFC is insured thereunder. Upon request by the AFC, the CIA shall deliver certificates of insurance to the AFC.
5. The CIA agrees that the AFC shall have reasonable access to CIA's premises and to all of AFC's books and records maintained at the CIA premises at all times during the term of this Agreement.

6. The CIA will protect the confidentiality of AFC files. In this regard, “Confidential Information” in this Agreement means any information or data of the AFC in whatever format, including, without limitation, the names and any information relating to any donor to the AFC or any participant in the AFC’s charitable activities and any other information about the AFC’s activities. Confidential Information excludes any information that the AFC expressly declares in writing to be non-confidential. The CIA agrees that it will:
 - (i) use Confidential Information only for the purpose of carrying out the Services contemplated under this Agreement;
 - (ii) not disclose any of the Confidential Information to any third party, or to any employees or agents except those who need to know it to enable the carrying out of the Services contemplated by this Agreement;
 - (iii) require its employees and agents to abide by the provisions of this Agreement;
 - (iv) return any Confidential Information in its possession or under its control to the AFC at its request, or upon any termination of this Agreement.
7. Time shall be of the essence of this Agreement.
8. The CIA and AFC agree that there are no collateral or precedent representations, agreements or conditions not specifically set forth herein, and no modification, amendment or variation hereof shall be binding on the parties unless agreed to in writing by each of them.
9. On behalf of the CIA, the individual holding the title of Director of Operations, Finance and Administration will act as the Relationship Manager for this Agreement and will be the contact person for AFC in the CIA Secretariat for matters dealing with this Agreement. He/she will attend at least four AFC Board Meetings per year in person or by telephone. On behalf of the AFC, the Chair of the AFC will act as the Relationship Manager for this Agreement and will be the contact person for AFC in the CIA Secretariat for matters dealing with this Agreement.
10. Either of the AFC or the CIA may give to the other of them at least three (3) months written notice of its intention to terminate this Agreement, which shall terminate accordingly. Upon any termination of this Agreement, the parties shall ensure an orderly transition and CIA shall return all of AFC’s property to the AFC as it may require.

Schedules to Service Agreement between AFC and CIA

Schedule A

AFC Donations Management Procedure

AFC donations are received in two forms. (1) Cheques, money orders and credit cards provide immediate cash while (2) the donation of publicly traded shares provides cash through the sale of the shares.

Cheques and credit card donations are received through the mail and via the AFC website through the use of ecommerce.

Once a week, on Friday, envelopes received through the mail will be opened by the accounting assistant. Cheques received will be stored in a locked box. Deposits will be prepared on the first and third Fridays of every month. On those dates, the accounting assistant will prepare the deposit and take it to the bank. If a large cheque (\$5,000 or more) is received five or more business days before the next regular deposit date, a special extra deposit will be made.

These deposits will be recorded in donation spreadsheets in a manual accounting system in Excel.

Donations received through credit cards will be manually entered through the electronic payment system of the AFC whenever they are received. The accounting assistant electronically submits the amount into the system for approval. Once approval is received, the donation is recorded in the Excel spreadsheet referred to below. If the amount is denied, an entry will still be done in the donation spreadsheet but will also indicate that the credit card was denied.

In the case of a denied credit card donation, the accounting assistant will contact the donor and advise the donor of the denial.

Donations received in the form of publicly traded shares will be recorded by the accounting assistant in the donations tracking spreadsheet. The AFC Treasurer will provide to the AFC broker (BMO Nesbitt Burns*) a standing order to sell the shares immediately upon receipt. The CIA Director of Operations, Finance and Administration will be responsible for facilitating the transaction between the donor and the AFC broker. Any difficulties will be brought to the AFC Treasurer's attention by the CIA Director of Operations, Finance and Administration within a reasonable period of time.

**AFC uses discount broker Scotia iTrade as of Feb. 2013; CIA Director of operations, Finance and Administration now must take action to sell shares as & when received. (this asterisk is not part of the signed agreement)*

Recording Donations: In each case, the accounting assistant will record the donation in an Excel spreadsheet including the following information for the donor as well as the amount of the donation in the donations database:

- Full Name
- Mailing address and postal code
- Telephone number

- Email address
- Amount of donation
- Date of donation
- Method of payment

Thank-you Letters: Within two weeks following the receipt of any donation, the CIA accounting assistant will prepare and send to the donor an appropriate thank-you letter, on behalf of the AFC on AFC letterhead, and a copy will be sent to the Chairperson of the AFC Development Committee.

Donation Spreadsheets: Once a month, the donation spreadsheets and deposits will be reconciled and the updated donation spreadsheets will be sent to the Treasurer of the AFC.

Receipts for Tax Purposes will be issued to donors annually on behalf of AFC by the CIA Accounting Department. AFC official donation receipts will be in the form required by AFC and will contain the information required by Regulation 3501 to the Income Tax Act (attached). In this regard, the CIA accounting assistant shall ensure that the donor is named correctly and that CRA's requirements relating to the preparation of donation receipts are properly complied with.

Between January 5th and January 31st in each year, the accounting assistant of the CIA will produce charitable donation receipts for all donations received by AFC in the previous year, record them, ensure that they are properly signed by an individual authorised by AFC and send them to the donors. With regard to gifts of securities, the donation receipt will be based on the fair market value of the securities on the date they were received by the AFC. The value of the securities will be the closing bid price of the shares on the date of the gift.

Schedule B – Contents of Receipts

3501.1(1) Every official receipt issued by a registered organization shall contain a statement that it is an official receipt for income tax purposes and shall show clearly in such a manner that it cannot readily be altered,

- (a) the name and address in Canada of the organization as recorded with the Minister;
- (b) the registration number assigned by the Minister to the organization;
- (c) the serial number of the receipt;
- (d) the place or locality where the receipt was issued;
- (e) where the donation is a cash donation, the day on which or the year during which the donation was received;
- (e.1) where the donation is a gift of property other than cash
 - (i) the day on which the donation was received,
 - (ii) a brief description of the property, and
 - (iii) the name and address of the appraiser of the property if an appraisal is done;
- (f) the day on which the receipt was issued where that day differs from the day referred to in paragraph (e) or (e.1);
- (g) the name and address of the donor including, in the case of an individual, his first name and initial;
- (h) the amount that is
 - (i) the amount of a cash donation, or
 - (ii) where the donation is a gift of property other than cash, the amount that is the fair market value of the property at the time that the gift was made;
- (i) the signature, as provided in subsection (2) or (3), of a responsible individual who has been authorized by the organization to acknowledge donations; and
- (j) the name and Internet website of the Canada Revenue Agency.

APPENDIX 5

Memorandum of Understanding

**The Actuarial Foundation
And
The Actuarial Foundation of Canada**

The Actuarial Foundation and the Actuarial Foundation of Canada (collectively, “The Foundations”) have a common purpose as expressed in their similar missions, visions and goals. To further this common purpose, both organizations agree to enter into this Memorandum of Understanding (“MoU”).

1. The Foundations agree to share general information about their programs and operations in a spirit of collegiality. However, each organization shall have full discretion to decide which of its information to share under this provision.
2. The Foundations anticipate that the nature of information shared, and the mode of sharing, will evolve over time as a function of the Foundations’ respective strategic issues and priorities. By way of example, in some years the Foundations may decide that an in-person general informational presentation to each Foundation’s Board by a representative of the other Foundation is warranted, while in other years one or both of the Foundations may focus on providing written and electronic information about a specific program area of mutual interest. The initial point of contact will generally be the Secretary of AFC and the Executive Director of TAF. Regardless of the approach adopted in a particular year, a Foundation shall have no financial responsibility for the travel, lodging and other expenses of representatives of the other Foundation, unless otherwise mutually agreed in advance.
3. Each organization owns various ideas, information, materials, software, work products, publications, methodologies, names, formats and other items that it considers “Intellectual Property.” While the two organizations are legally distinct entities, each organization grants the other organization the right to utilize the Granting Organization’s Intellectual Property for purposes that further the Using Organization’s missions, visions and goals. Each organization acknowledges their intention to utilize the Intellectual Property of the other organization to the furtherance of their common purpose. Intellectual Property must be used for the intent for which it was designed so as not to take on a new identity of purposes within each organization.

It is acknowledged that use of the Intellectual Property of one organization by the other does not give ownership rights in or to the Intellectual Property. In particular, each agrees not to do anything to damage the goodwill or ownership rights of the other. Each organization agrees to be fully open with the other organization regarding the ways in which the Using Organization is utilizing the Intellectual Property of the Granting Organization.

The Board of each organization retains the right to revoke permission to use its Intellectual Property either with respect to a particular item or on a wholesale basis. The right to use the Intellectual Property of the organization will cease within 90 days of written notification.

4. Each organization agrees not to conduct donation solicitations that target actuaries within the other organization's country of domicile, or that target actuarial employers operating exclusively within the other organization's country of domicile, without prior mutual agreement. When appropriate, the Foundations will give due consideration to coordinating solicitations of multi-national companies, including providing an explanation of the relationship between the two organizations.
5. Nothing in this MoU is intended to obligate either organization to incur or commit material expenditures.

TAF Approved: 12/05/13
AFC Approved: 12/17/13

APPENDIX 6

Sample Contract for Services

• see Section 19; if the AFC is contracting with a service provider who is not also a Canadian registered charity; CRA imposes a higher standard of supervision by the AFC to ensure that the expenditures have appropriate charitable purposes. This sample contract may be useful as a guide if that situation arises.

CONTRACT FOR SERVICES

B E T W E E N

**THE ACTUARIAL FOUNDATION OF CANADA
LA FONDATION ACTUARIELLE DU CANADA**

- and -

[NAME OF CONTRACTOR]

CONTRACT FOR SERVICES

BETWEEN

ACTUARIAL FOUNDATION OF CANADA
LA FONDATION ACTUARIELLE DU CANADA

- and -

[NAME OF CONTRACTOR]

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CONTRACT FOR SERVICES

THIS AGREEMENT (the "Agreement") is entered into as of the ____ day of _____,
_____.

BETWEEN

**THE ACTUARIAL FOUNDATION OF CANADA
LA FONDATION ACTUARIELLE DU CANADA**

a charitable corporation incorporated under the relevant laws of Canada, having its head office in Ottawa, Ontario, Canada (hereinafter referred to as the "**Charity**").

AND

[NAME OF CONTRACTOR]
(hereinafter referred to as the "**Organization**").

WHEREAS Charity has requested that the Organization assist in providing certain services required to operate the charitable activities of the Charity;

AND WHEREAS the Charity and the Organization now wish to enter into an agreement to define the terms of the services to be performed by Organization on behalf of the Charity, as well as to provide for the payment for those services as may apply from time to time.

NOW THEREFORE IN CONSIDERATION of the mutual covenants, agreements and indemnities contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

BACKGROUND INFORMATION

1.01 The Charity

The Charity is an incorporated charitable organization carrying on charitable activities for the following purposes:

(i) To advance the knowledge and education of Canadians concerning personal financial management issues by:

- (a) carrying out educational programs which enhance the mathematical skills and financial education of elementary, high school, college and university students and pre-schoolers;*
 - (b) carrying out educational symposia, workshops and other similar programs for the general public;*
 - (c) developing and producing relevant educational materials to be used in connection with (a) and (b) above;*
-

- (d) *carrying out or supporting research and making the results of that research available to the interested public and to government;*
- (e) *providing scholarships, bursaries, awards and other forms of financial assistance to students of mathematics or science.*

- (ii) *To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the Income Tax Act (Canada).*

The said charitable purposes of the Charity are primarily achieved through the activities undertaken in connection with the charitable activities listed in Schedule “A” attached hereto (the “Projects”).

The Charity is registered with the Canada Revenue Agency as a charitable organization, and has been assigned registered Charitable Business Number 888422615 RR0001.

1.02 The Organization

- (a) The Organization is a [•].

SERVICES AND CONSIDERATION

1.03 Services to be Performed by the Organization

- (a) The Charity hereby agrees to retain the Organization, and the Organization agrees to be retained, to perform the following services for the Charity in order to assist the Charity to carry out its charitable activities (the “Services”):
 - (iii) to [•] from time to time as the Charity may more specifically designate from time to time in accordance with Section 1.04;
 - 1. to receive funds from the Charity from time to time in accordance with Section 1.04 (“Funds”) and to disburse the Funds as directed by the Charity from time to time to carry out the Services and to conduct the Projects; and
 - 2. to ensure that the Funds and other property managed by the Organization on behalf of the Charity or purchased using the Funds provided by the Charity are used for the charitable purposes as designated by the Charity from time to time.

The Organization shall provide the Charity on a quarterly basis, or more frequently as may be required by the Charity, as requested in writing from time to time, with a written report detailing the Services provided by the Organization to the Charity in accordance with this Agreement.

The Organization shall keep and maintain adequate books and records in relation to the disbursement of the Funds, including detailed expenditure statements, copies of all receipts and vouchers, where available, and other relevant documentation, and all corresponding receipts and vouchers. The Organization shall provide the Charity with a written report on an annual basis and upon final disbursement of the Funds detailing all transactions with respect to the disbursement of the Funds. The Organization shall provide the

Charity with all of the above documentation forthwith upon request of the Charity for audit and verification purposes, with at least 30 days' advance notice.

The Organization shall permit a representative of the Charity to enter at all reasonable times any premises used by the Organization in connection with the use of the Funds for which the Organization is responsible pursuant to this Agreement in order to inspect and evaluate the Services performed by the Organization and inspect all records relating to the same, subject to maintaining the requirements of confidentiality, including those of its agents. The Organization's expenses associated with an inspection and evaluation shall not be recoverable from the Charity.

The Organization shall at all times maintain comprehensive/commercial general liability insurance and such other insurance that a reasonable prudent person would obtain under the circumstances as may be reasonably determined by the Organization. Upon request by the Charity from time to time, the Organization shall deliver certificates of insurance or certified copies of insurance policy(ies) to the Charity or such other confirmation of the Organization's insurance that is acceptable to the Charity from time to time.

1.04 Specific Services/Transfers of Funds/Designation

- (a) A written designation in the form attached as Schedule B to this agreement shall accompany each transfer of funds from the Charity to the Organization. The written designation shall set out the specific Services to be provided to the Charity by the Organization pursuant to such designation and manner, parameters and/or restrictions to apply to the use of the said Funds by the Organization.
- (b) As required by the written designation, the Charity shall make periodic transfers of Funds to the Organization in order to carry out the Services and to conduct the Projects.
- (c) The written designation issued by the Charity shall only become effective and binding upon written acceptance by the Organization.
- (d) The Charity specifically reserves the right to unilaterally withhold the transfer of the Funds, or any part thereof, to the Organization in its sole discretion of the Charity, in the event that the Charity is not fully satisfied that the Organization is providing the Services in relation to which earlier transfers of Funds made by the Charity.

1.05 Remuneration and Reimbursement of Expenses

The Organization shall be reimbursed from time to time for all out of pocket expenses, including travel costs, actually and properly incurred by the Organization in connection with providing the Services hereunder. The Organization shall furnish statements and vouchers to the Charity for all such expenses.

1.06 No Delegation of Services

The Organization covenants and agrees with the Charity that it shall not delegate performance of the Services to any other party without the prior written consent of the Charity.

1.07 Operational Standards

The Organization shall follow “best practice” standards as may be defined by the Charity from time to time in carrying out the Services. The Charity shall provide the Organization with details of such standards prior to the commencement of the Services and shall promptly advise the Organization in the event of changes to such standards. The Charity shall assist the Organization, where possible, to implement a procedure to comply with these standards.

1.08 Organization and Authorization

The Organization hereby represents and warrants to the Charity as follows and acknowledges that the Charity is relying on such representations and warranties in connection with entering into this Agreement with the Organization:

- (a) Organization - The Organization is a non-profit organization validly existing under the laws of Canada. The Organization has the power and authority to enter into and perform its obligations under this Agreement and to act as an independent contractor to perform the Services.

Authorization - This Agreement has been duly authorized, executed and delivered by the Organization and is a legal, valid and binding obligation of the Organization, enforceable against the Organization by the Charity in accordance with its terms.

TERM AND TERMINATION

1.09 Term

This Agreement shall come into effect on the Effective Date, which shall be the __ day of ____, 200__ (“Effective Date”). The initial term shall be for a period of one (1) year from the Effective Date ending on the one year anniversary thereof, at which time it shall automatically renew every one (1) year unless either the Charity or the Organization provides thirty (30) days’ prior written notice to the other of its intent not to renew this Agreement at the end of the current term. The term hereby demised and any renewal or extension thereof, or such shorter period as provided under this Agreement, shall be referred to as the “Term” in this Agreement.

1.10 Termination

- (b) This Agreement shall terminate upon the expiry of the Term.
- (c) This Agreement may be terminated by either party without cause by giving thirty (30) days’ written notice to the other party.
- (d) Where the Organization is in default in carrying out any of its obligations under this Agreement, in addition to any remedies otherwise available, the Charity may, upon giving written notice to the Organization, terminate this Agreement for default, in whole or in part, either immediately or at the expiration of a cure period specified in the notice if the

Organization has not cured the default to the reasonable satisfaction of the Charity within the cure period.

- (e) Where the Organization becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed under a debt instrument passed for the winding up of the Organization, the Charity may, to the extent permitted by the law of Canada, upon giving notice to the Organization, immediately terminate for default the whole or any part of this Agreement.

1.11 Consequences of Termination

In the event of any termination of this Agreement, the Organization shall forthwith return to the Charity within thirty (30) days of the said termination date all Funds and property entrusted to it which have not been expended or utilized in accordance with the terms of this Agreement, provide a full written statement of account of its dealings with the Funds since the date of the last written report, and forthwith return all books and records in its possession relating to the Services performed by the Organization in accordance with Section 1.030.

CONFIDENTIALITY

1.12 Confidential Information

Except for disclosure requirements compulsory by law, each party covenants and agrees that it shall not disclose to anyone any confidential information with respect to the affairs of the other party except as may be necessary or desirable to further the charitable purposes and interests of the party Charity or disclosure requirements compulsory by law. This obligation shall survive the expiry or termination of this Agreement.

1.13 Return of Property

Upon expiry or termination of this Agreement, each party shall return to the other party any property, documentation, or confidential information which is the property of the party.

1.14 Promotion of the Charity's Charitable Purposes and Interests

In relation to the Funds transferred in accordance with this Agreement, the Organization shall faithfully serve and use its best efforts to promote the charitable purposes and interests of the Charity, shall not use any information it may acquire with respect to the affairs of the Charity or its affiliates for its own purposes or for any purposes other than those of the Charity or its affiliates.

PERSONAL INFORMATION AND PRIVACY

1.15 Protection of Personal Information and Consents to Use of Personal Information

The Organization recognizes that any information concerning the officers, directors, employees, customers, and other individuals about whom the Charity holds information may be subject to the requirements of *Personal Information Protection and Electronic Documents Act* (Canada) and other laws governing privacy. The Charity hereby consents to the collection, use and disclosure of the information about the Charity as may be required for the following purposes, in order to facilitate the purposes of this Agreement and facilitate and promote the ongoing business operations of the Charity:

- (a) as required by law;

as required in order to obtain financing for the Charity;

as required to obtain contracts for the Charity;

in connection with obtaining insurance as required by this Agreement;

in connection with any outsourcing of information by the Charity to third party suppliers of information processing services, including, without limitation, payroll, health benefits, insurance and pension plan benefits to the extent necessary to provide such services.

for the internal operational purposes of the Charity and to facilitate communications with the Organization;

for any purpose required or permitted under the *Personal Information Protection and Electronic Documents Act*; and

to the Organization or to any other party with the consent of the Organization subject to and in accordance with the terms of the *Personal Information Protection and Electronic Documents Act*.

1.16 Privacy and Personal Information

- (a) The Organization acknowledges that through the Organization's engagement with the Charity, the Organization will become aware of Personal Information (as such term is defined in the *Personal Information Protection and Electronic Documents Act*) which is collected used or disclosed by the Charity or transferred to the Charity for processing purposes.
- (b) The Organization agrees and covenants with the Charity that the Organization will not, without the prior written consent of the Charity, disclose or make available such Personal Information to any other person or entity except in accordance with the Charity's instructions.

- (c) The Organization agrees that the Personal Information of others provided to it by the Charity shall only be used for such purposes as are specified herein and that the Organization shall not sell, trade, barter, disclose or transfer such Personal Information to any other party except with the prior written consent of the Charity. The Organization shall not use the Personal Information for any other purpose other than the purposes permitted by this Agreement with prior written consent of the Charity. The Organization shall follow all rules and regulations of the Charity with respect to such Personal Information.
- (d) From time to time, the Organization shall execute such further agreements to hold in confidence Personal Information of others disclosed or transferred to the Organization by the Charity as may be required by the Charity.

CONFLICT RESOLUTION

1.17 Conflict Resolution

In the event that a dispute or controversy between the parties arising out of or related to this Agreement is not resolved in private meetings between the parties, then without prejudice to or in any other way derogating from the rights of the parties as set out in this Agreement, and as an alternative to such person instituting a law suit or legal action, such dispute or controversy shall be settled by a process of dispute resolution as follows:

- (a) The dispute or controversy shall first be submitted to a panel of mediators whereby one party appoints one mediator, the other party appoints one mediator, and the two mediators so appointed jointly appoint a third mediator. The three mediators will then meet with the parties in question in an attempt to mediate a resolution between the parties.

The number of mediators may be reduced from three to one or two upon agreement of the parties.

If the parties are not successful in resolving the dispute through mediation, then the parties agree that the dispute shall be settled by arbitration before a single arbitrator, who shall not be any one of the mediators referred to above, in accordance with the *Arbitrations Act* (Ontario), and the Arbitration Rules of Arbitration and Mediation Institute of Canada Inc. The parties agree that all proceedings relating to arbitration shall be kept confidential and there shall be no disclosure of any kind. The decision of the arbitrator shall be final and binding and shall not be subject to appeal on a question of fact, law or mixed fact and law.

All costs of the mediation and arbitration shall be borne equally by the parties to the dispute or the controversy.

GENERAL PROVISIONS

1.18 Recital

The parties hereto warrant that the facts contained in the recital are correct in all material respects.

1.19 Capacity

It is acknowledged by the parties hereto that the Organization is being retained by the Charity in the capacity of independent contractor. The Organization and the Charity acknowledge and agree that this Agreement does not create a partnership, joint venture, agency, employment, mandate, representation or delegation between them and the Organization and their employees, representatives, delegates, agents, or consultants shall not represent the relationship between the Charity and the Organization to third parties as such.

1.20 No Liability

The Charity shall not be liable for any injury, loss, damage or death resulting from, occasioned to or suffered by any person or person or to any property arising or alleged to arise from the Organization's performance of its obligations under this Agreement or the Services performed by the Organization under this Agreement, save and except in the event such injury, loss, damage or death results from or is occasioned or suffered by reason of the negligence of the Charity, its employees or agents.

1.21 Indemnification

The Organization hereby agrees to indemnify and save harmless the Charity, its successors, assigns, agents, servants, employees, volunteers, members, officers, and directors, of and from any and all claims, demands, actions, causes of actions, judgements, orders, penalties, losses, demands, damages, costs and expenses, including legal fees on a substantial indemnity basis, of every nature and kind, known or unknown, either past, present or future, including any reasonable amounts that may be required in the opinion of the Charity to settle such claims, attributable to any injury, death, damage or loss or property arising or alleged to arise from the Organization's performance of its obligations under this Agreement, the Services performed by the Organization, except to the extent that the injury, death, damage or loss has been caused by the negligence of the Charity, its employees or agents.

1.22 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.23 Enurement and Assignment

This Agreement shall be binding upon and enure to the benefit of the parties, their respective successors and permitted assigns. Neither party may assign its rights hereunder except with the prior written consent of the other party hereto. Any assignment carried out without such consent is null and void.

1.24 Currency

Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

1.25 Gender and Number

In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

1.26 Calculation of Time

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, then the time period in question shall end on the first business day following such non-business day.

1.27 Further Assurance

The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

1.28 Time of the Essence

Time shall be deemed to be of the essence with respect to all time limits mentioned in this Agreement, and no extension or variation of this Agreement shall operate as a waiver of this provision.

1.29 Entire Agreement, Amendments and Schedules

This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and supersedes all prior and contemporaneous agreements (except as specifically provided for in this Agreement), understandings, negotiations and discussions whether oral or written of the parties. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

1.30 Notice

All notices, requests, demands, or other communications (collectively called "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, by facsimile transmission, or e-mail to such other parties as follow:

In the case of the Charity:

The Actuarial Foundation of Canada
360 Albert Street
Suite 1740
Ottawa ON K1R 7X7

Attention: Chair

In the case of the Organization:

[•]

Attention: President

or at such subsequent address given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12.01 a.m. on the date following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12.01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

1.31 Severable Covenant

If any article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Agreement.

1.32 Non-Waiver

No waiver by any party of any breach by any other party of any of its covenants, obligations and agreements hereunder shall be a waiver of any subsequent breach of any other covenant, obligation or agreement, nor shall any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

1.33 Headings

All headings in this Agreement are inserted for convenience of reference only and are not to be considered in the construction or interpretation of any provisions of this Agreement.

1.34 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are signatory to the original or the same counterpart.

1.35 Transmission By Facsimile

The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as

binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signature forthwith and upon demand.

1.36 Language of Contract

The parties acknowledge having expressly required that this Agreement and all documents relating hereto be drawn up in English. Les parties déclarent avoir expressement requis que cette entente et tous les documents qui s’y rapportent soient rédigés en anglais.

1.37 Survival

The termination of this Agreement will not affect the survival and enforceability of any provision of this Agreement which is expressly or impliedly intended to remain in force after such termination.

IN WITNESS WHEREOF the Charity has executed this Agreement this ____ day of _____, _____, as attested to by its duly authorized signing officer.

**THE ACTUARIAL FOUNDATION OF CANADA
LA FONDATION ACTUARIELLE DU CANADA**

Per: _____
Name [please print]:
Position [please print]:

Per: _____
Name [please print]:
Position [please print]:

We have authority to bind the corporation

IN WITNESS WHEREOF the Organization has executed this Agreement this ____ day of _____,
_____.

[NAME OF CONTRACTOR]

Per: _____

Name [please print]:

Position [please print]:

Per: _____

Name [please print]:

Position [please print]:

We have authority to bind the organization

APPENDIX 7

Sample Research Contract

• see Section 19; if the AFC is contracting with a service provider who is not also a Canadian registered charity, CRA imposes a higher standard of supervision by the AFC to ensure that the expenditures have appropriate charitable purposes. This sample contract may be useful as a guide if that situation arises.

RESEARCH CONTRACT

B E T W E E N

**THE ACTUARIAL FOUNDATION OF CANADA
LA FONDATION ACTUARIELLE DU CANADA**

- and -

INSERT NAME OF RESEARCHER/INSTITUTE]

RESEARCH CONTRACT

THIS AGREEMENT (the “Agreement”) is entered into as of the ____ day of _____, 20__

BETWEEN

**THE ACTUARIAL FOUNDATION OF CANADA
LA FONDATION ACTUARIELLE DU CANADA**

a charitable corporation incorporated under the relevant laws of Canada, having its head office in Ottawa, Ontario, Canada (hereinafter referred to as the “Charity”).

AND

[NAME OF RESEARCHER/INSTITUTE]

[Insert a brief description of the Researcher or Institute]

(hereinafter referred to as the “Researcher”).

[NOTE TO CLIENT: If it is an Institute that is undertaking the research replace “Researcher” with “Institute”, or even “Contractor” or “University” may be appropriate depending upon the circumstances.]

WHEREAS Charity has requested that the Researcher assist in completing certain services required to fulfill the objects of the Charity;

AND WHEREAS the Charity wishes to transfer funds to the Researcher for it to undertake a project entitled, “[insert title of research]” (the “Project”);

AND WHEREAS the Charity and the Researcher now wish to enter into an agreement to define the terms of the Project, as well as to provide for the payment for the activities undertaken by the Researcher in support of the Project as may apply from time to time;

NOW THEREFORE IN CONSIDERATION of the mutual covenants, agreements and indemnities contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

BACKGROUND INFORMATION

1.38 The Charity

- a. The Charity is an incorporated charitable organization carrying on charitable activities for the following purposes:
 - i. *To advance the knowledge and education of Canadians concerning personal financial management issues by:*

- i. (a) carrying out educational programs which enhance the mathematical skills and financial education of elementary, high school, college and university students and pre-schoolers;*
 - (b) carrying out educational symposia, workshops and other similar programs for the general public;*
 - (c) developing and producing relevant educational materials to be used in connection with (a) and (b) above;*
 - (d) carrying out or supporting research and making the results of that research available to the interested public and to government;*
 - (e) providing scholarships, bursaries, awards and other forms of financial assistance to students of mathematics or science.*
 - ii. To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to charitable organizations that are also registered charities under the Income Tax Act (Canada).*
- b. The said charitable purposes of the Charity are primarily achieved through the activities undertaken in connection with the charitable activities listed in Schedule “A” attached hereto (the “Projects”).
- c. The Charity is registered with the Canada Revenue Agency as a charitable organization, and has been assigned registered Charitable Business Number 888422615 RR0001.

1.39 The Researcher/Institute

The Researcher is ...

[*NOTE TO CLIENT*: Insert a brief summary of the qualifications of the Researcher/Institute and its legal status]

SERVICES AND CONSIDERATION

1.40 Services to be Performed by the Center

- a. The Charity hereby agrees to retain the Researcher, and the Researcher agrees to be retained, to conduct research on [insert general description of the research project] (the “Project”) and which is attached as Schedule A to this Agreement. In this regard, the Researcher agrees to receive from the Charity [Insert the amount of Funds] (the “Funds”) and to disburse the Funds in accordance with the Budget and restrictions for the Funds as set out in the attached schedules, during the Term of this Agreement.
- d. The Researcher shall provide the Charity with progress reports in accordance with the attached Schedule B. These will be reviewed by the Charity’s technical representative, whose approval is required for release of the final funding increment supporting publication in the scientific literature.

- e. The Researcher shall provide the Charity with a final report addressing all of the data produced by the Project which will be reviewed by the Charity's technical representative.
- f. The Researcher shall have the right to publish the results of the Project, or any other information prepared or produced as a result of this Agreement, provided that the Charity shall be given the opportunity to review the materials prior to any such publication. Furthermore, the Researcher shall recognize the support of the Charity and any third party funder by including the following acknowledgement in all publications, advertising and promotional products and any form of material and products related to the Project :
- g. "This work was carried out with the aid of a grant from [insert name of charity, city, province, country.]"
- h. The Researcher shall submit one or more manuscripts to peer-reviewed scientific literature presenting and interpreting the results of this project and make an oral presentation of the main results of the study to [insert name] **[*NOTE TO CLIENT* this clause is optional, but provision must be made for the research results to be made available to the public in one form or another]**
- i. The Researcher shall retain the data produced by the Project and shall make it available to the Charity upon request.
- j. The Researcher shall keep and maintain adequate books and records in relation to the disbursement of the Funds, including detailed expenditure statements, copies of all receipts and vouchers, where available, and other relevant documentation at the head office of the Charity or at such other location as may be approved by the Charity. The Researcher shall provide the Charity with a summary on a quarterly basis and upon final disbursement of the Funds of all transactions with respect to the disbursement of the Funds. The Researcher shall provide the Charity with all of the above documentation forthwith upon request of the Charity for audit and verification purposes, with at least 30 days' advance notice.
- k. The Researcher shall at all times maintain comprehensive/commercial general liability insurance and such other insurance that a reasonable prudent person would obtain under the circumstances as may be reasonably determined by the Researcher, confirming that the Charity is insured thereunder in relation to the Services. Upon request by the Charity from time to time, the Researcher shall deliver certificates of insurance or certified copies of insurance policy(ies) to the Charity. **[*NOTE TO CLIENT* this clause is optional]**

1.41 Transfers of Funds

- (a) The Charity will pay the Researcher up to **[insert amount of Funds]**, inclusive of expenses which shall be used exclusively for the purposes described in Schedule A and in accordance with the project Budget in Schedule C. The Charity shall

make periodic transfers of Funds in accordance with the attached Schedules B and C (Budget), to the Researcher in order to conduct the Project. No substantial change in budgetary allocations will be made with without prior written approval by the Charity.

- (b) All transfers of Funds to the Researcher shall be considered advances until the project progress reports described in Schedule B are submitted to and accepted by the Charity to its complete satisfaction. The Parties agree that the amount of the transferred Funds may be reduced in the event that the Researcher carries out the Project for less than the budgeted amount. However, in no event shall the Charity's liability under this Agreement exceed [Insert amount of Funds]. The Researcher acknowledge that payment of Funds to the Researcher is conditional upon such Funds being made available to the Charity by its third party funder and upon compliance by the Researcher with the terms and conditions of this Agreement.
- (c) The parties agree that the Funds represent fair market value payment for the Services. If Canada Revenue Agency or any other tax authority or either party should assert that the fair market value of the Services was other than as determined in a designation, the parties may jointly agree upon an adjusted fair market value, whereupon the fee paid for the Services shall be adjusted accordingly *nunc pro tunc*, and the parties shall make all necessary adjustments.
- (d) The Charity specifically reserves the right to unilaterally withhold or withdraw the Funds, or any part thereof, paid or transferred by the Charity to the Researcher which in the Charity's sole discretion have not been expended or utilized in accordance with the terms of this Agreement in the event that the Charity is not fully satisfied that the Researcher is using the Funds for the purposes outlined in Section 2.01(a) and Schedule A.

1.42 Property of the Charity

- a. All documents, specifications and reports prepared by the Researcher in accordance with this Agreement shall be and will remain the sole property of the Charity and may not be used by the Researcher except in accordance with the terms of this Agreement without the prior permission, in writing, of the Charity.
- b. The Charity shall have the right to publish and distribute, or authorize a third party to publish and distribute, the final report and the Project results or any other information prepared or produced as a result of this Agreement, including but not limited to dissemination through the internet. The Charity shall, as a courtesy, discuss any intended publication with the Researcher.

1.43 Delegation of Services

The Researcher may delegate performance of the Services to its agents or subcontractors, where necessary, in the sole discretion of the Researcher, provided that the Researcher shall remain liable for the Services so performed by anyone so delegated by the Researcher. All such agreements between the Researcher and its agents or subcontractors

shall be in writing and shall comply with the provisions of this Agreement. The Researcher shall keep a record of these agreements and supporting documents relating to their performance. These agreements are subject to audit and inspection by the Charity and its representatives, subject to the provisions of Section 1.03 above.

[OR ALTERNATIVELY]:

The Researcher covenants and agrees with the Corporation that it shall not delegate performance of the Services to anyone without the prior written consent of the Charity.

1.44 Contractual Commitments with Third Parties

The Charity shall not be held liable for any contractual commitments entered into by the Researcher with any third party for the performance of the Services.

1.45 Researcher and Authorization

The Researcher hereby represents and warrants to the Charity as follows and acknowledges that the Charity is relying on such representations and warranties in connection with entering into this Agreement with the Center:

Researcher - The Researcher is a [professor/non-profit institute of the University of - _____, reporting the Faculty of _____]. The Researcher has the power and authority to enter into and perform its obligations under this Agreement, to act as an independent contractor to perform the Services, and the researchers engaged by the Researcher have the necessary qualification to perform its obligations under this Agreement.

Authorization - This Agreement has been duly authorized, executed and delivered by the Researcher and is a legal, valid and binding obligation of the Researcher, enforceable against the Researcher by the Charity in accordance with its terms.

TERM AND TERMINATION

1.46 Term

This Agreement shall remain in full force and effect from _____, _____ to _____, _____, save as hereinafter provided for earlier termination. The term hereby demised and any renewal or extension thereof, or such shorter period as provided under this Agreement, shall be referred to as the “Term” in this Agreement.

[OR ALTERNATIVELY]:

This Agreement shall come into effect on _____, _____. The initial term shall be for a period of one (1) year from the effective date ending on the one year anniversary thereof, at which time it shall automatically renew every one (1) year unless either the Charity or the Researcher provides thirty (30) days’ prior written notice to the other of its

intent not to renew this Agreement at the end of the current term. The term hereby demised and any renewal or extension thereof, or such shorter period as provided under this Agreement, shall be referred to as the “Term” in this Agreement.

1.47 Termination

This Agreement shall terminate upon the expiry of the Term.

This Agreement may be terminated by either party without cause by giving thirty (30) days’ written notice to the other party.

Where the Researcher is in default in carrying out any of its obligations under this Agreement, in addition to any remedies otherwise available, the Charity may, upon giving written notice to the Researcher, terminate this Agreement for default, in whole or in part, either immediately or at the expiration of a cure period specified in the notice if the Researcher has not cured the default to the reasonable satisfaction of the Charity within the cure period.

Where the Researcher becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or takes the benefit of any statute relating to bankrupt or insolvent debtors, or where a receiver is appointed, the Charity may, to the extent permitted by the law of Canada, upon giving notice to the Researcher, immediately terminate for default the whole or any part of this Agreement.

1.48 Consequences of Termination

In the event of any termination of this Agreement, the Researcher shall forthwith return to the Charity all Funds and all documents and copies thereof and any other materials in the possession or under the control of the Researcher pertaining to the Project which have not been expended or utilized in accordance with the terms of this Agreement and provide a full written statement of account of their dealings with the Funds since the date of the last written report.

CONFIDENTIALITY

1.49 Confidential Information

Except for disclosure requirements compulsory by law, the Researcher covenants and agrees that they shall not disclose to anyone any confidential information with respect to the affairs of the Charity except as may be necessary or desirable to further the charitable purposes and interests of the Charity. This obligation shall survive the expiry or termination of this Agreement.

1.50 Promotion of the Charity’s Charitable Purposes and Interests

The Researcher shall not use any confidential information it may acquire from the Charity with respect to the affairs of the Charity or its affiliates for any purposes other than to promote the Charity's charitable purposes and interests.

PERSONAL INFORMATION AND PRIVACY

1.51 Protection of Personal Information and Consents to Use of Personal Information

The Researcher recognizes that any information concerning the officers, directors, employees, customers, and other individuals about whom the Charity holds information may be subject to the requirements of *Personal Information Protection and Electronic Documents Act* (Canada) and other laws governing privacy. The Charity hereby consents to the collection, use and disclosure of the information about the Charity as may be required for the following purposes, in order to facilitate the purposes of this Agreement and facilitate and promote the ongoing business operations of the Charity:

- a. as required by law;
- b. as required in order to obtain financing for the Charity;
- c. as required to obtain contracts for the Charity;
- d. in connection with obtaining insurance as required by this Agreement;
- e. in connection with any outsourcing of information by the Charity to third party suppliers of information processing services, including, without limitation, payroll, health benefits, insurance and pension plan benefits to the extent necessary to provide such services.
- f. for the internal operational purposes of the Charity and to facilitate communications with the Researcher;
- g. for any purpose required or permitted under the *Personal Information Protection and Electronic Documents Act*; and
- h. to the Researcher or to any other party with the consent of the Researcher subject to and in accordance with the terms of the *Personal Information Protection and Electronic Documents Act*.

1.52 Privacy and Personal Information

- a. The Researcher acknowledges that through the Researcher’s engagement with the Charity, the Researcher will become aware of Personal Information (as such term is defined in the *Personal Information Protection and Electronic Documents Act*)

which is collected used or disclosed by the Charity or transferred to the Charity for processing purposes.

- b. The Researcher agrees and covenants with the Charity that the Researcher will not, without the prior written consent of the Charity, disclose or make available such Personal Information to any other person or entity except in accordance with the Charity's instructions.
- c. The Researcher agrees that the Personal Information of others provided to it by the Charity shall only be used for such purposes as are specified herein and that the Researcher shall not sell, trade, barter, disclose or transfer such Personal Information to any other party except with the prior written consent of the Charity. The Researcher shall not use the Personal Information for any other purpose other than the purposes permitted by this Agreement with prior written consent of the Charity. The Researcher shall follow all rules and regulations of the Charity with respect to such Personal Information.
- d. From time to time, the Researcher shall execute such further agreements to hold in confidence Personal Information of others disclosed or transferred to the Researcher by the Charity as may be required by the Charity.

GENERAL PROVISIONS

1.53 Recital

The parties hereto warrant that the facts contained in the recital are correct in all material respects.

1.54 Capacity

It is acknowledged by the parties hereto that the Researcher is being retained by the Charity in the capacity of an independent contractor. The Researcher and the Charity acknowledge and agree that this Agreement does not create a partnership, joint venture, agency, employment, mandate, representation or delegation between them and the Researcher and its employees, representatives, delegates, agents, consultants or subcontractors shall not represent the relationship between the Charity and the Researcher to third parties as such.

1.55 No Liability

The Charity shall not be liable for any injury, loss, damage or death resulting from, occasioned to or suffered by any person or person or to any property arising or alleged to arise from the Researcher's performance of its obligations under this Agreement.

1.56 Indemnification

The Researcher hereby agree to indemnify and save harmless the Charity, its successors, assigns, agents, servants, employees, volunteers, members, officers, and directors, of and from any and all claims, demands, actions, causes of actions, judgements, orders, penalties, losses, demands, damages, costs and expenses, including legal fees on a substantial indemnity basis, of every nature and kind, known or unknown, either past, present or future, including any reasonable amounts that may be required in the opinion of the Charity to settle such claims, attributable to any injury, death, damage or loss or property arising or alleged to arise from the Researcher's performance of its obligations under this Agreement.

1.57 Enurement and Assignment

This Agreement shall be binding upon and enure to the benefit of the parties, their respective successors and permitted assigns. Neither party may assign its rights hereunder except with the prior written consent of the other party hereto. Any assignment carried out without such consent is null and void.

1.58 Calculation of Time

When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, then the time period in question shall end on the first business day following such non-business day.

1.59 Further Assurance

The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

1.60 Time of the Essence

Time shall be deemed to be of the essence with respect to all time limits mentioned in this Agreement, and no extension or variation of this Agreement shall operate as a waiver of this provision.

1.61 Entire Agreement, Amendments and Schedules

This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein and supersedes all prior and contemporaneous agreements (except as specifically provided for in this Agreement), understandings, negotiations and discussions whether oral or written of the parties. The execution of this Agreement has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the

parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

1.62 Notice

All notices, requests, demands, or other communications (collectively called “Notices”) by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, by facsimile transmission, or e-mail to such other parties as follow:

In the case of the Charity:

The Actuarial Foundation of Canada
360 Albert Street
Suite 1740
Ottawa ON K1R 7X7

Attention: _____, Chair

In the case of the Researcher/Center:

[name and address of the Researcher]

Attention: [insert name of person and title]

or at such subsequent address given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 48 hours after 12.01 a.m. on the date following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 48 hours after 12.01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery or by facsimile transmission.

1.63 Severable Covenant

If any article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Agreement.

1.64 Force Majeure

If either party is prevented from complying, either totally or in part, with any of the terms or provisions of this Agreement by reason of fire, flood, storm, strike, lockout or other

labor trouble, riot, war, rebellion, act of terrorism, accident or other acts of God, then upon written notice to the other party, the affected provisions and/or requirements of this Agreement shall be suspended during the period of such disability. During such period, the non-disabled party may seek to have its needs, which would otherwise be met hereunder, met by others without liability to the disabled party hereunder.

1.65 No Warranty or Representation

The Charity does not make and has not made or given any warranties, representations or covenants to the Researcher respecting the subject matter of this Agreement, save and except as expressly stated in this Agreement.

1.66 Non-Waiver

No waiver by any party of any breach by any other party of any of its covenants, obligations and agreements hereunder shall be a waiver of any subsequent breach of any other covenant, obligation or agreement, nor shall any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

1.67 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed to be one and the same instrument. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are signatory to the original or the same counterpart.

1.68 Transmission By Facsimile

The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signature forthwith and upon demand.

1.69 Survival

The termination of this Agreement will not affect the survival and enforceability of any provision of this Agreement which is expressly or impliedly intended to remain in force after such termination.

IN WITNESS WHEREOF the Charity has executed this Agreement this _____ day of _____, 20____, as attested to by its duly authorized signing officer.

[INSERT NAME OF CHARITY]

Per: _____
Name [please print]: _____
Position [please print]: _____
I have authority to bind the corporation.

Per: _____
Name [please print]: _____
Position [please print]: _____
I have authority to bind the corporation.

IN WITNESS WHEREOF the Researcher has executed this Agreement this _____ day of _____, 2008, as attested to by its duly authorized signing officer.

[RESEARCHER/INSTITUTE]

Per: _____
Name [please print]: _____
Position [please print]: _____
I have authority to bind the corporation.