

**RETIREMENT ASSISTANCE FUND  
OF THE CANADIAN REFORMED CHURCHES  
Governance Documents  
As at May 17, 2019**

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# **RETIREMENT ASSISTANCE FUND OF THE CANADIAN REFORMED CHURCHES**

## **CONSTITUTION**

### **Whereas:**

- A. The Foundation for Superannuation of the Canadian Reformed Churches (the "Fund") was established on April 13, 1959;
- B. The Fund was originally known as the "Foundation for Superannuation of the Canadian Reformed Churches" with the members agreeing effective May 17, 2019 to change the name of the Fund to "Retirement Assistance Fund of the Canadian Reformed Churches";
- C. All of the members of the Fund as of May 17, 2019 are as set out and listed on Annex A attached to this Constitution (the "Members");
- D. The administration, management, maintenance and distribution of the Fund is delegated by the Members to two (2) specific churches within the federation of the Canadian Reformed Churches, with the collective elders and deacons of such two (2) churches constituting the Board of the Fund (the "Board"); and
- E. The Members wish to affirm and confirm on a current basis the name, objects, purpose and terms of the Fund.

Accordingly, the name, objects, purpose and terms of the Fund are hereby confirmed to be as follows:

### **Name**

- 1. The name of the Fund shall be "**RETIREMENT ASSISTANCE FUND OF THE CANADIAN REFORMED CHURCHES.**"

### **Objects and Purpose**

- 2. The objects and purpose of the Fund are to assist the Members in fulfilling their financial responsibilities with respect to their ministers, missionaries or professors, and towards the widows, children or orphans of such ministers, missionaries or professors, as the case may be, to the extent that such responsibilities result from the provisions of article 13 of the Church Order of the Canadian Reformed Churches, or any successor article to article 13.

3. To achieve and fulfill the purpose and objects of the Fund, the Board shall:
  - (a) invest the assets of the Fund, not immediately required for any of its purposes in such manner as the Board considers prudent and in doing so the Board shall make such investments in accordance with the investment policy approved by the Members.
  - (b) pay all expenses and liabilities of or incidental to the operation of the Fund;
  - (c) own legally or beneficially, sell, manage, dispose of or otherwise deal with any or all of the property or assets of the Fund; and
  - (d) do all such acts and things as may be incidental, conducive or beneficial to achieving and meeting the Fund's objects and purpose.

### **Operation of the Fund**

4. The Fund shall be operated and conducted without purpose of monetary or economic gain for its Members, and any income, profits or other accretions to the Fund shall be used for the objects and purpose of the Fund as described in Paragraph 2 of this Constitution.
5. The location of the head office shall be determined and fixed by the Members from time to time, and until otherwise determined shall be in the Township of Langley in the province of British Columbia, Canada, with the precise street address or postal box address determined by the Board from time to time.
6. Expressly excluding the provisions of Paragraph 2 above relating to the objects and purpose of the Fund, the terms of this Constitution may not be changed, amended, repealed, or added to, without the consent of at least 2/3rds of the Members present or represented by a proxy, such consent to be sought and obtained at a Members meeting duly called and constituted in accordance with the operating bylaw in effect from time to time;
7. The provisions of Paragraph 2 above relating to the objects and purpose of the Fund may not be changed, amended, repealed or added to without the unanimous written consent of the Members, with the understanding that:
  - (a) This means that all Members in good standing must consent, whether they are present at any meeting called for such purpose or not; and
  - (b) Such consent is to be sought at a Members' meeting duly called and constituted in person in accordance with the operating bylaw of the Fund in effect from time to time.

### **Dissolution**

8. Upon the written consent of at least two-thirds (2/3rds) of the Members in good standing, obtained at a meeting of the Members duly called and constituted, the

Board shall take all steps to dissolve and discontinue operation of the Fund in accordance with Paragraph 9 below.

9. Upon the written consent of at least two-thirds (2/3rds) of the Members in good standing, obtained at a meeting of the Members duly called and constituted, the Board shall:
  - (a) cease all operations of the Fund with respect to payment of benefits;
  - (b) convert all assets of the Fund to cash or bank term deposits not exceeding 90 days in duration;
  - (c) collect any and all outstanding assessments or other amounts due from the Members, subject to subsection 9 (e), below;
  - (d) determine the cumulative contributions made to the Fund during the twenty-year period prior to dissolution by those who are members of the Fund at the time of the decision to dissolve; and
  - (e) pay a distribution to each Member calculated by using the following steps:
    - (i) divide the net realized assets of the Fund, including collectible amounts receivable, by 2;
    - (ii) multiply the accumulated contributions of the Member by the result of (i), above, and divide by the total accumulated contributions of all Members entitled to a refund under this Section;
    - (iii) multiply the number of communicant members reported by the Member at the last December 31<sup>st</sup>, by the result of (i), and divide by the total number of communicant members, including those of the Theological Seminary of the Canadian Reformed Churches, operating as the "Canadian Reformed Theological Seminary", or its successor institution as authorized and constituted by the Canadian Reformed Churches gathered together by way of a general synod;
    - (iv) add the results obtained in (e)(ii) and (e) (iii), above, and deduct any amounts owing by the Member to the Fund at the time of dissolution.
10. The Fund was established on April 13, 1959 and shall continue in existence until such time as it is terminated, dissolved and liquidated in accordance with the provisions of Sections 8 and 9 of this Constitution.

Confirmed and Approved by all of the Members of the Fund, effective the 17th day of  
May, 2019

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Board Chairman

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Board Secretary

**OPERATING BYLAWS**  
**May 17, 2019**

**RETIREMENT ASSISTANCE FUND**  
**OF THE CANADIAN REFORMED CHURCHES**

**PART 1 – INTERPRETATION**

- 1.1 In these bylaws, unless the context otherwise requires:
- (a) “Address of the Fund” means the address determined and fixed by the Board from time to time, with such Address of the Fund as of the date of the ratification of these operating bylaws being that of the Canadian Reformed Church of Langley;
  - (b) “Administrator” means an individual who has been appointed by the Management Committee to administrate the day-to-day business affairs of the Fund and who reports to the Management Committee;
  - (c) “Arm’s Length” means parties who are not closely related, who do not have close business ties and who are acting independently of each other. A member of the Management Committee is not at arm’s length with respect to another member of the Committee if the member of the Committee is a business partner, employer, spouse, parent, child or sibling of the other member of the Committee;
  - (d) “Board” means collectively the elders and deacons of the Canadian Reformed Church of Cloverdale and the Canadian Reformed Church of Langley from time to time and at any time;
  - (e) “Board Chair” means a person elected to the office of Board Chair of the Board in accordance with these bylaws;
  - (f) “Board Resolution” or “Committee Resolution” means:
    - (i) A resolution passed at a meeting of the Board or Management Committee by a simple majority of those directors or committee members entitled to vote at such meeting; or
    - (ii) A resolution that has been submitted to all of the directors and consented to in writing by 75% of the directors who would have been entitled to vote on it in person at a meeting of the Board or, in the case of the Management Committee, a resolution that has been submitted to all of the committee members and consented to in writing by 75% of the members who would have been entitled to vote on it in person at a meeting of the committee;
  - (g) “Board Secretary” means a person elected to the office of Board Secretary in accordance with these bylaws;
  - (h) “Chair” means a person elected to the office of Chair of the Management Committee in accordance with these bylaws but such office holder may

- with the approval of a Board or Management Committee resolution, use the title Chairman or Chairperson in substitution for the title “Chair”;
- (i) “Child” means a son or daughter of a minister/missionary/professor who is under the age of 18 years;
  - (j) “Discretion” means absolute and unfettered discretion to the extent permitted by law;
  - (k) “Emergency Assessment” means a one-time assessment that is deemed by the Board to be necessary at the time in order to provide funding for existing and future benefits or any other significant expenditure and which, if not levied, will result in the value of the Fund’s Net Assets dropping below the Minimum Net Assets baseline within two (2) years of such Emergency Assessment being levied;
  - (l) “Ex Officio” means holding a position on the Board or on a committee of the Fund by virtue of holding another position in the Fund, and in these bylaws a person who holds a position *ex officio* is entitled to receive notice of and to attend meetings of the Board or committee, but shall not be entitled to vote at meetings of the Board or committee;
  - (m) “Federation” means the federation of churches known as the “Canadian and American Reformed Churches”;
  - (n) “Fund” means the Retirement Assistance Fund of the Canadian Reformed Churches;
  - (o) “Investment Policy” is the policy prepared by or for the Board and approved by the Members that gives guidance and direction to the Board with respect to investment of the assets;
  - (p) “Management Committee” means the committee appointed by the Board in accordance with Part 6 of these bylaws and which is responsible to, and reports to, the Board;
  - (q) “Members” means those churches, as well as the Seminary, who have become members of the Fund in accordance with these bylaws and have not ceased to be members, and a “Member” means any one of them;
  - (r) “Minimum Net Assets” means the minimum value of assets of the Fund that, subject to approval at each Annual Meeting (as defined below) of the Members, the Board deems to be appropriate from time to time to ensure the funding of existing and anticipated future benefit commitments. The amount of the Minimum Net Assets shall be determined annually by the Board, subject to the approval of the Members at each Annual Meeting;
  - (s) “Net Assets” means the assets of the Fund minus its liabilities as determined in accordance with generally accepted accounting principles (“GAAP”);
  - (t) “Officers” means the officers of the Fund elected pursuant to Articles 6.5 and 11.1 of these bylaws;

- (u) “Ordinary Resolution” means:
  - (i) A resolution passed at a meeting of the Members of the Fund by a simple majority of those Members entitled to vote at such meeting; or
  - (ii) A resolution that has been submitted to *all* of the Members in advance of any meeting called for the Members, and consented to in writing by 75% of the Members who would have been entitled to vote on it in person at a meeting of the Fund;
- (v) “Orphan” means a child under the age of 18 years who is the son or daughter of a deceased minister or missionary or professor and whose parents are no longer living.
- (w) “Registered Address” of a Member means the address of either a church or the Seminary (as defined below) recorded in the register of Members maintained by the Board;
- (x) “Secretary” means a person elected to the office of Secretary of the Management Committee in accordance with these bylaws;
- (y) “Seminary” means the Theological College of the Canadian Reformed Churches, which operates under the name of the “Canadian Reformed Theological Seminary”;
- (z) “Treasurer” means a person elected to the office of Treasurer of the Management Committee in accordance with these bylaws; and
- (aa) “Vice-Chair” means a person elected to the office of Vice-Chair of the Management Committee in accordance with these bylaws.

1.2 Words importing the singular include the plural and vice versa; and words importing a male person include a female person, a corporation, a church organization and a theological college or seminary organization.

## **PART 2 – MEMBERSHIP**

- 2.1 All those churches that are members of the Federation and the Seminary that is controlled and directed by the churches of the Federation when they are gathered in a general synod, may become Members of the Fund.
- 2.2 A church or seminary which did not become a member of the Fund at the time of its institution or formation may obtain membership at any later date with the approval of and upon such terms as are prescribed by the Board.
- 2.3 Membership in the Fund does not entitle a Member to ownership of any portion of the Fund's assets.
- 2.4 A church or seminary that withdraws from or is expelled from the Federation shall thereby forfeit its right to continue as a Member of the Fund.

- 2.5 Any group which ceases to be part of an instituted Canadian Reformed Church or American Reformed Church shall not be entitled to exercise any right in the Fund or be entitled to any portion of the assets thereof.
- 2.6 In case a Member church is divided into two or more churches within the Federation, the churches shall inform the Management Committee which of the churches is to continue the membership and the corresponding effective date.
- 2.7 Upon termination of membership, a Member shall not be entitled to any refund of contributions made to the Fund.
- 2.8 Notwithstanding bylaw 2.7, the Board may in its Discretion propose to the Members that a refund of all or a part of the accumulated contributions received by the Fund from a terminating Member be paid.
- 2.9 The Board, through the Management Committee shall maintain a register, in which shall be entered in alphabetical order the names of all Members (and noted as either being in good standing or not) and those Members in good standing whose names are entered in such register shall be deemed entitled to the privileges associated with membership in the Fund.
- 2.10 Any Member whose contributions are in arrears for more than twelve (12 months shall be considered not to be a Member in good standing.
- 2.11 Each applicant seeking to become a Member of the Fund shall:  
(a) Complete such application procedures as may be prescribed by the Board;  
(b) Signify agreement with and endorsement of the objects and purposes of the Fund as set out in the Constitution of the Fund and the Operating Bylaws of the Fund then in effect; and  
(c) Satisfy such other requirements as reasonably determined by the Board from time to time.
- 2.12 Subject to the approval of the Members as set out herein, The Board shall possess the sole power to propose the admittance of new Members to the Fund. An applicant for membership shall be admitted to membership in the Fund by the affirmative vote of the Members by way of an Ordinary Resolution. Notwithstanding that the Management Committee, operating with the authority of the Board, may admit Members to the Fund on an interim basis between Annual Meetings, such admission shall be considered to be conditional, subject to the approval of the Members at their next Annual Meeting by way of an Ordinary Resolution.

- 2.13 A Member shall cease to be part of the Fund:
- (a) By delivering a notice of withdrawal in writing to the Board Secretary or by mailing or delivering it to the address of the Fund; or
  - (b) On being expelled pursuant to bylaw 2.4.
- 2.14 Any Member who ceases to be a Member of the Fund forfeits all rights, claims, privileges or interest arising from membership in the Fund.
- 2.15 Membership in the Fund is not transferable.

### **PART 3 – APPLICATION FOR MEMBERSHIP**

- 3.1 Only churches or a seminary that are part of the Federation may apply to the Board for membership in the Fund and on acceptance by the Board shall become a provisional Member. A provisional Member shall have all of the regular rights and obligations of being a Member in good standing, subject to approval of such provisional Member's membership by the Members at their next meeting. Upon approval by the Members, such provisional Member will become a full Member.
- 3.2 The amount of the initial contribution required from an applicant shall be determined by the Board in its discretion, except that a newly instituted church shall not be required to pay an initial contribution.
- 3.3 In determining the amount of the initial contribution, the Board shall consider, without limitation, the following:
- (i) the period of time that the applicant would ordinarily have been a Member but did not apply for membership,
  - (ii) the period of time that a minister, missionary, or professor was serving the applicant while the applicant was not a Member, and
  - (i) such other matters as the Board may decide are pertinent to the making of its decision, but the Board shall at all times remain mindful of the interests of all the Members in applying standards of fairness and seeking an equitable decision.
- 3.4 The Management Committee shall notify the applicant of the initial contribution, if any, that has been determined by the Board and shall advise the effective date of membership acceptance.
- 3.5 Contribution assessments shall accrue from the effective date of provisional membership as determined by the Board.
- 3.6 Every applicant being notified of acceptance for membership shall forthwith pay the initial contribution determined by the Board or upon such terms and

conditions as the Board may decide; the applicant shall also pay any assessments which may be due at that time as determined by the Management Committee.

#### **PART 4 – MEETINGS OF AND VOTING BY THE MEMBERS**

- 4.1 Unless there are exceptional circumstances, Members' meetings shall be held annually. Such meeting shall be referred to as the "Annual Meeting" of the Members. If that is not possible, then a Members' meeting will be held at such time and place as a majority of the Members may from time to time decide.
- 4.2. Every meeting other than an Annual Meeting is an extraordinary meeting (an "Extraordinary Meeting").
- 4.3 The Board may, whenever it thinks fit, or shall, if so requested by a majority of the Members of the Fund, convene an extraordinary meeting.
- 4.4 Notice of any meetings of the Members shall include, without limitation, the proposed agenda, the text of resolutions that will be proposed and any proposed amendments to either the Fund's Constitution or the Operating By-laws and shall be given in writing to all Members at least 90 (ninety) days in advance of the scheduled meeting date. Furthermore, the notice of any meeting shall specify the place, the day and the hour of the meeting.
- 4.5 The accidental omission to give notice of a meeting to, or the non-receipt of notice by, any of the Members entitled to receive notice does not invalidate the proceedings at that meeting.
- 4.6 Members who are not able to be represented at a meeting of the Members may express their views in writing concerning any item or items on the agenda but such communication shall not be accepted as a vote on any issue.
- 4.7 Members may appoint a communicant member of any Canadian Reformed Church or American Reformed Church to attend a Members' meeting as its representative and to exercise its voting rights upon presentation of a proxy, with such proxy in the form, or substantially in the form, of the proxy attached as Schedule "A" to these Operating Bylaws (a "Proxy").
- 4.8 Where the communicant member representing a Member by Proxy is not a communicant member of the congregation of the Member that has given the Proxy, his Proxy shall explain fully how the Member has instructed its voting rights to be exercised, whether for or against any issue or whether the communicant member holding the Proxy has Discretion in voting.

## PART 5 – PROCEEDINGS AT MEMBER MEETINGS

- 5.1 No business, other than the adjournment or termination of the meeting, shall be conducted at any meeting of the Members at a time when a quorum is not present.
- 5.2 If at any time during a meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or terminated.
- 5.3 Subject to bylaw 5.4, a quorum at a meeting is 25% of the number of Members in good standing.
- 5.4 If within sixty (60) minutes from the time appointed for a meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be terminated; but in any other case, it shall stand adjourned and reconvene within 120 days with notice to the Members, at such time and place as the Board decides, and if, at the reconvened meeting, a quorum is not present within sixty (60) minutes from the time appointed for the meeting, the Members in good standing who are present shall constitute a quorum.
- 5.5 Subject to bylaw 5.6, the Board Chair, Vice-Chair, or in the absence of both, any one of the other Officers present shall preside as chairman of a meeting.
- 5.6 If at any meeting:
  - (a) there is no Board Chair, Vice-Chair or other Officer present within 15 minutes after the time appointed for holding the meeting; or
  - (b) the Board Chair and all other Officers present are unwilling to act as chairman,the Members present shall choose one of their number to be chairman.
- 5.7 A meeting may be adjourned from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 5.8 When a meeting is adjourned for twenty (20) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting.
- 5.9 Resolutions proposed at a meeting need not be seconded.
- 5.10 In case of an equality of votes the chairman of the meeting shall not have a casting or second vote in addition to the vote to which he may be entitled to in his capacity as representing a Member, if applicable, and the proposed resolution shall not pass.

- 5.11 A Member in good standing present or duly represented at a meeting of Members by way of a Proxy, is entitled to one vote.
- 5.12 Voting is by show of hands, unless a Member in good standing requests a ballot, in which case the vote shall be by ballot.

## **PART 6 – FORMATION OF THE BOARD AND MANAGEMENT COMMITTEE**

- 6.1 There shall be a governing Board of the Fund consisting of the members of the councils of two or more churches designated as the governing body by a meeting of the general membership; provided, however, that a minister shall not be a member of the Board.
- 6.2 The Board shall appoint seven (7) persons who shall form the Management Committee.
- 6.3 The Board shall be responsible for, and the Management Committee shall carry on the day-to-day functions of the Fund. The Board will exercise good judgment and discretion in the appointment of the members of the Management Committee, ensuring that there is a balanced mix of skill sets represented, including without limitation, individuals trained and experienced in accounting, financial management, administration and communication. Without limiting the foregoing, the members of the Management Committee must meet the following minimum qualifications:
  - (a) Must be a communicant member in good standing of a Canadian Reformed Church or an American Reformed Church;
  - (b) Must be at least 18 years old;
  - (c) Must not have, nor ever have had, the status of a bankrupt; and
  - (d) Must not be of unsound mind and has not been so found by a court in Canada or elsewhere.A majority of the members of the Management Committee must be Canadian citizens who are ordinarily residents of Canada or permanent residents within the meaning of the *Immigration and Refugee Protection Act (Canada)*.
- 6.4 Any member of the Board may be appointed to the Management Committee up to a maximum of 3 positions on the Committee.
- 6.5 The offices of the Management Committee shall be: Chairman, Vice-Chairman, Secretary, and Treasurer and the Board may assign these offices to specific Management Committee members.
- 6.6 The office of Treasurer may not be filled by a member of the Board.

- 6.7 The members of the Management Committee shall be appointed to hold office for a period of four years or such other period as the Board may designate. Every year one member of the Management Committee shall retire, with the exception of the Treasurer who shall be appointed annually.
- 6.8 In order to facilitate meetings of the Management Committee, the members appointed under bylaw 6.2 shall normally be appointed from Canadian or American Reformed Churches in close proximity of each other.
- 6.9 Within thirty (30) days of their appointment under bylaw 6.2, there shall be a first meeting of the Management Committee at which, without limitation, the following business shall be conducted:
- (a) elect from its members a Chairman, a Vice-chairman, Treasurer and a Secretary if such offices have not already been filled by the Board;
  - (b) such other business as may be necessary at the time.

#### **PART 7 – BOARD/MANAGEMENT COMMITTEE MEMBERS**

- 7.1 The Board may exercise all such powers and do all such acts and things as the Fund may exercise and do, and which are not by these Operating Bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the Members in a meeting but subject, nevertheless to the provisions of:
- (a) all laws affecting the Fund;
  - (b) the Operating Bylaws; and
  - (c) rules, not being inconsistent with these Operating Bylaws, which are made from time to time by the Members in a meeting.
- 7.2 No regulation or bylaw made by the Members in a meeting invalidates a prior act of the Board or Management Committee that would have been valid if that rule had not been made.
- 7.3 The Management Committee shall be accountable and responsible to the Board and shall provide them with an annual report as described in bylaw 16.4; the Board shall be accountable and responsible to the Members and shall provide such information and explanations as a Member may reasonably request at any time and from time to time.
- 7.4 The Board may propose by-laws relative to the management and objects of the Fund, but no by-law or amendment thereto has force or takes effect until it has been approved at a meeting of the Members called to consider the same.
- 7.5 The members of the Board and of the Management Committee shall serve as such without remuneration and shall not directly or indirectly receive any profit from his position as such from any business or affairs with the Fund; provided

that a member may be paid reasonable expenses incurred by him in the performance of his duties.

- 7.6 In investing the assets of the Fund, the Management Committee shall not be limited to securities and investments in which trustees are authorized by law to invest but may make any investments which in its discretion are prudent and in accordance with the Investment Policy approved by the Members. A committee member shall not be liable for any loss which may result from any such investment.

#### **PART 8 – PROCEEDINGS OF THE BOARD**

- 8.1 A meeting of the Board may be held at any time and place determined by the Board, provided that ten (10) days' notice of such meeting is given to each member of the Board. However, no formal notice shall be necessary if all members were present at a preceding meeting when the time and place of the meeting(s) were determined or are present at the meeting or waive notice thereof in writing or give a prior verbal waiver to the Board Secretary. No notice of a meeting of the Board shall be required when the meeting is regularly scheduled.
- 8.2 The Board may from time to time fix the quorum necessary to transact business, and unless so fixed the quorum shall be a majority of the members of the Board in office at the time when the meeting convenes.
- 8.3 The chair of the Board, on the request of any two members of the Board, shall convene a meeting of the Board.
- 8.4 Resolutions proposed at a meeting of the Board need not be seconded.
- 8.5 The person chairing a Board meeting may vote but, if he does so and the result is a tie, he shall not be permitted to vote again to break the tie and the resolution being voted on shall be deemed to have failed.
- 8.6 Voting shall be by show of hands or voice vote recorded by the secretary of the meeting except that if a member of the Board requests a ballot, then the vote will be by way of a ballot.
- 8.7 A Board resolution in writing, signed and consented to by all members of the Board, which has been deposited with the Board Secretary at the next meeting of the Board is as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. Such Board resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with minutes of the proceedings of the

Board and shall be deemed to be passed on the date stated therein or, in the absence of such a date being stated, on the latest date stated on any counterpart.

- 8.8 A member of the Board who may in fact be, or who may be reasonably perceived by an impartial observer to be, in a conflict of interest with the Fund, or may reap any benefits, directly or indirectly, individually or as a part of a business or professional firm, as a result of any relationship with the Fund or in any business transaction of the Fund, shall disclose that fact to the Board, and shall not participate in any Board deliberation or vote regarding that relationship or business. No member of the Board, nor the church of which such member of the Board is from, shall receive preferential treatment in the application for, or receipt of, benefits of the Fund.
- 8.9 At least ninety (90) days prior to a scheduled Annual Meeting, the Board shall formally ratify the actions of the Management Committee for the prior fiscal year and shall issue a declaration to that effect that is to be delivered to the Members; the ratification may be done at a meeting of the Board called for that purpose or a resolution may be effected in accordance with bylaw 8.7.

#### **PART 9 – MANAGEMENT COMMITTEE/OPERATION AND FUNCTION**

- 9.1 The Board shall constitute a Management Committee to carry out the day-to-day functions of the Fund as set out in Part 6 and to provide advice and counsel to the Board on broad issues of policy.
- 9.2 If at a meeting of the Management Committee the Chairman is not present within thirty (30) minutes after the time appointed for holding the meeting, the persons present who are members of the Management Committee shall choose one of their number to be Chairman of the meeting.
- 9.3 All members of the Management Committee shall be at Arm's Length from each other and a majority of the members shall constitute a quorum.
- 9.4 The committee may appoint an administrator to carry out the day-to-day operation of the Fund and, more specifically and without limitation, to carry out the banking, bookkeeping, accounting, reporting, and all ancillary functions that may be required on a regular and periodic basis; the administrator shall report to the Management Committee and the Management Committee shall be authorized to pay an honorarium to the administrator, even if the administrator is a member of the Management Committee.
- 9.5 The Management Committee, in the exercise of the powers delegated to it, shall conform to any rules that may from time to time be imposed by the Board, and

shall report every act or thing done in exercise of those powers at the next meeting of the Board held after it has been done, or at such other time or times as the Board directs.

#### **PART 10 – DUTIES OF OFFICERS – BOARD**

- 10.1 At the first meeting of the Board held after an Annual Meeting, the Board shall elect from among its members a Board Chair and Board Secretary who each shall hold office for as long as they serve as an elder or deacon of either of the two (2) churches appointed to manage, operate, administrate and protect the Fund.
- 10.2 Board Chair - The Board Chair shall preside as chair at all meetings of the Board. The Board Chair shall supervise the Board Secretary in the execution of his duties. The Chair shall be a member *ex officio* of the Management Committee.
- 10.3 The Board Secretary shall be responsible for making the necessary arrangements for:
  - (a) the issuance of notices of meetings of the Board;
  - (b) the keeping of minutes of all meetings of the Board;
  - (c) the custody of all records and documents of the Board;
  - (d) the conduct of the correspondence of the Fund that is not otherwise delegated to the Management Committee.
- 10.4 If the Board Secretary is absent from any meeting of the Board, the members of the Board then present shall appoint another person to act as secretary at that meeting.

#### **PART 11 – DUTIES OF OFFICERS – MANAGEMENT COMMITTEE**

- 11.1 A vacancy occurring in an office of the Management Committee shall be filled for the unexpired term by the Board. The Board may remove members of the Management Committee by a resolution passed at a meeting of the Board by two-thirds majority vote of the Board members present.
- 11.2 The task and responsibilities of the Management Committee shall include, without limitation, the following:
  - (a) accounting and financial reporting relating to contributions, assessments, benefits, historical assessment data, financial holdings and investments;
  - (b) communication with the Members;
  - (c) design, maintenance and updating the Fund website;
  - (d) periodic review of the investments of the Fund;
  - (e) instructing investment; and
  - (f) reporting to the Board annually.

- 11.3 The Management Committee shall apply and follow the Funding Policy established by the Members from time to time, with the intent that a formula/matrix will be followed which is based upon a 20-year fund projection with assumptions set out in the Funding Policy. The current funding policy is as set out on Schedule B attached to these Operating Bylaws (the "Funding Policy"). The Management Committee will:
- (a) following the Funding Policy, calculate a 20-year fund projection at least once per year and communicate same to the Members annually, within 4 months of the end of each calendar year end; and
  - (b) make recommendations with respect to the Funding Policy from time to time and submit any suggested amendments or variations to the Members at Annual Meetings of the Members from time to time.
- 11.4 Chair - The Chair shall preside as chair at all meetings of the Management Committee. The Chair shall lead the other officers in the execution of their duties.
- 11.5 Vice Chair - The Vice Chair shall, in the absence of the Chair, possess all of the powers and perform all of the duties of the Chair.
- 11.6 The Secretary shall be responsible for making the following necessary arrangements for the Management Committee:
- (a) the issuance of notices of meetings;
  - (b) the keeping of minutes of all meetings;
  - (c) the custody of all records and documents, including historical assessment data;
  - (d) the maintenance of the register of Members; and
  - (e) the conduct of the correspondence of the Fund, either on behalf of the Management Committee, or at the request, direction and on behalf of the Board.
- 11.7 If the Secretary is absent from any meeting of the Management Committee, the members present shall appoint another person to act as secretary at that meeting.
- 11.8 The Treasurer shall be responsible for:
- (a) overseeing and presenting budgets, accounts and financial statements to the Board and the Management Committee;
  - (b) ensuring that appropriate financial systems and controls are in place;
  - (c) ensuring that record-keeping and accounts meet the conditions of statutory bodies, as required;
  - (d) ensuring compliance with any relevant legislation and/or applicable law;

- (e) ensuring that the use of the assets complies with conditions set by the Members by way of an approved long-term investment policy set from time to time, with the most current applicable long-term investment policy attached as Schedule "C" to these Operating Bylaws;
- (f) advising on financial implications of strategic and operational plans;
- (g) presenting regular reports on the Fund's financial position;
- (h) preparing accounts for audit and liaising with the auditor(s), as required;
- (i) presenting accounts at each Annual Meeting;
- (j) advising on the Fund's reserves and long-term investment policy;
- (k) management of bank accounts;
- (l) setting up appropriate systems for bookkeeping, payments, and petty cash;
- (m) ensuring proper records are kept;
- (n) engaging investment advisers as may be required from time to time and only with prior approval from the Board, monitoring their performance, and reporting on their performance to the Management Committee and Board.

## **PART 12 - CONTRIBUTIONS, ASSESSMENTS**

- 12.1 At the beginning of each calendar year the Management Committee shall determine the annual contribution required of each member in accordance with the Funding Policy and shall advise the Members of the quarterly installment then due; each installment shall be due and payable on the first day of the first month in each quarter of the calendar year.
- 12.2 In the event that the Members at a Annual Meeting do not give new instructions to the Management Committee, the assessment method in effect at that time shall continue in force.
- 12.3 Emergency Assessments may be levied from time to time at the direction of the Board and implemented by the Management Committee. Before levying an Emergency Assessment, the Management Committee shall circulate a written notice to the Members at least four (4) months in advance giving details of the amount of the assessment and the reasons for the Emergency Assessment.
- 12.4 Having established the total amount of the Emergency Assessment required, the Board, through the Management Committee shall levy the Emergency Assessment, in the case of the Member churches, on the basis of the number of communicant members at the end of the preceding calendar year, and in the case of the Seminary on the basis of the number of communicant members forming the Seminary's contribution base, as defined in bylaw 12.5, at the end of the preceding calendar year.

- 12.5 For purposes of bylaw 12.4, the Seminary's contribution base shall be calculated as follows:

$$\begin{array}{r} \text{Total communicant members} \\ \text{-----} \times \text{active professors} = \\ \text{Active ministers in Member churches} \\ \\ = \text{communicant members for contribution base} \\ \text{and for liquidation purposes} \end{array}$$

- 12.6 The Board shall assist the Management Committee, whenever it is requested to do so, in obtaining payment of contribution arrears from any Member.
- 12.7 The Management Committee shall take such steps to effect collection of contribution arrears as it may consider necessary and justified in the circumstances and, if a Member is in arrears for six (6) months or more and is currently entitled to benefit payments, the Management Committee may order the benefit payments to be applied against the arrears.
- 12.8 The Management Committee shall remain mindful of the necessity of maintaining sufficient cash resources to meet current and projected benefit entitlements and, to that end, shall require the Treasurer to keep the Management Committee informed of the Fund's asset position on a monthly basis, and at all times shall ensure that the Minimum Net Assets are maintained.

### **PART 13 - BENEFITS**

- 13.1 Benefit payments shall not commence until the Management Committee receives a written request from a Member, giving the particulars of the retirement or death, as the case may be.
- 13.2 In accordance with Section 2 of the Constitution a Member shall be entitled to receive benefits upon:
- (a) the retirement from active service of any minister, missionary, or professor serving the Member, due to age or disability; or
  - (b) the death of a minister, missionary, or professor serving the Member and only if there are dependents.
- 13.3 In the case of the retirement or death of a minister, missionary, or professor who upon retiring has served for less than 10 years with (a) Member(s) of the Fund, the Management Committee, with the concurrence of the Board, may modify the amount of benefit paid to a Member after taking into account all circumstances that the Committee may deem relevant to its decision.

- 13.4 Members shall be entitled to benefit payments as of the first day of the month following the date of retirement or death of the person who is the subject of a benefit claim, notwithstanding when a request is submitted by a Member.
- 13.5 The entitlement of a Member shall expire on the last day of the month in which the entitlement to benefit payments ceases to exist.
- 13.6 It shall be the Member's responsibility to advise the Management Committee upon the expiration of entitlement to benefits.
- 13.7 Benefit payments shall be made payable to the Member that is entitled and shall not be paid directly to the minister, missionary, professor, or dependent, as the case may be.
- 13.8 In view of Article 2 of the Constitution, where the cost of a Member's support, reasonably determined, of a retiree is less than the annual benefit prescribed herein from time to time, the difference should be refunded to the Fund within ninety (90) days.
- 13.9 A Member shall not receive benefit payments while not a member in good standing of the Fund but nothing shall prevent the accrual of benefit payments to which the Member is entitled other than withdrawal or expulsion.
- 13.10 Except as herein provided, the amount of the monthly benefit payment to a Member shall be in accordance with that prescribed by the applicable By-Law.
- 13.11 The amount of the annual benefits payable by the Fund shall be established by a vote of the Members at an Annual Meeting and, unless otherwise directed by the Members, the annual benefits so determined shall be adjusted annually on January 1st by applying the Canadian consumer price index (full CPI) change for the last twelve-month period ending October 31st.
- 13.12 In the event that a widow of a minister, missionary or professor remarries, any benefit payable by the Fund in respect of the widow shall cease on the last day of the month in which she remarries.
- 13.13 If the widow of a minister remarries and subsequently is considered unmarried again, the Member originally responsible for her support may, if the Member is satisfied that full support is again required, make application to the Management Committee for reinstatement of benefits; such application must include a declaration by the Member that it has satisfied itself that the support assistance is required.

- 13.14 If a minister, missionary or professor who is single or a widower at the time that the relevant Member makes a benefit claim for him, and he subsequently marries or remarries, the Fund shall only be liable to the Member making the assistance claim for the then current benefit payable in respect of a minister/widower without dependents.

#### **PART 14 – INVESTMENT OF FUNDS**

- 14.1 Unless otherwise directed by the Members, the assets of the Fund shall be invested prudently by the Board, through the Management Committee in accordance with the Investment Policy (Schedule C) and any other instructions received from time to time from the Board or the Members.

#### **PART 15 - FINANCIAL YEAR**

- 15.1 The financial year of the Fund shall coincide with the calendar year.

#### **PART 16 – RECORDS AND REPORTS**

- 16.1 The Management Committee shall keep proper accounting records in respect of all financial and other transactions of the Fund, and, without limiting the generality of the foregoing, shall keep records of:
- (a) all money received and disbursed by the Fund and the matter in respect of which the receipt and disbursement took place;
  - (b) every asset and liability of the Fund;
  - (c) every other transaction affecting the financial position of the Fund; and
  - (d) a summary and detail of the actual investments and holdings of the Fund.
- 16.2 On or before the last day of March of each year the Management Committee shall prepare or cause to be prepared an operating statement for the year ending on the previous December 31st and a statement of financial position as of the end of that period, but it is not necessary that the statements be identified by those names.
- 16.3 On or before the fifteenth day of April of each year the Management Committee shall submit to the Board a report covering its administration of the affairs of the Fund for the last financial year ended December 31st.
- 16.4 The Management Committee's report to the Board shall include at least the following:
- (a) a financial statement together with the auditors' report;
  - (b) a summary report of the investment activity of the Fund and all fees paid or incurred for such investment activity; and

- (c) a summary of the significant activities undertaken by the Management Committee during the year.
- 16.5 Upon receiving the report of the Management Committee, the Board may convene a meeting which the Management Committee or its representatives, as the Board may decide, shall attend for the purpose of examining and discussing the report, notwithstanding that the Board may deal with these matters at a regular meeting of the Board. The Board will then decide whether to take over the report of the Management Committee for submission to the Members, with such amendments, corrections and adjustments as the Board may then determine (the “Board Report”).
- 16.6 Within four months after the end of each financial year the Management Committee shall send a copy of the Board Report to every member of the Fund except that where the reports are lengthy the Management Committee may publish a summary of a portion or all of the Board Report, provided that such summaries are described as such; in that event, the detailed report which was summarized shall be made available to any Member upon written request. The full Board Report shall be posted to the Fund’s website as soon as practicable.

#### **PART 17 - AUDIT**

- 17.1 At the end of each year the Board shall appoint two auditors, who preferably shall be members of the Canadian Reformed Churches and/or the American Reformed Church, to carry out an audit of the books and records of the Fund for the purpose of expressing:
  - (a) that the accounting records of the Fund have, in their view been properly and diligently kept; and
  - (b) that the financial statement prepared by or for the Management Committee for presentation to the Board, in the auditors' opinion, presents fairly the financial position of the Fund as at the year-end date and the results of its operations for the year then ended.
- 17.2 The auditors shall be entitled to inspect all records, books of account, and any other material as they may require in order to prepare a complete audit report.
- 17.3 Where the Board can secure the audit services of a member in good standing of the Chartered Professional Accountants of Canada, the Board need only appoint one auditor.
- 17.4 A person shall not be an auditor of the Fund if he is:
  - (a) a member of the immediate family of a member, or a spouse of a member, of the Board or Management Committee; or
  - (b) a member of the Board or Management Committee.

## **PART 18 - AMENDMENTS**

- 18.1 Any article of these bylaws may be changed, amended, repealed, or added to, provided such change, amendment, repeal, or addition is presented to a Members' meeting and is passed by at least two-thirds of the Members represented at such a meeting, whether in person or by Proxy.
- 18.2 In the event that the Board, or any of the Members, wishes to propose any amendments to the Constitution or any bylaw, then:
- (a) Such proposal must be in writing and delivered to all the Members of the Fund and to the Board and the Management Committee;
  - (b) Such proposal must be delivered at least ninety (90) days prior to any Members' meeting called; and
  - (c) Such proposal must only be considered at a meeting duly called and in person. That is, such proposal may not be considered at a meeting conducted by way of electronic means (as referenced in Part 19 herein).

## **PART 19 – SPECIAL MEETINGS AND MEETINGS HELD AND CONDUCTED BY ELECTRONIC MEANS**

- 19.1 In exceptional circumstances, the Board may determine that a meeting of the Members is required in between the regularly scheduled Annual Meetings, to consider a matter or issue of urgency and importance with respect to the Fund, its membership, or any aspect thereof. Such determination shall be in the Discretion of the Board (an "Extraordinary Meeting").
- 19.2 If the Board determines that an Extraordinary Meeting is required, time permits and the cost of having representatives travel for such meeting is warranted (as determined by the Board in its Discretion), then such Extraordinary Meeting will be called on ninety (90) days prior written notice, at such time and place as the Board determines. A full provisional agenda and explanation for such Extraordinary Meeting will be provided with such notice.
- 19.3 If the Board determines that an Extraordinary Meeting is required and time and cost does not permit or warrant a meeting of the Members in person, then such Extraordinary Meeting may be conducted by way of electronic means. Electronic means must enable two-way, simultaneous and instantaneous conversation, and may include teleconferencing or videoconferencing. The Board may determine the appropriate electronic means to be supplied in a cost-effective manner.
- 19.4 All Extraordinary Meetings held by way of electronic means will be conducted in accordance with the provisions of these operating bylaws, save that on any vote, an oral poll will be taken.

Annex "A"

RETIREMENT ASSISTANCE FUND  
OF THE CANADIAN REFORMED CHURCHES

LIST OF MEMBERS

Page 1 of 3

Canadian Reformed Church of Abbotsford Abbotsford, BC	Canadian Reformed Church of Carman West Carman, MB
Aldergrove Canadian Reformed Church Aldergrove, BC	Eben-ezer Canadian Reformed Church Chatham, ON
Ancaster Canadian Reformed Church Ancaster, ON	Canadian Reformed Church of Chilliwack Chilliwack, BC
Attercliffe Canadian Reformed Church Attercliffe, ON	Canadian Reformed Church of Cloverdale Cloverdale, BC
Barrhead Canadian Reformed Church Barrhead, AB	Canadian Reformed Church of Coaldale Coaldale, AB
Grace Canadian Reformed Church Brampton, ON	Emmanuel American Reformed Church Denver, CO
Ebenezer Canadian Reformed Church Burlington, ON	Canadian Reformed Church of Dunnville Dunnville, ON
Fellowship Canadian Reformed Church Burlington, ON	Immanuel Canadian Reformed Church Edmonton, AB
Rehoboth Canadian Reformed Church Burlington, ON	Providence Canadian Reformed Church Edmonton, AB
Canadian Reformed Church of Calgary Calgary, AB	Canadian Reformed Church of Elora Elora, ON
Canadian Reformed Church of Carman East Carman, MB	Maranatha Canadian Reformed Church Fergus, ON

Canadian Reformed Church of Fergus North  
Fergus, ON

Vineyard Canadian Reformed Church  
Lincoln, ON

Redemption Canadian Reformed Church  
Flamborough, ON

Pilgrim Canadian Reformed Church  
London, ON

Trinity Canadian Reformed Church  
Glanbrook, ON

American Reformed Church of Lynden  
Lynden, WA

American Reformed Church of Grand Rapids  
Grand Rapids, MI

Canadian Reformed Church of Neerlandia North  
Neerlandia, AB

Canadian Reformed Church of Grand Valley  
Grand Valley, ON

Canadian Reformed Church of Neerlandia South  
Neerlandia, AB

Covenant Canadian Reformed Church of  
Grassie  
Grassie, ON

American Reformed Church of Nooksack Valley  
Everson, WA

Emmanuel Canadian Reformed Church  
Guelph, ON

Canadian Reformed Church of Orangeville  
Orangeville, ON

Living Word Canadian Reformed Church  
Guelph, ON

Jubilee Canadian Reformed Church  
Ottawa, ON

Blessings Christian Church  
Hamilton, ON

Canadian Reformed Church of Owen Sound  
Owen Sound, ON

Cornerstone Canadian Reformed Church  
Hamilton, ON

Canadian Reformed Church of Smithers  
Smithers, BC

Providence Canadian Reformed Church  
Ancaster, ON

Canadian Reformed Church of Smithville  
Smithville, ON

Canadian Reformed Church of Houston  
Houston, BC

Canadian Reformed Church of St Albert  
St Albert, AB

Grace Canadian Reformed Church  
Kerwood, ON

Maranatha Canadian Reformed Church  
Surrey, BC

Canadian Reformed Church of Langley  
Langley, BC

Canadian Reformed Church of Taber  
Taber, AB

Spring Creek Canadian Reformed Church  
Tintern, ON

Bethel Canadian Reformed Church  
Toronto, ON

Canadian Reformed Church of Vernon  
Vernon, BC

Willoughby Heights Canadian Reformed Church  
Langley, BC

Grace Canadian Reformed Church  
Winnipeg, MB

Redeemer Canadian Reformed Church  
Winnipeg, MB

Canadian Reformed Church of Yarrow  
Yarrow, BC

Theological College of the Canadian Reformed Churches  
Hamilton, ON

Schedule "A"

RETIREMENT ASSISTANCE FUND  
OF THE CANADIAN REFORMED CHURCHES

PROXY FORM

*The recommended Proxy Form is contained on the following page*

## PROXY FORM

To: Retirement Assistance Fund of the Canadian Reformed Churches

Re: Meeting of the Fund scheduled for \_\_\_\_\_

The consistory/council of \_\_\_\_\_  
(name of church)

Has appointed the following persons as delegate(s) to represent us at the above-mentioned meeting:

Prime delegate: \_\_\_\_\_

Alternate: \_\_\_\_\_

We hereby instruct and authorize them to take part in all the deliberations and transactions of the meeting regarding all matters legally coming before the meeting and which are transacted in agreement with the Word of God and the doctrinal standards of the Canadian/American Reformed Churches, and in accordance with our adopted Church Order.

Special instructions, if any: \_\_\_\_\_

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Signed by: \_\_\_\_\_

Name and position

\_\_\_\_\_  
Name and position

Date signed: \_\_\_\_\_

## RETIREMENT ASSISTANCE FUND OF THE CANADIAN REFORMED CHURCHES

### FUNDING POLICY

- 1.1 In recognition of the requirement that the Fund be prudently and appropriately funded both the Board and Management Committee of the Fund shall take the necessary steps to ensure that the Fund is able to meet its monthly commitments on a long-term basis.
- 1.2 On December 31 of each fiscal year the Management Committee shall cause to be prepared a spreadsheet analysis of the anticipate cash inflows and outflows of the Fund over the course of the following twenty (20) years (hereinafter referred to as the "Cash Flow Analysis").
- 1.3 The data to be used in Cash Flow Analysis shall, at a minimum, consist of the following:
  - (a) a list of all active ministers, including their birthdates;
  - (b) a list of all living retired ministers and widows, including their birthdates;
  - (c) a reasonable annual rate of inflation to be applied to benefits expected to be paid to the members;
  - (d) a reasonable annual rate of inflation to be applied to assessments expected to be levied against the members;
  - (e) a reasonable rate of return that can be expected to be received on the invested assets of the Fund;
  - (f) a reasonable projection of the operating expenses of the Fund; and
  - (g) such other data that may be relevant in determining the expected cash inflows and outflows over the course of the projection period.
- 1.4 The Cash Flow Analysis spreadsheet report shall be provided to the Board within sixty (60) days of the end of each fiscal year.
- 1.5 If the Cash Flow Analysis indicates that the Net Assets of the Fund are projected to fall below the equivalent of 1.5 times the total benefits paid out to the members in the year prior to the date of the analysis, the Management Committee shall bring this information to the attention of the Board and

advise the Board of what action, if any, the Management Committee recommends to be taken.

# RETIREMENT ASSISTANCE FUND OF THE CANADIAN REFORMED CHURCHES

## INVESTMENT POLICY – LONG-TERM ASSETS

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### LONG RANGE INVESTMENT OBJECTIVES AND POLICY STATEMENT

#### 1.1. Purpose

- 1.1.1 The purpose of this statement is to establish a clear understanding between the members of the Retirement Assistance Fund of the Canadian Reformed Churches, its board of governors, its management committee, and its investment managers of the investment policies and objectives of managing assets. This statement outlines an overall philosophy that is specific enough for all to know what is expected, but sufficiently flexible to allow for changing economic conditions and dynamic securities markets. This statement provides realistic risk policies to guide the management committee and the investment managers toward long term rate-of-return objectives which serve as standards for evaluating investment performance. This statement establishes the investment restrictions placed upon the administration committee and the investment managers and outlines procedures for policy and performance review.

#### 1.2. Investment Objectives

- 1.2.1 The long range investment goal of the Fund is to achieve a maximum rate of return on assets consistent with prudent investment management. This policy, which emphasizes preservation of capital, should enhance "real" asset value and provide liquidity sufficient to meet unexpected cash needs. "Real" asset value is defined as protection of the investment principal from its loss of purchasing power over time. To the degree consistent with specific rate-of-return objectives, and relative to appropriate benchmark indices, all funds shall be invested to maintain a high level of stability and security by minimizing risk and volatility.

- 1.2.2 Liquidity shall be maintained to provide for all anticipated withdrawals by means of investment in securities with sufficient marketability to provide for such withdrawals.

### 1.3. Policy Statement

- 1.3.1 It is the policy of the Fund to give the management committee full discretion in all investment decisions subject to the restrictions stated below. The Fund expects the assets to be invested with care, skill, prudence, and diligence under the circumstances prevailing from time to time that a prudent person in like capacity and familiar with such matters would use in the investment of funds of like characters with similar aims. To that end the Fund requires that the management committee use the services of one or more investment advisers, duly licensed to provide such services, in order to receive professional advice and recommendations before entering into buy or sell transactions.
- 1.3.2 The investment performance objective is to obtain a minimum total annual rate of return of 4% plus the inflation rate. The inflation rate is defined as the three-year moving average of the Canadian Consumer Price Index. Recognizing the volatility of both the equity and the bond markets, it is understood that this objective may not be met on an annual basis. However, it is expected to be achieved when measured over a minimum three-year average. Furthermore, the investment portfolio is expected to produce a total annual return which equals or exceeds the average Canadian government treasury bill yield plus 1.5%.

- 1.3.3 The asset allocation will be at all times within the following guidelines:

	Minimum %	Maximum %
Cash equivalents *	0%	75%
Fixed income	25%	65%
Real estate mutual funds	0%	5%
Equity	0%	60%

\* Cash equivalents are defined as less than one-year maturities. Fixed income investments can be invested in cash equivalents as necessary.

1.3.4 The Fund prohibits investments which jeopardize the safety of principal concept, non-profit status of the Fund. The following types or methods of investments are prohibited:

- trading in securities on margin;
- trading in commodity futures, commodity contracts, financial futures, mineral leases, mineral rights or royalty contracts;
- investing in working interests in oil or gas wells;
- purchasing precious metals
- purchasing “puts” and “calls”;
- selling and purchasing warrants and options without prior approval;
- selling short;
- derivatives;
- real estate and/or real estate development;
- companies whose principal business includes the manufacturing of tobacco products or any other products or services which would be contrary to sound Biblical principles;
- purchasing shares or bonds issued by a private corporation or by a corporation not listed on an established, recognized stock exchange

1.3.5 The Fund further instructs its management committee as follows:

- Investments shall not be made in securities for which market quotations are not readily available;
- Investments shall not be made if such investments will result in income which would require the filing of federal, provincial or local tax returns.
- No investments shall be made knowingly in which any member of the board of governors or the management committee or any related person has, directly or indirectly, a known significant financial interest.

#### **1.4. Reporting**

1.4.1 At least annually, the management committee will maintain and review with the board of governors the following:

- This statement of policies;
- The fees and expenses, if any, related to the investments owned during the year;

- Records relating to the performance of the investments and the extent to which the performance meets the objectives of the Fund as set out in this policy statement