
By-law No. 10: Investment Committee Terms of Reference

Effective Date:	May 25, 2023, by resolution of the Board of Directors
Review Schedule:	At least every three years
Mandatory Review:	Immediately upon any amendment to the Investment Policy Statement that affects the Committee’s roles and responsibilities
Previous Versions	<ul style="list-style-type: none">• Approved by Board of Directors - September 22, 2013• Amended by Board of Directors - April 19, 2020

1. Introduction

The Investment Committee (the “Committee”) is a standing committee of the Board of Directors (the “Board”) of the Canadian Race Relations Foundation (the “CRRF”; the “Foundation”). As such, it is part of the governance framework within which the Board, assisted by its committees, directs, and oversees the affairs of the Foundation.

As a standing committee, the Committee reports to the Board, which is ultimately responsible for the investment of the Foundation’s assets; the Committee has no independent decision-making capacity in its own right.

2. Purpose

The purpose of the Committee is to assist the Board in discharging its fiduciary duty for prudent oversight of the CRRF’s Endowment Fund (the “Fund”), which was established pursuant to Section 22 of the *Canadian Race Relations Foundation Act* (the “Act”). More specifically, the Committee supports the Board in ensuring the Funds are being managed in accordance with the Investment Policy Statement (the “IPS”) as established and amended from time to time by the Board.

3. Composition and Terms

Composition

The Committee shall be comprised of at least four (4) and not more than six (7) voting members, as follows:

- i. The Chairperson of the Board of Directors of the CRRF;
- ii. The Chair of the Investment Committee of the CRRF, who shall be appointed by the Board;
- iii. The Chair of the Finance and Audit Committee of the CRRF;
- iv. Members appointed from among the members of the Board who should—to the extent possible given the make-up of the Board at the time—be financially literate and have knowledge or experience in financial and investment matters; and

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- v. Qualified external members recommended by the Chair of the Committee and approved by the Board

The CRRF's Executive Director is an *ex officio*, non-voting member of the Committee.

Terms

Appointments to the Committee shall be made for terms of up to three years with up to one renewal of up to two years. In considering appointments to the Committee, the Board shall make every effort to provide for continuity and avoid multiple terms expiring simultaneously.

4. Quorum and Voting

A majority of the Committee members constitutes a quorum at any meeting of the Committee. Each voting member shall have one vote. Questions shall be decided by a majority of votes cast. In case of an equality of votes on a question, the Committee Chair shall have the right to cast a second vote. If the Committee Chair does not cast a second vote, the question shall be deemed defeated. Notwithstanding the above, the Committee may not make a recommendation to the Board without a majority of Board members on the Committee voting in favor of the question.

Should there be a requirement for an electronic vote between meetings, a quorum shall be constituted when at least two-thirds of the members eligible to vote cast a vote by email. Any action taken by such electronic means shall be ratified at the next duly convened meeting of the Committee and recorded into the minutes of that meeting.

5. Roles and Responsibilities

The Committee's primary roles are:

- To advise the Board on the selection of the Investment Fund Manager (the "Manager");
- To regularly review the IPS and recommend any changes as required;
- To obtain assurances and satisfy itself that the Fund is being managed in full compliance with the IPS, and that it is performing in accordance with any benchmarks and/or targets as may be established in the IPS.

Section 6.2 of the IPS establishes the Committee's specific responsibilities. Any amendment to the duties described in the IPS requires a consequential amendment to these Terms of Reference.

The Investment Committee will be responsible to:

- a) maintain a reasonable understanding of legal and regulatory requirements and constraints applicable to the Portfolio with the advice of outside legal or professional advisors as appropriate;
- b) formulate recommendations to the Board regarding the selection, engagement or dismissal of the Manager;

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- c) monitor the Portfolio's performance and on a quarterly basis in the meeting of the Committee with at least 15 minutes to be assigned for in camera session;
 - d) on an annual basis, review the Foundation's IPS and recommend any appropriate amendments;
 - e) formulate recommendations to the Board regarding the Manager's mandate with such recommendations reflecting the provisions of this IPS;
 - f) ensure that the Manager is apprised of any amendments to their mandates;
 - g) inform the Manager of the timing and amount of any cash flows from the Portfolio as advised by the management of CRRF;
 - h) instruct the Manager to exclude any asset, security or category of investment as governed by this IPS;
 - i) in consideration of the Manager's recommendations, take appropriate steps to ensure that the Portfolio is rebalanced, as necessary;
 - j) every two years, review Manager's performance and recommend extension of the advisory agreement, if deemed appropriate; and
 - k) report the Committee's activities to the Board.
 - l) Should the market value of the Endowment Fund fall below the \$24 million capital amount received (which is always possible with uncontrollable market developments), the Committee is expected to take the following course of action:
 - request, through the Chair of the Committee, an emergency meeting of the Committee to discuss the situation with the Manager and to consider what feasible course(s) of action may be deemed advisable;
 - apprise the Board, through the Chairperson, of the situation, and recommend any action that the Committee would deem advisable, and which would require the Board's deliberation and approval;
 - monitor the Portfolio's performance on a monthly basis.

6. Quarterly Review of Fund Performance and Frequency of Meetings

The Investment Advisor shall provide the Committee, through the Corporate Secretary, with an electronic copy of the quarterly statements within one month after the end of the previous quarter.

The Committee shall normally meet with the Investment Advisor at least three times a year in advance of the scheduled Board meetings, either in-person or via electronic means. The purpose of these meetings will be:

- To review with the Investment Advisor the Fund’s performance and compliance with the IPS;
- To consider any recommendations made by the Investment Advisor; and
- At least once a year, to review the IPS.

An *in-camera* session will be scheduled at the end of each of these two meetings without the Investment Advisor.

Additional meetings may also be convened at the call of the Committee Chair or, on the request by a Committee member with a majority of the Committee members’ support.

7. Reimbursement of Expenses

Committee members will be reimbursed in accordance with the CRRF’s *Payment of Honoraria and Travel Expenses to Directors Policy*.