
Statement of Investment Policies & Procedures
For the
ELCIC Pension Plan

This Statement is intended to describe the current operating procedures, objectives and policies for investing the assets of the ELCIC Pension Plan. This Statement will be periodically updated as policies are reviewed and revised, and as necessitated by changes in regulations and practice.

This Statement is revised and effective May 30, 2025.

Certified to be a true and complete copy of the
Statement of Investment Policies and Procedures



Gordon Jensen

President, ELCIC Group Services Inc.

Table of Contents

| | | |
|------------|---|----|
| Section 1 | Overview and Purpose | 3 |
| Section 2 | Roles and Responsibilities | 5 |
| Section 3 | Investment Objectives | 9 |
| Section 4 | Benchmark Portfolio | 10 |
| Section 5 | Investment Beliefs | 11 |
| Section 6 | Evaluation of Investment Management Performance | 12 |
| Section 7 | Asset Allocation Policy | 13 |
| Section 8 | Investment Constraints | 15 |
| Section 9 | Reporting Requirements | 17 |
| Section 10 | Conflict of Interest Policy, Disclosure Procedures and Related Party Transactions | 18 |
| Section 11 | Delegation of Voting Rights | 20 |
| Section 12 | Valuation of Investments | 21 |

Note:

Unless otherwise stated, all defined terms in this policy are as those in the ELCIC Pension Plan text.

Section 1 Overview and Purpose

- 1.1. The primary goal of the ELCIC Pension Plan is to accumulate funds for the ultimate purpose of providing retirement income for eligible Employees at a predictable cost to the participating Employers. The prudent and effective management of the ELCIC Pension Plan's assets will have a direct impact on the achievement of this goal.
- 1.2. The ELCIC Pension Plan document, as amended from time to time, is registered with the Financial Services Regulatory Authority of Ontario (formerly Financial Services Commission of Ontario) and Canada Revenue Agency. The ELCIC Pension Plan is a defined contribution plan for eligible Rostered and non-Rostered employees of the Evangelical Lutheran Church in Canada (Church) and other participating employers.
- 1.3. The Board of Directors of ELCIC Group Services Inc. (the Administrator) is responsible for the administration of the ELCIC Pension Plan, including establishing and implementing investment objectives and taking necessary actions to achieve the primary goal.
- 1.4. This Statement of Investment Policy and Procedures (this Statement) is intended to ensure continued prudent and effective management of all the assets of the ELCIC Pension Plan. The Administrator, in conjunction with its external advisors, the ELCIC Pension Plan's emerging experience, and the properly documented wishes of the majority of participating employers and the Church, may modify the Statement as deemed appropriate. It shall be reviewed at least once each year and either confirmed or amended. All amendments to this Statement shall be filed with the appropriate regulatory bodies as required.
- 1.5. The annual review should take into account any developments in the following:
 - a. governance changes;
 - b. changing investment environment;
 - c. changing risk tolerance;
 - d. changes to ELCIC Pension Plan benefits;
 - e. changes to investment beliefs;
 - f. changes in membership demographics;
 - g. changed expectations for the long-term risk/return trade-offs in the capital markets;
 - h. new investment products;
 - i. changes to governing legislation; and
 - j. any practical issues arising from the application of this Statement.

Section 1
Overview and Purpose

- 1.6. This Statement has been prepared in a manner that complies with all legislative and regulatory requirements. It documents the following:
 - a. guidelines for the prudent and effective management of the ELCIC Pension Plan including investment objectives;
 - b. the parties involved in the ELCIC Pension Plan's financial management and their respective roles and responsibilities;
 - c. the parameters under which the Investment Manager is to operate and communicate with the Administrator; and
 - d. how the performance of the Investment Manager is to be evaluated.
- 1.7. Member's contributions plus Employer contributions on behalf of members are credited to an individual account for that member. At any point in time, the aggregate of individual member's account balances equals the market value of the assets in the Fund.
- 1.8. The ELCIC Pension Plan is a defined contribution plan. Investments and asset allocation decisions are made on the Members' behalf by the Administrator.
- 1.9. Note that all of the assets are invested in pooled funds, hence those assets will be subject to the pooled fund's Statement of Policies and Objectives where and to the extent it differs or conflicts with this Statement.

Section 2 Roles and Responsibilities

- 2.1. In general, the duty of prudence governs all aspects of fiduciary performance in both the investment and administration of pension plans.
- 2.2. The Administrator can delegate certain responsibilities and tasks to employees of ELCIC Group Services Inc. who are responsible to ensure that the administration of the ELCIC Pension Plan is carried out efficiently within this mandate.
- 2.3. The Administrator retains the following external advisors and service providers:
 - a. Investment Manager;
 - b. a trustee and custodian of the ELCIC Pension Plan assets;
 - c. a pension investment consultant; and
 - d. others, as required from time to time.
- 2.4. The Administrator's responsibilities are to:
 - a. fulfill all the legal functions of an Administrator with respect to the ELCIC Pension Plan by establishing a sound strategic direction and operational framework to manage the ELCIC Pension Plan in compliance with contractual, legislative and regulatory requirements as well as ethical standards;
 - b. ensure the ELCIC Pension Plan's investments are managed prudently to maximize long-term returns within acceptable risk levels and this Statement;
 - c. appoint a "manager of investment managers" (the Investment Manager") to manage the Fund and has delegated to the Investment Manager the authority to retain investment sub-advisors ("Sub-Advisors") and select investments appropriate for the Plan circumstances;
 - d. appoint the required employees, external advisors and service providers, determine and communicate their responsibilities, and then monitor performance and take any necessary corrective actions;
 - e. ensure that the investments are managed in accordance with the guidelines set out in this Statement;
 - f. review and assess annually the performance of the Investment Manager relative to their established benchmarks to determine whether corrective actions are deemed necessary;
 - g. ensure that all required contributions are made in a timely fashion and ensure that all benefit and expense payments are appropriately authorized; and
 - h. review on an ongoing basis the investment results of the ELCIC Pension Plan relative to its objectives, and ensure that the investment income earned is credited/allocated appropriately;
 - i. review the quarterly investment results;
 - j. review the investment management structure and strategic asset allocations and whether the ELCIC Pension Plan's current position remains appropriate;
 - k. where appropriate, conduct an Investment Manager search and make a selection based on established criteria;
 - l. meet with the Investment Manager and the pension consultant; and

Section 2
Roles and Responsibilities

- m. review this Statement at least annually to ensure its continued appropriateness, and approve any required changes.
- 2.5. The Investment Manager will:
- a. manage their respective investment mandate within approved guidelines and select funds within each asset class, subject to applicable legislation and the constraints and directives set out in this Statement and in any supplementary communication provided by the Administrator, all in accordance with the manager's mandate;
 - b. provide the Administrator with a written quarterly report certifying compliance with this Statement, and summarizing the portfolio's asset mix, changes in portfolio holdings, performance analysis, and expectations regarding the upcoming quarter;
 - c. have complete and unlimited discretion to perform the following:
 - i. set and modify investment guidelines for all Sub-advisors;
 - ii. address and resolve any mandate-related issue with Sub-advisors;
 - iii. modify sub-advisor allocation within an asset class;
 - iv. use and selection of transition managers;
 - v. rebalancing activities including trade allocations;
 - vi. hiring or termination of a Sub-advisor;
 - vii. raising cash through the placement of sell-orders with a Sub-advisor;
 - viii. investment of deposits;
 - ix. instruct the Trustee with respect to transactions in the account , either directly or through the sub-advisors;
 - d. participate in the review of this Statement;
 - e. attend meetings of the Administrator as requested to present:
 - i. reviews and analysis of investment performance,
 - ii. a forecast of future economic conditions, as well as a summary of expectations for future returns on various asset classes,
 - iii. a report on the environmental, social and governance criteria employed in making recent investment decisions, and
 - iv. proposed investment strategies to be followed;
 - f. explain to the Administrator the characteristics of other asset classes to be considered for investment and how they might assist in the achievement of the ELCIC Pension Plan's objectives;
 - g. ensure that all actions taken are in compliance with the Standards of Practice Handbook of the CFA Institute as amended from time to time or such other comparable professional standard (a copy of which has been made available to the Administrator);

Section 2
Roles and Responsibilities

- h. provide periodic reports and other statistical information as required; and
- i. inform the Administrator in a timely manner, any element of this Statement that could prevent the attainment of the objectives as well as any significant changes in personnel.

2.6. The trustee and custodian will:

- a. fulfil the regular duties of a trustee and custodian as required by law;
- b. monitor compliance with any applicable legal investment limits;
- c. provide the Administrator, the Investment Manager and other authorized parties with accurate and complete accounting, including monthly trust statements of all assets of the ELCIC Pension Plan and transactions during the period;
- d. process the security transactions that result from the buy and sell orders authorized by the investment manager, provided they comply with all applicable legislation; and
- e. receive all contributions to the ELCIC Pension Plan, and make authorized payments from the trust in a timely and efficient manner.

2.7. The pension investment consultant(s) will:

- a. participate upon request in annual reviews of this Statement, including provision of any necessary statistical information in order to confirm or amend this Statement;
- b. Intermittently conduct a lifecycle glide path optimization to establish the strategic asset mix policy
- c. Provide quarterly performance monitoring reports, including both quantitative and qualitative analysis on performance benchmarks and SIP&P targets including manager commentary and responsible investing ratings and commentary:
- d. Annual review and update (if required) of Statement of Investment Policy and Procedures (SIPP)
- e. Annual presentation on DC trends, legislation, and other pertinent Mercer Research
- f. Attend Investment Committee meetings in Winnipeg reviewing the above items
- g. participate upon request at discussions about expectations about future returns on asset classes, and planned investment strategies;

2.8. The Administrator delegates its Executive Director to:

- a. act as liaison between the Administrator and its various advisors and service providers to ensure that each fulfills its duties and responsibilities and that adequate information is available for decision-making;
- b. develop and manage in-house manual and computer systems to administer accurately and efficiently member and employer contributions, pension credits and payments, and other needed records and data;
- c. recommend if certain of these services should be obtained more cost-effectively through the hiring of external providers.

Section 2
Roles and Responsibilities

2.9. Standard of Care:

In exercising their responsibilities, the Administrator, its Directors and employees, and its appointed advisors must adhere to the following guidelines:

- a. in the discharge of their duties and the exercise of their powers, whether the duty or power is created by law or the trust instrument, they shall exercise that degree of care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person; and
- b. without limiting the generality of the above, persons who possess, or because of their profession, business or calling, ought to possess, a particular level of knowledge or skill relevant to their responsibilities to the ELCIC Pension Plan, shall employ that particular level of knowledge or skill in the administration of the ELCIC Pension Plan.

Section 3 Investment Objectives

- 3.1. The overall objective is to manage a risk-based asset allocation that preserves and increases members' capital available at retirement. In assessing risk, it is assumed that a Member's tolerance to risk reduces as the remaining time until retirement reduces.
- 3.2. Hence a lifecycle investment strategy is utilized which changes the mix between investments in higher risk equities, which will be referred to as the Growth Fund and investments in lower risk fixed income instruments, which will be referred to as a Fixed Income Fund. The proportion invested in the Growth Fund in an individual account reduces as that member approaches retirement.
- 3.3. More specifically, the target of the Growth Fund a long-term real rate of return exceeding the rate of increase in the Consumer Price Index by at least 5% per annum when averaged over any four-year period. And the objective of the Fixed Income fund is a long-term real rate of return exceeding the rate of increase in the CPI by at least 2% per annum. Note that these targets are the expectations of the Administrator but are not guaranteed.

Section 4 Benchmark Portfolio

4.1. A Benchmark Portfolio is intended to define a model portfolio which should permit achievement of its objectives with an acceptable level of risk, as well as providing a benchmark rate of return for the evaluation of investment managers' performance.

4.2. Growth Fund

4.2.1. Effective May 30, 2025 the Benchmark Portfolio for the Growth Fund is:

| Asset Class | Percentage of Mix | Proxy |
|-----------------------------------|-------------------|---|
| Canadian Equities | 24.5% | S&P/TSX Composite Capped Index |
| Global Equities | 44.5% | MSCI World Index in \$CDN |
| Global Small Cap Equities | 8.2% | MSCI World Small Cap Index Net Total Return \$CDN |
| Emerging Market Equities | 7.3% | MSCI EM Net Total Return \$CDN |
| Canadian Real Estate – Open Ended | 15.5% | REALpac/IPD Canada Quarterly Property Fund Index |

4.2.2. The Growth Fund's asset mix will deviate from the above benchmark mix as certain classes outperform others. The asset mix may also deviate due to the timing of cash requirements.

4.3. Fixed Income Fund

4.3.1. Effective May 30,2025, the Benchmark Portfolio for the Fixed Income Fund is:

| Asset Class | Percentage of Mix | Proxy |
|-----------------------------------|-------------------|-----------------------------------|
| Cash / Money Market | 2.2% | FTSE Canada 90 Day T-bill Index |
| Universe Bonds | 49% | FTSE Canada Universe Bond Index |
| Canadian Mortgages | 14.4% | FTSE Canada Short Term Bond Index |
| Corporate Bonds | 20% | FTSE Canada Corporate Bond Index |
| Global Opportunistic Fixed Income | 14.4% | Composite Benchmark* |

*Composite benchmark : as advised by the investment manager and reflects that the benchmark is changing.

Section 5
Investment Beliefs

5.1. The Administrator believes that:

- Asset allocation is an important factor in determining investment performance and in managing risk.
- Achieving financial returns involves taking risk. In general, higher risks are rewarded with higher expected returns. Returns may, however, take time to emerge from the underlying risks and risk-taking does not guarantee additional returns.
- Diversification provides an opportunity to reduce risk and increase returns.
- Equity investments will provide greater long-term returns than fixed-income investments, although with greater short-term volatility.
- Foreign equities provide potential for enhanced returns relative to Canadian equities by increasing portfolio diversification.
- Mortgages and other credit exposure can provide diversification to the fixed income fund as they are less sensitive to movements in interest rates and have different risk / reward characteristics relative to universe bonds.
- A "manager of investment managers" approach will ensure the investment portfolios have broad diversification across managers and styles, as well as being time and cost efficient .

Section 6 Evaluation of Investment Management Performance

- 6.1. The performance of the Investment Manager's portfolio(s) shall be reviewed quarterly to determine the contribution made relative to the Benchmark portfolio(s). The Investment Manager will prepare a quarterly report with calculations of the time-weighted rate of return earned by its portfolios and the component asset classes, and present the results in accordance with the presentation standards of the CFA Institute. A performance monitoring report shall also be prepared by the pension investment consultant that provides the longer term history of the performance of the Growth and Fixed Income Funds.
- 6.2. The annualized return of each asset class component will be considered satisfactory if the annualized return (before management fees) over rolling four-year time periods exceeds the return that would result from a passive investment in the corresponding capital market index as indicated by the respective target. Note that the four-year period is not tied to the start of the mandate with the ELCIC Pension Plan.

| Asset Class | Target |
|-----------------------------------|--------|
| Universe Bonds | 25 bps |
| Corporate Bonds | 40bps |
| Canadian Mortgages | 50 bps |
| Global Opportunistic Fixed Income | 70bps |
| Canadian Equities | 50 bps |
| Global Equities | 60 bps |
| Global Small Cap Equities | 90bps |
| Emerging Market Equities | 60bps |

- 6.3. The evaluations will also include the following qualitative standards:
- adherence to this Statement including responsibilities (section 2.5) and constraints (section 8) and reporting requirements (section 9);
 - changes in the Investment Manager's firm including ownership, organizational structure and key investment personnel;
 - adequacy of service and quality of responses to questions and requests.
- 6.4. As a secondary measure of quantitative performance, the Investment Manager's results may also be assessed relative to those of other investment managers investing the assets of comparable funds or portfolios with comparable objectives.
- 6.5. Where the target as indicated in 6.2 has not been met by the Investment Manager, the Administrator will consider conducting a review of the Investment Manager's mandate. This review may result in an assessment of other available manager alternatives.

Section 7
Asset Allocation Policy

7.1. Asset Class Allocations

The percentage asset class allocations must be within the following minimum and maximum limits.

Growth Fund

| Asset Class | Min (%) | Target (%) | Max (%) |
|-----------------------------------|---------|------------|---------|
| Canadian Equities | 17 | 24.5 | 33 |
| Global Equities | 37 | 44.5 | 53 |
| Global Small Cap Equities | 4 | 8.2 | 12 |
| Emerging Market Equities | 3 | 7.3 | 11 |
| Canadian Real Estate – Open Ended | 11 | 15.5 | 19 |

Fixed Income Fund

| Asset Class | Min (%) | Target (%) | Max (%) |
|-----------------------------------|---------|------------|---------|
| Universe Bonds | 41 | 49 | 57 |
| Canadian Mortgages | 10 | 14.4 | 19 |
| Corporate Bonds | 16 | 20 | 24 |
| Global Opportunistic Fixed Income | 10 | 14.4 | 19 |
| Cash/money market | 0 | 2.2 | 6 |

7.2. Rebalancing

7.2.1. Growth Fund and Fixed Income Fund Asset Allocation Rebalancing

The Investment Manager will be responsible for rebalancing.

7.2.2. Life Cycle Rebalancing

Annually on the last day of each plan member's birth month the weighting in their account will be updated based on their age.

The underlying investment asset allocations between the growth fund and the fixed income fund, based on the weighting of all member accounts combined are reviewed monthly and result in an aggregate asset mix based on the weighting between the two accounts and as advised by the Administrator. If the actual weighting between the two accounts differs by more than 2% at quarter end a revised aggregate asset mix will be provided to the Investment Manager by the Administrator.

Section 7
Asset Allocation Policy

7.3. Life Cycle Distribution

The asset allocation will depend on the fund distribution as assigned by the plan members' age as listed here:

| Age | Growth Fund | Fixed Income Fund |
|----------------------------|-------------|-------------------|
| up to and including age 40 | 80% | 20% |
| 41 | 80% | 20% |
| 42 | 79% | 21% |
| 43 | 78% | 22% |
| 44 | 77% | 23% |
| 45 | 76% | 24% |
| 46 | 75% | 25% |
| 47 | 74% | 26% |
| 48 | 72% | 28% |
| 49 | 71% | 29% |
| 50 | 69% | 31% |
| 51 | 68% | 32% |
| 52 | 66% | 34% |
| 53 | 64% | 36% |
| 54 | 62% | 38% |
| 55 | 60% | 40% |
| 56 | 58% | 42% |
| 57 | 56% | 44% |
| 58 | 54% | 46% |
| 59 | 52% | 48% |
| 60 | 50% | 50% |
| 61 | 48% | 52% |
| 62 | 45% | 55% |
| 63 | 43% | 57% |
| 64 | 40% | 60% |
| 65 | 40% | 60% |
| 66 | 38% | 62% |
| 67 | 36% | 64% |
| 68 | 34% | 66% |
| 69 | 32% | 68% |
| 70+ | 30% | 70% |

Section 8 Investment Constraints

8.1. Permissible investment categories:

Permitted categories of investments shall be:

The assets of the ELCIC Pension Plan may be invested in any of the following investment categories, subject to the limits specified by the regulatory agencies, and in accordance with the guidelines outlined in this Statement:

1. Public equities, including common and preferred shares and equivalents, such as warrants, rights, installment receipts, unit trusts, and convertible debentures, all of which may be issued by Canadian or non-Canadian issuers;
2. Debt securities of Canadian and non-Canadian issuers, issued in Canadian or Non-Canadian currencies, including bonds, mortgages and debentures;
3. Real estate, but only through a real estate fund managed by one or more sub-advisors appointed by the Investment Manager;
4. Non-publicly traded equity securities, including private placements and venture capital; and
5. Cash and cash equivalents, including cash on hand, demand deposits, treasury bills, commercial paper, short-term notes and bankers' acceptances, term deposits, and guaranteed investment certificates.

All public market debt and equity securities shall be purchased through normal public market facilities, unless the purchase price approximates the prevailing market price and is negotiated on an arm's length basis.

Derivatives, options, and futures are permitted investments under this Policy but shall not be used for speculative purposes. Foreign securities are exposed to currency fluctuations.

8.2. Limitations and restrictions:

8.2.1. The Investment Manager is to manage its portfolio in accordance with all applicable legislation and regulations including the Pension Benefits Standard Act of Canada, the Ontario Pensions Benefits Act, and the Income Tax Act of Canada.

8.2.2. All investments will be made in accordance with the Code of Ethics and the Standards of Professional Conduct of the CFA Institute or such other comparable professional standard (a copy of which has been made available to the Administrator). These standards require that investment managers, when taking an investment action for a specific portfolio or client, consider its appropriateness and suitability for that portfolio.

Section 8
Investment Constraints

8.2.3. Lending of Cash and Securities

The ELCIC Pension Plan may not enter into cash or securities lending agreements, although any pooled funds held in the ELCIC Pension Plan may do so if their policies so permit.

8.2.4. Pooled Funds

All the assets are to be invested in pooled funds.

8.3. Liquidity requirements:

The Executive Director will inform the Investment Manager about any ongoing cash requirements, as well as any changes or unusual needs.

Section 9
Reporting Requirements

- 9.1. The Investment Manager must meet with the Administrator on a regular basis and at least annually, and in all cases must provide a written report to the Administrator quarterly. The meeting and report should identify:
- a. the investment objectives;
 - b. the market performance of each asset class;
 - c. a brief review of the current portfolio structure;
 - d. the rates of return obtained and the sources of added value over the past period;
 - e. the economic outlook and factors which could alter that outlook; and
 - f. the Investment Manager's evaluation of current asset mix (where applicable).
- 9.2. Any areas of concern or suggested changes in this Statement must be communicated in writing to the Administrator prior to the meeting, if possible.
- 9.3. Any changes in "key" personnel, investment management philosophy, style or approach must be communicated, in writing, to the Administrator as soon as possible.

Section 10

Conflict of Interest Policy, Disclosure Procedures and Related Party Transactions

Parties Governed by these Guidelines:

- 10.1. These guidelines apply to:
- a. the Administrator;
 - b. any senior employee of the Administrator who has direct involvement with the ELCIC Pension Plan and its operation;
 - c. the Investment Manager;
 - d. custodian;
 - e. the pension investment consultant;
 - f. any employee or agent retained by those parties listed above who provide services to the ELCIC Pension Plan.
- 10.2. Conflict of Interest:
- 10.2.1. Any party listed above must disclose any direct or indirect association, material interest, or involvement in aspects related to their role with regard to the ELCIC Pension Plan investments that would result in any potential, actual or perceived conflict of interest. The Conflict-of-Interest Policy and Guidelines established by the Administrator provides a framework for this purpose.
- 10.2.2. Without limiting the generality of the above, a conflict of interest arises when one of the parties governed by this Statement receives a direct or indirect benefit on account of any transaction made on behalf of the ELCIC Pension Plan, or a benefit from any actual or proposed contracts with the issuer of any securities which are or may be included in the assets held by the ELCIC Pension Plan, or if the individual is a member of the board of directors of any corporation or has significant holdings in the securities issued by any corporation. The best interest of the ELCIC Pension Plan beneficiaries is the primary consideration in resolving all such conflicts.
- 10.3. Disclosure Procedures:
- 10.3.1. Any party listed above who is confronted with a conflict of interest must disclose the nature and extent of the conflict to the Administrator in writing, or request to have entered in the minutes of the meeting of the Administrator at the earliest of:
- a. first becoming aware of the conflict;
 - b. the first meeting in which the matter in issue is discussed
 - c. the first meeting in which the person knows or ought to have known that the party had an interest in the matter that required disclosure.

Section 10
Conflict of Interest Policy, Disclosure Procedures and Related Party Transactions

For the purposes of a) above, the disclosure must be made verbally if knowledge of the conflict arises in the course of a discussion at a meeting.

- 10.4. If the person disclosing the conflict does not have voting power on decisions affecting the ELCIC Pension Plan, that person may elect not to participate in the activities related to the issues in conflict, or may continue their activities with the approval of the Administrator.
- 10.5. If the person disclosing the conflict does have voting power, that person may continue in their activities with respect to the issue in conflict only with the approval of the other participants with voting rights. In this situation the person may elect not to participate with respect to the issue in conflict. The notification made may be considered a continuing disclosure on the issue, subject to any future notification, for the purpose of obligations outlined by these guidelines.
- 10.6. Related Party Transactions:
- 10.6.1. The Administrator may not, directly or indirectly, enter into any transactions with a party related to the ELCIC Pension Plan, as defined in the Regulation of Pension Benefits Standards Act, on behalf of the ELCIC Pension Plan, including the lending of the ELCIC Pension Plan's moneys to the related party and the investment of the ELCIC Pension Plan's moneys in the securities of the related party.
- 10.6.2. Transactions with a related party on behalf of the ELCIC Pension Plan are permitted if the transaction:
- is required for the operation or administration of the ELCIC Pension Plan and the terms and conditions of the transaction are not less favourable than current market terms and conditions;
 - value of which is nominal or immaterial to the Plan (that is, less than 0.5% of the market value of the Assets); two or more transactions with the same related party within the same calendar year shall be considered a single transaction;
 - indirectly invests in the securities of a related party if the securities are held in a pooled investment fund or segregated fund in which investors other than the company and its affiliates may invest.

Section 11
Delegation of Voting Rights

- 11.1. The Administrator will delegate the responsibility for exercising all voting rights acquired through the investments of the portfolios.

Section 12
Valuation of Investments

- 12.1. The Administrator expects that all securities held by the ELCIC Pension Plan will have an active market and therefore valuation of the securities held by the ELCIC Pension Plan will be based on their market values.

- 12.2. The ELCIC Pension Plan's custodian is responsible to obtain the appropriate market values of all investments including those that are not regularly traded. Units held in a mortgage or real estate pooled fund will be valued according to the ELCIC Pension Plan's stated policy. Securities that are not regularly traded shall be valued at a price deemed to represent, in the opinion of the custodian, the market value of the investment. These non-traded investments shall be valued periodically, but in any event not less frequently than once a year by qualified independent professionals. It is anticipated that the market value placed on a security by the custodian will be consistent with the market values placed on that security by the Investment Manager. If there is a difference between the two, the custodian's market value will be used unless the Investment Manager can show just cause for changing the custodian's method of obtaining the market value and the procedure is acceptable by the custodian. Any substantial differences in market value should be brought to the attention of the Administrator. Every effort should be made by the Investment Manager and the custodian to coordinate the financial reporting of information.