



Investment Advisory Committee Terms of Reference
Approved by the Board of Directors on November 20, 2017

Membership

The investment Advisory Committee (IAC) will be a minimum of three persons and a maximum of five persons appointed by the General Partner. No staff member of the General Partner or Fund Manager may be appointed to the committee.

Members will be selected for their knowledge of lending, investing and underwriting; the co-operative enterprise environment, business development and risk assessment; and understanding of the mission of CCIF. The General Partner will have due regard for ensuring diversity of professional experience and knowledge in selecting the members of the committee.

The General Partner will review membership on the committee annually.

Selection Process:

1. The selection process must be transparent to the membership of CCIF, providing all current co-op and mutual members the opportunity to put their names forward to participate on the committee.
2. 120 days prior to the AGM, a call for interest for IAC candidates is to be sent to all CCIF members and posted on the CCIF website. The call for interest is to be accompanied by the IAC TORs and the deadline for receiving applications, which shall be 90 days prior to the AGM.
3. Applicants must be employees or affiliated with a CCIF member (sponsored).
4. All applications are to be pre-vetted for qualifications by the Nominating Committee and the Fund Manager based on the Investment Advisory Committee Terms of Reference.
5. The recommendation is to be forwarded to the General Partner Board for discussion and final selection, which is done at the Board meeting following the AGM.
6. The Board of Directors of the General Partner reserves the right to appoint members to the Investment Advisory Committee who are not currently members of the CCIF co-operative and may actively solicit committee membership from non-members to achieve such balance.

Term Limits

1. Term limits are for 3 years.
2. Terms can be allocated for shorter periods to ensure staggering of terms.
3. No individual may hold an appointment on the Investment Advisory Committee for more than 2 terms or 6 consecutive years, which ever is longer.

Committee Chair

The investment advisory committee will select a Chair among its members. In the absence of a Chair, the Fund Manager will act as Chair of the meetings.

Meetings

Meetings will be held at the call of the Fund Manager. Meetings may be in person but will generally be held by teleconference or videoconference. Where an in person meeting is deemed to be most appropriate, the Fund Manager will consult with the General Partner with regard to costs of such a meeting. Incidental expenses for advisory committee meetings are the responsibility of the General Partner.

Committee evaluation

The advisory committee will conduct an annual self-assessment and forward the results to the General Partner. The Fund Manager will assist the committee in this task.

Responsibilities

The Fund Manager will provide to the advisory committee, for all investment to be considered by the committee, and investment report that includes and analysis of the investment, investment risks and any particular terms and conditions for the investment.

The investment advisory committee has the mandate to provide advice to the Fund Manager, and if requested, to the General Partner on the following matters:

Review of proposed investments

- review and provide advice on investments that are over \$200,000 or any other such policy limit established by the General Partner with regard to investment risk and terms and conditions of the investment
- review and provide advice on proposed equity investments with regard to investment risk and terms and conditions of the investment

In providing advice to the Fund Manager the Committee will have due regard for the financial and non-financial objectives of CCIF. These include:

- achievement of financial returns for the Fund in order to meet financial and financial sustainability objectives
- the beneficial social and financial impacts (individual, economic, environmental and social outcomes)
- positive community impacts
- positive impacts on the co-operative movement (demonstration of co-operative principles, repeatable and scalable enterprises)

The IAC will have due regard for the achievement of these objectives in the portfolio as a whole and that these outcomes may not all be achieved in each CCIF investment.

Portfolio risk

The Fund Manager will provide a semi-annual report the advisory committee with an investment portfolio risk assessment, and an assessment of the securities held by CCIF for review and comment. The results of this review will be provided to the General Partner for consideration.

Investment policy review

As requested by the General Partner the advisory committee will assist in the annual process of review of the investment policy.

Committee vacancies

A committee member will be deemed to have resigned from the Committee when that person ceases to be employed by a CCIF member or the CCIF member ceases to sponsor the person.

In the event of a committee vacancy the GP may appoint a new IAC member at its sole discretion until such time as CCIF conducts a formal nomination process. CCIF may appoint a person from the list of nominees from the most recent Committee nomination process or someone else of its own choosing.

Conflict of interest

Where a member of the advisory committee has an interest in (personal or organizational), or where the member of the advisory committee may be perceived to have an interest in the outcome of an investment decision, the member of the advisory committee will recuse themselves from participating in the review of this investment.

The identification and reporting of conflicts of interest are the responsibility of each member of the advisory committee. Where other members identify a potential conflict that has not been reported to the committee, the members should address their concerns to the Chair of the committee and the Fund Manager. Where the matter involves the Chair of the committee, such matters should be reported to the General Partner and the Fund Manager.

IAC advice

The Fund Manager Investment Committee, in selecting investments, will have due regard for the advice provided by the advisory committee for CCIF. The Fund Manager will provide a record of the advice provided by the advisory committee.