

Delegation of Authority Policy

Approved by: CCMBC Legacy Fund Inc. Board of Directors

Distribution: CCMBC Legacy Fund Inc. Management
CCMBC Investments Ltd. Board of Directors

Effective Date: June 28, 2021

Reviewed: March 7, 2023

1. Responsibility for Delegation of Authority Policy

- Primary: Legacy Board of Directors
- Secondary: Legacy President/CEO

2. Scope

This policy supports the purpose of CCMBC Legacy Fund Inc. as outlined in its Articles of Incorporation.

3. Definitions

- “Legacy” means CCMBC Legacy Fund Inc.
- “Investments” means CCMBC Investments Ltd.
- “Board” means CCMBC Legacy Fund Inc. Board of Directors
- “Management” means President/CEO and CFO

4. Statement of Policy

The purpose of this policy is to clearly communicate the description of various responsibilities that are transferred from the Board to Management. The Board holds the ultimate authority for Legacy and Investments. Inherent in this authority is the ability and responsibility to transfer portions of this authority to Management. Appendix “A” defines these authorizations and limitations.

5. Delegation of Authority and Review of Effectiveness

Through the provisions and features of its activities, Legacy accepts or assumes certain risks. To protect the assets and reputation of Legacy:

- The Board delegates to Management the day-to-day authority to manage, monitor and control the risk acceptance/assumption activities for the products distributed by Legacy and its related risk-management strategies and practices.
- Management shall comply with the Authorization Guidelines and limitations therein, referred to as Appendix “A” attached hereto.
- Management shall review Appendix “A” for effectiveness on an on-going basis, and the President shall conduct a review of Appendix “A” from time-to-time, as required, or as otherwise requested by the Board.
- Authorization Guidelines and limitations shall be approved by the Board annually.

6. Monitoring and Reporting

Management shall recommend any fundamental and material changes to Appendix “A” to the Board. Delegation of Authority Policy is expected to be an adaptive and evolving regime set by the Board and implemented by Management.

Periodic compliance audits shall be planned and scheduled by the President in coordination with and approved by the Board.

Management will provide an attestation of policy compliance in each quarterly CEO report.

7. Policy Review

This policy shall be reviewed and approved annually.

8. Terms of Reference – Management

Management shall have the following specific duties and responsibilities:

- Report to the Board any material contravention of Legacy’s Delegation of Authority Policy as soon as discovered.
- Confirm to the Board at least annually it has reviewed Legacy’s Delegation of Authority Policy to ensure it is sound, prudent, and compliant, and recommends new policies, guidelines, or amendments to existing policies, guidelines, and limitations.

9. Supporting Procedures and Documentation

- CCMBC Legacy Fund Credit Policy
- CCMBC Investments/Legacy Investment Policy Statements (Capstone, BMONB)

Appendix A

Authorization Guidelines

Category	Category Description	Board Authorization	Management Authorization	Comments
Organizational structure	The organizational structure is described in the CCMBC Investments Ltd. Offering Memorandum ("OM").	All	None	Changes made to organizational structure must be evaluated by the Board, Management, legal advisors, financial advisors, and our congregational partners.
Organizational documents and bylaws	Organizational documents and bylaws are established. These should be reviewed on an annual basis and approved by the Legacy and Investments Boards.	All	None	Changes to organizational documents and bylaws must include discussions with Management and the Boards and may include input from our denominational partners.
Strategic plans	Strategic plans are the broad, long-term plans of Legacy and Investments. These plans establish the direction that each organization is committing to and includes the financial and operational objectives.	All	None	The Board holds full authority for the development and approval of strategic plans. Development of strategic plans is a collaborative exercise with the Board, Management and CCMBC.
Agreements	Includes agreements not embedded in the approved annual budget. Agreements included in this category are Memorandums of Understanding, Strategic Partnership Agreements, agreements that commit Legacy and/or Investments for periods longer than one year (excluding lease agreements) and agreements that impact our denominational partners.	All	None (Authorized to sign with Board approval and requirement for an officer's signature)	The development and negotiation of agreements is managed by Management and presented to the Boards for approval.
Policies	Policies shall be reviewed and approved annually by the Boards. These policies provide a framework of controls determining the governance of authority and responsibilities within the organizations.	All	None	The Board and Management will collaborate to develop, review annually, and modify policies as necessary.
Long-term pro forma budgets	This category includes financial pro forma budgets that exceed one year. These long-term pro forma budgets will be used by Legacy and Investments to assist in setting the strategic plans.	All	None	The Board and Management will collaborate to develop and review the long-term pro forma budgets.
Annual budgets	Annual budgets are the operational budgets for Legacy and Investments.	All	None	Management and staff will take the lead in developing the annual budgets which will be presented to the Boards for approval.
Expenditures with an approved annual budget	The approved annual operational budgets are the budgets which have been approved by the Boards and at the Annual General Meeting.	All	All	Once the annual budgets are approved, the CEO and the CFO have full authority to execute the organizational operations within the budget guidelines.
Unbudgeted operational expenditures	Includes required expenditures that would result in a specific line item or the approved annual budget to be exceeded. These may result from budget estimates being exceeded, changes to fixed costs which may not have been anticipated or emergency situations that were not anticipated. This also includes the impact of revenues not meeting the budgeted targets.	All	All, up to a line-item variance of \$10,000 or a cumulative budget variance of \$50,000.	Management will undertake to provide monthly variance analysis to the Board. This provides the Board with information to identify trends that can be acted on proactively.



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CEO & CFO appointments and compensation	The determination to make decisions for Management hiring and releases, and succession planning for the CEO and the CFO is the responsibility of the Board (and may include the HR manager or personnel committee). This also includes the compensation for the CEO and the CFO.	All	None	The CEO and the CFO shall work closely with the Board to provide clear understanding of development needs and intentions.
Staffing positions and compensation	This category includes the hiring of staff for Legacy and Investments and allocating the approved salary pool that has been included in the annual budget. This does not include CEO and CFO compensation.	All	All allocations of staffing additions and pool increases included in the annual budget	
Capital assets	This includes capital assets not included in the approved annual budgets.	All	All up to \$10,000 annually	
Real property	All purchases, dispositions, and leasing of land and buildings will be approved by the Board.	All	None	Management will inform the Board of any need for the purchase of land and buildings and provide the relevant information for the Board to discuss and act on the need.
Banking	Banks require authorization from the corporate directors (resolutions and signatures) to create new accounts and instruments. This authority cannot be delegated. Responsibilities for fund transfers, cheque signing, and other transactional activities can be transferred to Management.	All	All - transactional activity	Lists of individuals approved to sign cheques will be presented to the Legacy and Investment Boards for approval.
Leases	There are currently several leases in place for denominational partners that are managed by Legacy. The impacts of these leases are included in the annual approved budget. New leases will be approved by the Board.	All	None	The need for any new leases will be presented to the Board by Management. The longer-term intent is to move away from this practice and have the denominational partners look after their own leases. Management will execute the leases with the approval of the Board.
Investments from third parties	The Offering Memorandum (“OM”) provides all the guidance for this category.	All	None	Management works directly with the Exempt Market Dealer to execute the operational transactions of the third-party investors. The OM is approved by the Board with the informational changes made by Management.
Investments from MB churches and partner organizations	From time to time, Legacy receives investments from its denominational partners. This group includes MB churches, MB provincial conferences, MB sponsored camps and schools, and partner agencies such as MCC. We have received a legal opinion that these funds can be received and managed by Legacy without the involvement of the Exempt Market Dealer.	All	All	Management administers all aspects of this process.
Mortgage applications, reviews, approvals, and reports	The Credit Policy establishes policies and procedures guide credit operations.	All	All, up to limitations described in Credit Policy	Management will provide the Board with quarterly updates of the mortgage portfolio.



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Interest rate decisions on Notes	Notes will carry a variable rate of interest based on the overnight lending rate of the Bank of Canada (the "Benchmark Rate") plus a predetermined number of basis points. The number of basis points above the Benchmark Rate will be determined on January 1 and July 1 of each year by the Issuer and potential investors will be informed of such rate prior to investing.	All	None	Note terms and conditions are described in the OM.
Interest rate decisions on Mortgage Loans	The Issuer reviews the interest rates every six (6) months and adjusts the rates, as required, to ensure it maintains a positive difference between its outstanding Notes and Mortgage Loans.	All	None	Management will provide input to the Board in respect to mortgage rates offered by similar lenders. The spread between mortgage rates and Notes shall be determined in the annual budget.
Investment policy and portfolio decisions	Investment Policy Statements are reviewed and approved annually by the Board and are the blueprints for third party investment fund managers. Investment decisions include setting and approving Investment Policy and selecting and working with third party investment fund managers.	All	Transactional activity	Management will provide input to the Board in respect to the investment fund managers. The Board will work with Management to evaluate fund manager performance and make decisions. Management will work directly with fund managers on a daily operational basis.
Pension Plan	The Finance & Audit Committee ("FAC") is authorized by the Executive Board of CCMBC to supervise the investment program. FAC formulates investment objectives and policies, establishes investment guidelines, monitors investment performance, retains and dismisses investment managers, allocates funds among the managers and reports to the Executive Board on its activities. The administrator of the Plan is CCMBC, which shall be responsible for all matters relating to the administration of the Plan. CCMBC has delegated administration of the plan to Legacy. FAC appoints a Pension Advisory Committee that includes conference staff and plan members to provide broader opinion on plan design and performance.	All (FAC)	Admin and transactional activity	Management provides oversight of plan administration.