

Plan International Canada Inc. General Fund Investment Policy

BACKGROUND

Mission

Plan International Canada Inc. (Plan Canada) has been a member of Plan International group of companies (Plan) since 1968.

Plan is a global movement for change, mobilizing millions of people around the world to support social justice for children in developing countries. Founded in 1937 as Foster Parents Plan, Plan is one of the world's oldest and largest international development agencies, working in partnership with millions of people around the world to end global poverty. Not-for-profit, independent and inclusive of all faiths and cultures, Plan has only one agenda: to improve the lives of children.

Canadians play a leading role in Plan Canada's activities, sponsoring more than 175,000 of the 1.5 million children supported by the international organization

Legal Status

Plan Canada was incorporated as Foster Parents Plan of Canada, a corporation without share capital, by Letters Patent issued under the Canada Corporations Act on September 2, 1968. Foster Parents Plan of Canada's legal name was changed to Plan International Canada Inc. by Supplementary Letters Patent on July 5, 2006. The corporation is a registered charity and is exempt from income taxes as provided under the Income Tax Act.

Investment Fund

Plan Canada has established a General Fund ("Fund"). The Fund currently consists of a general contingency reserve for, but not restricted to, reasonable working capital and emergency response requirements as well as donations received but not yet dispersed to the ultimate recipients. These monies from donations might, but are not likely to, be subject to request for refund.

The purpose of the General Fund Investment Policy is to provide a set of written guidelines for management of the Fund's investment portfolio.

MANDATES AND RESPONSIBILITIES

Board of Directors

The Board of Directors of Plan Canada has ultimate responsibility and decision-making authority for the Fund. The Board will:

- ◆ receive the Finance, Audit and Compensation Committee's (FACC) recommendations with respect to the Investment Policy and approve or amend as appropriate;
- ◆ Review all other reports and recommendations of the FACC with respect to the Fund and take appropriate action.

Finance, Audit and Compensation Committee (FACC)

The FACC will:

- ◆ maintain an understanding of legal and regulatory requirements and constraints applicable to the Fund;
- ◆ on an annual basis, review the Fund's Investment Policy and make appropriate recommendations to the Board of Directors;
- ◆ on a quarterly basis, review the Fund's performance and its compliance with the Investment Policy;
- ◆ review the levels of liquidity and/or cash flow that will be required from the Fund on the recommendation of Management of Plan Canada;
- ◆ provide quarterly reports on the Fund to the Board of Directors.

Management

The Management of Plan Canada will:

- ◆ maintain an understanding of legal and regulatory requirements and constraints applicable to the Fund and advise the FACC of applicable changing circumstances;
- ◆ formulate recommendations to the FACC regarding the selection, engagement or dismissal of a professional investment manager (the "Manager");
- ◆ participate in the annual review of the Investment Policy;
- ◆ provide the Manager with a copy of the Investment Policy and any amendments thereto;
- ◆ on a semi-annual basis, determine the levels of liquidity and/or cash flow that will be required from the Fund and advise the FACC and the Manager of these requirements;
- ◆ oversee the Fund including its compliance with the Investment Policy;
- ◆ monitor the cumulative realized and unrealized capital loss generated by the portfolio on a fiscal year basis and inform the FACC if at any time during the fiscal year it approaches 5% of the value of the portfolio;
- ◆ meet with and review the Manager's performance on a quarterly basis;
- ◆ provide quarterly reports on the Fund to the FACC and the Board of Directors.

