



Lutheran Foundation Canada
REFLECTING GOD'S GRACE

Custodial Fund Agreement

This Custodial Fund Agreement made as of the _____ day of _____, 20____ between:

_____,
a corporation incorporated under
the laws of the Province of _____
located at: _____

(the "INVESTOR")

AND

Lutheran Church-Canada Financial Ministries, operating as
Lutheran Foundation Canada
a Registered Canadian Charity,
located at: 3074 Portage Avenue, Winnipeg, Manitoba, R3K 0Y2

(the "FOUNDATION")

Whereas the **INVESTOR** wishes to retain the **FOUNDATION** to provide services to it with respect to the investment of funds by the **INVESTOR**;

And Whereas the **FOUNDATION** is prepared to provide such services on the terms set out in this Agreement;

Now therefore the **INVESTOR** and the **FOUNDATION** agree as follows:

SECTION 1 INTERPRETATION

1.1 Definitions

The terms used herein shall have the following meanings:

- a) "associated with Lutheran Church-Canada" means an entity which has accepted the principles, doctrines, and religious standards of Lutheran Church-Canada or is an organization that has been granted Auxiliary status with Lutheran Church-Canada or which has been designated as a Listed Service organization by Lutheran Church-Canada;
- b) "Agreement", means this agreement, including any and all amendments and Schedules hereto and thereto;



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- c) "Authorized Instruction" means a direction and instruction from an Authorized Party to the **FOUNDATION** with respect to the investment or withdrawal of funds comprising the Investor's Custodial Account;
- d) "Authorized Party" means any person or entity properly identified to the **FOUNDATION** in writing to provide an Authorized Instruction to the **FOUNDATION**;
- e) "Investor's Custodial Account" means the account established by the **FOUNDATION** to manage the funds transferred to the **FOUNDATION** by the **INVESTOR** including any earnings, profits, increments and accruals arising there from, less any payments and disbursements deducted there from;
- f) "Investment Policy and Objectives" means the Investment Policy and Objectives of the **FOUNDATION** for custodial funds approved by the **FOUNDATION** on September 24, 2020 (a copy of which is attached as Appendix A), as same may be amended or replaced from time to time by the **FOUNDATION**;
- g) "Services" means the services described in section 2.1 of this Agreement.

1.2 **Interpretation**

Words importing the singular number shall include the plural and vice-versa. All references to sections and schedules are to sections and schedules to, and forming part of, this Agreement.

1.3 **Replacement and Superseding Former Agreements**

The parties agree that this Agreement supersedes all former agreements dealing with the subject matter of this Agreement.

SECTION 2
INVESTOR'S CUSTODIAL ACCOUNT

2.1 **Retainer of FOUNDATION**

The **INVESTOR** retains the **FOUNDATION** to manage such funds as the **INVESTOR** may transfer to the **FOUNDATION** for addition to the Investor's Custodial Account and for investment by the **FOUNDATION** on behalf of the **INVESTOR**.

2.2 **Investment Policy and Objectives**

The **FOUNDATION** agrees to manage the Investor's Custodial Account in accordance with the Investment Policy and Objectives.



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2.3 **Type of Investment**

The **INVESTOR** acknowledges that unless the **FOUNDATION** otherwise agrees, the funds credited to the Investor's Custodial Account will be invested on a pooled basis with other funds invested or managed by the **FOUNDATION**.

The **INVESTOR** directs the **FOUNDATION** to invest the funds credited to the Investor's Custodial Account in

the "Balanced Mandate"

the "Conservative Mandate"

described in the Investment Policy and Objectives (check one Box).

The **INVESTOR** acknowledges that the above Mandates involve a level of market risk which does not guarantee preservation of the funds transferred to the **FOUNDATION** by the **INVESTOR**.

2.4 **Authorized Instructions**

Any funds transferred to the **FOUNDATION** by the **INVESTOR** and credited to the Investor's Custodial Account must be accompanied by an Authorized Instruction in writing completed by an Authorized Party, provided that the **FOUNDATION** may in its discretion rely upon telephone instructions from an Authorized Party.

2.5 **Reliance on Authorized Instructions**

The **FOUNDATION** shall be entitled to rely on, and shall be fully protected in giving effect to an Authorized Instruction and shall be under no duty or obligation to question any Authorized Instruction; to review any securities or other properties transferred to it by the **INVESTOR** for investment purposes; or to evaluate or question the actions or performance of any Authorized Party.

SECTION 3
INVESTOR'S CUSTODIAL ACCOUNT ACTIVITIES

3.1 **Withdrawals**

The **FOUNDATION** shall pay to the **INVESTOR** from the Investor's Custodial Account such amounts as may be requested pursuant to an Authorized Instruction within a reasonable period of time of receiving such request. An Authorized Instruction may direct that a payment be made to another person, including the **FOUNDATION**. Upon any such payment being made by the



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FOUNDATION the amount thereof shall no longer constitute part of the Investor's Custodial Account.

3.2 Tax Obligations and Expenses

The **FOUNDATION** may pay out of the Investor's Custodial Account (with or without an Authorized Instruction from the **INVESTOR**) all tax obligations required by law with respect to the Investor's Custodial Account, and any and all fees and expenses payable to the **FOUNDATION** by the **INVESTOR** pursuant to the terms of this Agreement.

3.3 Records and Reports

The **FOUNDATION** shall keep and maintain accurate records with respect to the Investor's Custodial Account and such records as directly relate to the Investor's Custodial Account shall be open to inspection during reasonable business hours by persons duly authorized by the **INVESTOR** provided that prior written notice is given to the **FOUNDATION** and the **FOUNDATION** may require that such inspection be conducted in the presence of a representative of the **FOUNDATION**. The **FOUNDATION** shall provide the **INVESTOR** with a statement of its Investor's Custodial Account on a quarterly basis, sent to the attention of the Treasurer of the **INVESTOR**.

3.4 Administration Fees

The **FOUNDATION** shall be entitled to an administration fee for the Services which is currently equal to 50 basis points per annum (\$5.00 per thousand or 0.5%) of the average market value of the Investor's Custodial Account. The fee shall be calculated and charged to the **INVESTOR** on a quarterly basis.

3.5 Investment Expenses

The **FOUNDATION** shall be entitled to reimbursement for its expenses in the administration of the Investor's Custodial Account including any fee charged by any investment manager engaged by the **FOUNDATION** to assist in the Services [currently equal to 50 basis points per annum (\$5.00 per thousand or 0.5%) of the average market value of the Investor's Custodial Account].

3.6 Assignment

The **INVESTOR** shall not assign, encumber or otherwise transfer any interest in the Investor's Custodial Account.



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**SECTION 4
TERMINATION**

4.1 Notice of Termination

The **FOUNDATION** may terminate this Agreement by providing ninety (90) days' prior written notice to the **INVESTOR**, or such shorter period of time as may be agreed to between the **FOUNDATION** and the **INVESTOR**.

4.2 Termination of LCC Relationship

In the event the **INVESTOR** ceases to be associated with Lutheran Church-Canada the **FOUNDATION** shall have the option of terminating this Agreement in which event the balance of the Investor's Custodial Account shall be returned to the **INVESTOR** within 30 days of such termination.

4.3 Other Termination

In the event the principal value of the **INVESTMENT** falls below \$25,000 or the **FOUNDATION** determines that the cost of administering the Investor's Custodial Account is unduly burdensome, the **FOUNDATION** may terminate this Agreement without notice and return the balance of the Investor's Custodial Account to the **INVESTOR**.

**SECTION 5
NOTICE**

5.1 Notice

(a) Any notice, demand or communication (other than Authorized Instructions) under this Agreement to the **INVESTOR** shall be in writing addressed to the **INVESTOR** as follows:

(b) Any notice, demand or other communication (other than Authorized Instructions) under this Agreement to the **FOUNDATION** shall be in writing addressed to the **FOUNDATION** as follows:

Lutheran Church-Canada Financial Ministries
3074 Portage Avenue
Winnipeg, MB R3K 0Y2
Attention: Treasurer



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**SECTION 6
MISCELLANEOUS**

6.1 Status of INVESTOR

The **INVESTOR** represents to the **FOUNDATION** that it is registered with Canada Revenue Agency as a Charitable Organization, that such registration is in good standing, and undertakes to advise the **FOUNDATION** of any change in such status.

6.2 Residency of INVESTOR

The **INVESTOR** represents to the **FOUNDATION** that it is a resident of Canada within the meaning of the *Income Tax Act*.

6.3 Residency of FOUNDATION

The **FOUNDATION** represents that it is a resident of Canada within the meaning of the *Income Tax Act*.

6.4 Standard of Care and Liability

In performing the Services the **FOUNDATION** and its officers, directors, employees and agents shall exercise the care, diligence, prudence and skill that an institution acting in like capacity would exercise in dealing with the property of another person. The **FOUNDATION** shall not be liable for any loss incurred by the **INVESTOR** as a result of a loss caused by the **FOUNDATION** in providing the Services unless such loss is caused by the bad faith and/or gross negligence of the **FOUNDATION**.

6.5 Governing Law

This Agreement shall be construed in accordance with and governed by the laws of the Province of Manitoba and any actions, proceedings or claims relating to this Agreement shall be commenced in the Courts of the Province of Manitoba.

IN WITNESS WHEREOF, the parties have hereto executed this Agreement as of the date first set forth above by their duly authorized officers.

(Investor name)

**LUTHERAN CHURCH-CANADA
FINANCIAL MINISTRIES**

By: _____
President

By: _____
Executive Director

By: _____
Treasurer



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APPENDIX A

INVESTMENT POLICY AND OBJECTIVES
LUTHERAN CHURCH-CANADA FINANCIAL MINISTRIES
(operating as Lutheran Foundation Canada)
Board approved September 24, 2020