

EducationMatters
GOVERNANCE DOCUMENTS

SECTION: III. POLICIES OF THE BOARD		POLICY: 5.01 FEES CHARGED TO ENDOWMENT FUNDS
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- 1) The minimum contribution amount required to open a new Endowment Fund shall be \$5,250.
- 2) Set-up fee for all new endowment Funds

A set-up fee equal to \$250 shall be charged against the fund to assist with covering the set-up costs of each new Fund.

- 3) Basic annual administration fee for Scholarship, Bursary and Award Endowments Funds

All Scholarship, Bursary and other Award Endowment Funds shall be subject to a basic annual administration fee calculated on the basis of the market value of the Fund, as listed below. The fee will be levied monthly against the monthly market value of the Fund at the rate of one twelfth of the Annual Fee.

		<u>Annual Fee</u>
Fee on the 1 st tier	Up to \$1 million	1.50%
Fee on the 2nd tier	\$1 to 5 million	1.25%
Fee on the 3rd tier	\$5 to 10 million	1.05%
Fee on the 4th tier	\$10 to 20 million	0.85%
Fee on the 5th tier	Over \$20 million	Subject to Negotiation

- 4) Basic annual administration fee for all other Endowment Funds

All other endowment Funds shall be subject to an annual administration fee calculated on the basis of the market value of the Fund, as listed below. The fee will be levied monthly against the monthly market value of the Fund at the rate of one twelfth of the Annual Fee.

		<u>Annual Fee</u>
Fee on the 1st tier	Up to \$1 million	1.25%
Fee on the 2nd tier	\$1 to 5 million	1.00%
Fee on the 3rd tier	\$5 to 10 million	0.80%
Fee on the 4th tier	\$10 to 20 million	0.60%
Fee on the 5th tier	Over \$20 million	Subject to Negotiation

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5) Explanation of the basic annual administration fees referred to in points (3) and (4) above

The basic annual administrative fee covers regular administration expenses incurred directly by EducationMatters and the cost of investment management and custodial services charged to EducationMatters by external contractors. This does not cover brokerage and custodial transaction fees, which are levied directly against the portfolio at the time of the purchase or sale of a security by the investment managers. Also, it does not cover special costs that are appropriately charged against a specific Fund, such as legal fees related to the settlement of a related estate, and research costs relating to the purpose or effectiveness of the grants issued from the Fund.

6) Special charges to be levied against each Fund

In addition to the fees referred to above, each Fund shall also be charged with special costs that are appropriately charged against that Fund, including but not limited to (a) charges related to the settlement of an estate when the proceeds are contributed or added to the Fund, (b) exceptional planning and research costs related to the awarding of grants from the Fund, and (c) plaques or other forms of public recognition related to the awarding of grants from the Fund.

7) Provision for exceptional additional levies against each Fund

If the operating expenses of EducationMatters in any given year exceed the amount recovered from all of EducationMatters Funds through the fees referred to above and from all other sources of operating revenue for EducationMatters, then an exceptional additional levy shall be charged against all of the Funds on a pro-rated basis to be determined by EducationMatters, on the understanding that EducationMatters will strive to hold total expenses to a reasonable level consistent with the vision, goals and activities of EducationMatters and comparable to those incurred by other similar public foundations.

8) Grandfather Clause

Any pre-existing CBE or CBE School-Specific student award will be grandfathered into EducationMatters without a flow-through fee or endowment set-up fee until expiration or re-negotiation of the specific award terms.