MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MoU”) is made as of the ____ day of ________________, 2024.

BETWEEN:

INTERNATIONAL ACTUARIAL ASSOCIATION
an association constituted and incorporated in accordance with Art. 60ff. of the Swiss Civil Code (“IAA”)

AND:

INTERNATIONAL ACTUARIAL ASSOCIATION SERVICES
a corporation incorporated under the Canada Not-For-Profit Corporations Act (the “IAA Services”)

(each a “Party”, collectively the “Parties”)

WHEREAS the IAA and IAA Services wish to enter into an MoU for services whereby IAA Services will provide to IAA certain services as set out herein;

WHEREAS the Parties wish to set out the terms and conditions under which they will work together to plan the provision of Services (as defined in this MoU);

NOW THEREFORE, the Parties to this MoU have agreed to set forth the general principles which will guide and govern the co-operation and working relationships of the Parties;

1. General Principles.

1.1 The purpose of this MoU is to set forth the intention of the Parties with respect to the co-operation and working relationship of the Parties.

1.2 The intention of incorporating IAA Services is to regularize the operations of the IAA in Canada.

1.3 In each calendar year, commencing January 1st in each year, IAA Services will be retained by IAA to provide the services described on Schedule “A” hereto (the “Services”). Any services the IAA may request from time to time that are not included in the Services hereunder shall be discussed between the Parties at the time of such request.

1.4 The board of directors of IAA Services shall consist of eleven (11) directors, all of whom shall be elected by the IAA (the “Board of Directors”) as per the by-laws of IAA Services (the “By-Laws”) Article 24.

1.5 The Board of Directors shall operate IAA Services in accordance with the duties set out in the Statutes and Internal Regulations of the IAA as well as directions received from the IAA.
1.6 It is acknowledged and agreed that IAA Services shall be directed and controlled by IAA as detailed in the By-Laws.

1.7 It is acknowledged and agreed that IAA Services shall operate as a Canadian Not-for-Profit Corporation and shall not carry on activities or exercise any power in a manner contrary to its Articles of Incorporation (the “Articles”).

1.8 IAA Services shall make such reports as are required or as IAA may direct from time to time. These reports shall include quarterly financial reports under the duties of the IAA Audit and Finance Committee.

2. **Membership Fees.**

2.1 IAA shall own all rights and interest in the membership fees paid or payable to IAA (the “membership Fees”). The Membership Fees will be invoiced by IAA with such invoices being administratively produced and collected by IAA Services on behalf of IAA. The Membership Fees shall be deposited into the bank account in the name of IAA with IAA as the beneficiary.

3. **Funding, Budget and Taxes.**

3.1 IAA Services shall be entitled in each calendar year to sufficient funds to cover its management of operations, and to meet its ongoing obligations, as approved by the IAA Council.

3.2 In consideration of the Services to be provided hereunder, the annual process for the remittance of funds to IAA Services shall be approved as follows:

a) Before December 31 in each year, the IAA Council shall approve two (2) budgets; one for each of the Parties;

b) The IAA Services budget shall **be presented with a $0 balance and** include all expected expenses, financial obligations, additional funds for unexpected events, proper cash flow to meet obligations of the IAA and its Sections, as estimated by the Board of Directors, and one main revenue source: payment from IAA;

c) The IAA budget shall include the revenues of membership fees and one main expense: the payment to IAA Services;

d) Since the agreed intention is not to accumulate assets in IAA Services over and above the buffer requirement, any surplus within IAA Services will be calculated at the end of each year and shall be allocated to the obligations of the following year, as directed by IAA;

e) On or before December 31 of each year, IAA Services will submit an invoice to IAA for the expenses as approved by Council. The frequency of invoicing, the currency used, and other administrative elements shall be determined by the Board of Directors;

f) It is acknowledged and agreed that the invoice set forth in this section 3.2 will be subject to Harmonized Sales Tax (HST) as per Canadian tax requirements;
g) IAA Services is responsible for the remittance of any applicable taxes or other remittances to any governmental bodies in respect of IAA Services’ performance of this MoU, including but not limited to any staff it may employ, and the IAA shall bear no responsibility for the payment, collection, or remittance of same; and

h) It is acknowledged and agreed that IAA Services will be tasked with recovering any eligible HST refunds, paid by, or owed to both IAA and IAA Services.

4. **Assets.**

4.1 It is not the intention to build up assets beyond an agreed buffer to ensure that operational expenses can be met;

4.2 The yearly level of assets required to meet unexpected events is expected to change annually based on the varied timing of IAA meetings as well as Section expenses. This is expected to be within a range of 20-35% of annual expenditures as approved by IAA via the annual budget as presented in Article 3;

4.3 It is acknowledged and agreed that IAA Services shall be granted non-financial assets included, but not limited to IT equipment;

4.4 All assets shall be governed by the provisions of article 6 of this MOU.

5. **Trademarks and Intellectual Property.**

5.1 All intellectual property rights, including copyrights, patents, patent disclosures, and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how, and other confidential information, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, derivative works, and all other rights (collectively, "Intellectual Property Rights") in and to all documents, work product, and other materials that are delivered to IAA Services under this Agreement or prepared by or on behalf of IAA (collectively, the "Deliverables") shall be owned exclusively by IAA. IAA hereby grants IAA Services a licence to use all Intellectual Property Rights in the Deliverables free of additional charge and on a non-exclusive, worldwide, non-transferable, non-sublicensable, fully paid-up, royalty-free, and perpetual basis, solely to the extent necessary to enable IAA Services to make reasonable use of the Deliverables and the Services.

6. **Dissolution, Liquidation and Relocation.**

6.1 IAA shall provide a minimum of six (6) month advanced written notice of its intent to dissolve or liquidate IAA Services.

6.2 IAA shall provide at least six (6) month advanced written notice of its intent to relocate IAA Services to another country (the “Relocation”).

6.3 IAA Services shall be granted non-financial assets including, but not limited to IT equipment, with such assets required to be transferred to IAA in case of dissolution or liquidation of IAA Services.
6.4 The terms and conditions for the dissolution or liquidation of IAA Services and the disposal of the available funds and of all documents, works and archives belonging to the IAA shall be determined by the IAA, in accordance with the Canada Not-For-Profit Corporations Act, S.C. 2009, c.23 and the By-Laws.

6.5 The terms and conditions of the Relocation shall be determined by the IAA and shall include payment of all IAA Services accounts payable and contractual obligations.

7. **Limitation of Liability**

7.1 IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER THIS AGREEMENT TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHATSOEVER, INCLUDING ANY DAMAGES FOR BUSINESS INTERRUPTION, LOSS OF USE, COST OF CAPITAL, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), ANY OTHER THEORY OF LIABILITY, OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT THE BREACHING PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. **Miscellaneous.**

8.1 This MoU shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

8.2 This MoU may be amended with the mutual written consent of the Parties. Any amendment becomes part of this MoU.

[Signature page follows]
IN WITNESS WHEREOF the Parties have authorized their representatives to sign this MoU on their behalf.

INTERNATIONAL ACTUARIAL ASSOCIATION

By: ________________________________
Name: _____________________________
Title: _____________________________

I have authority to bind the Corporation

[To be incorporated: INTERNATIONAL ACTUARIAL ASSOCIATION SERVICES]

By: ________________________________
Name: _____________________________
Title: _____________________________

I have authority to bind the Corporation
Schedule “A”
Description of Services

A. As per the IAA Statutes:

1. Management. IAA Services shall be responsible for managing the financial affairs of
the IAA, maintaining all appropriate records, as well as preparing all financial
statements and draft budgets, as more particularly described in the Internal
Regulations.

B. As per the IAA Internal Regulations:

1. Duties of IAA Services. IAA Services shall be responsible for the day-to-day
management and financial administration of the IAA, as more specifically set out
below.

2. Management of IAA Services. The role and responsibilities of IAA Services shall be
delegated to IAA Services, a corporation incorporated pursuant to the Canada Not-

IAA Services shall be managed by an Executive Director who is responsible for the
management of the human and financial resources of IAA Services and of its
operations with the objective of ensuring an efficient and cost-effective delivery of the
services required by the IAA to implement its strategic objectives.

The duties include the coordination of the activities of IAA Services for the
accomplishment of its detailed duties and support to the IAA officers, Council,
committees, forums and Sections, in compliance with the IAA Statutes and Internal
Regulations, IAA Services’ articles of incorporation and bylaws, and all applicable
legislation.

The Executive Director shall report to IAA Services’ Board of Directors, which is
responsible for strategic oversight of IAA Services, and which is comprised of the
members of the IAA Executive Committee.

3. Working Languages. IAA Services shall arrange for translation of governance
documents into English and French.

4. Financial Administration:

(a) Accounts. On a quarterly basis, IAA Services shall prepare the applicable
accounting records and schedules as required by the auditor or audit and finance
committee, produce internal management reports to monitor actual results
compared to budgets, and prepare account analyses for the executive committee.

(b) Budgeting. IAA Services shall annually obtain projected annual expenses from all
IAA committees and other areas of activity in a manner which assures timely and
accurate budget preparation and submit a draft budget and cash flow projection to
the executive committee.

(c) **Administration.** IAA Services shall:

(i) Invoice membership fees and monitor collections for IAA, including the Sections.
(ii) Supervise all banking activities and manage assets as directed by IAA Council.
(iii) Review regularly short-term cash requirements and timely investment of excess funds.

5. **General Administration**

(a) **Records.** IAA Services shall maintain all membership records and support the activities of committees and forums which have membership management responsibility.

(i) **Publications.** IAA Services shall co-ordinate all printing, editing, and design of publications, including those of the Sections.

(ii) **Communications.** IAA Services shall manage all communications from the IAA to its members or third parties.

6. **Meeting Support and Organization**

(a) IAA Services shall co-ordinate and support all meetings, including notification, preparation and distribution of agendas and supporting documents, and distribution of minutes.

(b) IAA Services shall arrange meeting logistics for Council, Executive Committee and all other committees and forums, utilizing, as may be needed, the assistance of the host actuarial association, where applicable. A representative from IAA Services, as designated by Council or the Executive Committee, failing which as designated by the Executive Director, shall attend meetings of Council, the Executive Committee, and the Nominations Committee.

(c) IAA Services shall liaise with the Full Members selected to hold the congresses and the Sections holding Colloquia regarding IAA’s policies and standards, especially in relation to the format of meeting, organization, advertising, registration and funding.

7. **Expenses.** The reimbursement of expenses shall be in accordance with rules determined by Council from time to time, provided that the expenses for reimbursement are submitted in a timely manner with the required documentation.