

# **Annual Report of the Independent Review Committee of the Embark Student Corp.**

February 21, 2025

Dear Plan holder,

In accordance with **National Instrument 81-107 *Independent Review Committee for Investment Funds*** (“NI 81-107” or the “Instrument”), Embark Student Corp. (the “Manager”) established an Independent Review Committee (the “Committee” or “IRC”) for the plans (the “Plans”). The IRC has functioned in accordance with the applicable securities laws and is composed of three individuals; each of whom is independent of the Plans, the Manager and each entity related to the Manager (as defined in the Instrument).

The IRC is pleased to publish its annual report to Plan holders, covering the period from January 1, 2024 to December 31, 2024 (the “Reporting Period”).

## **Mandate of the IRC**

In accordance with the Instrument, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest matters to which the Manager may be subject when managing the Plans. A conflict-of-interest matter is defined as a situation where a reasonable person would consider a manager to have an interest that may conflict with the Manager’s ability to act in good faith and in the best interest of the Plans. The Manager is required under the Instrument to identify potential conflicts of interest inherent in its management of the Plans, develop written policies and procedures guiding its management of those conflicts and request input from the IRC on those written policies and procedures.

When a conflict matter arises, the Manager must refer its proposed course of action in respect of such conflict to the IRC for its review. While certain matters require the IRC’s prior approval, in most cases the IRC will provide a recommendation to the Manager as to whether, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Plans. For recurring conflict of interest matters, the IRC can provide the Manager with Standing Instructions (“SI”) that enable the Manager to proceed with certain matters without having to refer them to the IRC each time for approval, providing the Manager deals with the conflicts in accordance with the SI.

The IRC is empowered to represent the best interest of the plans in any matter where the Manager has referred a conflict-of-interest matter to it. Where a conflict is referred to the IRC, its responsibility is to determine whether the Manager’s proposed course of action provides a fair and reasonable result for the Plans.

### **Composition of the IRC**

The members of the IRC over the reporting period, and their principal occupations, are as follows:

<b>Name and municipality of residence</b>	<b>Principal Occupation</b>	<b>Term of Office</b>
Chair, Don Hathaway, Stratford, Ontario	Board Director and risk management advisor	Initial Appointment: June 1, 2017  Renewed for a three year period until May 31, 2026
Jane Depraitere, Burlington, Ontario	Business and management consultant.	Initial Appointment: May 1, 2023 until April 30, 2026.
Audrey Robinson, Burlington, Ontario	Investment professional, Board Director	Initial Appointment: October 21, 2022, until May 31, 2025

### **Compensation and Indemnification**

#### **Review of Compensation**

At least annually, the IRC reviews its compensation considering the following:

- the nature and extent of the workload of each member of the IRC, including the commitment of time and energy expected from each member;
- the number of meetings required by the IRC including special meetings to consider conflict issues brought to the Committee;
- industry best practices, including industry averages and surveys on IRC compensation; and,
- the complexity of the conflict issues brought to the IRC.

After a review of the above factors, the IRC determined that its compensation was satisfactory, and no changes were recommended.

#### **Members' Fees**

In aggregate, the Embark IRC members were paid \$57,290 during the Reporting Period, plus applicable taxes.

#### **Indemnities Granted**

The Plans and the Manager have provided each IRC Member with a contractual indemnity in keeping with NI 81-107. No indemnities were paid to the IRC Members by the Plans or the Manager during the Reporting Period.

## **Disclosure of IRC Member Holdings**

As of December 31, 2024, the:

- IRC Members did not beneficially own, directly or indirectly any interests in the Manager;
- IRC Members' interests in a company or person that provides services to the Manager or any Plan, if any, were insignificant; and,
- IRC Members were not subscribers of any of the Plans.

## **Recommendations and Approvals**

There were no decisions or approvals rendered by the IRC during the Reporting Period.

## **Standing Instructions Approved**

The IRC has two (2) Standing Instructions ("SIs"). The Manager can proceed with the specific action(s) set out in an SI without having to refer the conflict-of-interest matter or its proposed action to the IRC, provided that the Manager complies with the terms and conditions of the SI. The SIs required the Manager to comply with its related policy and procedures and to report periodically to the IRC.

The Manager relied on the SIs during the Reporting Period. The Manager has confirmed to the IRC that for the Reporting Period it has complied with the requirements of the SIs.

### **Standing Instruction No. 1: Omnibus**

This SI deals with several conflicts of interest matters including:

1. Charging (or increasing the charge to) a Plan for the costs of services provided or arranged for by the Manager, in addition to charging the Plan a management fee.
2. Allocating shared expenses among different Embark Plans within the same group of Embark Plans.
3. Allocation of investments among Embark Plans in a group of Embark Plans and among Embark Plans.
4. Correcting portfolio pricing errors.
5. Correcting other material subscriber account errors.
6. Soft Dollar arrangements and Best Execution.
7. Marketing a Plan through distributors, whether related to the Manager or not, where the Manager provides incentives to the distributors to sell the Plan.
8. Favoring certain investors to obtain or maintain their investment in a Plan.
9. Voting proxies or taking other corporate action on securities held by a Plan.
10. Changing Portfolio Advisors.
11. The terms, fees and service levels of outsourced services where the Manager stands to benefit financially from any proposed changes to the detriment of a Plan.
12. Personal Trading by the Manager's staff and accepting gifts.
13. Allocation of income, surpluses and scholarships.
14. Handling complaints.
15. A Embark Plan purchases debt securities issued by a company related to a Portfolio Advisor.
16. A Embark Plan invests in an issuer of which a director, officer or shareholder of a Portfolio Advisor or of a related company is a director or officer, or in which any of such people has a material interest.

17. A Embark Plan purchases or sells securities to or from a company related to the Portfolio Advisor.
18. Services are provided to a Embark Plan by parties who are related to the Manager.

The Manager did rely on the SI during the Reporting Period.

### **Standing Instruction No. 2: Inter-fund Trades**

The Manager did not rely on the SI during the Reporting Period. The Manager has confirmed to the IRC that for the Reporting Period it had complied with the requirements of the SI.

### **The Plans Served by the IRC During the Reporting Period**

- Family Single Student Education Savings Plan
- Flex First Plan
- Embark Student Plan
- Embark Select Conservative Portfolio

This report is available on the Manager's website at [www.embark.ca](http://www.embark.ca) or you may request a copy, at no cost to you, by contacting the Plans at (905) 270-8777 or 1 800 363 7377 or by emailing the Plans at [contact@embark.ca](mailto:contact@embark.ca). This document and other information about the Plans are available on [www.sedarplus.ca](http://www.sedarplus.ca) under the "Search SEDAR+" section, and then by inputting the name of each individual Plan.

Yours truly,

*"Don Hathaway"*

Don Hathaway, Chair

**Audrey Robinson serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers, managed by Educators Financial Group Inc.

*(retired effective December 31, 2024)*

Investment funds that are reporting issuers, managed by Russell Investments Canada Limited.

Investment funds that are reporting issuers, managed by Embark Student Corp.

Investment funds that are reporting issuers, managed by Ninepoint Partners LP.

**Jane Depraitere serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers, managed by Embark Student Corp.

**Don Hathaway serves as a member of the Independent Review Committees for the following funds:**

Investment funds that are reporting issuers, managed by Embark Student Corp.