

MATCO FINANCIAL INC.

INDEPENDENT REVIEW COMMITTEE CHARTER

1. Establishment of IRC

The board of directors (the "**Board**") of Matco Financial Inc. ("**Matco**"), manager of the MFi family of funds, hereby establishes a committee to be called the Independent Review Committee (the "**IRC**") to act as the independent review committee for the investment funds that are reporting issuers, within the meaning of applicable securities legislation, managed by Matco and its affiliates (referred to herein as a "**Fund**" or "**Funds**").

2. Composition and Membership of IRC

The membership of the IRC shall be as follows:

- (a) The IRC shall be composed of not less than three members or such greater number as the Board may from time to time determine appropriate to facilitate effective decision making. The Board shall fix the number of members of the IRC from time to time after considering the recommendations of the IRC, if any, made pursuant to the annual assessments required by National Instrument 81-107 *IRC for Investment Funds* as amended from time to time ("**NI 81-107**") and contemplated in Section 3(i) hereof.
- (b) All members of the IRC shall be independent within the meaning set forth under NI 81-107. Currently, a member of the IRC is independent if the member has no material relationship with Matco, MFI Funds Corp., any Fund or any entity related to Matco. A "material relationship" means a relationship, which could reasonably be perceived to interfere with the exercise of a member's judgment regarding a conflict of interest matter, as defined in NI 81-107.
- (c) The IRC shall appoint a member as Chair, which member shall be responsible for managing the mandate, and responsibilities and functions of the IRC in accordance with this charter. Except as otherwise determined by the Board, the Chair of the IRC shall generally be responsible for and shall endeavour to: (i) lead IRC meetings; (ii) foster effective communication among IRC members; (iii) ensure the IRC carries out its responsibilities in a timely and effective manner; and (iv) interact with Matco on issues relating to the Funds.
- (d) Members shall be appointed by the IRC with consideration being had to Matco's recommendations, if any, for a term to be determined by the IRC, provided that such term may not be less than 1 year and not more than 3 years. An IRC member whose term has expired, or will soon expire, may be reappointed by the other members of the IRC and the IRC shall fill any vacancy on the IRC as soon as possible. A member of the IRC may not be reappointed for a term or terms of office that, if served, would result in the member serving on the IRC for longer than 6 years, unless Matco agrees to the reappointment.
- (e) Prior to the appointment of a member of the IRC, the IRC or Matco, as applicable, shall consider the competencies and skills that the IRC, as a whole, should possess, the competencies and skills of each other member of the IRC, and the added competencies and skills the prospective member would bring to the IRC.

- (f) A member of the IRC may resign at any time by an instrument in writing signed by him or her and delivered or mailed to Matco and the other members of the IRC. Such resignation shall take effect on the date such instrument is delivered or mailed or at any later time specified in the notice.
- (g) A member of the IRC may be removed at any time for any reason by an instrument in writing signed by the majority of the remaining members of the IRC and delivered or mailed to the applicable member, to each other member of the IRC and to Matco. The IRC will consider any recommendation made by Matco for removal of a particular member, including Matco's reasons why that member should be removed by the remaining members of the IRC. If Matco deems it desirable, Matco may call a special meeting of securityholders of the Funds or a Fund to ask the securityholders of the applicable Funds to vote on Matco's proposal that a member of the IRC be removed from the IRC for that Fund or Funds. Matco shall comply with NI 81-107 in calling such a meeting and shall deliver or mail to each member of the IRC a copy of the notice of meeting and information circular prepared to convene any applicable special meeting. Matco may also apply to the applicable securities regulators requesting that those regulators grant an exemption from the meeting requirements in NI 81-107 to allow it to remove a member in appropriate circumstances and Matco will provide a copy of any exemption application to the IRC and any final exemption received.
- (h) The remaining members of the IRC shall appoint individuals to replace any retiring or resigning members of the IRC, members whose term of office has terminated or members who have been removed as members of the IRC. The IRC shall consider any potential candidates suggested by the Matco and shall evaluate any candidate's qualifications for membership on the IRC and his or her independence within the meaning of NI 81-107. The IRC may from time to time establish additional nominating criteria for new members of the IRC and shall consult with Matco concerning such nominating criteria. The IRC shall fill a vacancy of the IRC as soon as practicable and shall confirm to Matco any new member appointed to the Board, including a description of his or her qualifications and confirmation that the individual has consented to act as a member of the IRC pursuant to the terms of this Charter.
- (i) If the IRC has no members, Matco shall appoint new members in accordance with NI 81-107 as soon as practicable.
- (j) Matco and the Funds shall indemnify a member of the IRC against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the person in respect of any proceeding which the member is involved in because of being or having been a member of the IRC and may additionally advance funds to a member of the IRC for the costs, charges and expenses of such a proceeding as it sees fit, provided in all cases that the member acted honestly and in good faith, with a view to the best interests of the Funds, and in the case of a criminal or administrative action or proceeding that is enforced by monetary penalty, the member had reasonable grounds for believing that the individual's conduct was lawful.

3. Duties and Responsibilities of IRC and Standard of Care

Subject to the powers and duties of the Board and in addition to any other duties and responsibilities agreed to with the IRC from time to time by the Board, the IRC shall have the following duties and responsibilities:

Review of Matters Referred by Matco

- (a) It is the responsibility of the IRC to review and provide its input, recommendation and decision on all conflicts of interest referred to it by Matco with a view to achieving a fair and reasonable result for the Fund(s) in those circumstances. For greater certainty, the IRC shall have no positive duty to monitor for potential conflicts of interest and shall be obligated to review and provide input only on such potential conflicts forwarded to the IRC by Matco. "Conflict of interest" for purposes of this Charter being:
 - (i) a situation where a reasonable person would consider Matco, or an entity related to Matco, to have an interest that may conflict with Matco's ability to act in good faith and in the best interests of a Fund; or
 - (ii) a conflict of interest or self-dealing provision that restricts or prohibits a Fund, Matco or an entity related to Matco from proceeding with a proposed action.
- (b) In considering any matter referred to it by Matco the IRC shall consider, and shall not approve any action unless it has determined, after reasonable inquiry that the action:
 - (i) is proposed by Matco free from any influence by an entity related to Matco and without taking into account any consideration relevant to an entity related to Matco;
 - (ii) represents the business judgment of Matco uninfluenced by considerations other than the best interests of the investment fund;
 - (iii) is in compliance with Matco's written policies and procedures relating to the action; and
 - (iv) achieves a fair and reasonable result for the applicable Fund.
- (c) The IRC shall consider whether any proposal of Matco that the Funds purchase, sell or continue to hold securities of entities related to Matco or in which Matco or an affiliate has a significant interest, among other things, represents the business judgment of Matco uninfluenced by considerations other than the best interests of the Funds and achieves a fair and reasonable result for the Funds.
- (d) The IRC shall consider whether any proposal of Matco that securities held by one Fund or Funds be directly purchased or sold to another Fund or Funds (inter-fund trades) without placing those trades through brokers, among other things, represents the business judgment of Matco uninfluenced by considerations other than the best interests of the Funds and achieves a fair and reasonable result for the Funds.
- (e) The IRC shall consider any proposal of Matco to change the auditor of a Fund or to cause a Fund to merge with another Fund, as contemplated in National Instrument 81-101 *Mutual Funds* ("**NI 81-102**") having regard to whether Matco's proposal to carry out one of these acts would result in a fair and reasonable result for the applicable Funds.
- (f) The IRC shall additionally carry out any other purpose or mandate required by law or by the constating documents of the Funds or imposed as a condition to any decision of a Canadian securities regulator that affects the Funds.

Assessments

- (g) At least annually, the IRC must review, provide input on and assess the effectiveness of;
 - (i) the policies and procedures Matco proposes to follow on conflict of interest matters;
 - (ii) any standing instruction the IRC has provided to Matco with respect to a conflict of interest matter;
 - (iii) Matco's and each Fund's compliance with any conditions imposed by the IRC in a recommendation or approval provided to Matco; and
 - (iv) any subcommittee to which the IRC has delegated any of its functions.
- (h) At least annually, the IRC must review and assess the independence of its members and their compensation.
- (i) At least annually, the IRC must review and assess its effectiveness as a committee, as well as the effectiveness and contribution of each of its members, such review to include a consideration of:
 - (i) this charter;
 - (ii) the competencies and knowledge each member is expected to bring to the IRC;
 - (iii) the level of complexity of issues reasonably expected to be raised by members in connection with the matters under review by the IRC;
 - (iv) the ability of each member to contribute the necessary time required to serve effectively on the IRC;
 - (v) member's attendance and participation in meetings
 - (vi) continuing education activities and industry knowledge of members;
 - (vii) any feedback provided by Matco;
 - (viii) the frequency of meetings;
 - (ix) the substance of meeting agendas;
 - (x) the usefulness of materials provided to members;
 - (xi) the collective experience and background of members;
 - (xii) the number of funds the IRC oversees; and
 - (xiii) the amount and form of compensation received by each member from a Fund or Funds.

Reporting Obligations

- (j) The IRC shall as soon as practicable deliver to Matco a written report of the results of an assessment conducted under paragraphs (h), (i) or (j) of this Section 3 of this charter that includes:
 - (i) a description of each instance of a breach of any of Matco's policies or procedures which the IRC is aware, or that it has reason to believe occurred;
 - (ii) a description of each instance of a breach of a condition imposed by the IRC in a recommendation of approval it has provided to Matco, of which the IRC is aware, or has reason to believe has occurred; and
 - (iii) recommendations for any changes the IRC considers should be made to Matco's policies and procedures.
- (k) The IRC shall prepare, for each financial year of each Fund and no later than the date such fund files its annual financial statements, a report to securityholders of such fund that describes the IRC and its activities for the financial year and includes each of the items required by Section 4.4 of NI 81-107.
- (l) If the IRC becomes aware of an instance where Matco acted in a conflict of interest matter but did not comply with a condition or conditions imposed by securities legislation or the IRC in its approval, the IRC must, as soon as practicable, notify in writing the securities regulatory authority or regulator through delivery of such notice to the applicable fund's principal regulator.
- (m) The IRC shall notify Matco immediately should any member of the IRC resign, not be re-appointed following expiry of their term, be removed from the IRC by the other members of the IRC or by majority vote of a Fund's securityholders at a meeting called for that purpose and shall request that Matco notify the applicable Fund's principal regulator of such event.

Maintenance of Records

- (n) The IRC shall keep and maintain records, including a copy of this charter, minutes of all meetings, copies of any materials and written reports provided to it, copies of materials and written reports prepared by it, and the decisions it makes.

Standard of Care

- (o) The members of the IRC shall exercise their powers and discharge their mandate and functions as provided for in this Charter honestly and in good faith, with a view to the best interests of the Funds and, in doing so, shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A member of the IRC will not contravene his or her standard of care if he or she exercises the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, including reliance on (i) a report or certification represented as full and true to the IRC by Matco or an entity related to Matco; or (ii) a report of a person whose profession lends credibility to a statement made by the person.

4. Policies and Procedures

IRC Conflicts and Ownership of Securities

- (a) A member of the IRC may hold securities of a Fund, Matco or any person or company that provides services to a Fund or Matco.
- (b) From time to time and when requested by the IRC, an IRC member must inform the IRC of his or her ownership of securities of a Fund, Matco, an entity related to Matco, or a service provider to a Fund or Matco and Matco shall endeavour to inform the IRC of the names of any such related entities and all material service providers.
- (c) A member of the IRC who has knowledge of material undisclosed information about a Fund or an investment program of a Fund may not trade in securities of that Fund or in securities traded by that Fund.
- (d) If a member of the IRC becomes aware that the member has an interest that may reasonably be perceived to conflict with the member's ability to act in good faith, with a view to the best interests of a Fund, in respect of a matter being reviewed by the IRC, the member must disclose, as soon as practicable, to the IRC the nature and extent of that interest in writing or by requesting it be entered in the IRC's minutes. The member may not participate in consideration of the matter and may not vote on the matter. The IRC must cause the minutes of the meeting to reflect such actions.

Experts and Advisors

- (e) The IRC shall be entitled to engage independent counsel and such other advisors as it determines useful or necessary in carrying out its duties and to set reasonable compensation and proper expenses for such counsel and advisors. Any such fees and expenses or other such fees and expenses relating to the performance of its duties hereunder shall be for the account of the Fund or Funds in respect of which such costs are incurred and shall otherwise be allocated among the Funds in a fair and equitable manner.

- (f) The IRC shall discuss with Matco any proposal to hire independent counsel or other experts and consultants and shall consider any recommendations made in that regard by Matco. Any such proposal to hire independent counsel or other experts and consultants shall be made by the IRC only in selective, non-routine circumstances and then only to assist and not replace IRC decision-making.

5. Compensation

- (a) Matco, acting as manager of the Funds, has determined that each member of the IRC shall receive compensation for their services. Such compensation amount shall be reasonable in amount. The IRC may consider and determine its own compensation and expense reimbursement in its sole discretion and may establish policies for such compensation setting, provided that in so doing the IRC shall consider:
 - (i) the results of its annual assessment of compensation and effectiveness; and
 - (ii) the recommendations of Matco for compensation payable to the IRC.
- (b) The IRC shall consider the following factors, among any other deemed appropriate by the IRC, in determining its appropriate level of compensation:
 - (i) the number, nature and complexity of the Funds;
 - (ii) the nature and extent of the workload of each member of the Board, including the commitment of time and energy of each member;
 - (iii) industry best practices, including industry averages and surveys on compensation paid to independent review committees of Canadian investment funds; and
 - (iv) the best interests of the Funds.
- (c) The reasonable compensation and expenses of the IRC shall be payable as an operating expense of the Funds and allocated among the Funds by Matco in a fair and equitable manner. These operating expenses may be paid by the Manager in return for fixed administration fees paid by the Funds, as disclosed in the public disclosure documents of the Funds.

6. Administrative Matters and Authority

The following general provisions shall have application to the IRC:

- (a) A quorum of the IRC shall be the attendance of a majority of members thereof present in person or by telephone. No business may be transacted by the IRC except at a meeting of its members at which a quorum of the IRC is present or by a resolution in writing signed by all the members of the IRC. Meetings of the IRC should be held quarterly or as often as the Chair of the IRC may determine. The IRC may choose whether to deliberate and decide on any matter referred to it by Matco in the absence of Matco, any representative of Matco or any entity related to Matco provided that the IRC must hold at least one meeting annually at which Matco, any representative of Matco or any entity related to Matco are not in attendance. The Chair shall not have a second or casting vote.

- (b) The time at which and the place where the meetings of the IRC shall be held, the calling of meetings and the procedure at such meetings shall be determined by the IRC. Notice of each meeting of the IRC shall be given to each member of the IRC who shall be entitled to attend and to be heard at each meeting of the IRC. A meeting of the IRC may be held at any time without notice if all of the members are present or, if any members are absent, those absent have waived notice or otherwise signified their consent in writing to the meeting being held in their absence.
- (c) The Chair shall preside at all meetings of the IRC. In the absence of the Chair, the other members of the IRC shall appoint one of their members to act as Chair for the particular meeting.
- (d) The members of the IRC shall, for the purpose of performing their duties, have the right to request and inspect all the books and records of Matco and the Funds and to discuss such books and records that are in any way related to the past trading history, practices and philosophies of Matco, the Funds or any sub-advisors to the Funds with the officers, directors and employees of Matco or any of the Funds and shall further be entitled to communicate directly with any applicable securities regulatory authority or regulator with respect to any matter. The IRC may invite such officers, directors and employees of Matco and its subsidiaries as it may see fit from time to time to attend at meetings of the IRC and to assist thereat in the discussion of matters being considered by the IRC.
- (e) The IRC shall be entitled to delegate to a subcommittee of at least three members any of its functions, except the removal of a member, provided that the subcommittee be required to report on its activities to the IRC at least annually.
- (f) Recommendations and approvals of the IRC, including standing instructions, shall be given to Matco as soon as possible after the recommendations, approvals or standing instructions, as the case may be, have been agreed to by the IRC and shall be recorded in the minutes of the meetings at which such recommendations, approvals or standing instructions are made. Recommendations, approvals and standing instructions of the IRC to Matco shall be in sufficient detail so as to enable Matco to make an informed decision about what action it should take in the circumstances, having regard to its duties to the Funds.
- (g) The Chair of each meeting of the IRC shall appoint a person to act as recording secretary to keep the minutes of the meeting. The recording secretary need not be a member of the IRC.
- (h) Minutes of the IRC will be recorded and maintained and signed by the Chair and the secretary of the meeting.
- (i) The Board may make amendments to this Charter from time to time as the Board sees fit, following consultation with the IRC.
- (j) In the event of any inconsistency or conflict between this Charter and the provisions of NI 81-107, the provisions of NI 81-107 shall govern to the extent of the inconsistency and, at the request of the IRC, Matco shall forthwith make all changes to this Charter as are necessary and lawful to render it not inconsistent with NI 81-107.

The IRC shall function primarily to make assessments and determinations with respect to the purposes mandated herein.