

***Agenda item 2(c)
February 27/17 EOC Meeting***

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Sent: Wednesday, February 21, 2018 5:59 PM

To: 'McCarthy, Peter'

Subject: Great News: Manulife Financial Has Decided To Apply For CAFII "Initiation Membership"

Hi, Peter.

Just want to share with you the great news that Monika Spudas, Director, Account Management, Consumer Markets at Manulife Financial, called me today to advise that her company has decided to apply right away to become a "CAFII Initiation Member," motivated by the opportunity to have a stronger presence and play a larger role within our Association than simply being an Associate supporter; and also motivated by the financial incentive built into the new Initiation Membership category, which the Board approved on February 7/18.

Manulife Financial's corporate family financial assets are well in excess of \$75 billion CAD – the demarcation line between the upper and lower tiers of CAFII Member Dues – so if Manulife is admitted to Initiation Membership, that would mean an incremental \$44,000 in dues revenue for our Association in each of 2018 and 2019, the two-year period during which the terms and conditions of Initiation Membership would apply.

Then, beginning in 2020, Manulife Financial's status within CAFII would change to that of a full, unqualified Member of the Association paying Member dues at the upper tier level (currently \$73,438).

Monika also advised that, should the Initiation Membership review process come to fruition, Wally Thompson, Vice-President, Sales and Marketing will be nominated as the first CAFII Director from Manulife Financial.

Here is a proposed process for expediting the review and approval of Manulife Financial's Initiation Membership Application, for your consideration and feedback (intended to allow Wally Thompson to become a fully functioning CAFII Board member at the upcoming April 17/18 Board meeting):

- By February 28/18: Monika Spudas, Manulife Financial, submits completed CAFII Initiation Membership Application Form (currently being developed by B. Wycks/K. Martin and Managing Matters. The CAFII Initiation Membership Application Form will replace/supersede the former CAFII Membership Application Form, with the terms and conditions of CAFII Initiation Membership being included as an integral appendix to the one-page application form to be completed);
- Week of March 12-16/18: Screening Interview/Dialogue Session between Manulife Financial representatives (Wally Thompson; Monika Spudas; other senior executives) and CAFII Member Applicant Review Committee (the Officers of the Association, as per review committee that met with CUMIS representatives at the time of its application for membership in 2015: Peter McCarty, Board Chair; Pete Thorn, EOC Chair; Tony Pergola, Treasurer; Keith Martin, Co-Executive Director; Brendan Wycks, Co-Executive Director);

- Between Monday, March 19 and Thursday, March 28/18:

-CAFII Member Applicant Review Committee makes recommendation to Board of Directors on Manulife Financial's Application for CAFII Initiation Membership;

-CAFII sends out electronic communication to 10 CAFII Directors for "Electronic Vote of the CAFII Board On Motion To Admit Manulife Financial As A CAFII Initiation Member For 2018 and 2019" (an electronic vote of the Board is permitted, under specified conditions, by CAFII's Bylaw; and the Association has held such electronic voting (no related meeting required) on single issue matters on one or two occasions over the past five years);

-result of "Electronic Vote of the CAFII Board On Motion To Admit Manulife Financial As A CAFII Initiation Member For 2018 and 2019" is communicated to CAFII Board and EOC members, and to Manulife Financial;

-if result of vote is affirmative, Wally Thompson is invited to attend April 17/18 CAFII Board of Directors' meeting for formal appointment as a CAFII Director; and full participation as a Director thereafter;

-if result of vote is affirmative, Manulife Financial is invited to appoint one or member representatives to the CAFII Executive Operations Committee; and

-CAFII invoices Manulife Financial for first of two semi-annual instalments totaling \$44,000 in 2018 Initiation Member dues (if \$4800 in 2018 Associate dues have already been paid by Manulife Financial, that amount will be credited against the Initiation Member dues).

P.S.

Keith and I have also made good progress on CAFII Initiation Member talks/proposals with HSBC and Canada Life Assurance, and are optimistic about equally favourable outcomes with them.

And if the Board approves OneMain Solutions Canada for CAFII Associate Status at the next Board meeting on April 17/18, OneMain Solutions has indicated that it would like to give serious consideration to applying for Initiation Membership.

In contrast, Laurentian Bank (LBI) is being somewhat standoffish about the prospect of CAFII Initiation Membership at this time.

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