

**REPORT OF THE INDEPENDENT REVIEW COMMITTEE OF  
THE CHILDREN’S EDUCATIONAL FOUNDATION OF CANADA (the “IRC”)  
(For the year ended December 31, 2008)**

This Report is the IRC’s report for the fiscal year ended December 31, 2008 (the “Fiscal Year”) to securityholders of the publicly offered scholarship plans (the Scholarship Plans) administered by The Children’s Educational Foundation of Canada (the Administrator), of which there are three. This Report is written pursuant to section 4.4 of National Instrument 81-107 of the Canadian Securities Administrators and describes the IRC and its activities for the Fiscal Year.

**IRC Members**

The IRC was established as of May 1, 2007. The IRC consists of the following members:

<b>Name</b>	<b>Residence</b>	<b>Length of Service</b>
Peter Sacks <i>IRC Chair</i>	Toronto, ON	May 2007
Stephan Frankel	Dundas, ON	May 2007
Paul Courneya	Ancaster, ON	May 2007

**Disclosure of IRC Member’s Holdings**

As at December 31, 2008, the IRC members did not beneficially own, directly or indirectly (i) any interests in the Administrator, or (ii) any interests in a company or person that provides services to the Administrator or any Plan.

**Compensation**

The total compensation paid to IRC members for the Fiscal Year totaled \$18,000. There were no changes in compensation during the Fiscal Year. In assessing the appropriate level of compensation of the IRC, consideration was given to the nature and extent of the workload of each member of the IRC, the nature, number and complexity of the Scholarship Plans, the best interests of the Scholarship Plans and industry best practices.

At least once a year the IRC reviews the compensation of its members based on the following criteria:

1. The best interests of the Plans;
2. The number, nature and complexity of the Plans;
3. The nature and extent of the workload of the IRC members;
4. Industry best practices, including comparable compensation in the group scholarship plan industry; and
5. The recommendation of the Administrator, if any.

## **Activities of IRC for the Fiscal Year**

### Annual Assessments

In accordance with NI 81-107, the IRC conducted a self assessment review, and also specifically reviewed and assessed:

1. the adequacy and effectiveness of written policies and procedures concerning conflict of interest matters;
2. the adequacy and effectiveness of the IRC and its Charter;
3. the Administrator's and each Plan's compliance with any conditions imposed by the IRC in a recommendation or approval it has provided to the Administrator; and
4. the independence and the compensation of its members.

### Conflict of Interest Matters

NI 81-107 requires the IRC to review and approve all conflict of interest matters identified and referred to the IRC by the Administrator and to give its approval or recommendation, depending on the nature of the conflict of interest matter.

The IRC is not aware of any instances in which the Administrator acted in a conflict of interest matter that was not referred to the IRC for its recommendation.

The IRC is not aware of any instance in which the Administrator acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval.

### **Children's Education Trust of Canada Plans served by the IRC**

- The Children's Education Trust Group Option Plan
- The Children's Education Trust Self-Initiated Option Plan
- The Children's Education Trust Achievers Plan

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This report is available on the Foundation's website at <http://www.cefi.ca> or you may request a copy, at no cost to you, by contacting Children's Education Funds Inc. at 1-800-246-1203. This document and other information about the Children's Education Trust group of Registered Education Savings Plans are available at [www.sedar.com](http://www.sedar.com).