

**Final Agreement for the  
Combination of ASPPA and COPA**

This agreement (the “Agreement”) is entered into between the American Society of Pension Professionals and Actuaries (ASPPA) and the College of Pension Actuaries, NFP (COPA), collectively referred to as the “Parties.” This Agreement creates a semi-autonomous operating unit within ASPPA, known as the ASPPA College of Pension Actuaries (ACOPA). ACOPA will be the primary source of professional organizational support for pension actuaries, and will be charged with carrying out ASPPA’s responsibilities as one of the recognized U.S.-based actuarial organizations. The Parties recognize the commitment ASPPA’s and COPA’s members have to the actuarial profession, and to serving the professional needs of pension actuaries, and believe that this structure will provide an appropriate outlet for satisfying these needs. This agreement shall be effective on a date agreed by the Parties following the necessary approvals of the ASPPA board of directors and the COPA Board of Directors and voting members (the “Effective Date”).

**A. Creation of ACOPA.** On the Effective Date, a separate operating unit within ASPPA, ACOPA, shall be established. COPA’s operations shall be transferred to ACOPA pursuant to a transfer agreement substantially in the form attached to this Agreement as Exhibit A (the “Transfer Agreement”) and COPA will dissolve as an entity. Members of COPA who are not currently members of ASPPA shall become credentialed members of ASPPA. Thereafter, all Actuarial Members of ASPPA shall also be members of ACOPA and entitled to participate in the operations of ACOPA. For purposes of this agreement, an Actuarial Member of ASPPA is a credentialed member of ASPPA who is either an enrolled actuary in good standing with the Joint Board for the Enrollment of Actuaries or who is an individual recognized as an Actuarial Member, by virtue of actuarial credentials, of any society recognized under the North American Actuarial Council Working Agreement. A member of ACOPA shall also include a non-actuary member of ASPPA with the designation of MSPA.

**B. Operational Structure of ACOPA.**

1. Governance of ACOPA. ACOPA will be governed by a Leadership Council, the “ACOPA Leadership Council”. Initially, the ACOPA Leadership Council will consist of the existing COPA board and officers. In addition and solely for the initial composition of the ACOPA Leadership Council, ASPPA shall name one additional person from within ASPPA’s Actuarial Issues Committee to serve a transition term ending on the last day of the operational year following the operational year in which the agreement becomes effective. At the end of such transition term, such individual is permitted to seek election to the ACOPA board in accordance with governing election procedures. The governing election procedures will not treat such transition term as recognizable for purposes of any applicable term limitations. In addition, the highest ranking ASPPA officer who is an actuary and not already on the ACOPA Leadership Council shall serve as a non-voting member of the Leadership Council.

(a) Leaders of ACOPA. ACOPA shall be led by a President and President-Elect. Initially, the COPA president at the time of the effective date of this agreement,

will serve as the ACOPA President, and the COPA president-elect at the time of the effective date of this agreement will be the ACOPA President-Elect.

(b) Succession. ACOPA will have autonomy over the replacement of ACOPA Leadership Council members at the end of each term, in accordance with ACOPA's operating principles.

2. Operating principles. ACOPA will initially operate under the Interim Operating Principles substantially in the form attached hereto as Exhibit B ("IOP"). The IOP continue in effect until such time as modified principles are adopted by ACOPA in accordance with procedures established in such IOP.

(a) Responsibility for drafting rules. The ACOPA Leadership Council shall have the sole responsibility to draft and present to ACOPA members, for approval in accordance with the procedures in the IOP, any modification to the IOP and any additional procedural rules for operating ACOPA.

3. ASPPA staff. ASPPA's Chief of Actuarial Issues (currently Judy Miller) will be assigned to be a liaison to the ACOPA Leadership Council. Such staff member shall be an ex-officio member of the Leadership Council. If such staff member is a member of ACOPA he or she shall be ineligible to serve on the ACOPA Leadership Council in any other capacity other than as an ex-officio member.

4. ASPPA Management Team (AMT). The ACOPA Leadership Council shall designate an ACOPA member to serve on the AMT. This individual also shall serve as a liaison to the designated actuarial officer of the ASPPA Executive Committee. Where actuarial issues arise, the AMT would be charged with ensuring that the professional development needs of the Actuarial Members are being met by consulting with ACOPA.

5. Actuarial Issues Committee (AIC). The ACOPA Leadership Council will replace ASPPA's AIC. The Parties recognize that AIC may need to continue operating for a short transition period until ACOPA is fully operational. The ACOPA Leadership Council shall work with the AIC to address transitional issues.

**C. Responsibilities of the ACOPA Leadership Council.** It is intended that the ACOPA Leadership Council will carry out all of the responsibilities and duties that ASPPA has as one of the recognized U.S.-based actuarial organizations. These responsibilities include, but are not limited to, the items listed below.

1. Professional development. Proactively identify and address the professional development needs of the actuarial membership of ASPPA. Where a need is identified, the ACOPA Leadership Council would work with the responsible major committee of ASPPA (Membership, E&E, Conferences, GAC), and, if applicable, any ASPPA staff employee assigned as a liaison to such committee or specifically to the ACOPA Leadership Council, to determine how the need can best be addressed. The ACOPA Leadership Council would ensure the availability of volunteers to address the need and the relevant ASPPA committee will work with the ACOPA Leadership Council to carry out the identified need.

2. Actuarial representation. The ACOPA Leadership Council will be responsible for identifying the persons who will serve as ASPPA's representatives on intersocietal committees, such as the Intersector committee and the relevant committees sponsored by the American Academy of Actuaries, ABCD or ASB. The ACOPA Leadership Council also would provide representatives to participate on the Joint Board for the Enrollment of Actuaries' Advisory Council. As with all appointments involving representation of ASPPA, these appointments are subject to the approval of ASPPA's MC.

3. Actuarial conferences. The ACOPA Leadership Council shall be responsible for any Actuarial Conference sponsored by ASPPA to the extent the conference is primarily focused on the needs of individuals who are ACOPA members. ACOPA members shall provide the volunteer support for the Conferences Committee and staff in (a) planning the agenda, (b) finding speakers, and (c) providing any other volunteer services the Conferences Committee would need to conduct the conference. The ACOPA Leadership Council would also provide volunteers as needed to other conference committees to assist with actuarial content and determination of continuing education credits for JBEA credits and the Qualification Standards.

4. Volunteerism. The ACOPA Leadership Council shall solicit actuarial volunteers in order to establish an actuarial volunteer database that can be used to populate various ASPPA committees with actuarial volunteers as needed. The Membership Committee would provide a staff person to act as a liaison with the ACOPA Leadership Council to ensure that the actuarial volunteer database is maintained properly. When any ASPPA Committee has a need for actuarial volunteers, a request would be sent to the ACOPA Leadership Council for available names. The chair of the requesting committee would have final say over which volunteers to choose, but will provide notice if a volunteer recommended by the ACOPA Leadership Council is rejected and allow for a reasonable comment period of at least one month from the ACOPA Leadership Council before making a final decision. The ACOPA Leadership Council will provide outreach to the Actuarial Members of ASPPA to ensure that a broad cross-section of such members become involved in volunteer activities, including working on various committees.

5. Government affairs. The ACOPA Leadership Council shall review issuances of regulating authorities with a view toward determining whether ASPPA comment or other involvement is needed through ASPPA's Government Affair Committee (GAC). The commenting process will be provided in accordance with the procedures outlined in (a) through (d) below.

(a) *Primary Regulators.* Where the regulating authority is a governmental agency such as the Treasury, IRS, DOL, PBGC, or the SEC, the primary responsibility for commenting would be with GAC. However, GAC would solicit input from ACOPA and would be required to consider such input with respect to any issues that are actuarial in nature, or involve defined benefit plans in general. The primary means by which ACOPA would provide input is through its representatives on the GAC subcommittee on which the ACOPA representatives sit that have responsibility for a particular comment letter. Such ACOPA representatives, in conjunction with the GAC Co-Chairs, would have final approval of the actuarial content of the letters issued to primary regulators, subject to a requirement to reach consensus. Where agreement cannot be reached, the MC will take steps to facilitate consensus in

an effort to avoid the invocation of the dispute resolution procedures in this agreement. In addition, if the MC or Board of Directors, as applicable, raises political or policy considerations that would affect the content of a particular letter, the parties would take good faith steps to reach consensus. It is the intention of the parties that, as with all other comment letters issued by GAC, the primary responsibility for the content of the comment letters, and completion of such letters on a timely basis lies with GAC. The MC or Board of Directors would become involved only where public policy considerations need to be raised, or where the parties with primary responsibility bring an issue to the MC or Board of Directors. For purposes of this agreement, all references to the Board of Directors shall include a reference to ASPPA's Executive Committee (EC) where the EC is acting on behalf of the Board.

(b) *Non-primary regulators.* For other regulating authorities that are not governmental agencies (e.g., FASB), ACOPA would prepare formal comments or position papers. These comments or position papers would be subject to a requirement to reach consensus with the GAC Co-chairs, the MC or Board of Directors, as applicable, if either such body raises political or policy considerations that would affect the content of a particular comment or position paper.

(c) *GAC structure.* Regarding GAC's Defined Benefit Subcommittee (DBSC), the ACOPA Leadership Council would appoint all committee members, subject to recommendations by ASPPA leadership as described below. The appointments of the chair and vice chair will be subject to the approval of GAC co-Chairs and ASPPA's MC. The ACOPA Leadership Council also would provide oversight for succession planning with respect to the DBSC. The DBSC would remain part of GAC, however, and would be subject to the GAC procedures regarding the production of comment letters. The ACOPA Leadership Council also would have discretion to name one ACOPA Member to each of GAC's other subcommittees so it can have appropriate input in comments on non-actuarial issues. If the number of GAC volunteer co-chairs is at least 2 and not more than 3, then at least 1 co-chair would be an ACOPA member, as designated by the ACOPA Leadership Council. If the number of such co-chairs exceeds 3 then the number of co-chairs who are actuaries shall be at least 1/3 of the total number of co-chairs rounded up to the next higher integer. As with all ASPPA committee chairs, these appointments are subject to the approval of ASPPA's MC.

(i) Additional members of DBSC. In addition to the members selected by the ACOPA Leadership Council, the GAC co-Chairs, in conjunction with ASPPA's MC and subject to the DBSC committee chair's approval, may recommend additional ASPPA members not otherwise appointed by the ACOPA Leadership Council to sit on the DBSC. These additional members may be drawn from any of the membership of ASPPA, and not just from the actuarial membership.

(ii) Solicitation of input from ASPPA members. GAC shall notify membership, primarily through the eNews on upcoming major comment letter projects in order to ensure that members have an opportunity to provide input on issues that need to be addressed. This will provide all ASPPA members the ability to provide input, apart from the automatic input on actuarial matters, as described in this agreement

(d) *Actuarial issues.* The term “actuarial issues” shall be defined in a manner that takes into account the extent to which actuarial principles are integral to an issue (regardless of whether an actuary would necessarily be required to perform functions associated with such issue), as well as issues relating to compliance with FASB disclosure requirements (or disclosure requirements developed by the SEC or other administrative agencies that are designed to supplement or replace FASB requirements). Where relevant to the proper implementation of this agreement, issues that involve both actuarial and non-actuarial issues are to be treated as partly actuarial, in which case, formal coordination with appropriate subcommittees under GAC, including the DBSC, would be required in the development of the appropriate comment letter (or other formal response from ASPPA). It is intended that the ACOPA Leadership Council, the MC, and the ASPPA Board of Directors will develop guidelines for defining the term “actuarial issues” that are mutually agreeable. Until such guidelines are developed, the following interim guidelines shall apply. Actuarial issues are any issues in a regulation or other formal guidance which involves: (1) minimum funding requirements for defined benefit plans, (2) present value determinations, (3) normalization of benefits for nondiscrimination testing (including the determination of equivalent benefit accrual rates (EBARs) in cross-tested plans), (4) probability calculations, (5) risk assessment calculations, (6) calculations of deduction limits for employer contributions to defined benefit plans or DB/DC combinations, (7) actuarial assumptions, (8) integration with Social Security involving defined benefit plans. (9) minimum distribution calculations for defined benefit plans or with respect to the annuitization of benefits, (10) PBGC procedures and Title IV premium and termination liability calculations, (11) determination of whether mergers of defined benefit plans satisfy IRC §414(l), (12) relative value notices, (13) the application of the IRC §415 limits to defined benefit plans, (14) top heavy calculations involving defined benefit plans, (15) the determination of the top heavy minimum benefit, (16) cash balance or hybrid plan contribution/benefit calculations, interest rate determinations and age discrimination standards, (17) comments on circular 230 involving practice of actuaries before the IRS, (18) IRC §436 certifications, (19) comments to the Joint Board for the Enrollment of Actuaries, (20) actuarial computations for Domestic Relations Orders, (21) FASB issues, and (22) any assignment that involves work with future contingencies, such as mortality, turnover, disablement, etc., or compound growth, such as investment returns and pay increases. The ACOPA Leadership Council may petition the MC or the Board of Directors for consideration of other issues to be added to this list, in which case the parties shall take reasonable, good faith steps to reach consensus.

6. ASPPA Board nominations. Although any individual member of ASPPA may submit a nomination to the Board, the ACOPA Leadership Council also shall be responsible for nominating Actuarial Members of ASPPA for Board positions. Final decision on which nominated individuals become Board members would continue to be determined under the procedures in effect at ASPPA. This provision is not intended to affect any credentialed ASPPA member’s right to nominate individuals for positions on the Board.

7. Education and Examination (E&E) Committee. The ACOPA Leadership Council will find volunteers to provide assistance to E&E with respect to texts, exam preparation and grading, and web courses aimed at the educational and professional needs of Actuarial Members, potential Actuarial Members, and para-actuaries.

8. Bulletin Board. ACOPA shall maintain an actuaries-only bulletin board. It is intended that the ACOPA Leadership Council will work with ASPPA’s technology department for appropriate implementation that is cost effective and efficient.

9. MAX subcommittee. The ACOPA Leadership Council shall identify a mutually agreeable number of ACOPA members who will be part of the ASPPA standing survey group: the Membership Analysis and eXpectations Subcommittee (MAX). Where needed, this subgroup within MAX will be available to be polled separately as an “interest group.” ACOPA will work with the Membership Committee to generate relevant survey polling questions for actuaries, as needed.

10. The ASPPA Journal (TAJ). ACOPA volunteers will prepare actuarial-content articles for the TAJ, and prepare actuarial content for ASPPA’s eNews.

11. Use of designations. During a transition period ending on December 31, 2010, the designations entitled to be used by the members of ACOPA are based on membership(s) prior to the combination. Once the transition ends, a single actuarial designation will apply to the general actuarial members of ACOPA with another representing those who have attained fellowship. The ACOPA Leadership Council will determine the single designation for the two designation levels to be used after the end of a transition period. A summary of allowable uses during the transition are suggested to be as follows:

Current designation(s)	Allowable usage during transition period		
FSPA or FSPA COPA	FSPA	FSPA COPA	COPA
MSPA, COPA, MSPA COPA	MSPA	MSPA COPA	COPA

**D. Finances.**

1. Budget and business plan. The ACOPA Leadership Council shall be responsible for submitting an annual budget and business plan. The budget and business plan shall be consistent with its obligations and responsibilities under this agreement. The budget will be subject to approval by the ASPPA Board of Directors through ASPPA’s budget procedures. The Parties intend that ACOPA shall be provided a budget that ensures its ability to provide the needed services to actuaries as well as its commitments to ASPPA and the actuarial community.

2. Dispute resolution. Any expense associated with the dispute resolution procedures referenced in this agreement shall not be allocated to the ACOPA budget.

**E. Respective approval procedures.** The Parties will take the steps each determines is needed to be assured that the agreement will be supported by the decision-makers of their respective organizations and will be widely accepted by their respective membership. In preparation of taking this agreement for approval by the respective organizations, a Transition Team was formed with 3 representatives from ASPPA and 3 representatives from COPA, which was charged with analyzing certain aspects of this agreement with a view toward identifying potential pitfalls, potholes, etc. on the road to implementation, and offer recommendations for how those identified issues should be resolved. The agreement being submitted for approval by the respective organizations, reflects the input of that Transition Team. The Transition Team

also drafted the initial IOP under which ACOPA shall operate until a modified IOP is adopted, and the Parties have had input and have approved the initial IOP.

**F. COPA reserves.** As of the Effective Date, any existing reserves held by COPA will be transferred to ASPPA's reserves, to be held in a separate account (which need not be physically segregated from other reserve assets, provided appropriate separate accounting is maintained with respect to the permissible uses of such separate account). ASPPA is not responsible for assuming any of COPA's debts or other liabilities in excess of the amount transferred. In exchange, the transferred reserves (in excess of the amount needed to cover COPA's debts or other liabilities assumed by ASPPA) will be used to offset ASPPA dues to be paid by the former members of COPA. The method of allocating the dues offset will be made as follows:

Any such credit will be separately identified on all Dues notices received by the Member.

- The ASPPA dues credit for 2009 shall be the ASPPA first credentialed Member rate less \$240.
- The ASPPA dues credit for 2010 shall be the ASPPA first credentialed Member rate less \$270 if the Member paid COPA dues for 2007 and 2008.
- The ASPPA dues credit for 2011 shall be the ASPPA first credentialed Member rate less \$300 if the Member paid COPA dues for 2006, 2007 and 2008.
- The ASPPA dues credit for 2012 shall be the ASPPA first credentialed Member rate less \$330 if the Member paid COPA dues for 2005, 2006, 2007 and 2008.

Members ineligible for a credit shall be (1) those who were not COPA members on the date the above dues credit amounts were made public to the COPA membership, (2) government members and (3) retired members. If a Member's membership lapses all future credits are forfeited even upon reinstatement.

ACOPA shall provide necessary assistance to ASPPA's Membership Department to ensure proper administration of this dues offset. A Member is deemed to have paid COPA dues solely for the year containing the last day covered by the dues payment. Should the amount of available reserves not be enough to cover the full anticipated credit, the actual credit shall be reduced pro rata among all eligible Members.

**G. Dispute Resolution.** To ensure fair implementation of this agreement, it is agreed that a device should be established whereby any dispute that reaches the level of an impasse can be resolved quickly, expeditiously, and in a manner that the parties will agree is fair and reasonable. The process is intended to cover any disagreement, including but not limited to any issue arising under this Agreement or the IOP, action or inaction by the ASPPA Board of Directors, the ASPPA Executive Committee, the ASPPA Management Council, ASPPA Management Team and action or inaction by the ACOPA Leadership Council, including an action involving the approval by a designated body (e.g., a committee).

1. Mediation. Either Party involved in a dispute that the Parties cannot resolve can petition to a 6-member mediation panel. The ACOPA Leadership Council and the ASPPA Board of Directors each have the ability to delegate such petition right to one or more of its committees or officers. The panel shall consist of 3 members appointed by the ACOPA Leadership Council and 3 members appointed by the ASPPA Board of Directors. Each respective body shall have a process for appointing its 3 members on the mediation panel, which may include predetermined appointments for fixed terms, the designation of a subset of the body with authority to appoint such individuals, or a standing group of individuals. If the mediation panel cannot resolve the dispute, the parties involved in the dispute may seek arbitration.

2. Invoking the arbitration process. Except as provided in (b) below, for the dispute to go to arbitration, either a majority of the members of the ACOPA Leadership Council or a majority of the members of the ASPPA Board of Directors must agree to the establishment of an arbitration panel.

(a) Arbitration panel. The arbitration panel shall consist of 3 Past Presidents of ASPPA, at least 2 of whom must be Actuarial Members of ASPPA. A Past President of the American Society of Pension Actuaries (ASPA) shall be considered a Past President of ASPPA. In no event may a member of the arbitration panel currently be a member of the ACOPA Leadership Council, ASPPA Board of Directors, the ASPPA Executive Committee, or the ASPPA Management Council. The arbitration panel shall be identified in accordance with the following procedure. The ACOPA Leadership Council will appoint 1 actuarial Past President of ASPPA and the ASPPA Management Council will appoint 1 Past President of ASPPA (who may or may not be an actuary). These 2 individuals shall appoint another Past President of ASPPA as the third member of the arbitration panel, keeping in mind the mandate that at least 2 of the 3 members of the arbitration panel must be Actuarial Members of ASPPA. The arbitration panel shall have the authority to resolve the dispute. Each party agrees in advance to be bound by the decision of the arbitration panel. This panel shall resolve the dispute in a manner that it believes is fair and equitable. Towards this end it shall have the authority to hear witnesses, examine evidence, consult with legal counsel and take any other action it considers desirable to resolve the dispute in a manner that it believes satisfies the requirements of fairness and equity.

(b) Exception for time-sensitive issues. If at least 4 of the 6 members of the mediation panel described in 1. above determine that the issue is time sensitive (e.g., a comment letter due in a short period of time), the panel can invoke the establishment of an arbitration panel (without a vote by the ACOPA Leadership Council or the ASPPA Board), in accordance with the rules described in (a) above, to resolve the dispute.

## **H. Approval and implementation of the agreement.**

1. Adoption by ASPPA. The procedures under which ASPPA adopts this agreement will be determined under ASPPA's rules of governance.

2. Adoption by COPA. The procedures under which COPA adopts this agreement will conform to Illinois state law regarding dispositions of substantially all of one's assets.

3. Confidentiality. During the process of negotiating this agreement, the Parties agree to maintain strict confidentiality regarding the discussions among the ASPPA MC and COPA's leadership, except as the Parties shall decide by mutual agreement.

4. Retreat. As soon as practicable after the effective date of this agreement, a retreat shall be held at the expense of ASPPA, to launch the implementation of this agreement. The participants in this retreat will be determined by the Parties. It is intended that at the retreat, the 2009 business plan and budget for ACOPA will be developed for submission through ASPPA's budgetary process. The participants in the retreat also will identify initial steps that need to be taken to ensure that ACOPA is operational. The Parties will determine the appropriate length of the retreat and the individuals who will be invited to participate.

**I. Governance of ASPPA.** ASPPA agrees that in order to ensure adequate actuarial representation on the Executive Committee and on the Board, the Executive Committee shall have at least one actuary as a voting member at all times. In addition, ASPPA agrees that it will maintain a strategic plan that is consistent with the terms of this agreement.

**J. Termination, modification or survival of agreement.** This agreement shall survive the dissolution of COPA pursuant to the implementation of this agreement. Except for the addition or deletion of items that are considered Actuarial Issues, this agreement may be terminated or modified only by a super majority (2/3) of the ASPPA Board in conjunction with a super majority of the Actuarial Members of the ASPPA Board and a super majority of the ACOPA Leadership Council.

The authorized representatives of the Parties have signed below to indicate their acceptance of the terms and conditions of this agreement.

AMERICAN SOCIETY OF  
PENSION PROFESSIONALS AND  
ACTUARIES

COLLEGE OF PENSION  
ACTUARIES, NFP

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (print)/Title

\_\_\_\_\_  
Name (print)/Title

Interim Operating Principles for the  
ASPPA College of Pension Actuaries  
(ACOPA)

Adopted and Approved September 23, 2008

Preamble: These Interim Operating Principles are adopted pursuant to section B.2. of the Final Agreement for the Combination of ASPPA and COPA, which is an agreement entered into between the College of Pension Actuaries, NFP (COPA) and the America Society of Pension Professionals and Actuaries (ASPPA) in September, 2008 and approved by COPA membership September 23, 2008 (hereinafter referred to as the “Agreement”). The Agreement combines the operations of COPA into ASPPA, effective September 23, 2008 (the “Effective Date”), as a semi-autonomous operating unit and calls for the formal dissolution of COPA as a separate legal entity.

These Interim Operating Principles shall remain in effect until the ACOPA Leadership Council amends these Principles or adopts Final Operating Principles.

These Operating Principles document ASPPA’s commitment to its actuarial members and to its position within the actuarial community. ASPPA agrees that in order to ensure adequate actuarial representation on ASPPA’s Executive Committee and on ASPPA’s Board, the Board and the Executive Committee shall have at least one actuary as a voting member at all times. In addition, ASPPA agrees that it will maintain a strategic plan that is consistent with the terms of the Agreement.

ACOPA will maintain a Leadership Council which will consist initially and largely of existing COPA Board members and officers, and will continue to serve as the governing body or board of ACOPA. ACOPA also will have an executive committee and officers, largely made up of the same persons who serve on behalf of COPA. The Leadership Council shall consist of both voting and non-voting members who shall be elected or appointed in accordance with Article V of these IOP.

In the event that there is a conflict with the terms of these Interim Operating Principles and the Agreement or with ASPPA’s bylaws, the terms of the Agreement or ASPPA’s bylaws shall prevail.

# **Interim Operating Principles for the ASPPA College of Pension Actuaries (ACOPA)**

**As initially established September 23, 2008**

## **Article I - Name, Organizational Basis, and Location**

1. *Name:* This organization shall be named the “ASPPA College of Pension Actuaries” hereinafter referred to as the “College” or “ACOPA”.
2. *Organizational Basis:* The College is a semi-autonomous operating unit within the American Society of Pension Professionals and Actuaries. It is not a separate legal entity.
3. *Location:* Offices of the College shall be located at the ASPPA national offices, currently in Virginia. The Agent of Record for legal notices and other purposes shall be that person who serves in said capacity for ASPPA.
4. *Maintenance of Organizational Records:* All books and records of the College, including minutes, records of account, records of members, articles of organization, operating principles, etc., shall be kept at the offices mentioned above and shall be open for inspection to the Members, or to a Member’s agent or attorney, for any proper purpose during normal business hours, upon written demand stating such purpose. Members shall have the right to make copies or extracts of records. Membership and financial records shall be kept on a calendar year basis. Records of accounts available for review are limited to accounts maintained solely for use by the College.
5. *Conduct Business by Mail or Electronic Means:* The College may conduct business by in-person meetings, mail, or electronic means with the Members for all matters.

## **Article II - Objectives**

The objectives of the ASPPA College of Pension Actuaries are to:

1. Advance the knowledge of actuarial science as it relates to retirement and other employee benefit plans,
2. Promote and maintain the highest professional and ethical standards among its Members,
3. Enable actuaries engaged in pension practice to discuss common issues,

4. Promote the interchange of information among actuaries and the leadership of various actuarial organizations,
5. Keep the public informed of the profession and of the responsibilities of the professional pension actuary in public practice,
6. Promote the expansion of the private retirement system by educating governmental agencies and Congress on issues that affect the short and long range health of the private retirement system, and
7. Promote the education and professional development of both pension actuaries and actuarial students.

In order to achieve these objectives, ACOPA shall hold meetings, discussions, conduct studies, sponsor formal education programs, make or sponsor investigations, and undertake such other activities as may be necessary and desirable to achieve the objectives stated above. It is recognized that some of the activities referenced shall include, but not be limited to:

- a. Recommend ASPPA and ACOPA representatives to various intersocietal groups (e.g., relevant committees of the American Academy of Actuaries).
- b. Recommend candidates for the ABCD and the ASB.
- c. Recommend representatives, when needed, for the JBEA Advisory Council.
- d. Beginning in 2011, have the President and President-Elect serve as ASPPA's representatives on the NAAC, the Council of US Presidents (CUSP) and the Academy's Board of Directors. Until the end of 2010, this representation will gradually transition, as specified by the ASPPA Management Council.
- e. Nominate ACOPA members for appointment to the Board of Directors of ASPPA.
- f. Assume responsibility for educational programs for student actuaries and the FSPA program for actuaries, and any actuarial conferences put on by ASPPA, with appropriate staff support from the E&E, Membership and Conferences Department. If the FSPA program is to continue, ACOPA will assume responsibility for creating and grading the exam(s) after the 2008 exam with appropriate staff support.
- g. Promote volunteerism among ACOPA members.
- h. Through the Defined Benefit Subcommittee of ASPPA's Government Affairs Committee, have primary responsibility for the content of

comment letters that involve “actuarial issues”. “Actuarial issues” are issues of primary concern to ACOPA members as defined in the Agreement. Any differences of opinion regarding what is defined as an “actuarial issue” are to be resolved based on the dispute resolution clause referenced in Article XII and contained in the Agreement.

- i. Prepare formal comments, position papers, or other relevant pronouncements that involve regulating authorities outside of Treasury, IRS, DOL, PBGC or SEC (e.g., FASB).
- j. Maintain an actuaries-only bulletin board/list serve.
- k. Provide actuarial content to The ASPPA Journal (TAJ) and ASPPA’s eNews
- l. Provide actuarial representatives for ASPPA’s Membership Analysis and eXpectations subcommittee (MAX), an internal survey group.

**Note:** The Agreement defines a great number of actuarial issues; the purpose of which is to determine the scope of ACOPA’s authority both inside of ASPPA and outside of ASPPA, such as generation of comment letter content.

### **Article III – Membership**

1. *Classes of Membership:* The College shall consist of Members who shall be entitled to use on an interim basis the following designations: MSPA (or, if qualified as FSPA prior to the combination, FSPA) and/or COPA. ACOPA shall develop permanent Member designation(s), subject to approval by the Members, by December 31, 2009.
2. Requirements for Admission:
  - a. Future Requirements: An actuary who is in good standing with the Joint Board for the Enrollment of Actuaries (JBEA), who wishes to become a Member of the College shall submit to the ASPPA Membership Committee such information as deemed appropriate by said Committee.
  - b. Transition Requirements: All of the following individuals shall automatically be Members of ACOPA as of the Effective Date:
    - 1) Any COPA member in good standing with the JBEA as of September 23, 2008;
    - 2) Any MSPA or FSPA of ASPPA; or
    - 3) An individual recognized as an Actuarial Member, by virtue of actuarial credentials, of any society recognized under the

North American Actuarial Council Working Agreement as of that same date.

3. *Good Standing with the JBEA*: Good standing for this purpose with the JBEA shall include compliance with continuing education requirements, disciplinary procedures, and other rules and regulations of the JBEA.

#### **Article IV - Meetings of the College**

1. *Annual Business Meeting*: The Annual Business Meeting of the College shall be held at such time and place as is designated by the ACOPA Leadership Council.

Notice of the date or dates and place of the Annual Business Meeting shall be given to the Membership by the Secretary at least thirty (30) days prior to the date of such meeting. For all meetings, announcement in any general publication of ASPPA shall constitute valid notice. If a Member attends the Annual Business Meeting, he or she shall be considered as having received proper notice of the meeting. A Member's expenses for attending the Annual Business Meeting are the sole responsibility of such Member.

2. *Special Business Meetings*: A Special Business Meeting of the College may be called at any time at the request of a majority of the Leadership Council. The Secretary shall give notice of the date or dates and place of a Special Business Meeting to the Membership at least thirty (30) days prior to the date of such meeting. A Member's expenses for attending a Special Business Meeting are the sole responsibility of such Member.
3. *Voting*: Each Member will be entitled to cast one (1) vote upon all questions brought before the Annual or any Special Business Meeting of the College. There shall be no voting by proxy at any meeting of the College.
4. *Quorum*: The quorum required to conduct any business of the College shall be one-tenth (1/10th) of the Members entitled to vote.

#### **Article V – Leadership Council (previously Board of Directors)**

1. *Composition*: The Leadership Council of the College shall consist of voting and non-voting members.
  - a. *Voting Members*: There shall be nine (9) elected members of the Leadership Council, who shall be referred to as Leadership Council Members, plus the President, President-Elect and, for a period of two (2) years following his or her presidency, a past President. In addition, one Leadership Council member (who is a Member of ACOPA) shall be appointed by ASPPA from within ASPPA's Actuarial Issues Committee. This member will serve through the end

of the 2010 Business Meeting. Such term shall not count against the term limits described below.

b. *Non-Voting Members: The individuals that serve in the capacity of Vice President(s), Secretary and Budget Officer shall be non-voting Members of the Leadership Council and shall not be considered for purposes of determining a quorum.* In addition, the highest ranking ASPPA officer who is an actuary and not already on the ACOPA Leadership Council shall serve as a non-voting member of the Leadership Council.

2. *Election and Term of Office:* All Members of the Leadership Council shall be Members of the College. At each Annual Business Meeting of the College, based on a report of the Election Commissioner as described in Paragraph 3 of this Article, three (3) members of the Leadership Council shall be elected, each to serve for a period of three (3) years beginning at the close of the Annual Business Meeting following their election and continuing until the beginning of a successor's term. A term of fewer than 9 months due to a change in operational year shall not count as a year for purposes of the term limit. The term of office for Leadership Council Members shall expire at the end of the Annual Business Meeting.

Note: If the Annual Business Meeting is changed to be coincident with the ASPPA Annual Conference, consideration needs to be given to transition.

3. *Nominations and Voting:* An "Election Commissioner" shall be appointed by the President no later than ninety (90) days prior to the beginning of the Annual Business Meeting. The Election Commissioner shall solicit Leadership Council Nominations from the Membership electronically no later than sixty (60) days prior to the beginning of the Annual Business Meeting. Upon receiving any Leadership Council Nomination, the Election Commissioner shall immediately notify the Nominated Candidate. All such Nominated Candidates seeking election to the Leadership Council must submit an electronic Nomination Acceptance and a statement by another Member seconding the Nomination no later than thirty (30) days before the Annual Business Meeting, at which time the Nominations Process is closed. Upon the closing of the Nominations Process, the Election Commissioner shall notify all Members electronically of the identity of the Nominees and shall arrange for the election of the Leadership Council Members as described herein.

In the event that any Nominated Candidate has not submitted a Nomination Acceptance by the close of the Nominations Process, or if there are an insufficient number of candidates for the open positions, the Election Commissioner shall so notify the Leadership Council, which shall have seven (7) days in which to choose and obtain the Nomination Acceptance of an Alternate Nominee or Nominees. In choosing any Alternate Nominee, the

Leadership Council is authorized to select and obtain a Nomination Second and Nomination Acceptance from any Member in Good Standing.

The Election Commissioner shall be ineligible to run as a Leadership Council Member.

Voting for Leadership Council Members shall be conducted electronically by the Election Commissioner. The Voting Process will commence no later than twenty-one (21) days before the Annual Business Meeting and be completed at least three (3) business days before the Annual Business Meeting.

Those Nominees with the highest number of votes shall be elected. The President shall not vote, except in the event of a tie, and will do so at the Annual Business Meeting.

The Election Commissioner, or delegate, shall announce the voting results at the Annual Business Meeting. Results shall not be valid unless a quorum of one-tenth (1/10th) of the Members entitled to vote have cast ballots pursuant to this section.

4. *Re-Election:* Voting Leadership Council Members can be elected to two (2) full three (3) year consecutive terms and a maximum of eight (8) consecutive years, if they fill a short term. After a voting Leadership Council Member has fulfilled the consecutive rule of the preceding sentence, he or she may not be reelected to a voting Leadership Council Member position for two (2) years. There is no ultimate limit on the number of years that a voting Leadership Council Member may serve.
5. *Forfeiture of Leadership Council Term:* If an elected Leadership Council Member is elected to be the President-Elect, Vice President, Secretary or Budget Officer, and either resigns, dies or is removed for cause pursuant to Paragraph 11 of this Article, the remainder of the Leadership Council term shall be forfeited, and a replacement shall be appointed in accordance with V.6.
6. *Inheritor of a Short Leadership Council Term:* If the forfeited term is with respect to the Leadership Council Member being elected as an Officer, the open Leadership Council position shall be filled by the Member who:
  - a. was on the slate of proposed Leadership Council Members,
  - b. was not elected as a Leadership Council Member or Officer and
  - c. had the next highest vote count on the Leadership Council slate at the Annual Meeting.

If there are not sufficient candidates, the President shall appoint a replacement Leadership Council Member and the appointment shall be approved by the Leadership Council.

If the short term is created due to a non-election cycle officer vacancy, the President shall appoint and the appointment shall be approved by the Leadership Council.

If a Leadership Council Member is elected or appointed to a short term that has greater than two (2) years remaining, that Leadership Council member can only be elected or appointed to one full three (3) year term. If the short term is two (2) years or less the Leadership Council Member could be elected to two (2) additional three (3) year terms.

7. *Limit on Members from Same Firm:* No election, re-election, or appointment to the Leadership Council shall cause more than three (3) Members from any one (1) firm, proprietorship, or organization employing enrolled actuaries, to serve as Leadership Council Members at the same time.
8. *Duties:* The Leadership Council shall set the strategic focus of the College and enact the rules and guidelines under which it operates. It shall also approve or deny all mid-term Leadership Council vacancies appointed by the President, occasioned by death or resignation or from any other cause; authorize committees as it may deem necessary for the conduct of the affairs of the College and assign any additional duties to officers and committees.
9. *Meetings:* An Annual Leadership Council Meeting shall be held during the date or dates and at the place of the Annual Business Meeting of the College at such time or times as may be designated by the President. Other meetings of the Leadership Council may be called by the President, to be held at such place as he or she may designate, or by any three Leadership Council Members, to be held at the main office of the College, or at such other place as a majority of the Leadership Council may agree. Meetings may be held by telephone or by means of electronic conferencing facilities and any vote taken at any such meeting shall have the same strength as if taken at a face-to-face gathering. Notice of such other meetings must be either mailed or electronically sent at least ten (10) days prior to the time of meeting stated in such notice. A special meeting may be arranged with less than ten (10) days notice provided that at least a quorum of the Voting Members agree, via electronic communication or in writing, to waive the ten (10) day notice requirement.
10. *Quorum:* The quorum required to conduct any regular or special meeting of the Leadership Council shall be seven (7) voting Leadership Council Members.

11. Removal of a Leadership Council Member for Cause:
  - a. An elected Leadership Council Member, who is incapable of fulfilling the duties of Leadership Council Membership, either due to neglect of duties or malfeasance in that position, shall either resign or be subject to removal as indicated herein.
  - b. Complaints that a Leadership Council Member or Members are incapable of fulfilling the duties of Leadership Council Membership, either due to neglect of duties or malfeasance in that position, shall first be brought to the attention of the Leadership Council. The Leadership Council, meeting at a regular or special meeting of the Leadership Council, shall determine whether to recommend to the membership that said Leadership Council Member or Members be removed provided, however, that no such determination shall occur until the Leadership Council Member or Members against whom a complaint were lodged have been advised of the complaint and given reasonable opportunity to present a defense before the Leadership Council. Unless two-thirds (2/3rds) of the Leadership Council Members present and voting determine to recommend removal, the Leadership Council Member or Members subject to the complaints shall remain on the Leadership Council.
  - c. Upon the determination discussed in the previous sub-paragraph, that a Leadership Council Member or Members are incapable of fulfilling the duties of Leadership Council Membership, either due to neglect of duties or malfeasance in that position, the Leadership Council shall immediately so inform the Membership, by electronic written notice.
  - d. The Election Commissioner shall arrange for an electronic vote of the membership to occur within sixty (60) days of the sending of the notice referred to in the prior sub-paragraph.
  - e. Notwithstanding the above, if the Election Commissioner determines that the conclusion of the electronic vote will not take place until there are fewer than 75 days remaining in the term of the affected Leadership Council Member before the Annual Business Meeting, the Election Commissioner may decline to arrange for the electronic vote and the position shall remain vacant until filled through the normal election process.

#### **Article VI - Officers**

1. *Composition:* Officers of the College shall consist of a President, a President-Elect, one (1) or more Vice Presidents, a Secretary, a Budget Officer and for a period of two (2) years following his or her presidency, a past President.

2. *Election and term of Office:* All officers shall be Members of the College. At each Annual Business Meeting of the College the President-Elect, Vice President(s), Secretary and Budget Officer shall be elected based on a report of the Election Commissioner. The Vice President(s), Secretary and Budget Officer shall each serve for a period one (1) year beginning at the close of the Annual Business Meeting following the election and continuing until the beginning of a successor's term. An officer's term shall expire at the end of the Annual Business Meeting. The President-Elect shall succeed to the Office of President without further vote.

Any vacancies shall be appointed by the President and approved by the Leadership Council with the exception of the President-Elect, who shall be subject to a Member vote. Any past President vacancy shall remain unfilled.

In the event that the office of President becomes vacant, the President-Elect shall automatically succeed to fill the vacancy for the unexpired term, and shall serve as President until the close of the Annual Business Meeting of the College after completing the remainder of the short term and a full one (1) year term.

A retiring President shall thereafter be permanently ineligible for election as President-Elect.

3. *Re-Election:* Vice President(s), Secretary and Budget Officer do not have term limits.
4. *Nominations and Voting:* The Election Commissioner shall solicit Officer Nominations from the Membership electronically no later than sixty (60) days prior to the beginning of the Annual Business Meeting. Upon receiving any Officer Nomination, the Election Commissioner shall immediately notify the Nominated Officer Candidate. All such Nominated Officer Candidates seeking election must submit an electronic Nomination Acceptance and a statement by another Member seconding the Nomination no later than thirty (30) days before the Annual Business Meeting, at which time the Nominations Process is closed. Upon the closing of the Nominations Process, the Election Commissioner shall notify all Members electronically of the identity of the Officer Nominees and shall arrange for the election of the Officers as described herein.

In the event that any Nominated Candidates have not submitted a Nomination Acceptance by the close of the Nominations Process or if there are an insufficient number of candidates for the open positions, the Election Commissioner shall so notify the Leadership Council, which shall have seven (7) days in which to choose and obtain the Nomination Acceptance of an Alternate Nominee or Nominees. In choosing any Alternate Nominee the Leadership Council is authorized to select and obtain a Nomination Second and Nomination Acceptance from any Member in Good Standing.

The Election Commissioner shall be ineligible to run as an Officer.

Voting for Officers shall be conducted electronically by the Election Commissioner. The Voting Process shall commence no later than twenty-one (21) days before the Annual Business Meeting and be completed at least three (3) business days before the Annual Business Meeting.

Those Nominees with the highest number of votes shall be elected. The President shall not vote, except in the event of a tie, and will do so at the Annual Business Meeting.

The Election Commissioner, or delegate, shall announce the voting results at the Annual Business Meeting. Results shall not be valid unless a quorum of one-tenth (1/10th) of the Members entitled to vote have cast ballots pursuant to this section.

5. *Duties:* In addition to such duties as may be assigned to officers from time to time by the Leadership Council, the members of the Executive Committee shall perform the following:

- a. President: The President shall preside at all Leadership Council Meetings, Business Meetings and Executive Committee Meetings of the College. He or she shall appoint the Election Commissioner, a Chairperson(s) for each committee authorized by the Leadership Council and a Leadership Council Liaison for each committee.

The President shall appoint members to various ASPPA committees and subcommittees including but not limited to the AMT, Membership, E&E, Conferences and GAC Co-Chair(s). In order to ensure actuarial representation at the highest levels of GAC, the President may appoint an additional GAC Co-Chair. Should additional actuarial GAC Co-Chairs be called for as specified in the Agreement, the President shall further appoint said Co-Chairs. The President shall also appoint the Chair and Vice Chair of the DBSC. These appointments must be approved by the Management Council of ASPPA.

Appointments will also be made for the Actuarial members of the DBSC. Unless the President elects to make a change any current appointment to the DBSC or intersocietal positions these posts shall be extended through the next operational year after the consolidation.

**Note:** ACOPA should give consideration to providing for the appointments through the Executive Committee, rather than unilaterally by the President.

- b. President-Elect: The President-Elect shall have such duties as may be assigned by the President or by the Leadership Council. In the

absence of the President, or in the event of his or her inability or refusal to act, the President-Elect shall perform the duties of the President.

- c. Vice Presidents: Each Vice President shall have such duties as may be assigned by the President or by the Leadership Council.
  - d. Secretary: The Secretary shall record and file minutes of all meetings of the College, the Leadership Council, and the Executive Committee; send all notices of meetings; and in general perform all customary duties of the office of Secretary.
  - e. Budget Officer: The Budget Officer shall prepare an annual budget and act as a liaison to the Finance and Budget Committee of ASPPA.
6. *Removal of an Officer for Cause:* An officer who is incapable of fulfilling the duties of office, due to malfeasance in that position, shall either resign or be subject to removal by the Leadership Council. The Leadership Council may remove such an Officer by an affirmative vote of two-thirds (2/3) of the Leadership Council present and voting at any regular or special meeting of the Leadership Council. A vote for removal shall occur only after the officer against whom a complaint has been lodged has been advised of the complaint and has been given reasonable opportunity to present a defense before the Leadership Council.

#### **Article VII - Executive Committee**

- 1. *Composition:* The Executive Committee shall consist of the President, President-Elect, Vice President(s), Secretary, Budget Officer and the most recent past President. All members of the Executive Committee are voting members.
- 2. *Duties:* The Executive Committee shall be responsible for managing ACOPA on a day-to-day basis. In addition all powers of the Leadership Council shall, between meetings of the Leadership Council, vest in the Executive Committee, except the power to:
  - a. Propose amendments to the Operating Principles, or
  - b. Fill vacancies among the Officers or Leadership Council membership.

The Executive Committee reports to the Leadership Council.

- 3. *Meetings:* The Executive Committee shall meet upon the call of the President or upon the call of any three (3) of its members.
- 4. *Quorum:* The quorum required to conduct any meeting of the Executive Committee shall be three (3) members of the Executive Committee.

5. *Appointment of Mediation and Arbitration Panels:* The Executive Committee shall appoint standing committees of three (3) members to serve on the Mediation Panel and on the Arbitration Panel for purposes of the Dispute Resolution provisions in Article XII.

### **Article VIII - Finances and Contracts**

1. *Dues:* All dues of Members shall be administered and collected by ASPPA staff.
  - a. *Amount:* The amount of dues shall be determined annually by ASPPA. For the first few years after the effective date of the Agreement certain Members of ACOPA shall receive a credit in the form of a dues reduction paid for by the amount of COPA reserves transferred to ASPPA as a result of the Agreement. The manner in which the reserves are allocated for dues offset is set forth in the Agreement.
  - b. Members ineligible for a credit shall be (1) those who were not COPA members on the date the dues credit amounts were made public pursuant to the Agreement, (2) government members and (3) retired members.
  - c. If a Member's membership lapses all future credits are forfeited even upon reinstatement.
2. *Budget:* ACOPA shall be provided a budget by ASPPA that ensures its ability to provide the needed services to actuaries as well as its commitments to ASPPA and the actuarial community. The ACOPA budget is subject to ASPPA's budget procedures, and approval of the ASPPA Board of Directors.

### **Article IX - Discipline**

The College will follow the ASPPA disciplinary processes, which include the ASPPA Code of Conduct for Actuaries and the procedures of the Actuarial Board for Counseling and Discipline.

### **Article X - Indemnification**

ASPPA shall maintain commercially reasonable insurance to protect members of the ACOPA Leadership Council against personal liability they may incur as a consequence of their activities on behalf ACOPA and ASPPA.

## **Article XI - Amendments**

The College may amend its Operating Principles from time to time by the following procedure:

1. Any proposed amendment must be approved by a majority of the Members of the Leadership Council.
2. As soon as practicable after approval by the Leadership Council, but not less than thirty-five (35) days prior to the date set by the Leadership Council for the return of ballots, a copy of the proposed amendment shall be either mailed or electronically sent by the Secretary to the Members of the College. Voting will be done electronically.
3. An amendment shall become effective when approved by at least fifty percent (50%), plus one (1), of the Voting Members.
4. To the extent an amendment is in consistent with the Agreement or conflicts with ASPPA's by-laws, such an amendment shall be null and void.

## **Article XII – Dispute Resolution**

The dispute resolution clause of the Agreement is hereby incorporated by reference into these Interim Operating Principles.

In the joint ASPPA and COPA development of ACOPA's responsibilities and the subsequent development of these Interim Operating Principles, ACOPA and its Members are given primary responsibility for many important items. The core of these responsibilities revolves around those items which are determined to be "actuarial issues". It is recognized that the determination of what is an actuarial issue is impossible to develop if the intent is to define an actuarial issue statically. That is, it is recognized that the definition of what is an actuarial issue and what is not an actuarial issue will be clarified and/or modified over time.

It is also recognized that any modifications must be made on a timely basis. To that end, the Agreement includes a methodology for initially defining what is an actuarial issue, but more importantly, also contains a methodology for modifying that definition over time in a timely manner.

The leaders of both ASPPA and ACOPA have agreed to provide a methodology to also ensure that ACOPA's input remains important and timely, which is incorporated into the "dispute resolution" provisions of the Agreement. The dispute resolution clause responds to all of the concerns raised by COPA's leadership in the development of the Agreement. There are certain items directly linked to the dispute resolution clause in these Interim Operating Principles. This is not meant to imply that these are the only items subject to the dispute resolution clause.

As stated above, the dispute resolution clause provides ample opportunity for ACOPA leadership to assert its influence in a time-appropriate and effective manner.

Included in these Interim Operating Principles is the recognition that effective use and implementation of the dispute resolution clause vests with the Leadership Council.

AMERICAN SOCIETY OF PENSION PROFESSIONALS AND ACTUARIES  
AND  
COLLEGE OF PENSION ACTUARIES, NFP  
TRANSFER AGREEMENT

**THIS TRANSFER AGREEMENT** (“Agreement”) is made effective as of the 23rd day of September, 2008 (the “Effective Date”), by and between the College of Pension Actuaries, NFP, a not-for-profit corporation organized under the laws of the State of Illinois (“COPA”), and the American Society of Pension Professionals and Actuaries, a non-profit nonstock corporation organized under the laws of the State of Texas (“ASPPA”).

**WHEREAS**, ASPPA and COPA are both membership organizations consisting of pension professionals and actuaries;

**WHEREAS**, ASPPA and COPA have entered into an agreement to create a semi-autonomous operating unit within ASPPA known as the ASPPA College of Pension Actuaries (“ACOPA”), which will serve as the primary source of professional organizational support for pension actuaries and will be charged with carrying out ASPPA’s responsibilities as one of the recognized U.S.-based actuarial organizations (the “Final Agreement”); and

**WHEREAS**, ASPPA desires to receive from COPA, and COPA desires to transfer and contribute to ASPPA, COPA’s assets and activities in accordance with this Agreement and the Final Agreement; and

**WHEREAS**, upon such transfer of assets and activities, ASPPA shall transfer all of COPA’s assets and activities into ACOPA and COPA will dissolve as an entity; and

**WHEREAS**, the operation of the activities of ACOPA is consistent with ASPPA’s nonprofit and Section 501(c)(6) tax exempt status.

**NOW, THEREFORE**, in consideration of the representations, warranties, covenants and agreements herein contained, the parties, intending to be legally bound, agree as follows:

**ARTICLE 1 - THE TRANSACTION**

1.1 **Transfer of Assets.** On the terms and conditions of this Agreement, except as provided in Section 1.3, and in accordance with the Final Agreement, COPA hereby transfers, conveys, assigns, contributes, and delivers to ASPPA, and ASPPA hereby accepts and receives from COPA, all right, title and interest in and to all of COPA’s assets and activities, including, without limitation, the assets set forth on Exhibit A (the “Assets”).

1.2 **Assumed Liabilities.** ASPPA hereby assumes: (a) all of COPA’s liabilities, obligations, or commitments arising out of, or relating to, the Assets and (b) any other liabilities, obligations, and commitments specifically assumed by ASPPA pursuant to the terms of this Agreement and the Final Agreement.

1.3 **Nonassignable Contracts.** Without limiting the obligations of COPA under Article 5 of this Agreement, a license, contract or agreement which by its terms is not assignable

without the consent of or notice to the other party or parties shall not be deemed to be assigned by this Agreement (or by any instrument or agreement executed in connection herewith) unless and until such consent shall have been obtained or such notice given. With respect to each such contract, until such time as such contract is assigned to ASPPA, COPA, at ASPPA's request and expense and at ASPPA's direction, shall take all reasonable actions (a) to preserve COPA's rights and obligations thereunder, (b) to confer on and deliver to ASPPA all other rights and benefits accruing to ASPPA thereunder, and (c) to permit ASPPA, in COPA's name, to fulfill all of COPA's obligations and duties thereunder.

## ARTICLE 2 - DELIVERIES

2.1 **Deliveries by COPA.** Upon execution of this Agreement or as soon thereafter as reasonably practicable, COPA shall execute and deliver to ASPPA such deeds, assignments, certificates of title, consents and other documents as may be reasonably requested by ASPPA in form and substance reasonably acceptable to ASPPA, in order to carry out the intentions and purposes of this Agreement.

2.2 **Deliveries by ASPPA.** Upon execution of this Agreement or as soon thereafter as reasonably practicable, ASPPA shall execute and deliver to COPA, in form and substance reasonably acceptable to COPA such other assignments, assumptions and other documents as may be reasonably requested by COPA in order to carry out the intentions and purposes of this Agreement.

2.3 **Dissolution upon Deliveries.** Upon the satisfaction of all required deliveries, COPA shall execute and file Articles of Dissolution with the Secretary of State of Illinois.

## ARTICLE 3 - REPRESENTATIONS AND WARRANTIES OF COPA

COPA represents and warrants to ASPPA as follows:

3.1 **Due Organization.** COPA is duly organized, validly existing, and in good standing under the laws of the state of Illinois, with full power and authority to carry on its business, as now being conducted by it. COPA is duly qualified or licensed to do business, and is in good standing, in each other jurisdiction where such qualification or licensing is necessary.

3.2 **Authorization.** COPA has all necessary power and authority, and full legal right, to execute and deliver this Agreement, to perform its obligations hereunder. The execution, delivery, and performance by COPA of this Agreement, have been duly authorized and approved by all necessary corporate action of COPA. This Agreement has been duly executed and delivered by COPA, and this Agreement constitutes a valid and binding obligation of COPA, enforceable against COPA in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, relief of debtors or similar laws affecting the rights of creditors generally and rules of law governing specific performance, injunctive relief, or other equitable principles and remedies (whether considered at law or in equity).

3.3 **Litigation.** There is no litigation, suit, proceeding, action, claim, demand or investigation, at law or in equity, pending or, to the knowledge of COPA, threatened against or

affecting COPA before any court, agency, authority or arbitration tribunal. To the knowledge of COPA, there are no facts that would likely result in any such litigation, suit, proceeding, action, claim or investigation. COPA is not subject to or in default with respect to any notice, order, writ, injunction or decree of any court, agency, authority, or arbitration tribunal.

3.4 **No Conflicts.** Neither the execution and delivery by COPA of this Agreement nor the performance by COPA of each of its obligations under this Agreement will: (a) result in a violation of any applicable law; (b) conflict with COPA's Articles of Incorporation or other organizational or governance documents; or (c) result in the breach of, or constitute a default under, any agreement or instrument to which COPA is a party, or by which COPA or any of its assets are bound, except in the case of (a) and (c), where such violation, breach or default would not have a material adverse effect on COPA's assets or business.

#### **ARTICLE 4 – REPRESENTATIONS AND WARRANTIES OF ASPAA**

ASPPA hereby represents and warrants to COPA as follows:

4.1 **Due Organization.** ASPPA is a corporation duly organized, validly existing, and in good standing under the laws of the State of Texas, with full corporate power and authority to carry on its business, as now being conducted by it. ASPPA is duly qualified or licensed to do business, and is in good standing, in each other jurisdiction where such qualification or licensing is necessary.

4.2 **Authorization.** ASPPA has all necessary power and authority, and full legal right, to execute and deliver this Agreement, to perform its obligations hereunder. The execution, delivery, and performance by ASPPA of this Agreement, have been duly authorized and approved by all necessary corporate action of ASPPA. This Agreement has been duly executed and delivered by ASPPA, and this Agreement constitutes a valid and binding obligation of ASPPA, enforceable against ASPPA in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer, relief of debtors or similar laws affecting the rights of creditors generally and rules of law governing specific performance, injunctive relief, or other equitable principles and remedies (whether considered at law or in equity).

4.3 **Litigation.** There is no litigation, suit, proceeding, action, claim, demand or investigation, at law or in equity, pending or, to the knowledge of ASPPA, threatened against or affecting ASPPA before any court, agency, authority or arbitration tribunal. To the knowledge of ASPPA, there are no facts that would likely result in any such litigation, suit, proceeding, action, claim or investigation. ASPPA is not subject to or in default with respect to any notice, order, writ, injunction or decree of any court, agency, authority, or arbitration tribunal.

4.4 **No Conflicts.** Neither the execution and delivery by ASPPA of this Agreement nor the performance by ASPPA of its obligations under this Agreement will: (a) result in a violation of any applicable law; (b) conflict with ASPPA's Articles of Incorporation or other organizational or governance documents; or (c) result in the breach of, or constitute a default under, any agreement or instrument to which ASPPA is a party, or by which ASPPA or any of its assets are bound, except, in the case of (a) and (c), where such violation, breach or default would not have a material adverse effect on ASPPA's assets or business.

## ARTICLE 5 - COVENANTS

5.1 **Further Actions; Cooperation.** Subject to the terms and conditions herein provided, each party agrees to use (a) all reasonable efforts promptly to take, or cause to be taken, all actions and do or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Agreement including the satisfaction of all conditions thereto as reasonably practicable, (b) cooperate with and furnish information to the other party to the extent required by such party in connection with the transactions contemplated by this Agreement and (c) use its reasonable efforts to obtain consents of all third parties and governmental authorities necessary to the consummation of the transactions contemplated by this Agreement.

## ARTICLE 6 - GENERAL

6.1 **Amendments and Waiver.** No amendment, waiver or consent with respect to any provision of this Agreement shall in any event be effective, unless the same shall be in writing and signed by the parties hereto, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.2 **Notices.** All notices, requests, consents, demands and other communications hereunder must be in writing and either (a) personally delivered (with receipt), (b) sent by registered or certified mail, postage prepaid, (c) sent by telecopier with electronic confirmation, or (d) sent by prepaid courier service with receipt to the addresses of the parties hereto, or such other addresses as are provided in a subsequent notice.

6.3 **Headings.** The article, section and other headings contained herein are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

6.4 **Successors and Assigns.** This Agreement, and the rights and obligations of the parties hereunder, shall inure to and be binding on the parties and their respective successors and assigns. No party may assign this Agreement to any person without the express prior written consent of the other parties hereto.

6.5 **Entire Agreement.** This Agreement and the documents referred to herein contain the entire agreement and understanding among the parties with respect to the transactions contemplated hereby and supersede all other agreements, understandings and undertakings among the parties on the subject matter hereof.

6.6 **Partial Invalidity.** In the event that any provision of this Agreement or the application thereof to any person or circumstances shall be held invalid or unenforceable in any jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

6.7 **Governing Law.** This Agreement shall be construed, enforced and interpreted in accordance with the substantive laws of the State of Texas applicable to contracts made and to be performed wholly within said state, without regard to its conflicts of law principles.

6.8 **No Third Party Rights.** This Agreement does not create any rights, claims or benefits inuring to any person that is not a party hereto or create or establish any third-party beneficiary hereto.

6.9 **Counterparts.** This Agreement may be executed in any number of counterparts and any party may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered (which deliveries may be by facsimile) by the parties.

6.10 **Survival of Representations, Warranties and Covenants.** All representations, warranties and covenants made by either party in or pursuant to this Agreement or in any document delivered pursuant hereto shall survive until the first (1st) anniversary of the date of this Agreement.

**IN WITNESS WHEREOF**, each of the parties has executed or caused this Transfer Agreement to be executed on its behalf by a duly authorized officer all as of the Effective Date.

AMERICAN SOCIETY OF PENSION  
PROFESSIONALS AND ACTUARIES

By: \_\_\_\_\_

COLLEGE OF PENSION ACTUARIES, NFP

By: \_\_\_\_\_

**EXHIBIT A**

[List of Assets]