

3. Regulatory compliance process and documentation The Responsibilities of the DC Pension Committee are:
- 1) To regularly monitor plan benefit adequacy and tax effectiveness in light of industry trends and legislative changes and recommend changes to the Finance Audit and Risk Management Committee as appropriate.
 - 2) To regularly benchmark plan design and costs against industry best practices and recommend changes to the Finance, Audit and Risk Management Committee as appropriate.
 - 3) To review, at least annually, the investment performance and usage of investment options by members as provided by the Record keeper and Fund Managers.
 - 4) To recommend to the, Finance Audit and Risk Management Committee changes to the investment structure as appropriate and implement the changes approved by the Board of Directors.
 - 5) To recommend to the, Finance Audit and Risk Management Committee changes to the investment policy as appropriate and implement the changes ultimately approved by the Board of Directors.
 - 6) To recommend to the Finance, Audit and Risk Committee changes to fund managers as appropriate and implement the changes ultimately approved by the Board of Directors.
 - 7) To review every third calendar year the competitiveness of administration and investment management fees.
 - 8) To convene a meeting no less frequently than once a year to formally review the performance of the Record Keeper and Fund Managers and the overall plan administration.
 - 9) To approve changes to the administration process recommended by Senior Management.
 - 10) To approve standards for service required from the service providers based on recommendations from Senior Management.
 - 11) To approve a change in Record Keeper and Fund Managers recommended by Senior Management.
 - 12) To review communications provided to members in light of employee investment trends under the Plan. In no event shall the DC Pension Committee be responsible for reviewing the investment elections and asset mix of individual members.
 - 13) To monitor the effectiveness of the communication and education material distributed to Plan members.

- 14) To meet no less frequently than every second year with the Record keeper and Fund Managers and other agents of the Plan to review the operation of the Plan.
- 15) To recommend to the Finance, Audit and Risk Management Committee changes to the policy and structure as appropriate and implement the changes ultimately approved by the Board of Directors which relate to the mandate of the DC Pension Committee.
- 16) To interpret the rules of the Plan in the event of questions raised by employees.
- 17) To perform such other functions as requested from time to time by the Finance Audit and Risk Management Committee or the Board of Directors.

4. Governance

A detailed description of the structure is presented in Appendix A. The following outlines the structure that applies in relation to the governance of the Plan:

Board of Directors	<ul style="list-style-type: none"> ▪ Ultimate responsibility with respect to Plan design, investment, communication strategy and structure; and ▪ Adopts resolutions on all matters requiring Board approval.
Finance, Audit and Risk Management Committee	<ul style="list-style-type: none"> ▪ Makes recommendations to the Board regarding changes to Plan design, investment, communication strategy and governance and Terms of Reference; and ▪ Approval of the financial statements/Auditor's report.
DC Pension Committee	<ul style="list-style-type: none"> ▪ Ultimate responsibility with respect to administration; ▪ Performs monitoring activities (investment and Plan operations) to meet Plan governance obligations; and ▪ Makes recommendations to Finance Audit and Risk Management Committee regarding changes to Plan design, investment, communication strategy and structure.
Senior Management	<ul style="list-style-type: none"> ▪ Monitors administration and communication activities; ▪ Makes recommendations to the DC Pension Committee on changes to the administration process and to the communication/education material; and ▪ Prepares plan documentations and is responsible for regulatory filings.
Record keeper and Fund Managers	<ul style="list-style-type: none"> ▪ Administers the plan as per plan documentation, the service agreement with the School and applicable legislation; ▪ Invests contributions and processes transactions as directed by members and according to plan rules; and ▪ Prepares communication material and communicates with members

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| Consultant | <ul style="list-style-type: none"> ▪ Assists in planning changes to the plan design, investment, administration, communication and governance functions; ▪ Informs Senior Management on Industry best practices with respect to design, administration, investment, communication and regulatory compliance and suggests changes as appropriate; and ▪ Assists in monitoring of the performance of fund managers and plan operations. |
| Auditor | <ul style="list-style-type: none"> ▪ Prepares audited financial statements. |

5. Composition

The membership of the DC Pension Committee shall consist as follows:

Ex-Officio

- Chief Administrative Officer (CAO) or designate
- Director of Finance
- Director of Human Resources

Appointed

- 1 Director appointed by the Board of Directors
- 1 member of the Legal profession appointed by Board of Directors
- 1 member of the Management Group appointed by the Management Steering Group (MSG)
- 2 members appointed by OPSEU Local 677 Unit 1
- 2 members appointed by OPSEU Local 677 Unit 2
- 1 member appointed from the non-bargaining, non-management group appointed by the group

Ex-Officio Non-Voting

HR Coordinator (Payroll, Pension and Benefits)

Membership appointments to the DC Pension Committee shall run for a maximum of three (3) years. DC Pension Committee members may be reappointed by the respective groups for further terms.

A member may resign from the DC Pension Committee, provided that any member appointed by the Board may have the membership terminated at any time by the Board. A replacement shall serve until the end of the term of the member who was replaced.

The Chair for the DC Pension Committee shall be elected by the DC Pension Committee. The term for a Chair shall be 3 years and is renewable.

6. Meetings

- 1) There shall be at least 2 meetings in each calendar year.
- 2) Quorum shall be a majority of members. If vacancies are not filled within 30 days, then the quorum for any meeting becomes the majority of the number of voting members left on the committee until the vacancy is filled.

- 3) Meetings can be conducted in person, by phone or videoconference.
- 4) The Chair shall convene the meeting date and distribute an agenda, with supporting reports and documentation, to each Committee member at least 5 working days prior to each meeting.
- 5) The minutes of the meeting shall be approved or amended at the beginning of the next meeting.

7. Delegation of Responsibilities

- 1) The DC Pension Committee may delegate any of its responsibilities relating to the Plan if the members of the Committee do not possess the required expertise or the necessary time to properly discharge its responsibilities relating to the Plan.
- 2) The DC Pension Committee is responsible to monitor the actions of any party to which a responsibility or function has been delegated, to ensure that they are properly discharging their duty and that the responsibilities under the Plan are being properly carried out.

8. Fees and Expenses

DC Pension Committee members shall serve without compensation and shall be reimbursed for all reasonable expenses incurred in their capacities as members of the Committee.

9. Indemnification

The School will indemnify and save harmless each member of the DC Pension Committee against all loss, liability and costs reasonably incurred by him/her in respect of any action or proceedings to which he/she is made a party by reason of being or having been a member of the DC Pension Committee, unless as a result of willful wrongdoing or dishonesty of the member.

10. Liability Insurance

The School maintains general insurance covering anyone acting on behalf of the School.

11. Conflict of Interest

No member of the DC Pension Committee may exercise powers in their own interest or in the interest of a third person, nor may they place themselves in a situation of conflict between personal interest and the duties of this office.

Every member of the DC Pension Committee shall, without delay, notify the DC Pension Committee in writing of any interest in an enterprise that is susceptible of causing personal interest

to conflict with the duties of this office, and of any rights, other than those arising from the Plan, the member may have in or may invoke against the Fund, specifying, where such is the case, the nature and value of such rights. Every interest or right so notified shall be recorded in the register kept by the DC Pension Committee for such purpose.

The DC Pension Committee may decide, by a majority vote, that a member who has a conflict of interest, must refrain from participating in any decision relating to the investment of the fund of the Plan that relates to the conflict of interest.

12. Document Retention

The DC Pension Committee shall maintain in a central location the following documents:

- 1) The text of the Plan and supporting documents;
- 2) The Terms of Reference of the DC Pension Committee;
- 3) The Investment Policy;
- 4) Audited Financial statements;
- 5) Financial Reports;
- 6) Investment Performance Report and Executive Summary;
- 7) Record keeper and Fund Managers Performance Report and Executive Summary;
- 8) Employee brochure;
- 9) A book containing the minutes of proceedings of its meetings and its decisions;
- 10) Topical status reports (legislative changes, benchmarking information, and market trends); and
- 11) All other documents that may be consulted by an eligible Employee, a Member or a Beneficiary pursuant to provisions of the Pension Legislation.

13. Reporting

The DC Pension Committee, via the Chief Administration Officer will submit reports the Finance, Audit and Risk Management Committee of the Board on the activities and recommendations of the Committee. A chart outlining the monitoring and reporting for this committee is detailed in Appendix B.

14. STAFF AND RESOURCE SUPPORT

The Chief Administrative Officer and Director of Human Resources shall provide staff and resource support to the Committee.

15. Version control and change history:

DO NOT REMOVE THIS DOCUMENT HISTORY RECORD		
Version	Date	Authors/Comments/Amendments/Approvals
V1.0	21 Sept 2005	As approved by the Finance & Audit Committee. Board Approved Establishment of Committee – Guided Recommendation from Mercer Investment Consulting (original document developers)
V1.1	12 May 2007	Amendment to membership. [December 14, 2006 - the DC Pension Committee shall be composed of at least ten (10) members; the three (3) additional members being: one (1) Faculty employee, one (1) Non Faculty employee and the Chief Administration Officer (or delegate).] Board approved changes recommended by Finance & Audit Committee.
V1.2	04 Dec 2009	Amendment to membership - add an additional position representing Non-Union Staff and change the current Non-Faculty Employee with a Staff Union position. Board approved changes recommended by Finance & Audit Committee.
V1.3	17 Sept 2012	Amendment to membership - the DC Pension Committee shall be composed of eleven (11) members. This has been clarified that Employee representation includes: two (2) Unit 1 members, two (2) Staff Unit members and one (1) employee who is both non-bargaining unit and non-management (through this clarification, the removal of the term “non-faculty” employee from previous ToRs). Effective 31 July 2012, the member from the Communications Unit will be replaced with a member from the Senior Leadership Group (SLG). Board approved changes recommended by Finance & Audit Committee. Note: Originally, the DC Pension Committee was composed of seven (7) members.
V2.0	Pending	Full review of terms of reference – changes made to be consistent with current practices, changes to names of groups and committees, clerical amendments.

DC Pension Committee Governance Structure Chart – Appendix A

Board of Directors

Activities	Planning	Operational	Oversight	Information
	Approves	Approves	Monitors	Receives
Plan Design	<ul style="list-style-type: none"> Adoption/termination of plan Changes to plan design 			
Investment	<ul style="list-style-type: none"> Selection of and changes to fund managers Investment structure (range of investment options/ beliefs) and changes Investment policy and changes 			<ul style="list-style-type: none"> Executive Summary on performance of fund managers and usage of investment options (annually)
Administration				<ul style="list-style-type: none"> Executive summary on performance of record keeper (bi-annually)
Communication/ Education	<ul style="list-style-type: none"> Communication strategy and changes 			
Compliance/ Documentation	<ul style="list-style-type: none"> Governance policy and structure Approval of Financial statements/ auditor's report 			

Finance, Audit and Risk Management Committee (FARM Committee)

Activities	Planning	Operational	Oversight	Information
	Recommends to Board	Recommends to Board	Monitors	Receives
Plan Design	<ul style="list-style-type: none"> Recommendation on plan design changes 			<ul style="list-style-type: none"> Benchmarking on design and costs
Investment	<ul style="list-style-type: none"> Recommendation on choice of and changes to fund managers Recommendation on and changes to investment structure Recommendation on and changes to investment policy 			<ul style="list-style-type: none"> Executive Summary on performance of fund managers and usage of investment options (annually)
Administration				<ul style="list-style-type: none"> Executive summary on performance of record keeper (bi-annually)

DC Pension Committee Governance Structure Chart – Appendix A

Communication/ Education	<ul style="list-style-type: none"> • Recommendation on and changes to communication plan 			
Compliance/ Documentation	<ul style="list-style-type: none"> • Recommendation on and changes to governance policy and structure • Recommendation on approval of Financial statements/ auditor's report 			

DC Pension Committee

Activities	Planning	Operational	Oversight	Information
	Recommends to FARM Committee/Executes	Approves/Recommends to FARM Committee/ Executes	Monitors	Receives
Plan Design	<ul style="list-style-type: none"> • Recommendation on plan design changes 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Plan adequacy and tax effectiveness • Regular benchmarking on design and costs 	<ul style="list-style-type: none"> • Legislative changes • Benchmarking information • Best Industry practice
Investment	<ul style="list-style-type: none"> • Recommendation on choice of and changes to fund managers • Recommendation on and changes to investment structure • Recommendation on and changes to investment policy 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Performance on fund managers/GIC and usage of investment options (annually) • Competitiveness of fees (every third year) 	<ul style="list-style-type: none"> • Legislative changes • Benchmarking information • Best industry practice • Report on performance of fund managers and usage of investment options (annually) • Performance on fund managers/GIC (quarterly) • Annual meetings
Administration	<ul style="list-style-type: none"> • Selection of and changes to record keeper • Approval on service standards 	<ul style="list-style-type: none"> • Plan Interpretation • Approval of changes to administrative process • Approval of service standards 	<ul style="list-style-type: none"> • Performance on record keeper (annually) • Overall plan administration 	<ul style="list-style-type: none"> • Benchmarking information • Best industry practice • Report on performance of record keeper (annually) • Annual meetings
Communication/ Education	<ul style="list-style-type: none"> • Recommendation on and changes to communication plan 	<ul style="list-style-type: none"> • Approval of changes to communication/ education material 	<ul style="list-style-type: none"> • Effectiveness of communication/ education • Communication/ education to employees 	<ul style="list-style-type: none"> • Legislative changes • Benchmarking information • Best industry practice • Annual meetings
Compliance/ Documentation	<ul style="list-style-type: none"> • Recommendation on and changes to governance policy and structure 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Legislative changes • Overall compliance 	<ul style="list-style-type: none"> • Legislative changes • Financial statements/ Auditor's report

DC Pension Committee Governance Structure Chart – Appendix A

Senior Management (HR and Finance)

Activities	Planning	Operational	Oversight	Information
	Recommends to DC Pension Committee/ Executes	Recommends to DC Pension Committee / Executes	Monitors	Receives
Plan Design		<ul style="list-style-type: none"> Regular benchmarking on design and costs 	<ul style="list-style-type: none"> Plan adequacy and tax effectiveness 	<ul style="list-style-type: none"> Legislative changes Benchmarking information Best Industry practice
Investment		<ul style="list-style-type: none"> Negotiation of fees with record keeper Performance on fund managers/ GIC (quarterly- Manulife site) 		<ul style="list-style-type: none"> Legislative changes Benchmarking information Best industry practice
Administration	<ul style="list-style-type: none"> Recommendation on and changes to record keeper Recommendation on service standards 	<ul style="list-style-type: none"> Recommendation on choice of changes to record keeper Negotiation of feeds with record keeper Deduction of contributions from payroll Reconciliation of cash flow report with payroll deduction (monthly) Recommends changes to administration process 	<ul style="list-style-type: none"> Day to day plan administration 	<ul style="list-style-type: none"> Benchmarking information Best industry practice
Communication/ Education		<ul style="list-style-type: none"> Preparation of communication material Recommends changes to communications/ education material 	<ul style="list-style-type: none"> Promotion of awareness and understanding of plan among members Communication/ education material 	<ul style="list-style-type: none"> Legislative changes Benchmarking information Best industry practice
Compliance/ Documentation		<ul style="list-style-type: none"> Preparation of all plan documentation Filing required documents with governmental authorities Financial statements/ Auditor's report 		

Record keeper and Fund Managers

Activities	Planning	Operational	Oversight	Information
		Executes		

DC Pension Committee Governance Structure Chart – Appendix A

Plan Design				
Investment		<ul style="list-style-type: none"> • Investment of contributions as soon as received as per investment instructions/ investment policy 		
Administration		<ul style="list-style-type: none"> • Plan administration as per plan documentation • Maintenance of individual records • Allocation of contributions among selected options • Processing of settlements • Preparation of members quarterly statements, event statements and necessary forms • Preparation of monthly financial reports • Extraction of data when needed 		
Communication/ Education		<ul style="list-style-type: none"> • Preparation of communication material (pre-approval of NOSM required) • Direct communication with participants 		
Compliance/ Documentation				

Consultants (Mercer)

Activities	Planning	Operational	Oversight	Information
	Assists	Executes/Provides	Monitors	Receives
Plan Design	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Suggestion of changes • Benchmarking information • Information on best industry practice 	<ul style="list-style-type: none"> • 	
Investment	<ul style="list-style-type: none"> • Assistance in establishment of and changing investment structure, fund managers and GICs • Assistance in drafting and changing investment policy 	<ul style="list-style-type: none"> • Information on best industry practice 	<ul style="list-style-type: none"> • Preparation of report on performance of fund managers and usage of investment options (annually) • Preparation of executive summary (semi-annually) 	

DC Pension Committee Governance Structure Chart – Appendix A

Administration	<ul style="list-style-type: none"> • Assistance in selecting and changing record keeper 	<ul style="list-style-type: none"> • Assistance in reviewing plan administration 	<ul style="list-style-type: none"> • Preparation of report on performance of record keeper (annually) • Preparation of executive summary on performance of record keeper (annually) 	
Communication/ Education	<ul style="list-style-type: none"> • Assistance in defining and changing the communication system 	<ul style="list-style-type: none"> • Assistance in preparing and changing communication material • Information on best industry practice • Participation to seminars with participants 		
Compliance/ Documentation	<ul style="list-style-type: none"> • Assistance in establishing and changing governance policy and structure 	<ul style="list-style-type: none"> • Information on best industry practice 		

Auditor

Activities	Planning	Operational	Oversight	Information
		Executes		
Plan Design				
Investment				
Administration				
Communication/ Education				
Compliance/ Documentation		<ul style="list-style-type: none"> • Preparation of audited financial statements 		

DC Pension Committee - Monitoring and Reporting Framework
Appendix B

Name of Report	Submitted To	Purpose & Description	Frequency	Prepared or Delivered by
Financial reports	Senior Management	Allow reconciliation of cash flows with payroll deduction	Monthly	Record keeper & Fund Manager
Personal Statements	Plan members	Provide account balance information to members	Semi-annually (June 30 and Dec. 31)	Record keeper
Audited Financial Statements	Senior Management DC Pension Committee FARM Committee Board of Directors	Audited Financial Statements	Annually (Dec. 31)	External Auditor
Investment Performance report	DC Pension Committee	Detailed report on fund managers to assess performance of funds offered (quantitative & qualitative review)	Annually (Dec. 31)	Consultant (Mercer)
Investment Performance Executive Summary	DC Pension Committee FARM Committee Senior Management	Extract from detailed Report on fund managers performance (Dec. 31) and performance summary (Jun. 30)	Semi-annually (June 30 and Dec. 31)	Consultant (Mercer)
Plan Operation Review Report	DC Pension Committee	Detailed report on Plan operations including certificate of compliance with legislation/Plan specifications/service agreement, usage of fund options to identify communication needs and assessment of fee competitiveness	Annually (Jun. 30)	Consultant (Mercer)
Plan Operation Performance Executive Summary	DC Pension Committee FARM Committee Senior Management	Extract from detailed report on Plan operations	Annually (Jun. 30)	Senior Management
Communication/ Education material	Senior Management DC Pension Committee	Provide information to members on investment	As requested by the DC Pension Committee	Record keeper Consultant (Mercer)
Topical Status Report	Senior Management DC Pension Committee FARM Committee Board of Directors	Status reports on legislative changes, benchmarking information and best industry practice to confirm competitiveness of Plan	As requested by the DC Pension Committee or the Board of Directors	Senior Management Consultant (Mercer)