
Pension Committee Terms of Reference

A) PURPOSE

The purpose of the Pension Committee ("Committee") is:

- (1) to oversee, review, report and, where appropriate, approve or provide recommendations to the Board regarding Pension Plan matters and policies including but not limited to Pension Plan strategies, the Corporation's responsibilities as Pension Plan Sponsor and the Corporation's fiduciary responsibilities as Pension Plan Administrator; and
- (2) to make investment decisions in accordance with the Statement of Investment Policies and Procedures adopted and modified, from time to time, by the Board on recommendation of the Committee and to oversee the investment managers.

B) DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board assigns to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

Pension Plan Administration

- (1) assist the Board in the discharge of the Corporation's fiduciary responsibilities relating to the Pension Plan(s);
- (2) review and recommend changes to the governance structure for the Pension Plan(s);
- (3) review and recommend the Pension Plan(s) mission, vision and objective;
- (4) review and recommend the Pension Plan(s) administration mandates;
- (5) review the Pension Plan(s) design, which creates or supports the Pension Plan(s);
- (6) review and recommend the Pension Plan texts, amendments thereto and other documents which create or support the Pension Plan(s);
- (7) recommend to the Board policies and procedures for resolving disputes concerning the administration of the Pension Plan(s) and the interpretation of the texts of the Pension Plan(s) and other documents which create and support them and periodically review such policies and procedures to ensure they continue to be appropriate and make recommendations to the Board for improvements;
- (8) review benefit policies and amendments thereto;
- (9) review the funding and cost sharing policies and employer/employee contribution rates;
- (10) review and recommend reciprocal transfer agreement(s) with any participating employer, as required;
- (11) review and report on Pension Plan operations and activities;

- (12) oversee compliance with applicable pension legislation and regulations;
- (13) review the Pension Plans(s) Proxy Voting Guidelines at least every three years and approve any amendments thereto;
- (14) review the Pension Plan annual report(s) and annual financial statements, including the accounting policies, used in the statements;

Investments

- (15) conduct an in-depth review of the asset mix at least every three years;
- (16) review annually and recommend amendments, if any are required, to the Statement of Investment Policies and Procedures including investment mandates and investment matters such as:
 - a) categories of investments and loans;
 - b) diversification of the investment portfolios;
 - c) asset mix and rate of return expectations;
 - d) liquidity of investments;
 - e) the lending of cash or securities;
 - f) the retention or delegation of voting rights acquired through plan investments;
 - g) the method of, and basis for, the valuation of investments that are not regularly traded at a public exchange; and
 - h) related party transactions permitted by law.
- (17) select, retain and change investment managers to execute investment mandates;
- (18) oversee investment performance;

Funding and actuarial matters

- (19) review and recommend to the Board:
 - a) the acceptance of the results of the actuarial valuation of the Registered Pension Plan, and
 - b) authorization for the actuary to file the actuarial valuation report with the appropriate regulatory authorities;
- (20) review and recommend to the Board the acceptance of the results of the actuarial valuation of the Supplementary Retirement Arrangement;
- (21) review and recommend actuarial assumptions, including rate of return assumptions, and policies effecting funding for the Pension Plan(s);
- (22) make recommendations to the Board with respect to the retention of the actuary(s);

Advisory Groups

- (23) oversee and receive reports from the Investment Advisory Committee and the Pension Advisory Council on those responsibilities and duties that may be delegated to them by the Board and report thereon to the Board;
- (24) appoint the members to the Investment Advisory Committee and to the Pension Advisory Council;

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- (25) approve competency profiles for those members of the Investment Advisory Committee who are not directors of the Corporation;
 - (26) recommend procedures to identify and deal with conflicts of interest and codes of conduct for Investment Advisory Committee members;

General

- (27) make recommendations to the Board on the appointment of the Vice-President, Pension Fund and Chief Investment Officer and on competency profiles for those senior employees of the Corporation who are responsible for decisions regarding the administration of the Pension Plan(s) and the investment of assets of the Pension Plan(s), such as the Vice-President, Pension Fund and Chief Investment Officer;
- (28) appoint the Pension Risk Management Officer and receive from the Pension Risk Management Officer quarterly reports on the risk exposures of the Pension Plan(s);
- (29) cause the Corporation to retain such persons or entities and enter into such agreements and arrangements as the Committee determines necessary to carry out its responsibilities under these terms of reference;
- (30) periodically review these terms of reference and the terms of reference for the Investment Advisory Committee and the Pension Advisory Council to ensure that they continue to be appropriate and, as deemed necessary, make recommendations to the Board for improvement;
- (31) perform such other functions as assigned by law, the Corporation's By-laws, or the Board;
- (32) Meetings of the Committee:
 - a) meet regularly, not less than four times a year, and at such other times as may be requested by the Chairperson;
 - b) the Chairperson of the Committee shall set the agenda and the annual Timeline ("Workplan") which shall then be circulated among the Committee members. Ordinarily the Chairperson will set the agenda in consultation with the Chief Financial Officer and the Vice-President, Pension Fund and Chief Investment Officer;
 - c) the President and Chief Executive Officer, the Chief Financial Officer and the Vice-President, Pension Fund and Chief Investment Officer shall have direct access to the Committee and shall receive notice of and may attend all meetings of the Committee, except where the Committee meets in camera with members of Senior Management or only with members of the Committee.

Revised: October 19, 2011