

## **Policy**

The Teachers' Pension Board of Trustees will adhere to the roles and responsibilities of trustees as outlined in the following Articles of the Joint Trust Agreement:

1. Article 6 – Powers, Functions and Duties of the Board
2. Article 14 – Fiduciary Responsibilities

**Approved:** December 5 and 6, 2023

**Effective:** January 1, 2024

## APPENDIX A

### ARTICLE 6. – POWERS, FUNCTIONS AND DUTIES OF THE BOARD

#### 6.1. General.

The Board has all powers necessary to enable it to administer the Pension Plan and manage the Pension Fund, subject only to the limitations set out in this Joint Trust Agreement, the Pension Plan Rules, the Act, the PBSA<sup>1</sup> and all other applicable laws.

#### 6.2. Management and Investment of Pension Fund.

The Board must invest and manage the Pension Fund in a prudent manner. Without limitation, the Board must:

- (a) establish a written statement of investment policies and procedures for the Pension Fund in accordance with the PBSA<sup>1</sup>;
- (b) monitor the performance of the Plan Administrative Agent and the Plan Investment Agents;
- (c) ensure that the money and assets of the Pension Fund are invested or loaned in the best financial interests of the Plan Members and, in doing that, must:
  - (i) exercise the care, diligence and skill that a person of ordinary prudence would exercise when dealing with the property of another person; and
  - (ii) make the investments and loans in accordance with the provisions of the PBSA<sup>1</sup> and other regulatory requirements;
- (d) ensure that the Plan Administrative Agent keeps an account of all money and assets received and paid out of the Pension Fund and keeps an accounting of the assets and liabilities of the Pension Fund;
- (e) ensure that the Plan Administrative Agent keeps an individual record of contributions made by each Plan Member, and
- (f) ensure that the Pension Plan and Pension Fund are administered in compliance with this Joint Trust Agreement, the Pension Plan Rules, the Act, the PBSA<sup>1</sup> and all applicable laws.

<sup>1</sup>Pension Benefits Standards Act

### 6.3. Direction to Plan Administrative Agent

The Board must direct the Plan Administrative Agent respecting:

- (a) the application of the Pension Plan Rules;
- (b) the negotiation of agreements on behalf of the Board with a person, class of persons or body, including agreements which may differ from the Pension Plan Rules, respecting:
  - (i) portability of pension benefits;
  - (ii) pension-based early retirement incentive programs;
  - (iii) continuation of Pension Plan membership in the case of employer merger or reorganization;
  - (iv) provision of benefits in addition to those provided for in the Pension Plan Rules;
  - (v) reporting requirements on behalf of Employers under the ITA; and
  - (vi) any other agreements the Board considers to be advisable;
- (c) the implementation of any agreements entered into by the Board; and
- (d) the service standards necessary for providing the appropriate quality and level of service to Plan Members.

### 6.4. Functions and Duties

The Board must carry out the following functions and duties:

- (a) adopt an annual budget for Pension Plan administration, investment management of the Pension Fund and the activities of the Board;
- (b) prepare an annual report, including audited financial statements, on the Pension Plan and Pension Fund;
- (c) obtain an actuarial valuation and report on the Pension Plan and the Pension Fund at least every three years;
- (d) establish a written governance policy and funding policy for the Pension Plan in accordance with the PBSA, provided that the Board must consult with the Partners when considering changes to the funding policy that relate to contribution rates;
- (e) assess the administration of the Pension Plan at the times and in the manner required by the PBSA;
- (f) retain professional, technical and other advisors that it considers necessary and determine the remuneration and reimbursement for expenses to which they are entitled;

- (g) provide for the financial administration of the Pension Plan by:
- (i) having an accounting system established for the proper reporting and accountability to the Board in a timely manner and as a reasonable cost;
  - (ii) having annual financial statements of the Pension Plan prepared in accordance with generally accepted accounting principles;
  - (iii) having a financial reporting audit performance on the financial statements referred to in subparagraph (ii), and
  - (iv) providing to the Partners an annual report on the Pension Plan, including the audited financial statements.

#### 6.5. Resolutions, Committees and Appointments.

The Board may:

- (a) pass resolutions it considers necessary or advisable to administer the Pension Plan and the Pension Plan and to exercise the Board's powers and perform its duties;
- (b) establish committees or panels of the Board, and determine the composition, duties, responsibilities, limitations and operating procedures of those committees or panels;
- (c) appoint persons other than Trustees to a committee or panel referred to in subsection (b), and set the term of appointment to the committee or panel that applies to those persons;
- (d) appoint Trustees to the boards of the Pension Corporation and the Investment Management Corporation, or to the boards of directors or trustees of other bodies corporate or trusts; and
- (e) rescind an appointment made under subsections (c) or (d).

#### 6.6. Power to Settle Claims.

The Board may, if and as it thinks fit, compromise, compound, abandon, submit to arbitration or otherwise settle a debt, account, claim or other thing relating to the Pension Plan or the Pension Fund. For any of these purposes, the Board may enter, give, execute and do the agreements, instruments of composition or arrangement, releases and other things that the Board considers expedient.

#### 6.7. Appointment of Auditor

The Board must engage the services of an auditor to perform, at least once in each year, an audit of the financial statements of the Pension Plan, including the accounts of the Board. The fees of the auditor must be paid from the Pension Fund.

## APPENDIX B

### ARTICLE 14. – FIDUCIARY RESPONSIBILITIES

#### 14.1. No Conflict of Interest.

- (a) Except as provided in subsection (c), no Trustee shall knowingly permit the Trustee's other interests to conflict with the Trustee's powers, duties and responsibilities in respect of the Pension Plan and Pension Fund.
- (b) Entitlement to a pension or other benefit under the Pension Plan does not create a conflict of interest.
- (c) Subsection (a) does not apply to any determination made by the Trustees pursuant to subsection 10.2(g). In making any determination pursuant to subsection 10.2(g) relating to the application of Surplus Assets, the Trustees are not acting in a fiduciary capacity. When acting under subsection 10.2(g), a Trustee may take into account the financial and other interests of the party that appointed the Trustee to the Board, and any other factor the Trustee considers appropriate, including factors unrelated to the Pension Plan or the Pension Fund.

#### 14.2. Committee and Panel Members.

If the Board appoints a person to a committee or panel under subsection 6.5(c), the Board shall personally select the person and be satisfied of the person's qualifications and ability to perform the duties for which such person is appointed, and the Board shall carry out such supervision of the committee and panel members as is prudent and reasonable. A person appointed to a committee or panel under subsection 6.5(c) shall be subject to the same duty of care as the Board, and is not entitled to any payment from the Pension Fund other than the usual and reasonable fees and expenses for services provided by the committee or panel member in respect of the Pension Plan and Pension Fund.

#### 14.3. Use of Agents.

Subject to Article 7, the Board may employ or appoint agents to carry out any act required to be done in the administration of the Pension Plan or in the administration and investment of the Pension Fund. If the Board employs or appoints an agent, the Board shall personally select the agent and be satisfied of the agent's qualifications and suitability to perform the duties for which the agent is employed or appointed, and the Board shall supervise these agents. Any agent so appointed or employed is subject to the same duty of care as the Board, and is not entitled to any payment from the Pension Fund other than a pension benefit provided in accordance with the Pension Plan Rules, if applicable, and the usual and reasonable fees and expenses for the services provided by the agent in respect of the Pension Plan and Pension Fund.

14.4. Restriction on Benefits Payable to Trustees.

No Trustee is entitled to any benefit from the Pension Plan or Pension Fund other than a pension benefit provided for in the Pension Plan Rules, and any remuneration and reimbursement of expenses related to the administration of the Pension Plan or the administration and investment of the Pension Fund permitted by the common law or provided for in this Joint Trust Agreement or the Pension Plan Rules.