

Investment Advisory Sub-Committee Terms of Reference

Preamble

The Board delegates the responsibility for oversight of the Pension Plan for Employees of the Kitchener-Waterloo Hospital (K-W Pension Plan) and for the investment of the pension plan funds to the Pension Committee. The Board further delegates the Pension Committee the authority to establish and appoint members to the Investment Advisory Sub-Committee.

The mandate of the Investment Advisory Sub-Committee (IASC) is to assist the Pension Committee and the Board of Directors in fulfilling its obligations as administrator and sponsor of the KW Pension Plan ("Plan") by overseeing the investments of the Plan and making recommendations on all investment related decisions to the Pension Committee.

Reporting Relationship

The Committee reports to the Pension Committee.

Chair

Appointed by the Board of Directors from among the voting Directors

Voting Membership

- A maximum of three Voting Directors
- A maximum of four Non-Director Community Members, who are not members or beneficiaries of the KW Pension Plan, and each of whom will be appointed annually on a one-year term to a maximum of nine years. These category of members shall be recruited based on the individuals' knowledge and expertise on pension investment and asset management, associated regulations and governance, and they may concurrently be members of the Pension Committee and/or Resources Committee

Ex-Officio Non-Voting Membership

- None

Resource (non-members)

- Vice-President responsible for finance
- Director responsible for the management of the KW Pension Plan
- Others annually appointed as required

Responsibilities and Accountabilities

The responsibilities of the Investment Advisory Sub-Committee pertain to the governance oversight of the following areas:

1. Key Legislation

Legislation that may pertain to the area(s) of this committee's responsibilities includes, but is

not limited to, the following:

- 1.1. Pension Benefits Act, R.S.O. 1990, c. P.8
- 1.2. Income Tax Act, R.S.O. 1990, c. I.2
- 1.3. Family Law Act, R.S.O. 1990.c.F.3

2. Strategic Matters

- 2.1. Advise and makes recommendations to the Pension Committee regarding the development and implementation of the pension investment strategy in accordance with the organization's vision and ensure that appropriate measures are taken to address any identified opportunities or issues

3. Governance

- 3.1. Apply sound governance practices and tools to achieve effective governance
- 3.2. Monitor the committee's own effectiveness through a regular evaluation process
- 3.3. Monitor and review the processes outlined in the Pension Plan Governance Policy

4. Asset Management

- 4.1. Monitor and analyze the quarterly performance of the Plan
- 4.2. Meet with Outsourced Chief Investment Officer ("OCIO") to review quarterly performance of investment manager(s) against benchmark, investment strategy, market conditions and emerging investment topics
- 4.3. Review performance of the OCIO at least once per year
- 4.4. Monitor investment risks
- 4.5. Review the Statement of Investment Policy and Procedures ("SIPP") at least annually and ensure the long-term investment strategy of the Plan is aligned with the Board's objectives
- 4.6. Undertake special projects, such as Asset Liability Modeling ("ALM") study, and make recommendations to the PC regarding changes in asset mix
- 4.7. Monitor the implementation of changes to the asset mix
- 4.8. Monitor investment activities for compliance with the SIPP
- 4.9. Carry out other duties as may be determined from time to time by the Board
- 4.10. Advise and make recommendations to the Pension Committee regarding the management and investment of the Plan's assets

Quorum

A majority of the voting members will constitute quorum.

Voting

Each voting member including the Committee Chair and Board Chair shall have one vote

Meeting Frequency

The Investment Advisory Sub-Committee will meet at least 4 times per year. Additional meetings

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may be arranged at the call of the Chair as necessary.

Meetings are restricted to committee members and guests invited by the Chair.

Meeting Procedures

Refer to Sub-section 4.2 – 4.9 of Corporate By-law, 2022

References

GRH Corporate By-law

Pension Governance Policy

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