

EXECUTIVE OF THE GENERAL COUNCIL, TERMS OF REFERENCE
In its role as the Administrator of The Pension Plan of The United Church of Canada

The Executive of the General Council (the “Executive”) is the legal administrator of the Pension Plan of The United Church of Canada (the “Plan”), pursuant to the Pension Benefits Act (Ontario). As such, the Executive bears the ultimate legal responsibility to ensure that the Plan and its related pension fund (the “Fund”) are operated prudently and in accordance with the terms of the Plan and the Fund and applicable law.

These Terms of Reference outline

- the governance structure established by the Executive in relation to the Plan and the Fund; and
- the responsibilities of the Executive in its role as legal administrator of the Plan.

For greater certainty, these Terms of Reference do not apply to the role and responsibilities of the Executive vis-à-vis the denomination in matters unrelated to the Plan or the Fund.

Unlike its authority vis-à-vis the denomination in matters unrelated to the Plan, the Executive’s legal authority as Plan administrator does not derive from General Council. In order that its fiduciary discretion may remain unfettered, when carrying out its responsibilities as administrator of the Plan and the Fund the Executive is not subject to the direction of General Council, the denomination or any other body.

Governance Structure

Recognizing that the Executive is not comprised of individuals having subject matter expertise in the administration of pension plans and the administration and investment of pension funds, the Executive has established the Pension Board to support the Executive in governing, managing and operating the Plan and the Fund. The Pension Board is substantially comprised of individuals possessing relevant experience and expertise in core areas of pension practice, such as institutional investing, actuarial, legal, human resources and pension governance.

The Pension Board has two standing committees, which advise and act on matters related to their areas of expertise, specifically:

- The Investment Committee supports the Pension Board in governing, managing and operating the Fund; and
- The Pension Plan Advisory Committee supports the Pension Board in the following areas: general governance, plan design, plan funding and plan administration.

The roles and responsibilities of the Pension Board, the Investment Committee, and the Pension Plan Advisory Committee are set out in their respective Terms of Reference.

In addition to overseeing the audit of the financial statements of the Church, the Audit Committee also oversees the audit of the financial statements of the Fund. The Pension Board oversees the Audit Committee’s fulfilment of responsibilities related to the financial statements of the Fund; in turn, the Executive oversees the Pension Board.

The committees that support the Pension Board are comprised of individuals possessing relevant experience and expertise.

Responsibilities of the Executive vis-à-vis the Plan and the Fund

The Executive has extensively delegated responsibility for oversight of the Plan and the Fund to the Pension Board and the supporting committees. Despite such extensive delegation, as legal administrator of the Plan the Executive retains overall responsibility for ensuring the proper operation of the Plan and the Fund. The Executive discharges this responsibility primarily by establishing and periodically reviewing the governance structure for the Plan and the Fund, and by overseeing the activities of the Pension Board and the supporting committees. The Executive expressly retains the following responsibilities in relation to the Plan and the Fund:

Statement of Beliefs and Guiding Principles

1. Authority to approve the Statement of Beliefs and Guiding Principles for the Plan and the Fund, including as relates to Plan design, funding, and investment, with input from the Pension Board;

Establishment and Periodic Review of Pension Plan Governance Structure

2. Authority to approve the governance structure for the Plan and Fund (including related policies and procedures) and to make changes to them;
3. Responsibility to cause the governance structure for the Plan and the Fund (including related policies and procedures) to be periodically reviewed for alignment to applicable law and industry best practice, at least every seven years;

Appointments to the Pension Board and Governance Committees

4. Authority to appoint members to the Pension Board, and to appoint the Chair of the Pension Board, in accordance with the Terms of Reference of the Pension Board;
5. Authority to appoint members to the Investment Committee, in accordance with the Terms of Reference of the Investment Committee;
6. Authority to appoint members to the Pension Plan Advisory Committee, in accordance with the Terms of Reference of the Pension Plan Advisory Committee;

Approval of Terms of Reference and Responsibilities Relating to the Plan or the Fund

7. Authority to approve the Terms of Reference of the Pension Board and changes to them;
8. Authority to make changes to the duties and responsibilities of the Audit Committee vis-à-vis the Plan and the Fund;
9. Authority to make changes to the duties and responsibilities of the Nominations Committee vis-à-vis the Plan and the Fund in consultation with General Council;
10. Authority to approve changes to these Terms of Reference;

Oversight

11. Oversight of the Pension Board, including by way of the reports to be provided by the Pension Board to the Executive, as contemplated in the Terms of Reference of the Pension Board;
12. Oversight, via the Pension Board, of the Investment Committee and the Pension Plan Advisory Committee;

13. Oversight of the Audit Committee and the Nominations Committee, as relates to their Plan-related and Fund-related responsibilities;
14. Receive and consider recommendations from the Pension Board, including as contemplated in the Terms of Reference of the Pension Board;

Governance Policy

15. Authority to approve additional governance policies as may be necessary or desirable for the effective governance of the Plan or the Fund, on recommendation from the Pension Board;

Changes to the Plan

16. Authority to approve termination of the Plan and/or the Fund;
17. Authority to approve the establishment of new retirement arrangements.

For greater certainty, the Executive necessarily reserves the right to override recommendations or decisions made by its delegates.