

Pension Plan of The United Church of Canada

Governance Policy

2026

1.0 Introduction

The United Church of Canada (“**The Church**”) established the Pension Plan of The United Church of Canada (the “Plan”) effective September 1928. The Church also established the Pension Fund of The United Church of Canada (the “Fund”) to hold the assets of the Plan.

The Plan and Fund provided for the amalgamation of the Pension Plans of The Congregational Union Church of Canada, The Presbyterian Church in Canada and The Methodist Church in Canada, at the same time, established a Transferees’ and New Entrants’ Branch to take care of transfers from the old Funds and new admissions after June 10, 1925.

On January 1, 1962, the Overseas Missionaries of The Woman’s Missionary Society who were members of the Society’s Retirement Plan were transferred to the Plan.

On January 1, 1968, the pension funds of the former Evangelical United Brethren Church were transferred and merged with the Fund.

On January 1, 1986, the Lay Pension Plan was merged with the Plan. The Lay Pension Plan ceased to exist on that date as a result of merger with the Plan.

The Plan is a defined benefit, multi-employer pension plan registered with the Financial Services Regulatory Authority of Ontario (“**FSRA**”) under the *Pension Benefits Act* (Ontario) (“PBA”) and with the Canada Revenue Agency (“CRA”) under the *Income Tax Act* (Canada) (“ITA”). The Plan is registered with FSRA and with the CRA under Registration No. 0355230.

2.0 Purpose and Objectives

This governance policy (“**Policy**”) outlines the governance framework for the Plan and the Fund with a view to:

- supporting effective oversight;
- enhancing transparency, accountability and prudent decision-making; and
- promoting compliance with applicable laws,

in relation to the administration of the Plan, and the investment and operation of the Fund.

3.0 Governance Structure

The Executive of the General Council (the “**Executive**”) is the legal administrator of the Plan for the purpose of the PBA and the ITA and their related regulations. As such, the Executive bears the ultimate legal responsibility to ensure that the Plan and the Fund are operated prudently and in accordance with their terms and applicable law.

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 primary supporting committees, which advise and act on matters related to their areas of expertise, specifically:

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

4.0 Responsibility for Tasks Relating to the Plan and the Fund

The roles and responsibilities of the Executive of the General Council, Pension Board, the Investment Committee, and the Pension Plan Advisory Committee are set out in their respective Terms of Reference. For greater clarity, the allocation of responsibility for specific governance tasks is summarized in the Responsibility Matrix set out in Appendix “A” to this Policy. To the extent of any inconsistency between Appendix “A” to this Policy and the applicable Terms of Reference, the latter govern.

5.0 Standard of Care

In carrying out duties and responsibilities in relation to the administration of the Plan, and the investment and operation of the Fund, the Executive and its delegates are subject to a fiduciary standard of care. The fiduciary standard of care requires, among other things, that the legal administrator of the Plan and its delegates:

- Act honestly, in good faith, and in the best interests of Plan and the Fund and their beneficiaries;
- Exercise the care, diligence, and skill in the administration of the Plan and the investment of the Fund that a person of ordinary prudence would exercise when dealing with the property of another person; and
- not knowingly permit their interests to conflict with the administrator’s duties and powers in respect of the Plan and the Fund.

Without limiting the foregoing, individuals who have responsibility with respect to the Plan (“**Covered Persons**”) must comply with the Code of Conduct for the Plan and 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.

6.0 Governance Documentation

Appendix “B” to this Policy lists other documents that provide for the governance of the Plan and Fund.

7.0 Policy Review, Review Cycle

This Policy is drafted for approval by the Executive of the General Council, in its role as the Administrator of the Plan. This Policy is initiated by the Pension Plan Advisory Committee and recommended by the Pension Board to the Executive for its approval.

This Policy is intended to be reviewed in connection with periodic review of the governance structure for the Plan and the Fund, or on an ad hoc basis as appropriate.

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Appendix “A” Responsibility Matrix

| | Provide Input | Recommend | Decide/ Approve | Implement |
|--|--|---------------|-----------------|-------------------|
| Plan Changes | | | | |
| Establish any new retirement arrangements or terminate the existing Plan. | PPAC, IC, Staff, Plan Actuary, Legal Counsel | Pension Board | GCE | Staff |
| Assess modifications or refinements to Plan design. | Staff, Plan Actuary, Legal Counsel | PPAC | Pension Board | Staff |
| Plan amendments including any ad hoc increases in Plan benefits. | Staff, Plan Actuary, Legal Counsel | PPAC | Pension Board | Staff |
| Ensure that documents and reports relating to Plan amendments required by applicable legislation are filed with the regulators. | Staff, Plan Actuary, Legal Counsel | | PPAC | Staff |
| Governance Structure | | | | |
| Review the Plan’s governance structure at least every seven years. | Staff, PPAC, IC, Legal Counsel | Pension Board | GCE | Staff |
| Oversight | | | | |
| Deliver Annual Stewardship Report to the GCE. | Staff, PPAC, IC | Pension Board | GCE | |
| Annually, review compliance with: <ul style="list-style-type: none"> i. applicable pension standards and the Income Tax Act, Canada; ii. all policies adopted by the Pension Board and the Executive; iii. the Code of Conduct for the Plan and the Fund; and | Staff, PPAC, IC, Plan Actuary, Legal Counsel | | Pension Board | Staff PPAC, IC |

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|---|--|-----------------------|-----------------|-----------|
| iv. the Pension Board’s Terms of Reference; and report results to the Executive of the General Council. | | | | |
| Ensure that documents and reports relating to the Plan’s benefit administration required by applicable legislation are filed with the regulators. | Staff, PPAC, Plan Actuary, Legal Counsel | | Pension Board | Staff |
| Investment Committee annual self-assessment and report to the Pension Board. | Staff | IC | Pension Board | |
| PPAC annual self-assessment and report to the Pension Board. | Staff | PPAC | Pension Board | |
| Service Providers | | | | |
| Appoint / terminate the Plan’s Custodian. | Staff, Legal Counsel | IC | Pension Board | Staff |
| Appoint the Fund’s auditor and arrange for the review and execution of related documents in accordance with the Pension Board’s relevant policies. | Staff | Audit Committee | Pension Board | |
| Monitor and evaluate the performance of the Fund’s auditor and its compliance with contracts, mandates and applicable legislation. | Staff | Audit Committee | Pension Board | |
| Appoint the Plan actuary. | Staff | PPAC | Pension Board | Staff |
| Appoint external agents that provide Plan administration services, such as third-party administration service provider(s), consultants and legal advisers and arrange for the review and execution of related documents in accordance with the Pension Board’s relevant policies. | Staff | PPAC or IC (optional) | Pension Board | Staff |
| Note: For ad hoc providers (e.g., consultants who support communications like the Pension Plan Annual Report), Pension Board may give approval in the form of budget approval or authorization for Staff to engage the consultant. | | | | |

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| | Provide Input | Recommend | Decide/ Approve | Implement |
|--|---|---------------------------------------|------------------------|--------------------------------|
| Appoint investment related advisers and service providers. | Staff | IC | Pension Board | Staff |
| Appointments to Governance Bodies | | | | |
| Appoint Pension Board members, review expressions of interest for Pension Board member-at-large positions. | Pension Board Chair, Staff | Pension Board > Nominations Committee | GCE | Staff |
| Appoint the Chair of the Pension Board. | Pension Board, Staff | Nominations Committee | GCE | Staff |
| Appoint PPAC members. | Staff | Pension Board > Nominations Committee | GCE | Staff |
| Appoint IC members. | Staff | Pension Board > Nominations Committee | GCE | Staff |
| Re-appoint members of the Pension Board, PPAC and IC. | Chair of the Pension Board, PPAC or IC, as applicable | Pension Board > Nominations Committee | GCE | Staff |
| Policies (excluding Investment Policy) | | | | |
| Approve governance policies necessary for the effective governance of the Plan. | Staff, PPAC, IC, Legal Counsel | Pension Board | GCE | Pension Board, PPAC, IC, Staff |
| Approve significant Plan administration policies which specifically relate to Plan design, funding and administration. | Staff, Plan Actuary, Legal Counsel | PPAC | Pension Board | Staff |
| Approve the Statement of Beliefs and Guiding Principles related to Plan design, funding, and investment. | Staff, PPAC, IC, Legal Counsel | Pension Board | GCE | Pension Board, PPAC, IC |

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| | Provide Input | Recommend | Decide/ Approve | Implement |
|--|------------------------------------|------------------|------------------------|---------------------|
| Adopt a communications policy. | Staff, Legal Counsel | PPAC | Pension Board | Staff |
| Develop policies regarding orientation and continued learning of Pension Board members. | Staff | | Pension Board | Staff |
| Funding | | | | |
| Approve the Funding Policy for the Plan. | Staff, Plan Actuary, Legal Counsel | PPAC | Pension Board | Staff |
| Ensure that funding related documents and reports that are required by applicable legislation are filed with the regulators. | Staff, Plan Actuary | PPAC | Pension Board | Plan Actuary, Staff |
| Modify or refine Plan funding. | Staff, Plan Actuary | PPAC | Pension Board | Staff |
| Approve the economic, financial and demographic assumptions and the methods employed to calculate the value of the Plan's assets and liabilities, consistent with the Plan's funding policy. | Staff | Plan Actuary | PPAC | |
| Approve actuarial valuation reports and cost certificates. | Staff, Plan Actuary | PPAC | Pension Board | Staff, Plan Actuary |
| Monitor and evaluate the consistency of the Plan's funded status with the funding policy. | Staff, Plan Actuary | PPAC | Pension Board | |
| Approve changes to contribution levels for pastoral charges and other participating employers and/or Plan members. | Staff, Plan Actuary | PPAC | Pension Board | |
| Administration and Communications | | | | |
| Material modifications or refinements to Plan administration. | Staff, Legal Counsel | | Pension Board | Staff |
| Approve non-routine Plan communications to Plan members, their spouses and beneficiaries, participating employers and relevant regulators. | Staff, Legal Counsel | PPAC | Pension Board | Staff |

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|---|----------------------|-----------------|----------------------------|-----------|
| Note: In practice, “non-routine” Plan communications entails communications delivered over the signature of the Pension Board Chair. | | | | |
| Decide matters of Plan interpretation (including the payment of benefits) referred to PPAC by Staff, and initiate the review of Staff decisions on matters of Plan interpretation where PPAC deems such review necessary. | Staff, Legal Counsel | Staff | PPAC | Staff |
| Refer matters of Plan interpretation to Pension Board, where PPAC deems necessary. | Staff, Legal Counsel | PPAC | Pension Board | Staff |
| Monitor and evaluate the maintenance of member records and the enrolment of eligible members by Staff. | Staff | | PPAC | Staff |
| Approve Plan administration service standards and monitor and evaluate the Plan’s administration service in accordance with these standards. | Staff | | PPAC | Staff |
| Adjudicate new participating employer applications (organizational or conditional employers) - straightforward applications for organizational employers. | Staff | | Staff, with report to PPAC | |
| Changes to eligibility guidelines for organizational employers. | Staff | | PPAC | |
| Financial Controls (Pension Board) | | | | |
| Approve the audit plan for the financial statements of the Fund. | | Audit Committee | Pension Board | |
| Approve the audited financial statements for the Fund. | Auditor, Staff | | Pension Board | Staff |
| Respond to the auditor’s recommendations. | Staff | | Pension Board | Staff |
| Receive and approve the auditor’s independence letter. | | | Pension Board | Staff |
| Operating Expenses | | | | |
| Approve the annual budget for the payment of Plan and Fund operating expenses. | Staff | | Pension Board | Staff |

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| | Provide Input | Recommend | Decide/ Approve | Implement |
|--|----------------------|------------------|------------------------|------------------|
| Approve the expense chargeback policy for the Plan. | Staff, Legal Counsel | PPAC | Pension Board | Staff |
| Monitor and evaluate expense performance relative to the budget. | Staff | | Pension Board | Staff |
| Investment | | | | |
| Approve all investment policies, including the Statement of Investment Policies and Procedures (SIPP) and policies relating to responsible investing. | Staff | IC | Pension Board | Staff |
| Review and recommend changes to the Statement of Investment Policies and Procedures (SIPP) (annually) and other investment policies (regularly, or as requested by the Pension Board). | Staff | | IC | |
| Approve new asset classes, investment strategies and risk mitigation strategies of significance to the Fund. | Staff | IC | Pension Board | Staff |
| Report to the Pension Board quarterly, on compliance with the SIPP and related investment policies of the Fund and on Fund performance in each asset class. | Staff | IC | Pension Board | Staff |
| Approve appointments and terminations of investment managers. | Staff | | IC | Staff |
| Rebalance the asset mix of the Fund in accordance with the Statement of Investment Policies and Procedures (SIPP). | Staff | | IC | Staff |

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Appendix “B”
List of Governance Documents
(as of February 20, 2026)

- 1) Statement of Beliefs and Guiding Principles ([Link](#))
- 2) Code of Conduct for the Pension Plan and Fund ([Link](#))
- 3) Terms of Reference of the Executive of the General Council ([Link](#))
- 4) Pension Board Terms of Reference ([Link](#))
- 5) Investment Committee Terms of Reference ([Link](#))
- 6) Pension Plan Advisory Committee Terms of Reference ([Link](#))
- 7) Pension Plan Funding Policy ([Link](#))
- 8) Statement of Investment Policies and Procedures ([Link](#))
- 9) Responsible Investment Process Guidance ([Link](#))

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