



**Halifax Regional Municipality  
Pension Committee (“Committee”)  
Governance Policies**

# Policy Review and Update Table

Policy Effective January 22, 2008	Review Quarter	Last Reviewed	Last Updated
<b>Executive Limitations</b>			
Global Executive Constraint	1	Mar 26, 2026	
Treatment of Plan Members	1	Mar 26, 2026	
Treatment of Staff	1	Mar 26, 2026	
Financial Condition and Activities	1, 3	Sept 25, 2025	Mar 26, 2026
Interim CEO Succession	2	Jun 12, 2025	
Asset Protection	2, 4	Dec 17, 2025	Jun 13, 2019
Compensation and Benefits	1	Mar 26, 2026	Mar 28, 2019
Service Providers	3	Sept 25, 2025	
Investment	ALL	Mar 26, 2026	Feb 28, 2008
Communication and Support to the Committee	ALL	Mar 26, 2026	
<b>Governance Process</b>			
Global Governance Commitment	4	Dec 17, 2025	Dec 6, 2018
Governing Style	4	Dec 17, 2025	Dec 10, 2020
Committee Job Description	4	Dec 17, 2025	
Agenda Planning	4	Dec 17, 2025	Dec 6, 2018
Chief Governance Officer's Role	1	Mar 26, 2026	Mar 22, 2018
Committee Members' Code of Conduct & Commitment	1	Mar 26, 2026	Dec 17, 2025
Conflict of Interest Policy	1	Mar 26, 2026	Dec 17, 2025
Committee Principles	2	Jun 12, 2025	Jun 24, 2010
Committee Structure	2	Jun 12, 2025	Jun 11, 2020
Cost of Governance	4	Dec 17, 2025	Mar 17, 2011
Training & Education Policy	3	Mar 26, 2026	Mar 26, 2026
<b>Committee Management Delegation</b>			
Global Governance Management Connection	3	Sept 25, 2025	
Unity of Control	3	Sept 25, 2025	Sept 23, 2010
Accountability of the CEO	3	Sept 25, 2025	Dec 5, 2019
Delegation of the CEO	4	Dec 17, 2025	
Monitoring CEO Performance	1	Mar 26, 2026	Jun 11, 2020
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**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 1**

**POLICY TITLE: *GLOBAL EXECUTIVE CONSTRAINT***

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The CEO will not cause or condone any organizational practice, activity, decision, or circumstance which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics and practices.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 1**

**POLICY TITLE: *TREATMENT OF PLAN MEMBERS***

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With respect to interactions with Plan members or those applying to be Plan members, the CEO will not cause or allow conditions, procedures, or decisions that are unsafe, misleading, undignified, or unnecessarily intrusive.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 1**

**POLICY TITLE: *TREATMENT OF STAFF***

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With respect to the treatment of paid staff, the CEO will not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

The CEO will not

1. Operate without written personnel rules which: (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and preferential treatment for personal reasons.
2. Allow staff to be unprepared to deal with emergency situations.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 1 and Quarter 3**

**POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES***

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With respect to the actual, ongoing financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Committee priorities established in Ends policies.

The CEO will not

1. Allow operating expenses (excluding Committee related expenses and investment management costs) to be higher than 0.20% of plan assets per year. Committee expenses include Committee travel, Committee meeting costs, Committee training and education costs, and governance costs, such as governance consulting, external audit costs, and actuarial consulting costs related to the actuarial valuation. Investment costs include investment management fees, investment transaction costs, custody fees pertaining to investments and other costs approved by the Committee.
2. Allow a net Plan return achieved on a 4-year basis to be less than the policy benchmark without providing an explanation satisfactory to the Committee of the circumstances leading to this outcome.
3. Allow pension administration expenses to be materially greater than other Canadian pension plans. Pension administration expenses per plan member will be calculated annually and will be compared against other Canadian pension plans that publish this information in their respective Annual Reports and/or audited financial statements. Pension administration expenses will include all external and internal costs related to pension administration services including benefit payments, third party consulting and legal fees, plan member communications, staff compensation, and overhead costs allocated to pension administration staff.
4. Acquire, encumber or dispose of real estate except if approved by the SIP&P.

Fail to aggressively pursue receivables (including payroll contributions) after a reasonable grace period.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 2**

**POLICY TITLE: *INTERIM CEO SUCCESSION***

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In order to protect the Committee from sudden loss of CEO services, the CEO will have no fewer than one other staff member sufficiently familiar with Committee and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 2 and 4**

**POLICY TITLE: *ASSET PROTECTION***

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The CEO will not cause or allow Pension Plan and Pension Office assets to be unprotected, inadequately maintained or unnecessarily risked.

The CEO will not

1. Fail to insure adequately against theft and casualty losses and against third party liability losses to Committee members, Pension Office staff, and the Pension Plan.
2. Unnecessarily expose the Pension Plan, the Committee, or Pension Office staff to claims of liability.
3. Make any financial transactions wherein normally prudent protection has not been given against conflict of interest.
4. Receive, process or disburse funds under controls that the auditor has identified as significantly deficient until those controls are remediated by the Pension Office.
5. Compromise the independence of the Committee's audit or other external monitoring or advice. Engaging parties already chosen by the Committee as consultants or advisers is unacceptable.
6. Endanger the Pension Plans' public image, credibility, or its ability to accomplish Ends.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 1**

**POLICY TITLE: *COMPENSATION AND BENEFITS***

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With respect to employment, compensation, and benefits for staff, the CEO will not cause or allow jeopardy to fiscal integrity or to public image.

The CEO will not

1. Establish current compensation that deviates materially from the geographic or professional market for the skills employed.
2. Offer benefit program features beyond those offered by HRM with respect to pension and a Flex Benefits program without prior approval from the Committee.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarter 3**

**POLICY TITLE: *SERVICE PROVIDERS***

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With respect to service providers, the CEO will not cause or allow jeopardy to fiscal integrity or to public image.

The CEO will not

1. Engage pension administration providers, actuaries, trustee/custodians, consultants, and investment management firms without a careful appropriate due diligence process that balances low cost with high service quality.
2. Engage service providers without protection against conflicts of interest.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarterly**

**POLICY TITLE: *INVESTMENT***

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The CEO will not allow investments to deviate from a risk-controlled strategy that is necessary to fund the long term pension liabilities with a moderate risk of contribution volatility.

The CEO will not

1. Allow the investment strategy to not comply with the Statement of Investment Policies and Procedures.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarterly**

**POLICY TITLE: *COMMUNICATION AND SUPPORT TO THE COMMITTEE***

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The CEO will not permit the Committee to be uninformed or unsupported in its work.

The CEO will not

1. Withhold, impede, or confound information relevant to the Committee's informed accomplishment of its job.
  - a. Neglect to submit monitoring data required by the Committee in Committee-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate and understandable fashion, directly addressing provisions of Committee policies being monitored, and including CEO interpretations consistent with Committee-Management Delegation policy "Delegation to the CEO," as well as relevant data.
  - b. Allow the Committee to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the Committee's monitoring schedule.
  - c. Allow the Committee to be without decision information required periodically by the Committee or let the Committee be unaware of relevant trends.
  - d. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
  - e. Let the Committee be unaware of any incidental information it requires including anticipated media coverage, threatened or pending lawsuits, material internal changes pending material changes to the Statement of Investment Policies and Procedures, and pending material pension regulatory changes.
  - f. Fail to inform the Committee if, in the CEO's opinion, the Committee is not in compliance with its own policies on Governance Process and Committee-CEO Linkage, particularly in the case of Committee behavior that is detrimental to the work relationship between the Committee and the CEO.
2. Withhold from the Committee and its processes logistical and clerical assistance.
  - a. Fail to provide a workable, user-friendly mechanism for official Committee, officer, or committee communications.
  - b. Fail to provide pleasant and efficient setting and arrangements for Committee and Committee meetings.
3. Impede the Committee's holism, misrepresent its processes and role, or impede its lawful obligations.

**POLICY TYPE: EXECUTIVE LIMITATIONS**

**Review Date: Quarterly**

- a. Deal with the Committee in a way that favors or privileges certain Committee members over others except when (i) fulfilling individual requests for information or (ii) responding to officers or committees with respect to duties charged to them by the Committee.
- b. Fail to submit for the Committee's consent agenda items delegated to the CEO yet required by law, regulation, or contract to be Committee-approved, along with applicable monitoring information.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 4**

**POLICY TITLE: *GLOBAL GOVERNANCE COMMITMENT***

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The purpose of the Committee is to see to it that the Halifax Regional Municipality Pension Plan (a) achieves appropriate results for those we serve at an appropriate cost (as specified in Committee Ends policies), and (b) avoids unacceptable actions and situations (as prohibited in Committee Executive Limitations policies).

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 4**

**POLICY TITLE: *GOVERNING STYLE***

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The Committee will govern lawfully with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Committee and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactively rather than reactively.

Accordingly:

1. The Committee will cultivate a sense of group responsibility. The Committee, not the staff, will be responsible for excellence in governing. The Committee will be the initiator of policy, not merely a reactor to staff initiatives. The Committee will not use the expertise of individual members to substitute for the judgment of the Committee, although the expertise of individual members may be used to enhance the understanding of the Committee as a body.
2. The Committee will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Committee's values and perspectives. The Committee's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
3. The Committee will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Committee can change its governance process policies at any time, it will observe those currently in force scrupulously.
  - A. Where any member, voting or alternate, does not attend at least 75% of Committee meetings during the past 12 months, the party appointing them will be asked to appoint someone else, unless the voting member or alternate has been excused by the Co-Chairs jointly.
4. Continual Committee development will include orientation of new Committee members in the Committee's governance process and periodic Committee discussion of process improvement.
5. The Committee will allow no officer, individual or committee of the Committee to hinder or be an excuse for not fulfilling group obligations.
6. The Committee will monitor and discuss the Committee's process and performance at each meeting. Self-monitoring will include comparison of Committee activity and discipline to policies in the Governance Process and Committee-Management Delegation categories.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review: Quarter 4**

**POLICY TITLE: *COMMITTEE JOB DESCRIPTION***

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Specific job outputs of the Committee, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the Committee has direct responsibility to create:

1. The link between the ownership and the operational organization.
2. Written governing policies that address the broadest levels of all organizational decisions and situations.
  - a. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - b. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. Governance Process: Specification of how the Committee conceives, carries out and monitors its own task.
  - d. Committee-CEO Linkage: How power is delegated and its proper use monitored; the CEO role, authority and accountability.
3. Assurance of successful organizational performance on Ends and Executive Limitations.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 4**

**POLICY TITLE: *AGENDA PLANNING***

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To accomplish its job products with a governance style consistent with Committee policies, the Committee will follow an annual agenda which (a) completes a re-exploration of Ends policies annually and (b) continually improves Committee performance through Committee education and enriched input and deliberation.

1. The cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one year segment of the Committee's most recent statement of long term Ends.
2. The cycle will start with the Committee's development of its agenda for the next year.
  - a. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and on an as needed basis, to be held during the balance of the year.
  - b. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be held during the year as required.
3. Throughout the year, the Committee will attend to consent agenda items as expeditiously as possible.
4. At any meeting in which monitoring reports have been received, the Committee will ascertain by vote whether a majority of members judge the individual reports to have demonstrated fulfillment of a reasonable interpretation of the applicable policy.
5. CEO remuneration will be decided in March after a review of monitoring reports received in the last year.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 1**

**POLICY TITLE: *CHIEF GOVERNANCE OFFICERS' ROLE***

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The Chief Governance Officers (CGO), which consist of the two Co-Chairs, are specially empowered members of the Committee. They ensure the integrity of the Committee's process and, secondarily, occasionally represent the Committee to outside parties.

Accordingly:

1. The assigned result of the CGO's job is that the Committee behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will be on those issues which, according to Committee policy, clearly belong to the Committee to decide or to monitor.
  - b. Information that is for neither monitoring performance nor Committee decisions will be avoided or minimized and always noted as such.
  - c. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
2. The authority of the CGO consists in making decisions that fall within topics covered by Committee policies on Governance Process and Committee-CEO Linkage, with the exception of (a) employment or termination or compensation of a CEO and (b) where the Committee specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.
  - a. The CGO is empowered to chair Committee meetings with all the commonly accepted power of that position, such as ruling and recognizing.
  - b. The CGO has no authority to make decisions about policies created by the Committee within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the CEO.
  - c. The CGO may represent the Committee to outside parties in announcing Committee-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
  - d. The CGO may delegate this authority, but remains accountable for its use.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 1**

**POLICY TITLE: COMMITTEE MEMBERS' CODE OF CONDUCT and COMMITMENT**

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**Background:**

The conduct of the Halifax Regional Municipality Pension Committee (the “Committee”) significantly impacts the lives of the employees and pensioners of the Halifax Regional Municipality and participating employers who are dependent on pensions for their retirement income. Consequently, it is critical that the Halifax Regional Municipality Pension Plan (the “Plan”) is overseen by a strong, well functioning governing body in accordance with fundamental ethical principles including honesty, integrity, independence, fairness, openness and competence.

This Code of Conduct forms the foundation and relationship between the Plan and each member of the Committee. As a result, this code of conduct will apply to all representatives appointed to the Committee, including any alternates (each representative or alternate is a “Member” and collectively the “Members”).

**Process:**

In order to become a Member, the candidate will provide all relevant information to the Co-Chairs of the Committee which, in the reasonable opinion of the Co-Chairs, is necessary to ensure that the terms of this Code of Conduct will be met in the future. Once all information has been received and approved, the candidate shall sign this Code of Conduct. If this Code of Conduct is not executed, the candidate shall not be permitted to become a Member.

In the event that the Co-Chairs of the Committee, acting jointly, determine there is a situation of non-compliance of the Code of Conduct which may reasonably be determined to negatively impact the Plan, the Co-Chairs shall discuss the matter with the Member confidentially. If, in the view of the Co-Chairs, the Member ought not to accept the appointment, or should no longer continue to serve as a Member, the Member may be given the opportunity to resign their membership. The Co-Chairs shall bring the matter to the Committee in an in-camera meeting if the Member does not agree to resign the appointment, or if the Co-Chairs, acting jointly, reasonably determine there is a need for the matter to be brought directly to the Committee without the need for a request for resignation. The Co-Chairs and the Member may agree, jointly, for the Member to speak to the Committee at the in-camera meeting, after which the Member shall leave the meeting to allow for the Committee to deliberate.

Once the matter is heard by the Committee, and the Committee, upon a 2/3 vote of those Committee members attending the meeting, is satisfied that the Member is not in compliance with the Code of Conduct and believes that participation, or continued participation, on the Committee by the Member could reasonably be seen to negatively impact the Plan, the Committee shall have the absolute discretion to refuse to permit the Member to begin to, or continue to, act as a Member. In the event the Committee refuses to permit the Member to commence acting or continue to act as a Member, the Co-Chairs shall notify the party that nominated the Member. That party may then nominate a new Member.

If at any time during a Member's service on the Committee that Member determines that they may not be in compliance with the Code of Conduct, the Member shall immediately advise the Co-Chairs in writing of the matter and request a resolution from the Co-Chairs.

### **Commitment by Member**

As a Member, I understand that I must act in the best interest of the Committee and not my personal or business interests, take all relevant factors into consideration when making decisions and ensure that all interested parties are treated fairly, in accordance with the Committee's governing documents and policies and obligations as a responsible corporate citizen.

Furthermore, as a Member, I acknowledge and agree that I owe three duties to the Committee. The duties are:

#### **Duty of Care to Committee**

The duty of care requires that each member of the Committee shall act in good faith and in a manner the Member reasonably believes to be in the best interests of the Committee and its members, unconflicted by any personal interest the Member has in the Plan.

When performing their duty as a Member, the Member is expected to exercise the same level of care that a reasonable person with similar abilities, skills and experience would exercise in similar circumstances.

A Member of the Committee has a responsibility to act cautiously and to try to anticipate the consequences of the Member's decisions and actions before they are undertaken. Members are also well-informed about the activities of the Committee. Members have an obligation to foresee potential risks inherent in a situation and to take reasonable steps to manage those risks on a regular basis to put the Plan in the best position to meet its goals and objectives.

#### **Duty of Loyalty to Committee (Fiduciary Duty to Committee).**

A Member is required to put the interests of the Plan first. These interests will always take precedence over any other interest, including a Member's personal interests.

A Member will avoid putting themselves in a situation of a conflict of interest. When this is unavoidable, the Member will act properly, in accordance with the Committee's policies, the Statement of Privacy Principles and the Conflict of Interest Policy, and disclose the conflict and ensure that the Member plays no part in discussing, influencing or making decisions relating to that conflict.

Members have an obligation to keep Committee business private, and to not discuss sensitive material, such as financial or personal matters, with people outside the Committee. Members will adhere to the Statement of Privacy Principles and the Conflict of Interest Policy.

The Committee acts as one entity. A Member supports the democratically determined decisions of the Committee, even if the Member might not personally agree with the decisions and might not have voted to support the decisions made in a Committee meeting. Once there has been a decision made by the Committee, all members of the Committee must publicly support the decision.

**Duty of Obedience to Committee.**

A Member has a duty to obey external laws and rules that are imposed upon the Committee and ensures that the Committee complies with these.

A Member has a duty to comply with the Committee’s governing documents, and to ensure, through communication to the Co-Chairs or the Chief Executive Officer (the “CEO”) of the Plan where applicable, that Plan staff and subcommittees of the Committee do as well.

## COMMITMENT AGREEMENT

The Committee expects of itself, and its Members, ethical and business-like conduct. This commitment includes the proper use of authority and appropriate decorum in group and individual behavior when acting as Members.

Therefore, as a Member, I will:

1. Abide by the Code of Conduct, this Commitment Agreement, any Committee governing policies, including the Conflict of Interest Policy and the Statement of Privacy Principles, which may be passed by the Committee from time to time.
2. Always act for the good of the Committee and the Plan and represent the interests of all people served by the Committee in a positive and supportive manner.
3. Act with honesty and integrity in all of my dealings with the Committee, whether such dealings are with Members, or with the public or with other members of the Plan, and provide information to the Co-Chairs or Committee, as applicable.
4. Work with and respect the opinions of my peers who serve this Committee, and leave my personal prejudices out of all Committee discussions. I will offer a constructive, dissenting voice if I feel the topic requires such, endeavor to build on other Members' ideas, offer alternative points of view as options to be considered and invite others to do so too.
5. Observe the parliamentary procedures and display courteous conduct in all Committee meetings. I will give recognition to others who contribute to the success of the Committee and its activities.
6. Support, in a positive manner, all actions taken by the Committee even when I am in a minority position on such actions. I recognize that decisions of the Committee can be made only by a vote at a Committee meeting, in accordance with the Committee's governing documents, and respect the majority decisions of the Committee, while retaining the right to seek changes through ethical and constructive channels. I will not speak on behalf of the Committee unless designated by a Co-Chair of the Committee or the Committee as a whole.

7. Exercise my authority as a Member only when acting with the full Committee, a sub-Committee or when appointed by the Committee. I understand I may have discussions with fellow Members in order to gain clarity on topics that have been discussed but I will refrain from attempting to influence other Members outside of Committee meetings that might have the effect of creating factions and limiting free and open discussion. I will not attempt to express individual judgments of performance, or to exercise individual authority, over the Committee or its staff, including the CEO, except as explicitly set forth in Committee governing policies.
8. Keep confidential information confidential. I will respect the confidentiality of information received in the course of Committee meetings, especially sensitive material such as financial or personnel matters.
9. Avoid acting in a way that represents a conflict of interest between my position as a Member and my personal or professional life, and regardless of my affiliation or employment with outside organizations. This includes using my position for the advantage of my friends and business associates. I will refrain from the conduct of private business or personal services between myself and other Committee members or between myself and staff of the Committee except as procedurally controlled to assure openness, competitive opportunity, and equal access to "inside" information. I agree with, and will adhere to, the three duties expected of me as set forth in the Code of Conduct and I will disclose my involvement with other organizations, businesses or individuals to the Committee, in accordance with the Conflict of Interest Policy. If a conflict of interest arises or is determined, I will declare that conflict in accordance with the Conflict of Interest Policy and any applicable Committee governing documents and refrain from voting on matters in which I have conflict.
10. Work to fulfill my responsibilities to the Committee by:
  - a. Attending no less than 75% of all Committee meetings, and committee meetings of which I am a member, virtually or in person;
  - b. Reviewing the agenda and supporting materials prior to Committee meetings and being prepared to discuss any topics raised therein and performing tasks as requested by a Committee Co-Chair;
  - c. Informing myself of any information I feel I reasonably require in order to exercise sound business judgment when discussing and voting on Committee business;
  - d. Serving on sub-committees and taking on special assignments as needed; and,
  - e. Remaining informed about the Committee mission, its services and policies and promoting the Committee and the Plan where and when applicable.

11. I understand and agree that a material violation of the Code of Conduct, the Commitment Agreement, and the Statement of Privacy Principles or the Conflict of Interest Policy or any other duly determined policy governing the Committee may result in the Co-Chairs or the Committee taking action that may include no penalty, the giving of a warning, or the suspension of my participation or membership on the Committee, temporarily or permanently or full expulsion from the Committee.

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Signature

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Print Name

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Date

## **POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 1**

### **POLICY TITLE: COMMITTEE MEMBERS' CONFLICT OF INTEREST POLICY**

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#### **BACKGROUND**

It is critical that the Halifax Regional Municipality Pension Plan (the “**Plan**”) is overseen by a strong, well functioning governing body in accordance with fundamental ethical principles including honesty, integrity, independence, fairness, openness and a commitment to addressing real, or perceived, conflicts of interest. The Halifax Regional Municipality Pension Committee (the “**Committee**”) which administers the Plan, must meet high ethical standards to merit the trust of its Plan members, partners and clients, as well as governments and the public. The integrity of the Committee depends on ethical behaviour and, in particular, on fair, well-informed decision-making.

#### **APPLICATION**

This Conflict of Interest Policy applies to all representatives appointed to the Committee, including any alternates (each representative or alternate is a “**Member**” and collectively the “**Members**”). This policy is intended to supplement, but not replace, any applicable provincial and federal laws governing conflicts of interest.

#### **PURPOSE**

The ability to make a decision is sometimes affected by other interests (personal or professional) of individuals on the Committee. Such conflict of interest situations are a regular part of organizational and personal life and cannot simply be eliminated. The overall objective of this policy is to permit the Committee to manage conflict of interest situations successfully and resolve them fairly.

More specifically, the purpose of this Conflict of Interest Policy is to:

1. ensure that all Committee discussions are conducted according to the highest ethical standards and that all Committee decisions are made in the best interests of the Committee without any conflict of interest;
2. protect the Committee’s interests when it is contemplating entering a transaction or arrangement that might benefit the private interests of Member;
3. provide guidance to each Member who believes they or another Member may have a conflict of interest; and,
4. provide a process for managing conflicts of interest.

#### **OVERALL RESPONSIBILITY**

The Committee supports a culture in which people freely take responsibility for both “self-declaring” possible conflicts of interest, and respectfully raising possible conflicts faced by other Members, all in accordance with this policy. This culture makes it possible to avoid many such conflict of interest situations from arising in the first place.

## **INDIVIDUAL ACCOUNTABILITY**

Each Member owes a duty to the Committee to:

1. act honestly, in good faith and in the best interests of the Committee; and,
2. to disclose each real, potential or perceived conflict of interest.

Furthermore, each member of the Committee is responsible for managing conflict of interest situations in order to ensure that behaviour and decision-making throughout the Committee are not influenced by conflicting interests.

Every Member is responsible for:

1. the Member's own awareness and understanding of this Policy including seeking the Member's own legal counsel if necessary (note that the Plan's or the Committee's legal counsel is unable to provide a Member with legal advice regarding a conflict of interest);
2. self-declaring real, potential or perceived conflicts of interest in accordance with this Policy;
3. making disclosures about the Member's personal past history, or the Member's current or future personal circumstances if they change significantly, any of which may influence the Member's real, potential or perceived conflicts of interest;
4. respectfully identifying real, potential or perceived conflicts of interest of other Members; and
5. undertaking any follow-up actions as determined by the Committee in accordance with this Policy.

## **DEFINITION OF CONFLICT OF INTEREST**

In general, a conflict of interest is defined as a situation in which a Member has a private or personal interest sufficient to influence, or appear to influence, the objective exercise of the Member's official duties as a Member of the Committee.

For the definition of conflict of interest above, a "private or personal interest" refers to:

1. a Member's self-interest (e.g. to achieve financial profit or avoid loss, or to gain another special advantage or avoid a disadvantage);
2. the interests of a Member's immediate family or business partners; or,
3. the interests of another organization in which the Member holds a position (voluntary or paid).

An "objective exercise of duties" refers to a Member's ability to carry out the Member's responsibilities in the best interest of the Committee.

There are three types of conflict of interest of which a Member should be aware:

1. An actual or real conflict of interest – this occurs when the duties of the Member are or will be influenced by the Member’s private or personal interests.
2. A perceived or apparent conflict of interest – this occurs when the duties of the Member appear or may be perceived by others to be influenced by the Member’s private or personal interests.
3. A foreseeable or potential conflict of interest – this occurs when the duties of the Member may be influenced in the future by the Member’s private or personal interests. In this case, the conflict of interest in the future may be actual or a perceived.

## **PROCEDURES FOR DISCLOSURE OF CONFLICT OF INTEREST**

### **Disclosure**

As set forth above, a Member has a duty to disclose to the Committee any real, perceived or future conflict of interest. Such disclosure shall be made as soon as the Member is aware of the conflict of interest and, additionally, using the Annual Conflict of Interest Statement (the “**Statement**”) as attached to this policy. Additional material may be filed by the Member should the Member feel it is required, or such additional information may be requested by the Committee.

A Member must complete the Statement no less than once per year and, if at any time during the year the information in the Statement changes materially, the Member shall disclose such changes and revise the Statement accordingly.

### **Recusal of Member**

A Member who has declared a conflict of interest using the Statement or who determines that a conflict of interest has arisen during the course of a meeting of the Committee, shall:

1. declare the nature and extent of the conflict of interest to one of the Co-Chairs of the Committee prior to the Committee discussion of the business giving rise to the conflict of interest, and such declaration shall include any material facts or information surrounding the conflict of interest;
2. if so requested by a Co-Chair, refrain from taking part in any discussion or vote in relation to the matter; and,
3. if so requested by a Co-Chair, withdraw from the meeting when the matter is being discussed.

In addition to the steps set forth above, a Member should voluntarily recuse themselves at any time from involvement in any decision or discussion in which the Member believes the Member has or may have a conflict of interest, without going through the steps set forth above.

Once the business giving rise to the conflict of interest has been concluded and a vote has taken place, then another Member of the Committee will advise the recused Member that such business has been concluded and the recused Member may return to the meeting.

## **Determination of Conflict of Interest**

1. The Co-chairs of the Committee shall review all Annual Conflict of Interest Statements. The Committee may request further information from the Member and shall conduct all reasonable due diligence for each instance of conflict of interest that is submitted, including investigating alternatives to the proposed transaction or arrangement giving rise to the conflict of interest. A 2/3 vote of the Committee shall determine if it believes there is a conflict of interest and, if the Committee determines there is a conflict of interest, the Committee will then advise the Member of its determination and the process for recusal as set forth above, if needed, shall be followed.
2. In the case where a conflict of interest is raised outside of the Annual Conflict of Interest Statement process (e.g. during a Committee meeting) then after disclosure of the conflict of interest and all material facts, and after the Member has recused themselves or has been asked by a Co-Chair to temporarily leave the meeting, the remaining Members shall decide if a conflict of interest exists.
3. If such Member or the Committee is unable, in good faith, to render a determination regarding the conflict of interest at the time of the meeting, the Committee may determine, by 2/3 vote, to continue with the discussions and any resulting voting, without the recused Member, or suspend discussions and resulting voting until such Member or the Committee is able to render a determination. A Co-Chair shall, if the Co-Chair determines it is appropriate, appoint a sub-Committee to investigate alternatives to the proposed transaction or arrangement giving rise to the conflict of interest and report its findings and determination of conflict of interest.
4. In all cases of disclosure of a conflict of interest, the due diligence to be applied to a determination of conflict of interest shall include, where applicable, a determination of whether the Committee can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest and if such arrangement or transaction is undertaken, then it is made in the Committee's best interest, for its own benefit, and it is fair and reasonable.
5. To assist in the clarification of a conflict of interest, a Member of the Committee who is contracted by the Committee or Plan to provide services, or whose spouse is an employee or contractor of the Committee or Plan, or who is in a significant relationship with an employee or contractor of the Committee (all of which relationships should be disclosed to the Committee) may take part in discussions and vote on all matters relating generally to the financial operation of the Committee and Plan, other than matters in which the Member's interest, or the interest of the Member's spouse or person with whom the Member is in a significant relationship, is not the same or substantially the same as that of other Members or contractors of Committee, including matters of compensation of employees or contractors.

## **Violations of the Conflicts of Interest Policy**

1. If the Committee has reasonable cause to believe a Member has failed to disclose actual or possible conflicts of interest, it shall inform the Member of the basis for such belief and afford the Member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the Member's response and after making further investigation as warranted by the circumstances, the Committee determines, after a 2/3 vote of the attending Committee members, the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action which may include

the giving of a warning, or the suspension of the Member's participation or membership on the Committee, temporarily or permanently or full expulsion from the Committee.

## **COMPLIANCE AND REPORTING**

The minutes of the Committee shall contain:

1. Copies of all submitted Annual Statements of Conflict of Interest, any action taken to determine whether a conflict of interest was present, and the Committee's decision as to whether a conflict of interest in fact existed.
2. The names of the Members who were present for discussions and votes relating to the determination of the conflict of interest, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
3. The Committee will ensure compliance with this Policy through regular training of Members on conflicts of interest and by ensuring there is a call for disclosure of any conflicts of interests at the beginning of each Committee meeting.

**Halifax Regional Municipality Pension Committee  
Member Annual Conflict of Interest Statement**

1. Name: \_\_\_\_\_ Date: \_\_\_\_\_

2. Committee Position:

Representative Yes  
Alternate Yes

3. I affirm the following:

(a) I have received a copy of the Member Commitment to Code of Conduct (the Code) and the Member Conflict of Interest Policy (the Policy). \_\_\_\_\_ (initial)

(b) I have read and understand both the Code and the Policy. \_\_\_\_\_ (initial)

(c) I agree to comply with the both the Code and the Policy. \_\_\_\_\_ (initial)

4. Disclosures:

a. I have a conflict of interest (real, perceived or foreseeable), including a financial interest or special advantage, as described in the Member Conflict of Interest policy? Yes No

i. If yes, please describe it (use additional paper if required):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. In the past, and also while a Member, I have had a conflict of interest (real or perceived) including a financial or special advantage, as described in the Member Conflict of Interest policy? Yes No

i. If yes, please describe it, including (approximately) when such conflict of interest started:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Member

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name of Member

Date of Review by the Co-Chairs: \_\_\_\_\_

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 2**

**POLICY TITLE: COMMITTEE PRINCIPLES**

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Subcommittees, when used, will be assigned so as to reinforce the wholeness of the Committee's job and so as never to interfere with delegation from Committee to CEO.

Accordingly:

1. Subcommittees are to help the Committee do its job, not to help or advise the staff. Subcommittees ordinarily will assist the Committee by preparing policy alternatives and implications for Committee deliberation. In keeping with the Committee's broader focus, Subcommittees will normally not have direct dealings with current staff operations.
2. Subcommittees may not speak or act for the Committee except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.
3. Subcommittees cannot exercise authority over staff. Because the CEO works for the full Committee, he or she will not be required to obtain approval of a Subcommittee before an executive action.
4. Subcommittees are to avoid over-identification with organizational parts rather than the whole. Therefore, a Subcommittee that has helped the Committee create policy on some topic will not be used to monitor organizational performance on that same subject.
5. Subcommittees will be used sparingly and ordinarily in an *ad hoc* capacity.
6. This policy applies to any group which is formed by Committee action, whether or not it is called a committee and regardless whether the group includes Committee members. It does not apply to committees formed under the authority of the CEO.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 2**

**POLICY TITLE: *COMMITTEE STRUCTURE***

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A Subcommittee only exists if approved by the Committee, regardless whether Committee members sit on the Subcommittee. The only standing Subcommittees are those which are set forth in this policy. Unless otherwise stated, a Subcommittee ceases to exist as soon as its task is complete.

1. Audit Subcommittee
  - a. Oversees the selection of the external auditor and recommends the appointment of the external auditor to the Pension Committee;
  - b. Receives and reviews the audited financial statements and related documents from the external auditor;
  - c. Recommends approval of the audited financial statements to the Pension Committee; and
  - d. Performs such other roles as the Committee may request from time to time.

Shall consist of five members appointed by the HRM Pension Committee for such term as the HRM Pension Committee decides from time to time. At least 3 members shall be voting members of the HRM Pension Committee. The balance of members may be alternates. The Chair of the Audit Subcommittee, a voting member of the HRM Pension Committee, shall be appointed by the Audit Subcommittee and approved by the HRM Pension Committee. A quorum for a meeting shall be three members of the Audit Subcommittee.

2. Training & Education Subcommittee
  - a. Develops and recommends competencies required of Pension Committee members/alternates and assesses whether adequate training is being received.
  - b. Recommends to the HRM Pension Committee an annual training and education budget;
  - c. Reviews the content and recommends any revisions to the Training and Education Policy on an on a regular basis to the HRM Pension Committee;
  - d. Along with the Pension Committee Co-Chairs, reviews the agenda for the Annual Education Session to ensure that it is current and accurate and recommends any additions to the HRM Pension Committee; and
  - e. Requests from members/alternates for additional funding or to deviate from the recommended guideline must be submitted to the Training & Education Subcommittee for review and will be subject to the Committee Co-Chairs' approval.

Shall consist of four members of the HRM Pension Committee, either voting members or alternates, as appointed by the HRM Pension Committee for such term as the HRM Pension Committee decides from time to time. The Chair of the Training and Education Subcommittee shall be appointed by the Training and Education Subcommittee and approved by the HRM Pension Committee. A quorum for a meeting shall be two members of the Training and Education Subcommittee.

**POLICY TYPE: GOVERNANCE PROCESS**

**Review Date: Quarter 4**

**POLICY TITLE: *COST OF GOVERNANCE***

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Because poor governance costs more than learning to govern well, the Committee will invest in its governance capacity.

1. Accordingly, the Committee will ensure its skills, methods, and supports will be sufficient to assure governing with excellence.
2. Accordingly, the Committee will ensure its costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
3. Accordingly, the Committee will apply the existing Training & Education Policy.  
*(see next page)*

# Halifax Regional Municipality Pension Plan

## *Committee Training and Education Policy*

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### **Background**

The HRM Pension Plan Text states in its Section 6, under "Duties of the Committee", the following:

"To provide for training of the Committee at seminars, through the retention of trainers, through attendance at conventions and other such bodies, anywhere the Committee deems appropriate and beneficial to the beneficiaries as a whole."

In 2000, the Office of the Superintendent of Financial Institutions (OSFI) together with two pension industry organizations, Association of Canadian Pension Managers (ACPM) and Pension Investment Association of Canada (PIAC) developed basic governance guidelines for the pension industry. This Joint Task Force concentrated on six principles of governance. The fifth principle is as follows:

*Plan Administrator should be qualified and knowledgeable. Everyone involved in the administration of the plan should have, or acquire, the current and appropriate knowledge and skills which are required for the assigned responsibilities.*

***In accepting their appointment, Committee members and alternates should clearly understand that it is an ongoing obligation of the Committee member/alternate to educate themselves on the plan and current pension issues, including, but not limited to governance policies, pension legislation, actuarial principles, fiduciary duties, financial markets, and risk management including an understanding of environmental, social and governance ('ESG') factors and investing.***

### **Training and Education Sub-Committee**

In January 2011, the Training & Education Sub-Committee was formed.

Duties of the sub-committee include:

- develop and recommend competencies required of Pension Committee members/alternates and assess whether adequate training is being received;
- recommend to the HRM Pension Committee an annual training and education budget;
- review the content and recommend any revisions to the Training and Education Policy on a regular basis to the HRM Pension Committee;
- along with the Pension Committee Co-Chairs, review the agenda for the Annual Education Session to ensure that it is current and accurate and recommend any additions to the Pension Committee;
- review requests from Committee members/alternates requesting increases in training budget and/or deviation from the Guideline for Attendance at Educational Opportunities and make recommendation to Pension Committee Co-Chairs for approval.

### **The Policy**

The policy of the HRM Pension Plan with respect to Committee education and training encompasses the following elements:

1. New member/alternate orientation
2. Ongoing member/alternate education and training
3. Participating Employer representative training
4. Training Budgets

### **New Member/Alternate Orientation**

At the time a new member/alternate/Participating Employer representative joins the Committee, the Pension Office will:

1. Provide an orientation manual containing the following:
  - a. Organizational Structure
    - i. Organizational Charts
    - ii. Audit Sub-Committee Mandate & Member List
    - iii. Training and Education Sub-Committee Mandate & Member List
    - iv. List of Voting Members with Contact Information
    - v. List of Alternates with Contact Information
    - vi. List of Participating Employer Representatives
    - vii. List of Pension Plan Office Main Contacts
  - b. Plan Text and Amendments Governance
    - i. Governance Policies
    - ii. Privacy Principles
    - iii. Statement of Investment Policies and Procedures (SIP&P)
    - iv. Expense Policy
    - v. Participating Employers Policy & Agreement
    - vi. Reciprocal Transfer Agreement Policy
    - vii. Pensioner Overpayment Policy
    - viii. Funding Policy
    - ix. Responsible Investment Policy
    - x. Risk Appetite Statement
  - c. Procedures
    - i. Pension Committee Appointment Letter
    - ii. Committee Members Code of Conduct
    - iii. Code of Conduct Form
    - iv. In Camera Procedures
    - v. Procedures for Dealing with the Media
    - vi. Overnight & Out of Province Travel Form
    - vii. Expense Claim Form
    - viii. Course Evaluation Form
    - ix. Request for Deviation from Training & Education Guidelines Form
    - x. Remuneration of Members/Alternates Claim Form
  - d. DC Plan Insurance Policies, Group RSP and SIP&P
  - e. Reference Material
    - i. New Member “Welcome” Package (Non-PSO & PSO versions)
    - ii. Third Party Service Provider List
    - iii. Pension Website Links (i.e. Nova Scotia Pension Benefits Act and Regulations, Income Tax Act and Regulation, educational organizations, etc.)
    - iv. Glossary of Pension Terms
    - v. Glossary of Investment Terms
    - vi. History of HRM Pension Plan
    - vii. Other items as designated from time to time

Committee members and alternates are expected to make themselves familiar with the Orientation Manual. The Orientation Manual supplements the education program; it does not replace it.

2. Schedule an introductory meeting with the Co-Chairs and the Pension Office prior to attending the next scheduled Pension Committee meeting. The purpose of the introductory meeting is to review the Orientation Manual, and to answer any questions the member/alternate may have.
3. Provide links to online pension and benefits publications i.e.:  
Benefits Canada <http://www.benefitscanada.com/>  
Benefits and Pension Monitor Magazine <http://www.bpmmagazine.com/>

Committee members and alternates are encouraged to subscribe to the aforementioned publications in an effort to keep themselves up to date on pension issues.

4. Advise of the following suggested supplementary reading:  
Pension Fund Excellence by Keith P. Ambachtsheer and D. Don Ezra  
Portable Pension Fiduciary by John Ilkiw  
Policy Governance Model by John Carver

Each Committee member/alternate will have access to the above noted material through the Pension Office. Participating Employer representatives are welcome to borrow this material when it is available. It is recommended that the Portable Pension Fiduciary be read before the member/alternate/Participating Employer representative has attended the Annual Education Session. Suggested supplementary reading is designated by the Training & Education Sub-Committee in consultation with the Pension Office.

Each year the Committee will hold an internal, Annual Education Session for Committee Members, Alternates, and Participating Employer representatives. Attendance at the Annual Education Session is a requirement for each new member/alternate and should cover the following core requirements:

1. The HRM Pension Plan, including current funded status
2. Pension Legislation
3. Actuarial Principles
4. Fiduciary Duties
5. Investments and Financial Markets
6. Risk Management and/or Environmental, Social and Governance Investing (ESG)
7. Other topics as designated from time to time

If, as part of the Annual Education Session, a session is not devoted to ESG, the Committee will require the Pension Office to ensure at least a one-hour training session is made available to all Committee members/alternates annually.

### **Member/Alternate Education & Training**

**Committee members/alternates have an ongoing obligation to educate themselves and to keep abreast of pension trends, changes in legislation and funding, investment, and other developments through attendance at prescribed training.** It is understood that regular attendance at Committee meetings will be a core component of the member/alternate education program. The Pension Office is responsible for ensuring access to such training and monitoring Committee member/alternate participation. The CEO may from time to time suggest courses/e-learning/seminars/conferences that would be deemed appropriate for the duties of a Committee member/alternate.

In keeping with this commitment, the following training shall be completed by all members/alternates:

1. **Mandatory Basic Core Training:** Mandatory Core Training is designed to provide general training in pension fundamentals.
  - i. Annual Education Session - for Committee Members, Alternates and Participating Employers. The annual session shall be regularly scheduled and the Pension Office shall consult with Committee Co-Chairs and the Training and Education Sub Committee prior to the session to determine if attention to specific topics is required.
  - ii. Introductory Certifications:  
**Foundations of Trust Management Standards (FTMS)** – provided by International Foundation of Employee Benefit Plans.
2. **Mandatory Advanced Core Training:** Mandatory Advanced Core Training is designed to provide advanced training in pension fundamentals.
  - i. Advanced Certification:  
**Advanced Trustee Management Standards Series (ATMS)** – provided by International Foundation of Employee Benefit Plans.
  - ii. Co-Chair and Co-Chair Elect Only training:  
Pension Governance Education Program - provided by The University of Toronto Rotman School of Business International Centre for Pension Management (ICPM). It is strongly recommended that this course be completed within the first year of co- chairship or as soon as the course is available.
  - iii. Sub-Committee Specific Training:  
The Committee may prescribe a sub-committee-specific education requirement.
3. **Optional Advanced Training (Voting Members Only (not alternates))**
  - i. One financial/Investment Course as outlined in the table on Page 7.
  - ii. **Master of Trustee Management Standards (MTMS)** – provided by International Foundation of Employee Benefit Plans.

#### **Participating Employer Representative Training & the Halifax Regional Water Commission**

1. Participating Employer representatives will be invited to all internal training sessions.
  2. Participating Employers are encouraged to attend any other educational opportunities at their own cost.
  3. The Halifax Regional Water Commission is expected to fund their own training and education courses because they have a separate pension plan.
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## **Training Budgets**

There are two training budgets, one for mandatory training which provides members with the general education requirements to be a committee member. This budget is called the General Training Budget. The other budget is the personal budget from which the committee member self-directs their training to specific interests or specialties as per the guidelines/calendar. This budget is called the personal budget. The personal budget is made available to committee members once they meet basic training requirements. Committee members are able to access both General and Personal Training Budgets in any one year provided they meet the minimum requirements to access each of these budgets.

### **General Training Budget:**

1. Mandatory Basic and Advanced Core Training for each member/alternate shall be provided from the general training budget.
2. In addition to Basic and Advanced Core Training, one Introductory and one Advanced Investment training course (per table on Page 7) and MTMS shall be provided from the general training budget for voting members.
3. Where training is to be paid for by the general training budget, the participant must pass any certification exam or test. Copies of all certifications shall be provided to the Pension Office for the purpose of tracking member education.
4. Where training is provided locally (in whole or in part) the Committee may make such training available to Committee members (voting or alternate) from the general training budget subject to a special resolution prior to such training being commenced.

### **Individual Training and Education Budget:**

1. Each Committee member/alternate will be allocated an annual training & education budget upon completion of all Mandatory Basic Core Training (annual education session and FTMS).
2. The annual training budget shall be \$7,500 dollars per year for voting members and \$4,000 per year for alternates.
3. Where alternates or voting members wish to attend training which exceeds their annual budget, alternates or voting members may be permitted to do so subject to a recommendation of the Training and Education Sub-Committee and the approval of the Co-Chairs, provided that there are sufficient funds remaining in the overall annual training budget.
4. Members/alternates are encouraged to utilize their budget as another tool to keep themselves current in pension issues and trends.
5. Committee members/alternates will be accountable for exercising integrity, prudence, value-for-money, and good judgement in their educational expenditures. Sharing of transportation costs, when travelling together or at the same time, is encouraged.
6. Personal budgets shall be used for educational training for courses and conferences not paid for out of the general budget.

### **Budget Review**

1. The Committee shall on an annual basis, in the fall of each year, review the training budget allotment for voting members and alternates.
2. The review shall include a recommendation from the Training and Education Sub-Committee regarding the current budget allotments and the impact of inflation and travel costs on the ability of members to attend training.
3. At the annual review, the Pension Office shall provide the Committee with any relevant statistics regarding inflation such as the Consumer Price Index (CPI) for the previous year and any other relevant data to identify cost trends.

### **Miscellaneous:**

1. Committee members/alternates are required to have signed an annual updated Code of Conduct form signed prior to attending any training.
2. The member/alternate will complete and return an evaluation form provided by the Pension Office in respect of each course/conference attended and will be prepared to provide a short report to the Committee at the Committee meeting following completion of the course.
3. At conferences where attendance tracking is available, the member shall obtain a certificate of attendance and provide the Pension Office with a copy for their training file.
4. At courses where examinations are available to obtain a certificate, members/alternates are required to take the exam and provide the Pension Office with a copy of the certificate for their training file.
5. In order to be eligible to attend external training, with the exception of Mandatory Core Training, Committee members and alternates must have attended at least three out of the previous five regular Committee meetings. The Co-Chairs may make an exception for absences due to emergencies, or other extenuating circumstances.
6. The Committee wishes to take advantage of internal training opportunities as much as possible. Where appropriate, the CEO is encouraged to arrange for internal training sessions to be held during regular Committee meetings.
7. In addition to investment strategy educational sessions being provided at regular Committee meetings, from time to time, representatives from the Plan's Actuarial and Audit firms will provide sessions on actuarial and auditing principles respectively, which augment material provided when actual valuations and audited financial statements are presented to the Committee for approval.
8. Each Committee member/alternate is encouraged to read all prescribed Committee orientation materials and 'Suggested Supplementary Reading' materials.
9. Committee members/alternates are encouraged to participate regularly in local educational events that offer valuable content at minimal expense. Committee members not yet in receipt of a personal budget or who have used up their budget are encouraged to attend any no charge local educational event.

10. The Pension Office maintains each Committee member/alternate's training sheet and they are available on the HRMPP website. Members/alternates are encouraged to review their training sheets for accuracy on an annual basis and advise the Pension Office of any errors or omissions.

**How to access the website:**

1. Browse to [www.hrmpensionplan.ca](http://www.hrmpensionplan.ca)
  2. Click on the link at the top, "Pension Committee Login"
  3. Consult the Pension Office for User ID and password
11. Attendance at 'Internal Sessions', 'Local Pension-Related Events' and/or 'Conferences' are appropriate to attend at any time, if funds are available. Conferences provide you with the opportunity to keep up to date with current trends and to network with other Pension Plan Trustees.
  12. Committee members/alternates may attend as many of the sessions prescribed above as their budget allows. Requests from members/alternates for additional funding or to deviate from the recommended guideline must be submitted to the Training & Education Sub-Committee for review and recommendation and will be subject to the Committee Co-Chairs' approval. Note: The Deviation form may be found on the HRMPP website.
  13. Referring to the Guideline for Attendance at Educational Opportunities, at least six (6) voting Members, will endeavour to attain an 'Advanced' Financial/Investment Education' competency. A member is deemed to have attained this competency once they have attended one (1) introductory AND one (1) advanced course as denoted in that category, or other education as approved by the Training & Education Sub-Committee and Committee Co-Chairs. The Pension Office will advise the Training & Education Sub-Committee if/when less than six (6) voting members have this competency.
  14. Members are encouraged to manage their training so that they alternate between core mandatory training and attendance at conferences and other training opportunities. The completion of multiple certifications in one year or even two years is discouraged. It is encouraged that a member take some time to absorb learned materials and apply them before embarking on additional certifications. Attendance at a certification and a conference(s) in one year or two period is considered acceptable.
  15. Where members have previously attended relevant pension training through their job or personal activities, they should provide a list of this training to the Pension Office.
  16. Where a member wishes to vary their education from the policy or guidelines, they can request a variance from the Training and Education Sub-Committee and approval from the Co-chairs.
-

Guideline for Attendance at Educational Opportunities:

Year	Trustee & Governance Education	Financial/Investment Education
1-2	Annual Education Session PLUS	
	certification <sup>1</sup> in the Foundations of Trust Management Standards (FTMS)	
	Co-Chairs Only – Pension Governance Education Program	
3	Advanced Trustee Management Standards Series (ATMS) <sup>2</sup>	
4 +	Master of Trustee Management Standards (MTMS)	School of Pension Investment Management (SPIM) (Introductory) <sup>4</sup>
		Wharton – Portfolio Concepts & Management (Introductory) <sup>4</sup>
		Wharton –Investments Management (Advanced) Wharton - International Investing and Emerging Markets (Advanced) Wharton - Hedge Funds, Real Estate and Other Alternative Investments (Advanced)
<b>Internal Sessions: As recommended by T&amp;E Sub-Committee or CEO</b>		
<b>Local Pension-Related Events</b> From time-to-time organizations will sponsor pension related sessions in the local area. Attendance at these sessions is a great opportunity to improve your Trustee, Governance or Investment knowledge.		
<b>CONFERENCES</b> In addition to structured courses, members and alternates are encouraged to attend conferences which cover a variety of pension topics. These conferences allow you to learn about a broad variety of topics and provide for networking opportunities. The conferences outlined below are the regular conferences relevant to Canadian pension issues, however additional opportunities may be outlined in the annual training calendar. Conferences may be attended once your personal budget is available.		
Canadian Pension & Benefits Institute (CPBI) - National/Regional		
Association of Canadian Pension Management (ACPM)		
Canadian Annual Employee Benefits Conference – International Foundation of Employee Benefit Plans (IFEPP)		
Canadian Investment Institute (IFEPP)		
Canadian Public Sector Pensions and Benefits Conference (IFEPP)		
Pension Investment Association of Canada (PIAC)		

Or other conferences that may be approved by the Training & Education Sub-Committee.

<sup>1</sup> Online open book test - *must be completed prior to taking any other training as per T&E Policy.*

<sup>2</sup> Pre-requisite: (FTMS) Certificate of Achievement) an online open book test or ATMS Qualifying Test (on-line open book test with 40 questions)

<sup>3</sup> Due to the level of investment detail contained within the courses outlined in the 'Financial/Investment Education' section, it is recommended that a new member/alternate to the Committee have at least three (3) years of experience prior to attending an 'Introductory' course. At this point, a new member should have a grasp on the basics. An exception to this rule would be a new member/alternate who already has an investment background.

**POLICY TYPE: COMMITTEE-MANAGEMENT DELEGATION**

**Review Date: Quarter 3**

**POLICY TITLE: *GLOBAL GOVERNANCE-MANAGEMENT CONNECTION***

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The Committee's sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer.

**POLICY TYPE: COMMITTEE-MANAGEMENT DELEGATION**

**Review Date: Quarter 3**

**POLICY TITLE: *UNITY OF CONTROL***

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Only officially passed motions of the Committee are binding on the CEO.

Accordingly:

1. Decisions or instructions of individual Committee members, officers, or committees are not binding on the CEO except in rare instances when the Committee has specifically authorized such exercise of authority.
2. In the case of Committee members or committees requesting information or assistance without Committee authorization, the CEO can refuse such requests.

**POLICY TYPE: COMMITTEE-MANAGEMENT DELEGATION**

**Review Date: Quarter 3**

**POLICY TITLE: *ACCOUNTABILITY OF THE CEO***

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The CEO is the Committee's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Committee is concerned, is considered the authority and accountability of the CEO.

Accordingly:

1. The Committee will never give instructions to persons who report directly or indirectly to the CEO.
2. The Committee will not evaluate, either formally or informally, any staff other than the CEO.
3. The Committee will evaluate CEO performance on a regular basis, with a formal review conducted at least annually. Organizational accomplishments and progress on supporting initiatives agreed to in advance by the Committee and CEO will be considered in the evaluation process.

**POLICY TYPE: COMMITTEE-MANAGEMENT DELEGATION**

**Review Date: Quarter 4**

**POLICY TITLE: *DELEGATION TO THE CEO***

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The Committee will instruct the CEO through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The Committee will develop policies instructing the CEO to achieve specified results, for specified recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues as defined above are Means issues.
2. The Committee will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Committee, even if they were to be effective. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Committee will never prescribe organizational means delegated to the CEO.
  - a. Below the global level, a single limitation at any given level does not limit the scope of any foregoing level.
  - b. Below the global level, the aggregate of limitations on a given level may embrace the scope of the foregoing level, but only if justified by the CEO to the Committee's satisfaction.
3. As long as the CEO uses *any reasonable interpretation* of the Committee's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CEO shall have full force and authority as if decided by the Committee.
4. The Committee may change its Ends and Executive Limitations policies, thereby shifting the boundary between Committee and CEO domains. By doing so, the Committee changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Committee will respect and support the CEO's choices.

**POLICY TYPE: COMMITTEE-MANAGEMENT DELEGATION**

**Review Date: Quarter 1**

**POLICY TITLE: *MONITORING CEO PERFORMANCE***

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Systematic and rigorous monitoring of CEO job performance will be measured against expected CEO job outputs: organizational accomplishment of Committee policies on Ends and organizational operation within the boundaries established in Committee policies on Executive Limitations. This monitoring will be augmented by assessment of progress on supporting initiatives agreed in advance by the Committee and CEO.

Accordingly:

1. Monitoring is to determine the degree to which Committee policies are being met.
2. The Committee will acquire monitoring data by one or more of three methods:
  - a. by internal report, in which the CEO discloses compliance information, along with his/her justification for the reasonableness of interpretation;
  - b. by external report, in which an external, disinterested third party selected by the Committee assesses compliance with policies, augmented with the CEO's justification for the reasonableness of his/her interpretation; and
  - c. by direct Committee inspection, in which a designated member or members of the Committee assess compliance with policy, with access to the CEO's justification for the reasonableness of his/her interpretation.
3. In every case, the standard for compliance shall be *any reasonable CEO interpretation* of the Committee policy being monitored. The Committee is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by Committee members or by the Committee as a whole.
4. All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Committee. The Committee can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
5. Supporting initiatives will, where possible, be designed with quantitative measures of success. Where quantitative measures are not applicable, the Committee will apply qualitative judgement supported by CEO reporting.

**POLICY TYPE: COMMITTEE-MANAGEMENT DELEGATION**

**POLICY TITLE: *MONITORING CEO PERFORMANCE***

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<b>Policy</b>	<b>Method</b>	<b>Frequency (internal)</b>	<b>Month of Check</b>
General Executive Constraints	Internal	Annual	March
Treatment - Plan Members	Internal	Annual	March
Treatment – Staff	Internal	Annual	March
Actual Financial Conditions	Internal + Auditor (annual)	Semi-annual	March/Sept
CEO Succession	Internal	Annual	June
Asset Protection	Internal + Auditor (annual)	Semi-annual	June/Dec
Compensation & Benefits - Staff	Internal	Annual	March
Service Provider	Internal	Annual	September
Communication & Support- Committee	Internal + Committee	Quarterly	Each quarter
Investments	Internal & External	Quarterly	Each quarter

**POLICY TYPE: ENDS**  
**Review Date: Quarter 1**

**POLICY TITLE: ENDS STATEMENT**

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Current and future members will receive pension benefits as detailed in the HRM Pension Plan Text.

## Halifax Regional Municipality Pension Plan Committee Statement of Privacy Principles

### **Privacy Commitment**

The members of the Halifax Regional Municipality Pension Committee (the “Committee”) have a legal and ethical obligation to act in the interests of its plan members, former members and others entitled to benefits (all of whom are referred to as “Beneficiaries” in this statement) under the Halifax Regional Municipality Pension Plan (“Plan”). As part of this obligation, the Committee is committed to respecting the privacy of those Beneficiaries. In addition, the Committee is committed to respecting the privacy of the Committee’s employees (“Employees”).

The purpose of this document is to set out the principles that will guide the Committee’s collection, use and disclosure of the personal information of Beneficiaries and Employees. It is based on the ten principles of the Canadian Standards Association Model Code for the Protection of Personal Information, which has been recognized as a leading, voluntary code of conduct.

In this statement of privacy principles, “personal information” means information about an identifiable individual, but does not include the name, title or business address or business telephone number of an employee of an organization.

Each of the members of the Committee (“Member”) shall have one or more alternates appointed pursuant to the terms of the Plan (“Alternates”). Where the Alternates are acting pursuant to the Plan in place of the Member, the Alternate will be bound by this Statement of Privacy Principles. An Alternate is also bound by this Statement of Privacy Principles where the Alternate obtains any personal information. Absent exceptional circumstances, Alternates will not have access to personal information except in circumstances where the Alternate is acting in place of the Member as provided under the Plan.

Observers are defined in Section 6.11A of the Plan Text (“Observers”). Observers will be bound by this Statement of Privacy Principles. Absent exceptional circumstances, Observers will not have access to personal information unless it is personal information relating to employees of their appointed organization and access is needed for the Observer to perform their function on behalf of the appointing organization.

Employees consist of the Chief Executive Officer (“CEO”), and such other employees hired by the CEO from time to time. Employees will be bound by this Statement of Privacy Principles.

### **Accountability**

The Committee is responsible for personal information under its control. As part of this accountability, the Committee has designated an individual who is responsible for supervising compliance with this statement and applicable legislation. Inquiries related to our privacy practices may be directed to:

Privacy Officer/Director, Plan Member Services  
Halifax Regional Municipality Pension Committee



The Committee is responsible for personal information in its possession or custody, including information that it transfers or directs be transferred to a third party for processing. When the

Committee transfers information to a third party for such purposes, it obtains assurances from the organization that the personal information will be protected in the same manner as if the information was being processed by the Committee directly and that it will not be used for any other purposes.

As of the date of this privacy statement, the Committee has contracted with third party service providers for the license, maintenance, and support of the Plan's administration system and database and a custodian to administer its funds. The Committee has also contracted with an Actuarial Consulting firm for its valuation services, third party providers for the administration of its payroll and provision of employee group benefit coverage, and with HRM Information, Communication and Technology (ICT).

### **What information we collect and why**

Through its appointed administrator, the Committee collects, uses and discloses Beneficiaries' personal information in order to provide pension benefits to Beneficiaries. As part of this, the Committee provides written statements to Beneficiaries, maintains a database of Beneficiaries, contributions, pension benefits and related information, pays pension benefits to Beneficiaries and confirms eligibility for the payment of benefits. The plan is required to collect and disclose certain information to comply with the law, including the *Income Tax Act* and the *Pension Benefits Act*.

The Committee routinely collects basic identifying information about Beneficiaries, including name, address and social insurance number and employee number. In order to calculate contributions and benefits, the Committee collects employment salary information, age, marital status and similar information for beneficiaries. In the event of a divorce and other relationship dissolution, the Committee may be required to refer to any relevant settlement agreement or court order. The Committee also collects, uses and discloses Beneficiaries personal information to administer Reciprocal Transfer Agreements and the purchase of service program.

The Committee collects, uses and discloses Employees' personal information in order to administer the employer-employee relationship. This includes hiring, administering payroll and benefits programs, employment contracts and providing references for former employees.

At the time that any personal information is collected, the Committee will inform the individual concerned of the purposes for which the information is being collected in a manner that is clear, concise and comprehensible. Depending upon the circumstances of the collection, this information may be provided orally or in writing.

The Committee does not sell its Beneficiaries' list or provide its Beneficiaries' personal information to any third parties for any reason other than the legitimate administration of the Halifax Regional Municipality Pension Plan. Similarly, the Committee does not sell its Employees' list or provide its Employees' personal information to any third parties for any reason other than the operations of the Committee.

### **Confidentiality**

No member of the Committee, Employee, or any subcontractor of the Committee shall disclose any personal information related to any Beneficiary or Employee to any third party unless such disclosure is in accord with this privacy statement and is necessary for the proper administration

of the pension plan, the relationship with Employees or the provision of benefits to the Beneficiaries, nor shall anyone make any use of any Beneficiary's or Employee's personal information for any purpose other than the proper administration of the pension plan or the employment relationship. Access to personal information by the Committee, Employees, or any subcontractor shall be on a strict need-to-know basis and the Committee shall have overall responsibility to enforce this provision. Consistent with this general policy, the Committee shall also observe the following procedures:

- (a) Personal information of a Beneficiary is provided by the employer directly to the third party administrator appointed by the Committee. Access to such personal information of a Beneficiary held by the third party administrator is restricted to the CEO or a designate, where required for the administration of the Plan. The Committee shall not have access to personal information of the Beneficiary other than where necessary for the administration of the Plan and through a report provided by the CEO, designate of the CEO, third party administrator, or legal counsel. When the Committee must discuss the personal information of a Beneficiary, such discussion shall occur during the *in camera* portion of a meeting.
- (b) Access to personal information of Employees shall be restricted to the CEO, designate of the CEO, the two co-chairs of the Committee or third party service provider where necessary for payroll or other purposes. Access to personal information of the CEO shall be restricted to the two co-chairs of the Committee or necessary third party service providers. In circumstances where required for the administration of the Plan, the co-chairs may make personal information of the Employees available to the Committee and may require the Committee to return or destroy any written or electronic copies of the personal information. Any discussion of personal information of Employees shall occur during the *in camera* portion of a meeting.

All Employees and Committee members are required to take all reasonable measures to protect Beneficiary and Employee personal information from inappropriate, malicious or accidental disclosure.

## **Consent**

Membership in the plan is mandatory for its members and personal information described above is required to properly administer the plan and to provide benefits. The Committee shall not, as a condition of the receipt of benefits, require a Beneficiary to consent to the collection, use, or disclosure of information beyond that required to properly administer the plan and to provide benefits.

There may be circumstances where the consent of an individual may be implied by the circumstances. In such cases, the purposes for the collection and use of personal information must be clearly apparent and the Committee may only use the personal information for the obvious purpose. For example, if an individual asks to be sent a particular form, the Committee will need the individual's name and address so that we can fulfill the request. In such a case, the Committee can assume that the individual's request for the form constitutes consent for that

specific purpose. In such a case, we will not use that information for any reason other than fulfilling the request.

### **Limiting collection, use, disclosure and retention**

The Committee will not collect any personal information that is not reasonably necessary for the legitimate purposes of administering the plan and the Committee's operations. The Committee will not use or disclose Beneficiary or Employee personal information without consent for any purpose other than the proper administration of the plan or the employment relationship with Employees, unless the Committee is required to do so by law. The Committee will only retain personal information for as long as is reasonably necessary for the purposes for which it was collected. Personal information that is no longer required to fulfill the identified purposes shall be destroyed, erased, or made anonymous.

### **Accuracy**

The Committee will make reasonable efforts to make sure that personal information is as accurate, complete, and up-to-date as is necessary for the purposes for which it is to be used. Information that will be used to make a decision about an individual should be as accurate as reasonably possible. If the Committee does not have confidence in the accuracy of particular information, it will not be used to make any decisions about the individual.

### **Safeguards**

Personal information shall be protected by security safeguards appropriate to the sensitivity of the information. All personal information shall be maintained on a "need to know" basis. All information shall be secured by physical, technical and policy measures as is prudent given the sensitivity of the personal information concerned.

### **Openness**

The Committee shall provide specific information about its personal information handling policies and practices to any Beneficiary and Employee upon request.

Information about the Committee's personal information handling policies to be made available includes:

- the name, title and the address of the person who is accountable for the Committee's policies and practices and to whom complaints or inquiries can be forwarded;
- the means by which a Beneficiary or Employee may gain access to personal information pertaining to that Beneficiary or Employee held by the Committee;
- a description of the type of personal information held by the Committee, including a general account of its use; and
- what personal information is made available to related organizations.

### **Individual Access**

Upon request, each Beneficiary and Employee shall be informed of the existence, use, and disclosure of his or her personal information and shall be given access to that information. An individual shall be able to challenge the accuracy and completeness of the information and have

it amended as appropriate. If, in the Committee's view, the information is accurate, the individual will be able to have the personal information annotated with his or her comments related to the alleged inaccuracy.

An individual requesting access to his or her personal information, or who is inquiring whether the Committee holds any personal information related to him or her, shall be required to provide sufficient identifying information to allow the Committee to confirm his or her identity and to search for his or her personal information.

Beneficiaries also have a right to access certain information under the *Pension Benefits Act* and associated regulations.

The Committee may refuse to provide access to personal information that is subject to solicitor-client privilege or is related to a formal dispute resolution process. There may also be circumstances where the Committee is legally unable to provide access.

### **Challenging Compliance**

Any individual with concerns related to the Committee's personal information handling practices or the manner in which his or her personal information has been collected, used or disclosed, should address those concerns to the Committee's privacy officer indicated on the first page of this document. If the concerns are not resolved to the satisfaction of the individual, it will be referred to Committee. The privacy officer shall investigate the individual's concerns and shall attempt to resolve any complaint as expeditiously and as fairly as possible. If a complaint is found to be justified, the Committee will take appropriate measures, including, if necessary, amending its policies and practices. If a complaint is not found to be justified, the individual will be informed of this conclusion.

*Originally Approved November 30, 2006*