

TERMS OF REFERENCE

EMPLOYEE BENEFITS ADVISORY COMMITTEE

DALHOUSIE UNIVERSITY

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Preamble

Purpose

These terms of reference (the “Terms”) establish, in accordance with any applicable legislation and the terms of the applicable employee benefits plan, excluding pension benefits (“Plan”) of Dalhousie University, the rules concerning:

- the operation of the Committee and its governance;
- risk management and internal controls;
- the Code of Ethics for Committee members and delegates; and
- mandatory reporting.

Vision and Objectives

The University is committed to supporting the responsible and prudent operation of a benefits plan for its employees. The University values direct input from stakeholders in decision-making regarding the Plan, and supports the Committee as an effective means of ensuring meaningful and relevant input on critical issues from those directly affected.

The Committee members will use their experience and contacts with Plan members to provide ideas, guidance and feedback to the University regarding the operation of the Plan, placing preeminent focus on the following primary objectives:

- Developing health strategies (*i.e.*, wellness);
- Ensuring the Plan is attractive and competitive in comparison to relevant employers across Canada;
- Promoting employee awareness and knowledge of Plan selections and cost management; and
- Providing consistent benefit coverage across all employee groups, where feasible.

The Committee shall also consider the following secondary objectives in discharging their responsibilities to the Plan:

- Making effective use of technology in administering the Plan;
- Ensuring benefits are attractive and competitive;
- Ensuring equity between employee classes (*i.e.*, single, couple, family), where feasible;
- Managing short and long-term benefit costs;
- Promoting tax-effective means of spending employee money for benefits; and
- Developing partnerships where possible to improve the quality and cost of the Plan (*e.g.*, ISI).

The Committee members will undertake their responsibilities to the Plan free from any conflict of interest and in consideration of the best interests of the beneficiaries of the plan as a whole, and considering the future interests of future Plan members as appropriate.

Committee Mandate

The Committee shall play an advisory role in matters relating to the Plan. It shall regularly report to the University on its decisions and activities, and provide the University with recommendations regarding the administration, participation in, and contributions to the Plan. Specifically, the Committee shall provide the University with recommendations regarding the following:

- Plan management, including rate setting, experience monitoring, and member communications;
- Plan design changes; and
- Cost-savings opportunities for members that do not increase costs to the University.

Limitations on Committee Authority

The University is the legal administrator and policyholder of the Plan, and retains ultimate discretion and authority over the Plan's management and operation. Its decisions will be made placing emphasis on any decisions or recommendations of the Committee. Subject to the terms of any applicable collective agreement(s), the University shall normally act on the recommendations of the Committee, except where one or more of the following apply:

- Decisions or recommendations of the Committee are not consistent with acceptable group insurance principles;
- A decision is not cost neutral to the University (subject to approval by the University);
- The decision or recommendation is inconsistent with the duties or mandate of the Committee, is not in the best interests of the Plan beneficiaries as a whole, or the Committee is in a conflict of interest.

Application

The Terms apply to Committee members and, where applicable, delegates and service providers. A copy of the Terms shall be given to any delegates and service providers.

The Committee shall directly supervise the activity and performance of any delegate or service provider.

Adoption, implementation and amendment

The Committee shall adopt the Terms through a simple majority vote of Committee members who are present and entitled to vote. The Terms are effective on September 1, 2011.

The Terms may be amended by the University, on the recommendation of the Committee or at its own discretion.

Scope

In the event of a discrepancy between the terms of the Plan and these Terms, regarding the operation and governance of the Committee, subject to applicable laws, the latter shall prevail.

1. Rules of operation of the Committee

1.1 Members and Officers

1.1.1 Committee Members

The Committee shall be comprised of twelve voting members (and a non-voting secretary), consisting of members from each of the following groups, in the number specified:

- Two representatives from the Dalhousie Faculty Association who are employees and who are members of the plan;
- Two representatives from the Nova Scotia Government Employees Union who are employees and who are members of the plan;
- Five representatives from the University appointed by the Board of Governors;
- One representative from the Dalhousie Professional and Management Group who is an employee and who is a member of the plan;
- One representative from the Nova Scotia Union of Public and Private Employees who is an employee and who is a member of the plan;
- One representative from the University's Senate.

The nomination of representatives shall be at the discretion of the applicable nominating parties. Each member serves at the pleasure of the nominating party.

The term of office shall normally be two years. A member may serve multiple terms, without limit. In the event a member is unwilling or unable to serve or a term has expired, the nominating party shall submit a new nomination.

1.1.2 Number and title of Officers

The Committee members shall appoint from among themselves a Chair and a Vice-Chair. The Chair will hold that position for two years, subject to renewal or extension by agreement of the Committee. Should a Chair be unwilling or unable to continue to act, the Committee shall appoint a new Chair.

The Committee shall include a Secretary, appointed from time to time by the University. The Secretary shall not be a voting member of the Committee, and shall support the Committee and perform the services described in these terms.

1.1.3 Duties and obligations

1.1.3.1 Responsibilities of the Chair

The Chair conducts Committee meetings and approves the agenda. He/she opens and closes each meeting, puts questions to a vote where required and declares the decisions. The Chair ensures compliance with the Terms.

1.1.3.2 Responsibilities of the Vice-Chair

The Vice-Chair replaces the Chair in the event of the latter's absence or incapacity to act. In such cases, the Vice-Chair has the same duties and powers as the Chair.

1.1.3.3 Responsibilities of the Secretary

The Secretary performs all duties usually associated with this position and fulfills all other responsibilities provided under the Terms or assigned by the Committee. The Secretary is the holder of all documents related to the Committee. The Secretary documents all decisions of the Committee and circulates them for Committee review within ten days following the meeting at which a particular decision was made.

1.4 Duties and obligations of Committee members

Committee members shall make every effort to actively participate in all Committee meetings and in training opportunities made available to Committee members.

In discharging their duties under these Terms, Committee members shall use all relevant knowledge or skill that they possess or, by reason of their profession or business, ought to possess. Committee members are responsible to actively consider their relevant skill sets in the context of their responsibilities under these Terms, and to inform the Chair of any training opportunities or requirements they believe would be beneficial. Access to any specific training shall be in accordance with Article 2 of these Terms.

1.5 Signing of instruments

Acts of the Committee and contracts to which the Committee is a party must be signed by the University unless it delegates this authority to the Chair and Secretary holding office. The Chair and Secretary may delegate their signing power to other Committee members.

1.6 Meetings

1.6.1 Frequency

The Committee shall normally hold one regular half-day meeting each quarter. The Committee may hold additional special meetings at its discretion.

1.6.2 Notice of meeting

The Secretary calls regular Committee meetings by sending all Committee members a written notice, along with the agenda for the meeting, at least one week before the date set for the meeting. The notice specifies the place, date and time of the meeting.

If warranted by the circumstances, a special Committee meeting may be convened by the Chair within a period he/she deems appropriate. Notice of the meeting may not necessarily be in writing; however, all Committee members must receive such notice.

1.6.3 Quorum

Seven of the Committee members who are entitled to vote shall constitute a quorum. For greater certainty, the Chair and Vice-Chair are to be counted for purposes of establishing quorum. If there is no quorum, the Committee members present may adjourn the meeting until a quorum is reached. At the opening of the meeting and at all times during the meeting there must be a quorum.

1.6.4 Agenda

For each meeting, the Secretary draws up, in consultation with the Chair, the tentative agenda. The Secretary provides the Committee members with the tentative agenda and documents relative to each item on the agenda.

The Chair determines the final agenda at the beginning of the meeting. The Chair may revise the agenda at any time during the meeting.

1.6.5 Minutes and resolutions

The Secretary prepares the minutes of each meeting, recording the Committee's deliberations and decisions. The minutes of the meeting will be provided to Committee members at the next meeting and be adopted with or without amendment.

A written resolution signed by the Committee members entitled to vote shall have the same force as a decision taken during a meeting. Assent may also be evidenced through electronic means (*e.g.*, via email).

1.6.6 Decision-making and Voting

The Committee shall normally make decisions through consensus.

Should the Committee be unable to reach consensus, the matter shall be put to a vote. Each Committee member who is entitled to vote shall have one vote on any matter put to a vote. A decision or recommendation will be considered approved by the Committee if a majority of voting Committee members in attendance votes in the affirmative. Any item not receiving this level of support will be considered defeated.

2. Governance of the Committee

2.1 Training for Committee members, payment of expenses

2.1.1 Objectives

Committee members shall receive training that is relevant for the purpose of acquiring the knowledge and level of understanding needed to properly carry out their duties and participate in decision making.

The training shall focus especially on the following:

- knowledge of their powers and duties;
- understanding of the main elements of the Plan and its funding and any underlying arrangements;
- understanding of any advice Committee members receive and ability to assess it;
- understanding of the notion of conflicts of interest.

2.1.2 Fees and reimbursement of expenses

Committee members are not compensated for carrying out the duties of their office.

Fees or expenses pre-approved by the Committee may be paid or reimbursed by the Committee out of surplus funds under its control. In accordance with existing commitments undertaken by the Committee and in recognition of services rendered in support of the Plan and the Committee, the following expenses are specifically approved for reimbursement by the Committee to the University:

- Fifty percent (50%) of consulting costs associated with the management and operation of the Plan;
- Fifty percent (50%) of the salary costs of University staff providing substantial services to the Plan or Committee; and
- One hundred percent (100%) of the salary of the Wellness Coordinator.

All other claims for payment or reimbursement from the Committee must be pre-approved by it, and must be supported by appropriate receipts.

No fees or expenses will be paid or reimbursed by the University unless included in the annual operating budget or otherwise pre-approved by the University. All claims for expenses must be supported by appropriate receipts.

2.1.3 Communication with Plan members and beneficiaries

The Committee shall support the University's efforts to inform the Plan members of any significant event that could affect their rights under the Plan. The Committee shall also cooperate with the University to communicate to Plan members as required to disseminate information about any changes to the Plan or to generally improve understanding of the Plan.

2.2 Documents and registers

The Committee maintains, through the Secretary, the following documents and registers:

- a. the text of the Plan and any supporting documentation;
- b. the Terms;
- c. a register recording the interests or rights of which the Committee has been notified pursuant to the Code of Ethics for Committee members;
- d. the minutes and resolutions of the Committee meetings;
- e. any delegation agreements and the service contracts;
- f. any other document that the Committee sees fit to maintain.

3. Code of Ethics for Committee members and delegates

3.1 General

This Code of Ethics (the “Code”) applies to Committee members and to delegates of the Committee (collectively designated as the “Committee members”). It is intended to maintain and reinforce the trust that Plan members and beneficiaries (the “plan members”) place in the integrity of the Committee members and to promote transparency in the discharge of responsibilities pursuant to these Terms.

All plan members may have access to the Code.

The Chair of the Committee is responsible for the application of the Code.

3.2 Standard of conduct

Committee members shall act, within the limits of their powers, in compliance with any obligations imposed by legislation and the terms of the Plan and these Terms. The Committee acknowledges that the University is acting as a fiduciary in the administration of the Plan, and that to be an effective advisory resource to the University, the considerations and recommendations of the Committee must be taken within that fiduciary context. The Committee also acknowledges that, to the extent it controls use and access to funds related to the Plan (*e.g.*, Employee Surplus Account), it is also a fiduciary. In discharging their roles as Committee members, each individual Committee member shall demonstrate honesty, loyalty, prudence and due diligence, and act in the best interests of the plan members and the beneficiaries.

3.3 Discretion and confidentiality

During and after their mandate, Committee members shall demonstrate discretion regarding matters they are privy to as a result of carrying out their duties.

They shall respect the confidential nature of any personal information received while exercising their duties.

The obligation regarding discretion and confidentiality shall not, however, prevent Committee members from consulting plan members or reporting to them, unless the information is protected by legislation or if the Committee requires that a matter be confidential.

3.4 Integrity and loyalty

A Committee member shall not, directly or indirectly, grant, solicit or accept any favor or undue advantage for himself/herself or a third party. He/she shall not accept gifts or other benefits other than those that are customary or not excessive in value.

A Committee member shall not benefit from, nor allow a third party to benefit from, the confidential information he/she obtains in the exercise of his/her duties, even after he/she has ceased to exercise his/her duties. This obligation shall not, however, prevent Committee members from consulting the plan members or reporting to them, unless the information is protected by legislation or if the Committee requires that a matter be confidential.

3.5 Impartiality

Committee members shall make the decisions inherent to their duties with objectivity and independence. They shall abstain from acting on the basis of considerations that are unrelated to the proper and equitable operation of the Plan.

3.6 Conflicts of interest

No Committee member shall exercise his/her duties in his/her own interest or in the interest of a third party, nor shall he/she place himself/herself in a situation of conflict between his/her personal interest and the duties of his/her office. If the Committee member is a member or a beneficiary of the plans, he/she shall exercise his/her powers in the common interest, considering his/her own interest to be the same as that of the other members or beneficiaries of the plans.

Every Committee member shall, without delay, notify the Committee in writing of any interest he/she has in an enterprise that is susceptible of causing his/her personal interest to conflict with the duties of his/her office, and of any rights, other than those arising from the plans, that he/she may have in or invoke against the Plan, specifying, where such is the case, the nature and value of such rights. Moreover, he/she shall withdraw during the proceedings and the voting on the matter in question.

Every interest or right so notified shall be recorded in a register kept by the Committee for such purpose.