

**THE UNIVERSITY OF WINNIPEG**  
**TRUSTEED PENSION PLAN**  
**BOARD OF TRUSTEES**

March 31, 2009

**By Courier**

Ms. Debbie Lyon  
Supérintendent of Pensions  
Manitoba Pension Commission  
1004 - 401 York Ave.  
Winnipeg, Manitoba  
R3C 0P8

Dear Ms. Lyon,

**Re: The University of Winnipeg Trusteed Pension Plan (the "Pension Plan")**

The administration of the University of Winnipeg Pension Plan was transferred from The University of Winnipeg to an independent Board of Trustees as of July 7, 2008. During this, our first annual cycle as a Board, the Trustees have received orientation and training, developed processes for the work of the Board, established priorities, established committees and specific terms of reference for them, and made significant progress in the development of a governance framework, as you will see from the information that is provided as part of our submission.

Please find attached the response of the Trustees of the Pension Plan to your Revised Order, dated June 6, 2008, with respect to clauses (a), (b) and (c) of the Order, which directed the successor administrator of the Pension Plan to:

- (a) develop and implement a written governance framework for The University of Winnipeg Pension Plan by March 31, 2009;
- (b) confirm to the Superintendent in writing by March 31, 2009 that it will develop and implement the written governance framework required by clause (a);
- (c) provide to the Superintendent a copy of the written governance framework required by clause (a) within 30 days of its implementation.

Our submission in response to these requirements includes documents supporting the work that the Board and Committees have undertaken and in particular, we include the following:

- Completed CAPSA governance self-assessment questionnaire
- Copies of terms of reference for the Board of Trustees and Committees
- Board of Trustees annual calendar of key deliverables
- Defined Benefit Committee annual calendar of key deliverables
- Report from the Operations, Governance and Audit Committee (now the Operations Committee) on Board Committees
- Copy of Board of Trustees Newsletter

- Link to our web page which will also provide the Superintendent with access to the Trust documents and other relevant materials, such as minutes, that demonstrate the Trusteed Board's commitment to effective governance, and transparency with all plan members and beneficiaries (<http://www.uwinnipeg.ca/index/hr-benefits-pension-trustees>)

Please let us know if you need anything else from us to complete the requirements of the Order.

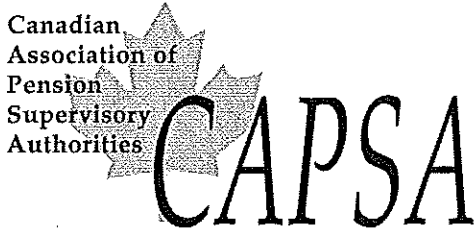
As per your counsel's letter dated March 24, 2009, we understand that the March 31, 2009 deadline, with respect to clauses (d), (e) and (f) of the Revised Order (the payment to DB members and amendment of actuarial valuation report) has been extended to August 31, 2009.

Yours truly,



Karen Zoppa  
Chair, The University of Winnipeg Trusteed Pension Plan

c. Board of Trustees Members



## APPENDIX: CAPSA PENSION PLAN GOVERNANCE SELF-ASSESSMENT QUESTIONNAIRE

(In this questionnaire, “you” refers to the plan administrator.)

CAPSA has prepared the Pension Plan Governance Self-Assessment Questionnaire to help you assess how successfully your plan follows effective governance principles.

You can use the questionnaire to determine which principles you have already instituted and which steps to take to improve the governance of your pension plan. To make the best use of the questionnaire, when you answer a question **Yes**, document the sources of the answer. When you answer **No**, note the areas that need more work and what you need to do to change the response to **Yes**.

Plan administrators may adapt the questionnaire to suit the needs of their pension plans.

Please complete the questionnaire honestly and objectively. You may wish to appoint an individual to co-ordinate the completion of the questionnaire. This individual may wish to get help from those who have the best knowledge of particular issues. The primary responsibility for completing the questionnaire remains with you. You should approve the completed questionnaire. We recommend you complete the questionnaire annually.

The completed questionnaire **does not** have to be filed with the regulator of your pension plan, but should be kept on file for your future reference.

# QUESTIONNAIRE

1. Fiduciary responsibility	Comments/Reference/Actions
a) Have you identified your fiduciary and other responsibilities to plan members and beneficiaries?  Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes, the Trustees have clearly identified our fiduciary and other responsibilities related to plan members and beneficiaries. These are clearly laid out in Section 5 of the Trust Agreement in detail. An education session has also been provided that addressed this topic as well.
b) Have you identified any responsibilities to other stakeholders and noted any that are fiduciary?  Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes, we have (e.g. plan members, sponsors and other potential beneficiaries) and acknowledge the fiduciary responsibility to these individuals.

2. Governance objectives	Comments/Reference/Actions
a) Have you established governance objectives for the oversight, management and administration of the plan?  Yes <input type="checkbox"/> No <input type="checkbox"/>	This has been achieved through the Trust Agreement entered into by all the stakeholders which is included with this submission. In addition, we have separate agreements with all service providers that will be reviewed by the various committees of the trustee board to ensure that appropriate service level agreements are in place, and that performance against those agreements is being achieved, and report to the board. This will include regular reporting from the University in regards to the payment of plan benefits, reports against budget for pension plan expenditures, and an external audit of the plan.

3. Roles and responsibilities	Comments/Reference/Actions
a) Have you identified your roles and responsibilities, including any necessary delegation, for the effective governance of the pension plan?  Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes, these are identified in the trust agreement, and in the plan services agreement. We are taking the additional step of developing specific terms of reference for the trustee board and the committees to ensure that where delegation is established that clear and regular reporting to the full board of trustees is in place. The terms of reference being recommended to the Board in April are attached.
b) Have you clearly documented expectations for yourself and each of your delegates?  Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes. This is outlined in Article 5 of the Trust Agreement, through the Plan Services Agreement, and in the agreements with the other service providers. All of these are being reviewed by the Trustees in 2009 to ensure that the expectations outlined in the Trust Agreement and

related documents are being met.

4. Performance measures	Comments/Reference/Actions
a) Have you established clear measures for assessing the performance of all participants in the governance process who have decision-making authority?  Yes <input type="checkbox"/> No <input type="checkbox"/>	No. The Trusteed Board will have completed its first year of operation in July 2009. Having gone through a full cycle and plan year, the Board will now be able to address this requirement. This will commence in July/August of 2009.
b) Do you have a regular performance monitoring, review and remedial process for all participants in the governance process who have decision-making authority?  Yes <input type="checkbox"/> No <input type="checkbox"/>	No. The process of developing the measures will also include these elements. This process will start in June 2009. The full board of trustees will be required to review and approve.

5. Knowledge and skills	Comments/Reference/Actions
a) Have you established an ongoing process to identify the knowledge and skills needed for the effective governance of the pension plan?  Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes. The pension plan is governed by an independent Board of Trustees consisting of representatives of all the stakeholder groups (administration, unions, retirees) that have varying levels of knowledge and skills in the areas of pension plan governance. In order to ensure we are building appropriate knowledge and skills, the Trusteed Board determined an education framework around pension plans and plan governance that all current Trustees have gone through, and that will serve as an orientation package for new Trustees. In addition, the Trusteed Board also consists of three external independent trustees who are selected to the Board based on their skills and experience. A copy of the guidelines used by the Board to select these individuals is attached.
b) Do you have a process to fill gaps in knowledge and skills?  Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes. Working with an external pension consulting firm, the trusteed board identified preliminary education requirements necessary to provide broad education on pension plan governance, pension basics, defined benefit and defined contribution education. The Operations Committee is establishing a “trustee orientation” package of educational components that will be provided to new trustees as they come on the board, and will be tabling recommended ongoing education for Trustees on an annual basis. In addition, the Board and Committees also have the ability to supplement Trustee skills through

	the engagement of subject matter experts as required.
<b>6. Access to information</b>	<b>Comments/Reference/Actions</b>
<p>a) Have you and, as required, your delegates defined the information necessary to discharge your responsibilities?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes. As the Board of Trustees and Committees develop their terms of reference and work through the initial year of trustee board governance, these are being identified. Core reporting and information requirements are identified in the trust agreement. Examples include: DB investment performance reports, actuarial reports, plan membership data, defined contribution education updates as well as defined contribution member participation and fund utilization as well as fund performance reports, etc.</p>
<p>b) Do you have a process in place for obtaining this information accurately, quickly, clearly and in a suitable format?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes, we are in the process of developing an annual calendar of key requirements for the trustee board that outlines the major activities of the Board (initial version attached). This will establish key information requirements for the Board on an annual basis. Adhoc information requirements flow through the university's benefit administrator who ensures a quick and thorough response as required. The pension website also serves to provide quick access to necessary documents and information</p>
<b>7. Risk management</b>	<b>Comments/Reference/Actions</b>
<p>a) Have you identified the pension plan's risks?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>No. This is a process that the Board of Trustees will go through in terms of identifying plan risks as well as necessary controls that will need to be put in place. The Trustee Board also has access to internal audit resources or can ensure appropriate external resources are brought in to ensure risks and controls have been adequately identified and addressed. Preliminary steps are being taken through Board Committees.</p>
<p>b) Do you have a process to manage these risks?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>This will be addressed as the board identifies risks and establishes the right controls to manage these risks.</p>
<b>8. Oversight and compliance</b>	<b>Comments/Reference/Actions</b>
<p>a) Have you identified the legislative requirements, documents and policies that apply to the pension plan?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes, they have all been identified and are reflected in the trust agreement</p>

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<p>b) Do you have a mechanism to ensure you comply with legislative requirements and pension plan documents and administrative policies?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes. The trust agreement that established the Board of Trustees has been reviewed by the various stakeholder's counsel, and by independent counsel to the plan. The plan's lawyer provides ongoing advice and guidance to the board in regards to any changes that the trustee board may undertake in these areas. In addition, the Trustees have the plan audited by an external auditing firm each year, and an independent service provider (Mercer) undertakes final calculations with respect to benefits.</p>
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9. Transparency and accountability	Comments/Reference/Actions
<p>a) Have you provided an explanation of the pension plan's governance process to plan members, beneficiaries and other stakeholders?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Not entirely. To date, these groups have been advised of the new Trusteed Board membership, structure and other important preliminary matters. However, this will be addressed in greater detail in 2009 through specific communications vehicles: the pension plan annual report; the website (access to all documentation and information); and our newsletter (first newsletter attached).</p>
<p>b) Have you provided an explanation to plan members and beneficiaries of the process that will be used to address their questions and complaints?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Partially: We have identified members and beneficiaries of the Board, and advised them to make contact with the Board with any questions or concerns. We have begun a Frequently Asked Questions section for our website, and plan to explore the possibility of establishing a dedicated email address for inquiries. The additional steps are anticipated to be complete by the Fall of 2009.</p>

10. Code of conduct and conflict of interest	Comments/Reference/Actions
<p>a) Do you have a code of conduct that sets out the required behaviour for you and your delegates?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>No specific code of conduct has been developed yet, however the trust agreement outlines general expectations of all trustees, identifies the requirement for trustees to act as fiduciaries, and in accordance with the Trustee Act of Manitoba. Trustees have also received education in this regard. A formal code of conduct will be developed by the Board of Trustees in 2009.</p>
<p>b) Do you have a conflict of interest policy to deal with your actual or perceived conflicts of interest and those of your delegates?</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes, all Trustees sign a conflict of interest document (copy attached) on an annual basis, and the operations committee is tasked with addressing any conflicts that are identified.</p>

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11. Governance review	Comments/Reference/Actions
a) Have you established a process for regularly reviewing your pension plan's governance?  Yes <input type="checkbox"/> No <input type="checkbox"/>	No, however a bi-annual review utilizing the CAPSA guidelines will be undertaken and reported back to the Board to ensure appropriate progress is being made. The review will be incorporated into the Operations Committee terms of reference and the Board calendar.
b) Do you have an effective process to resolve any inconsistencies or inadequacies in the plan's governance?  Yes <input type="checkbox"/> No <input type="checkbox"/>	The process for resolving identified inconsistencies or inadequacies in the plan's governance will be developed as part of the plan governance review process. At this time, Committees are identifying gaps through their work, and bringing them forward to the Board of Trustees. The Board oversees the work of the Committees and will ensure that identified gaps are recorded in the minutes and addressed.

Completed by:

KAREN ZOPPA

Name

CHAIR

Title

March 28, 2009

Date

Approved by:

(if different)

Name

Title

Date