

THE UNIVERSITY OF WINNIPEG TRUSTEED PENSION PLAN BOARD

CODE OF CONDUCT

Pension Trustees:

1. Act in good faith and in the best interest of the plan participants and beneficiaries.
2. Act with prudence and reasonable care.
3. Act with skill, competence, and diligence.
4. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty.
5. Abide by all applicable laws, rules, and regulations, including the terms of the plan documents.
6. Deal fairly, objectively, and impartially with all participants and beneficiaries.
7. Take actions that are consistent with the established mission of the plan and the policies that support that mission.
8. Review on a regular basis the efficiency and effectiveness of the plan's success in meeting its goals, including assessing the performance and actions of plan service providers, such as investment managers, consultants, and actuaries.
9. Maintain confidentiality of plan, participant, and beneficiary information.
10. Communicate with participants, beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner.
11. Maintain clarity and respect in the relationship between the stakeholders and the Trustees.

Code of Conduct Guidance

1. Act in good faith and in the best interest of the plan participants and beneficiaries.

The overriding objective of the pension plan is to serve as a secure source of retirement income. Pension plan Trustees have a primary duty to act for the benefit of the plan participants and beneficiaries. Trustees comply with this duty by striving to safeguard and grow the assets of the pension plan to provide maximum benefit to the plan participants and beneficiaries. To act in the participants' and beneficiaries' best interest, an effective trustee will:

- Consider the different types of beneficiaries relevant to each pension plan, including deferred beneficiaries and pensioners. Trustees often engage in a delicate balancing act of taking sufficient risk to generate long-term returns high enough to support real

benefit increases for active participants who will become future beneficiaries while avoiding a level of risk that jeopardizes the safety of the payments to existing pensioners.

- Place the benefit of the plan participants and beneficiaries above that of the sponsor of the pension plan even if the Trustee is employed by or appointed to the board of the pension plan by the plan's sponsor.
- Consider whether the position of the plan is enhanced by any Investment or action and will not be swayed by other considerations, such as the interests of the employer sponsor of the pension or other external institutions (e.g., trade unions or political parties).
- However, Trustees who exclusively seek to enhance the position of participants and beneficiaries cannot discount additional considerations, such as the effect of the Trustees' decisions on the financial health and viability of the plan sponsor or their impact on plan investments.

In carrying out their responsibilities, effective Trustees will:

- Consider the additional objectives of ensuring an adequate match between plan assets and liabilities, maintaining stable funding costs over time, keeping management costs down, and paying benefits upon the death, disability, retirement, or other special circumstances of plan members.
- Carry out the plan activities in a way that does not impose an unnecessary financial burden on the plan sponsor and serves the interests of plan members well but without excessive burden to the plan sponsor.
- Consider the position of other stakeholders when carrying out their duties to the fund. If appropriate under applicable law, it is acceptable for a trustee to consider the impact that the investment of plan assets may have—for example, creating jobs or stimulating industry in the local area—so long as the interests of the participants and beneficiaries remain paramount.
- Consider all relevant risk and value factors deemed appropriate when designing the plan's investment strategy. In addition to typical financial measures, these factors may include environmental, social, and corporate governance issues.

2. Act with prudence and reasonable care.

Effective trustees will exhibit the care and prudence necessary to meet their obligations to pension plan participants and beneficiaries. The exercise of prudence requires acting with the appropriate levels of care, skill, and diligence that a person acting in a like capacity and familiar with such matters would use under the same circumstances.

In the context of serving as a Trustee, prudence requires:

- Acting in a judicious manner to avoid harming plan participants and beneficiaries.
- Acting in good faith, without improper motive or purpose.

- Exercising power and discretion consistently.
- Following the investment parameters set forth by the plan documents and applicable regulation.
- Having appropriate knowledge of and skill in balancing risk and return by seeking appropriate levels of diversification.

Pension plans typically employ experts to advise, direct, and implement the decisions of their trustees. Both internal staff and external consultants are retained for this purpose. These “designees” thereby partner with the Trustees in carrying out the responsibilities set forth in this bode. However, external third-party service providers and professional consultants may have less accountability or vested interest in the outcome of actions resulting from their advice. Trustees can rely on external third-party service providers and professional consultants provided that the Trustees have made reasonable and diligent effort to:

- Determine that the service providers act with appropriate skill, competence, and diligence.
- Determine that third-party experts are independent and free of conflicts of interest and have the proper incentives to act in the best Interests of the fund participants.
- Ensure that the designees’ decisions have a reasonable and adequate basis and that the decision process is adequately documented.

Trustees may also consider:

- Appointing expert Trustees.
- Hiring internal staff with investment expertise who may act as an internal consultant.
- Developing an internal investment team to manage the fund directly.

However, although the delegation of certain Trustee responsibilities to experts is a prudent option, the trustees retain the ultimate fiduciary duty and responsibility to monitor the experts and to ensure that the delegated responsibilities are carried out appropriately.

3. Act with skill, competence, and diligence.

Skill and diligence require trustees to be knowledgeable about the matters and duties with which they have been entrusted. Ignorance of a situation or an improper course of action on matters for which the Trustee is responsible or should at least be aware is a violation of this code. Improper or ill-advised decisions can be costly to the pension plan and detrimental to the plan’s participants and beneficiaries. Prior to taking action on behalf of the plan; effective Trustees and/or their designees analyze the potential investment opportunities and act only after undertaking due diligence to ensure they have sufficient knowledge about specific investments or strategies.

Effective Trustees will have knowledge and understanding of:

- Trust and pension laws.

- Pension plan funding and liabilities.
- The policies of the plan.
- The strategies in which the plan is investing.
- Investment research and will consider the assumptions used — such as risks, inflation, and rates of return — as well as the thoroughness of the analysis performed, the timeliness and completeness of the information, and the objectivity and independence of the source.
- The basic structure and function of the selected investments and securities in which the plan invests.
- How investments and securities are traded, their liquidity, and any other risks (including counterparty risk).

The level of such analysis will depend on the investment style and strategy employed by the plan. Certain types of investments, such as hedge funds, private equity, or more sophisticated derivative instruments, necessitate more thorough investigation and understanding than do fundamental investments, such as straightforward and transparent equity, fixed-income, or mutual fund products. Trustees may seek appropriate expert or professional guidance if they believe themselves lacking the expertise necessary to make an informed decision. Trustees should not act—or fail to act—for the beneficiaries if lacking appropriate understanding or knowledge.

- Trustees are expected to take any training or educational opportunities necessary to ensure that their level of knowledge and understanding about pensions and investments remains current.
- Incumbent trustees and the pension plan sponsor have a responsibility to ensure that new Trustees receive proper training and education to fulfill their duties.

4. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty.

Effective Trustees endeavor to avoid actual and potential conflicts of interest between their work with the pension plan and other personal or outside interests. Conflicts of interest are many and varied, but the interests of pension plan participants and beneficiaries are paramount.

Effective Trustees:

- Strive to avoid even the appearance of impropriety. Outside duties or responsibilities should not influence decisions because the Trustee acts primarily for the beneficiaries and participants of the plan.
- Take great care to put their duties to the pension plan before their loyalty to the sponsoring entity that appointed them (such as a company plan sponsor or labor union).
- Do not solicit political contributions from service providers to the fund, either personally or on behalf of another.

- Do not allow political interests, philosophy, or political party loyalty to Influence decisions made on behalf of the plan.
- Do not put themselves in a position where their interests and the interests of the pension plan conflict. Trustees who also are pension plan participants or beneficiaries should take precautions to avoid any personal profit at the expense of the plan.
- Do not use the prestige or influence of their position for private gain or advantage.
- Avoid any employment or contractual relationship with, or any Interest In, firms that provide services to the pension plan.
- Are not Involved In any retention or termination decisions of such firms or otherwise vote on matters related to the Trustees' firms:
 - Refuse any gift or benefit that could reasonably be expected to affect their Independence, objectivity, or loyalty:
 - Do not receive or accept, directly or indirectly, any gift, service, favor, entertainment, or any other thing of value from anyone currently engaged by or seeking business from the pension plan if it could reasonably be expected to influence a decision or be considered a reward. The governing body should establish a written policy limiting the acceptance of gifts and entertainment in a variety of contexts,
 - Refuse to accept gifts or entertainment of more than a minimal value from service providers, consultants, potential investment targets, or other business partners. Pension plan governing bodies should define what the minimum value is and should consult applicable regulations, which may help establish limits as well. The governing body should also create a reporting mechanism for disclosure of gifts and consider creating limits (e.g., amount per time period, per vendor) for accepting gifts and prohibit the acceptance of any cash gifts.

To the extent conflicts may not be avoided, effective Trustees recognize and take appropriate measures to deal with and manage the conflict, such as:

- Disclosing all real or perceived conflicts of interests.
- Abstaining from a vote or excluding themselves from any deliberations in which they are in direct conflict.
- Ensuring that the pension plan has procedures in place to manage and disclose any such conflicts. Policies should be appropriate to the circumstances and level of control that the Trustees have over trading decisions of the fund.
- Documenting and disclosing to the pension plan the acceptance of any gift or entertainment.

The overriding principle is that Trustees should act in the best interests of the participants of the pension plan and disclose any conflicts of Interest.

The personal and business relationships that are built among the Trustees or between Trustees and outside experts, such as investment managers, are an intangible asset to be leveraged for the benefit of the plan. The plan should adopt policies to prohibit former Trustees from Using information gained about the plan or relationships with incumbent Trustees, investment managers, or other experts for personal benefit.

5. Abide by all applicable laws, rules, and regulations, including the terms of the plan documents.

The pension plan governing body, having been vested with the power to manage and administer the pension plan, is responsible for ensuring adherence to the terms of the arrangement, statutes, bylaws, contract, trust instrument, or other associated governing documents. As a general matter, pension plans operate in a complex, varied, and rapidly changing regulatory environment. Generally, Trustees are not expected to master the nuances of technical, complex law or become experts In compliance with pension regulation.

Effective Trustees:

- Consult with professional advisers retained by the plan to provide technical expertise on applicable law and regulation.
- Regularly investigate and ensure that the pension plan has adopted and updated compliance policies and procedures designed to maintain compliance with laws and regulations that govern the pension plan.
- Report any suspected illegal, unethical, or financial irregularities to the appropriate parties, including the plan's internal auditor.

Policies and procedures are critical tools to ensure that pension plans meet their legal and ethical requirements. Specific policies and procedures of the pension plan supplement the fundamental principle-based ethical concepts embodied in this code. Documented compliance procedures will assist Trustees in fulfilling the responsibilities enumerated in this code.

6. Deal fairly, objectively, and impartially with all participants and beneficiaries.

To maintain the trust that beneficiaries of the pension plan place in them, Trustees deal with all plan participants and beneficiaries in a fair and objective manner. Effective Trustees do not give preferential treatment to beneficiaries within a particular class of members or otherwise favor one class over the others. Many plans have different types of participants: active members who are making contributions and accruing benefits, deferred members who have left employment but have not transferred their assets and will draw future benefits when reaching retirement age, and retirees, including spouses of deceased members, who are currently drawing retirement benefits. Effective Trustees balance the interests of all types of members, treating each category of member fairly.

7. Take actions that are consistent with the established mission of the plan and the policies that support that mission.

Effective Trustees develop and implement comprehensive written investment policies that set forth the mission, beliefs, and strategic investment plans that guide the investment decisions of the plan (the "policies").

Trustees:

- Draft written policies that include a discussion of risk tolerances, return objectives, liquidity requirements, liabilities, tax considerations, and any legal, regulatory, or other unique circumstances.
- Review and approve the plan's investment policies as necessary, but at least annually, to ensure that the policies remain current.
- Only take Investment actions that are consistent with the stated objectives and constraints of these established plan policies.
- Consider the suitability of investments given the needs of the pension plan, its future (or projected) liabilities, risk tolerance, and diversification goals.
- Select investment options within the context of the stated mandates or strategies and appropriate asset allocation.
- Establish policy frameworks within which to allocate risk for both asset mix policy risk and active risk as well as frameworks within which to monitor performance of the asset mix policies and the risk of the overall pension fund.
- Work to achieve the proper investment blend to reflect the sometimes competing interests among the different classes of plan members while focusing on long-term stability and growth.
- Carry out the terms of the plan while abiding by any supplemental legal or regulatory requirements.

8. Review on a regular basis the efficiency and effectiveness of the plan's success in meeting its goals, including assessing the performance and actions of plan service providers, such as Investment managers, consultants, and actuaries.

Effective Trustees have the knowledge and understanding to critically review and verify the performance of the plan's investment managers.

Trustees:

- Develop disciplined decision rules for hiring, firing, and retaining investment managers that foster a long-term investment focus and are consistent with the plan's investment policy statement. Hiring and firing decisions should be made by considering well-reasoned criteria that may include performance, organizational or operational strength, personnel quality, and other considerations.
- Ensure that the investment entity managing plan assets employs qualified staff and sufficient human and technological resources to thoroughly investigate, analyze, implement, and monitor investment decisions and actions.
- Ensure that investment managers and consultants retained by the plan adopt and comply with adequate compliance and professional standards.

- Ensure that the pension plan has in place proper monitoring and control procedures for investment managers.
- Review investment manager performance assessments relative to the plan's investment policy statement on a regular basis, generally quarterly but at least annually.

Trustees may delegate the selection and monitoring of investment managers to an investment committee or professional staff as long as the Trustees maintain essential oversight and policy-setting responsibilities.

9. Maintain confidentiality of plan, participant, and beneficiary information.

Effective Trustees hold strictly confidential all information communicated to them in the context of their duty to the plan, and they take all reasonable measures to preserve this confidentiality. This discretion applies to information related to individual plan participants and beneficiaries as well as any information that may affect the plan's competitive ability (e.g., detailed security transactions, investment holdings, private equity transactions, and merger and acquisition information). Effective Trustees ensure that the plan has in place a privacy policy that addresses how confidential pension plan information will be collected, used, stored, and protected and should ensure that this policy extends to external agents and delegates.

10. Communicate with participants, beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner.

Full and fair disclosure of relevant information is a fundamental ethical principle of capital markets and the investment services industry. Developing and maintaining clear, timely, and thorough communication practices is critical to providing high-quality financial services to plan participants and beneficiaries.

Trustees have a responsibility to:

- Ensure that the information they provide to plan participants and beneficiaries is accurate, pertinent, and complete.
- Not misrepresent any aspect of their services or activities in any communications, including oral representations, electronic communications, or written materials (whether publicly disseminated or not).

Communication with participants and beneficiaries is generally provided on a regular timetable and by the pension plan, not by individual Trustees. Nevertheless, effective Trustees work to ensure that all communications with plan participants and beneficiaries are timely, relevant complete, and accurate. If the pension plan is considering significant changes, such as mandating a later retirement age, lowering the percentage of future benefits, or closing the plan to new members, Trustees will communicate this information well in advance to allow affected parties the opportunity to provide input. Among other disclosures, Trustees have a duty to present performance information that is a fair representation of the plan's investment record and that includes all relevant factors. Trustees have a responsibility to comply with the plan's disclosure policies by submitting any requested information in a timely manner. To be effective, disclosures of information must be made in plain language and in a manner designed to effectively communicate the information.

11. Maintain clarity and respect in the relationship between the stakeholders and the trustees. The University of Winnipeg Trusteed Pension Plan Board has adopted the following protocol:

Protocol for Board/ Stakeholder Relations

The University of Winnipeg Trusteed Pension Plan is by design and purpose governed by a Board of Trustees appointed in the main by the five stakeholder groups - AESES, IUOE, UWFA, UWRA, and the University (as Plan Sponsor).

The primary duty and allegiance of every Trustee is to the stability and efficacy of the Plan.

The Stakeholders have acknowledged this in the Plan Trust Agreement and support this.

In addition, the Stakeholder appointed Trustees shall serve as conduits for communication between the Board as a whole, and the Stakeholders. The Stakeholder appointed Trustees can and may communicate Board business to their Stakeholder principals, governed by the confidentiality provisions of the Plan Agreement. Conversely, the Stakeholder appointed Trustees can and may communicate matters from their Stakeholder to the Board for its consideration.

The Stakeholder appointed Trustees will clearly identify those occasions when they are reporting on behalf of their Stakeholder.

The Chair of the Board will remind Trustees to make such clarification when appropriate.

Appendix A

Definitions:

Active member - See Participants.

Beneficiaries - Those persons who are no longer making contributions to the pension plan but who are receiving benefits.

Deferred member or Beneficiary - Those persons who are eligible for benefits in the future but who are no longer making contributions.

External consultant - An Individual or entity outside the pension plan retained to provide professional services to the plan, including assisting the plan in selecting investment managers.

Governing body - The group of persons or legal entity responsible for managing and safeguarding the assets of the pension plan.

Investment manager - An Individual or entity retained by the pension plan to invest the assets of the plan.

Participants - Those persons who are participating in the pension plan by making contributions but who are not yet receiving benefits.

Pension plan - An arrangement whereby a public or private employer, such as a corporation, labor union, or government agency, provides income through deferred compensation to its employees after retirement.

Plan sponsor - The entity that establishes the pension plan and employs the members of the plan.

Retirees - Those persons who are receiving pension benefits from the plan.

Stakeholders - Those discrete groups, constituted by Members of the Pension Plan, whose appointed representatives constitute the Trustees of the Board.

Trustee - An individual who serves on the governing body of a pension plan, plan, or fund.

"pension plan" means a superannuation or pension fund or plan organized and administered to provide a pension benefit for employees, and includes,

(c) "active member" means an employee of the employer who is accruing benefits under the pension plan; and

(d) "member" means an active member, a pensioner or a deferred pensioner.