

2010 GOVERNANCE SELF ASSESSMENT QUESTIONNAIRE – FOR THE UNIVERSITY OF WESTERN ONTARIO PENSION PLAN FOR MEMBERS OF THE ADMINISTRATIVE STAFF

1. Fiduciary responsibility	Comments/Reference/Actions
a) Have you identified your fiduciary and other responsibilities to plan members and beneficiaries? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> • Special Resolution of the Board of Governors No 1 – K outlines the duties of the Pension Board. • Governance information on retirement plan website. Areas for improvement:
b) Have you identified any responsibilities to other stakeholders and noted any that are fiduciary? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> • Affiliated colleges and the participation agreements. Areas for improvement:
2. Governance objectives	Comments/Reference/Actions
a) Have you established governance objectives for the oversight, management and administration of the plan? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> • Mission statement and 7 Board principles. • <u>Adopted a Statement of Investment Beliefs</u> • <u>Priorities for 2010/2011 set through a day long Pension Board retreat.</u> Areas for improvement: Development of a Statement of Investment Beliefs
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 checked="" type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> • Duties and Responsibilities in Special Resolution No 1 – K. • Pension Board job description • Due diligence through documented decisions • Delegation to experts as agents after search process and written recommendation

	<ul style="list-style-type: none">• Process in Board resolution No1 – K to address knowledge gaps <p>Areas for improvement:</p>
<p>b) Have you clearly documented expectations for yourself and each of your delegates?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none">• Internal Job descriptions• External Agent contracts & services• Investment Managers have detailed investment mandates• Committee terms of reference in the form of the Special resolutions of Board of Governors <p>Areas for improvement:</p>

4. Performance measures	Comments/Reference/Actions
<p>a) Have you established clear measures for assessing the performance of all participants in the governance process who have decision-making authority?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Attendance & contributions at Board meetings • Avoidance of conflict of interest • Good comprehension of Fiduciary duties • Professional Accreditation in investment management required for at least 1 ex officio member • Attendance at Educational Activities. <p>Area for improvement:</p>
<p>b) Do you have a regular performance monitoring, review and remedial process for all participants in the governance process who have decision-making authority?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Internal staff performance reviews. • Investment managers’ annual review, external legal, custodial, actuarial, investment consultant review <u>is-are</u> ongoing. • Service Level Agreement and annual review for Northern Trust. <p>Areas of improvement: Performance review for all service providers annually. <u>-service review for provider of recordkeeping system</u></p>

5. Knowledge and skills	Comments/Reference/Actions
<p>a) Have you established an ongoing process to identify the knowledge and skills needed for the effective governance of the pension plan?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Orientation for new Pension Board Members • Investment Consultant provides knowledge and information on specific issues • Annual Board retreat and opportunities to attend regular conferences • Research papers on the web
<p>b) Do you have a process to fill gaps in knowledge and skills?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Internal Staff – education and development • External consultants to fill gaps • Research papers on web for reference • Process in the Board Resolution to address knowledge gaps • <u>Expert consultant retained on the MAV II notes market</u> <p>Areas for improvement:</p>

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6. Access to information	Comments/Reference/Actions
<p>a) Have you and, as required, your delegates defined the information necessary to discharge your responsibilities?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> Information to board, custodian, investment managers, auditors, internal information, information gathered at industry conferences; all accessible on protected web site Directors, employees available to provide information for Board decisions. Agenda and materials distributed before Board meetings. Expert consultant available to attend 12 meeting annually <p>Areas for improvement:</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 checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> HR coordinator posts information on protected Board website – website includes meeting agenda, minutes, conference opportunities, exhibits from conferences and fund manager report and updates. <p>Areas for improvement:</p>

7. Risk management	Comments/Reference/Actions
<p>a) Have you identified the pension plan’s risks?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> Retirement Plans Risk Management Program - reviewed and updated regularly. <p>Areas for improvement:</p>
<p>b) Do you have a process to manage these risks?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> Summarized in Risk Management Program Risk management plan used as a reference documents by the Pension Board. <p>Areas of Improvement:</p>

8. Oversight and compliance	Comments/Reference/Actions
<p>a) Have you identified the legislative requirements, documents and policies that apply to the pension plan?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> -Pension Plan Documents -Income Tax Act -Pension Benefits Act and regulations -Capital Accumulation Plan Guidelines - UWO Policies -Personal Information protection and Electronic Documents Act. -Canadian Institute of Chartered Accountants Handbook -Financial Services Commission of Ontario policies Family Law Act Accounting principles (Generally Accepted Accounting Principles)
<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 checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Reliance on external agents including Pension Investment Association of Canada, Association of Canadian Pension Management and Canadian Association of Pension Supervisory Authorities communications. • Experienced and knowledgeable staff. • <u>External legal counsel for compliance with PBA and Income Tax Act as needed</u> • <u>Annual audit for payments and contributions</u> • <u>Compliance reports from managers</u> <p>Areas for improvement: a formal mechanism to be developed to monitor compliance. <u>Annual review of recordkeeping system</u></p>
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 checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Pension Plan Summary Document which includes information on governance. • Governance information of retirement plans web site. <p>Areas for improvement:</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>	<ul style="list-style-type: none"> • Quarterly Newsletter, Website, Annual Statement central HR contact-query elevated as deemed appropriate • Website developed for the non-bank ABCP issue • Workshops

<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Annual oral report to the members <p>Areas for improvement: <u>Enhance educational initiatives</u></p>
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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 checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Job descriptions (internal), contracts (external) board role descriptions and endorsement of UWO core values (re: code of conduct) address this. <p>Areas for improvement:</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 checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Board of Governors document • Annual Report • Pension Plan Text • Conflict of Interest provisions in SIPP <p>Areas for improvement:</p>

11. Governance review	Comments/Reference/Actions
<p>a) Have you established a process for regularly reviewing your pension plan’s governance?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Annual Retreat • Presentation to the Board of Governors through the Audit Committee annually
<p>b) Do you have an effective process to resolve any inconsistencies or inadequacies in the plan’s governance?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> • Committee discussion • Annual Retreat • Annual review through the self assessment governance questionnaire

Completed by:

Andrea Magahey

Name

Title: Manager Pension (Llegal

Approved by:

(if different)

Ab Birch

Name

Chair, Administrative Board

and Operations)

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