



# Sponsor Board Terms of Reference

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## A. BOARD ROLES AND RESPONSIBILITIES

The governance and decision-making framework of the Sponsor Board is outlined in the various legislation and policies which are described at a high level herein. The Sponsor Board's legislated authorities and policies are the governing documents and take precedence.

The following summarizes the Sponsor Board's key responsibilities:

- making decisions about the design of the SFPP Plan, including benefits to be provided, and how contributions are to be shared between employers and employees;
- making any decision to terminate the Plan or to convert it to a different kind of pension plan;
- setting the funding policy under the *Employment Pension Plans Act* (EPPA), including in relation to the frequency of actuarial valuations of the Plan and the risk appetite;
- Developing the Sponsor Board's Code of Conduct, setting the remuneration of the SFPP Corporation Board of Directors, and making rules governing participation of new employers and the withdrawal of employers;
- reviewing the annual budget of the Corporation and providing directions to the Corporation in regard to that budget; and
- determining and communicating to the Corporation the nature and level of support that it requires to be provided to it by or through the Corporation.

## B. MEMBERSHIP

1. The Sponsor Board is comprised of six members: three employee appointees and three employer appointees (*Joint Governance of Public Sector Pension Plans Act* (JGA), Schedule 3, Section 4(1)).
2. The three employee appointees include one member appointed by the Edmonton Police Association, one member appointed by the Calgary Police Association and one member appointed

by the Alberta Federation of Police Associations on behalf of the Police Associations of Lethbridge, Medicine Hat, Lacombe, Camrose, and Taber.

3. The three employer appointees include one member appointed by the City of Calgary, one member appointed by the City of Edmonton and one member who will initially be appointed by the City of Medicine Hat but will, after the initial term ending March 1, 2022, be appointed by agreement between the City of Lethbridge, the City of Medicine Hat, the City of Lacombe, the City of Camrose and the Town of Taber.
4. A Sponsor Board member must not be a director of the Corporation.

#### C. TERMS OF APPOINTMENTS

1. A Board member shall be appointed by the sponsor body for a fixed term not exceeding three (3) years and may be reappointed four times to a maximum of 12 years. Since the JGA is silent on term and service limits for the Sponsor Board, these limits are set at the discretion of the Sponsor Board.

#### D. ELECTION OF CHAIR AND VICE-CHAIR

1. The Sponsor Board shall elect from its own members its Chair and Vice-Chair for up to a three (3) year term.
2. The offices of the Chair and Vice-Chair will rotate every three (3) years between a member appointed by an employee organization and a member appointed by an employer organization. At any one time, the offices of Chair and Vice-Chair are to be occupied by a member appointed by an employee organization and a member appointed by an employer organization. For clarity, both offices of Chair and Vice-Chair cannot be held by individuals representing the same type of organization (either employer or employee, as the case may be).
3. Where the Chair or Vice-Chair is a member appointed by an employee organization, that member will be determined by the members appointed by employee organizations. Where the Chair or Vice-Chair is a member appointed by an employer organization, that member will be determined by the members appointed by employer organizations.

#### E. CHAIR RESPONSIBILITIES

1. The Chair is responsible for the following:
  - (a) Board Administration:
    - Serves as the Code Administrator under the Sponsor Board Code of Conduct.
    - Signs official documents that require his or her signature, including the minutes of

meetings of the Sponsor Board.

- Ensures appropriate meetings are held and sets meeting agendas in collaboration with the CEO. As such, ensures that the information needs of the Board are met, as required, to achieve informed and efficient decision making.
- Refers new issues appropriately for investigation, follow-up or resolution.

(b) Board Meeting Process and Culture:

- Presides over meetings of the Board or, if requested, any stakeholder meetings.
- Keeps the Board work focused on its roles and responsibilities.
- Promotes Board member independent thinking and decision making of the Board.
- Fosters a spirit of respect, trust, collegiality, and professional conduct.
- Builds consensus among Board members to facilitate decisions, ensuring that all views are considered during the decision-making process and moving Board discussions toward a constructive and timely resolution.
- The Chair's influence on a decision is equal to that of any other Board member.

(c) Performance:

- Mentors and counsels Board members where appropriate and, if and when necessary, discusses matters relating to poor attendance or unsatisfactory performance or conduct.

(d) Relationships and Communication:

- Ensures that the respective responsibilities of the Board and those of Management are well understood, and that the boundaries between those responsibilities are respected.
- Acts as direct liaison between SFPP Corporation's CEO and the Sponsor Board.

## F. VICE-CHAIR RESPONSIBILITIES

1. The Vice-Chair assumes the duties of the Chair during his or her absence.
2. The Vice-Chair serves as Code Administrator in relation to the Chair, under the Sponsor Board Code of Conduct.
3. In addition, the Vice-Chair is responsible for the following:
  - Supports the Chair in maintaining effective functioning of the Board.
  - Helps to set the tone and culture of the Board.
  - Fosters responsible and ethical decision-making.
  - Works closely with the Chair and the CEO.
  - Performs other duties from time to time as prescribed by the Board, coincident to the position.

## G. BOARD MEMBER RESPONSIBILITIES

1. Members will participate in an orientation program after appointment to the Board.
2. Members will act with integrity and in the highest ethical manner that contributes to the effective operation of the Sponsor Board.
3. Member responsibilities include:
  - Investing sufficient time to become a knowledgeable and a fully involved Board member within a reasonable length of time after appointment. Members will engage in all opportunities available to gain a full working understanding of all elements of the roles and responsibilities of the Sponsor Board and understanding of the SFPP and its environment.
  - Compliance with the Sponsor Board *Code of Conduct* and ensuring that the CEO and the Chair are aware of any conflicts of interest or matters that might reflect adversely upon SFPP Corporation or the Plan, whether contemplated by the *Code of Conduct* or not.
  - Fostering ethical and responsible decision-making and with consideration made to all members of the Plan, including retired members, and the affordability and sustainability of the Plan.
  - Contributing meaningfully to discussions in an objective manner. This includes working diligently at listening well, understanding the views of others, and deepening discussion points raised before moving on to other issues.
  - Voting on all matters coming before the Board except where there might be a real or perceived conflict of interest.
  - Preparing for Board meetings by reviewing all materials distributed in advance of the meeting. If additional information is necessary for decision-making, or clarification is needed, the member should make efforts to obtain that information prior to the meeting.
  - Attending all Board meetings, where possible. A member who is unable to attend a meeting is responsible to inform themselves of all matters that occurred at that meeting.

## I. PROCEDURAL REQUIREMENTS

### *Meetings*

1. Meetings of the Sponsor Board shall be held on such day and at such time as the Chair may determine.
2. Sponsor Board meetings will take place in a format determined by the Chair and CEO (e.g. in-person, teleconference or video-conference).



3. Board members may participate and vote in a meeting by telephone, electronic means or other communication facility that the Corporation has made available for that purpose.
4. In addition to any regularly scheduled meetings, any Board member may request a meeting of the Sponsor Board by written submission to the Chair and the CEO, setting out the items to be discussed at such meeting.
5. Notice of any regular meeting or special meeting of the Sponsor Board will be provided in writing.
6. Any meetings of the Sponsor Board may be adjourned to any future date. The business to be transacted at such adjourned meeting may be announced at the original meeting or indicated in a subsequent notice of the adjourned meeting. Notice of an adjourned meeting of the Sponsor Board is not required if the time and place of the adjourned meeting is announced at the original meeting.
7. Meetings of the Sponsor Board will be supported by the staff of SFPP Corporation. The Chair may invite any guests to provide information or advice to the Sponsor Board.

#### *Declarations of Conflict of Interest*

8. Members will comply with the Sponsor Board Code of Conduct related to conflicts of interest.
9. Board members will be required to declare conflicts of interest at the beginning of each meeting, and the process in the Code of Conduct will be implemented for any such declarations.

#### *Quorum*

10. A quorum to hold a meeting of the Sponsor Board requires a majority of the employee representatives (two out of three) and a majority of the employer representatives (two out of three) to be present. If a quorum is present at the opening of a Sponsor Board meeting, the Board members present may proceed with the business of the meeting, other than for a resolution to pass, even if a quorum is not present throughout the meeting. For a resolution to pass, sufficient representation must be present to carry a vote as described under Section I.(11) or I.(12) as appropriate.

*Resolutions and Voting*

11. Other than a resolution or decision under Section I.(12), there must be at least eight votes cast in favour of a resolution. The Sponsor Board will have ten votes in total, if all representatives are present, with the following number of votes allocated to employee or employer representatives:

	Representative Body	Number of Votes
Employee Representatives	Edmonton Police Association	2
	Calgary Police Association	2
	Police Associations of Lethbridge, Medicine Hat, Lacombe, Camrose and Taber	1
Employer Representatives	City of Calgary	2
	City of Edmonton	2
	Municipalities of Lethbridge, Medicine Hat, Lacombe, Camrose and Taber	1
Total Sponsor Board Votes		10

12. If there is a resolution or decision to terminate the Plan or convert it wholly or in part from a defined benefit plan to a defined contribution plan or a target benefit plan, a unanimous vote in favour by all Sponsor Board members must be cast.

*Time Sensitive Polls*

13. Voting may be conducted by a poll to obtain the Sponsor Board’s direction in a particular matter deemed urgent, or where an in-person, phone conference or virtual meeting of the Sponsor Board is deemed impractical.

Time sensitive polls:

- (a) May be conducted by the CEO, after receiving direction from the Chair;
- (b) May be administered by email or other electronic means or digital voting where a vote can be identified as the vote of a specific Sponsor Board member;



(c) Shall include:

- i. the specific issue and motion being considered;
- ii. sufficient information to enable Sponsor Board members to consider the issue;
- iii. a recommendation for consideration; and
- iv. the time limit for Board members to submit a vote.

14. The results are recorded in the Sponsor Board's resolution register.

#### *In-Camera Sessions*

15. The Chair may call an in-camera session to discuss a sensitive matter and will consider a request from a Board member to hold an in-camera session.

16. Agendas of regularly scheduled meetings will include in-camera sessions to allow the Board to meet privately without the officers of the Corporation. The opportunity to hold an in-camera session may be waived by the Chair.

17. The Chair may invite any Officer of the Corporation or guest to attend an in-camera session to provide information or advice to the Board. The Chair will provide direction on preparing minutes, if any, for in-camera sessions.

#### *Minutes*

18. The minutes of all Sponsor Board meetings (excluding meetings held in-camera) shall be written within two calendar weeks following the meeting and made available to the Board members, subject to the proviso that members who have declared a conflict with respect to a particular matter shall not receive that portion of the minutes relating to that matter.

## J. COMMUNICATIONS AND CONFIDENTIALITY

1. Members will comply with the Sponsor Board Code of Conduct and Sponsor Board Communication Policy related to confidentiality and disseminating information within policy guidelines.
2. The Chair or the CEO of SFPP Corporation may designate any materials or information provided to the Sponsor Board as confidential.
3. A Board member shall be entitled to share and discuss any provided materials or information that



are not designated as confidential.

4. At the end of each meeting, the Board will discuss which material or information shall be designated confidential and it will be recorded in the minutes.
5. Any such designation of material or information as confidential by the Chair or the CEO may be overridden by resolution of the Board members, passed in accordance with regular voting procedures of the Sponsor Board as prescribed in section I.(11).
6. At each meeting, the Sponsor Board will review key messages which can be shared with the Board member's sponsor organization. SFPP Corporation staff will provide the final key messages document to Board members within one calendar week of the meeting.
7. The Sponsor Board will authorize the CEO to provide key messages to the Corporate Board.
8. Members will practice an appropriate level of regular consultation with their sponsor organization for the purpose of fulfilling their roles and responsibilities on the Sponsor Board. When in doubt of which discussion topics may be confidential, Board members are expected to first consult with the Board Chair and the CEO.

#### K. SPONSOR BOARD COMMITTEES

1. The Sponsor Board may appoint committees as necessary. The Sponsor Board shall establish the mandate and determine the duties of such committees.

#### L. REMUNERATION AND EXPENSES

1. The Sponsor Board members serve without remuneration but may be reimbursed for expenses in accordance with the SFPP Sponsor Board and SFPP Corporation Expense Policy.

#### M. BOOKS AND RECORDS

1. The CEO shall see that all necessary books and records of the Sponsor Board required by any applicable statute or law are regularly and properly kept by SFPP Corporation.

#### N. ANNUAL CERTIFICATION AND POLICY REVIEW

1. Sponsor Board members will review the Terms of Reference document annually and certify compliance with its terms.
2. The Sponsor Board will review its Terms of Reference document at least every three years.

## O. AUTHORITY

### 1. The Sponsor Board:

- shall have the roles, responsibilities and authorities as outlined in the *Joint Governance of Public Sector Pension Plans Act (JGA)*, Schedule 3, Section 6;
- may make rules outlined in the JGA, Schedule 3, Sections 7 and 8; and
- must make rules outlined in the JGA, Schedule 3, Section 9.