



Bermuda Hospitals Board

PENSIONS SUB-COMMITTEE Terms of Reference

1. DEFINITIONS

“BHB” means the Bermuda Hospitals Board;

“the Board” means the Board of Directors;

“Board Member” means person appointed by the Minister to serve on the Board

“the Act” mean the Bermuda Hospitals Board Act 1970;

“Executive Team Member” means a member of BHB’s Executive Management Team;

“Executive Member of the Board” means a Board Member who sits on the Executive Committee and has been appointed as Chair of one or more sub-committees of the Board;

“Non-Executive Member of the Board” means Member of the Board not serving on the Executive Committee;

“Co-Opted Member” means an external subject matter expert co-opted from the community who has been appointed to the membership of one or more of the Board’s Committees who may vote in an advisory capacity on any matter put before the Committee;

“Gazetted Member” means a Member of the Board who has been formally appointed by the Minister of Health.;

“the Committee” means the Pensions Sub-Committee. The Board’s Committees are advisory by nature. Decisions rendered / votes cast by Committee Members are therefore presented to the Board as recommendations.

2. CONSTITUTION

In accordance with the Bermuda Hospitals Board Act 1970 (the “Act”), and pursuant to section 26(4) of the Act, BHB hereby establishes a sub-committee of the Finance & Audit Committee to be known as the Pensions Sub-Committee (the “Committee”) , which shall be governed by the Terms of Reference set forth below.

The Committee is hereby authorized by the Board to investigate activities within its Terms of Reference, as well as any matters which have not specifically been set out in its Terms, but which require investigation by Members of the Committee. It is further authorized to seek any information it requires from any employee, and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorized by the Board to obtain outside legal or other professional advice and to retain other advisors with relevant experience and expertise if necessary to carry out its duties.

The Committee Members agree to respect all policies and procedures which protect BHB's intellectual property and patient confidentiality.

3. PURPOSE AND SCOPE

- To oversee, review, report and, where appropriate, provide recommendations to the Board regarding pension plan matters and policies including but not limited to pension plan strategies, the BHB's responsibilities as the pension plan sponsor and the BHB's fiduciary responsibilities as the pension plan administrator; and
- To make investment decisions in accordance with the Statements of Investment Policies and Goals for the plans adopted and modified, from time to time, by the Sub-Committee and to oversee the investment managers.

4. DUTIES AND RESPONSIBILITIES

The Committee oversees the operation and management of the pension arrangements (the "Plans") and investments of the Plans (the "Investments"), is responsible for recommending the appointment and removal of all service providers for the Plans, and for reviewing and assessing the performance of all service providers.

The Committee is required to maintain the Statements of Investment Policies and Goals for the Plans (the "Policies") and to ensure that Investments are managed in accordance with the Policies; to monitor, at least annually, the performance of the Investments; to review, at least annually, or as required by applicable law or regulation, the continuing appropriateness of the Policies; and to recommend changes to the Policies.

The Committee receives reports from the service providers concerning the administration of the Plans.

The Committee is responsible for ensuring that contributions, including those withheld from Plan members' pay, are forwarded in a timely manner to the appropriate service providers for investment in accordance with contractual provisions and is responsible for ensuring that all terminations are processed in a timely manner.

The Committee is responsible for reviewing all expense payments out of the Plans.

For each Plan, the Committee periodically receives and considers statistics on the performance of the Investments, and reviews the asset mix, compliance with the Policy and the overall assets and cash flow of the Investments.

The Committee is responsible for all matters relating to the monitoring and performance evaluation of the investment managers.

The Committee will provide information to the service providers to assist them in fulfilling their mandates.

For Investments managed on a segregated basis or a pooled fund basis, the Committee (or its delegate) will meet with the investment manager periodically to:

- Review the assets and net cash flow of the investment manager’s portfolio;
- Discuss the current economic outlook and current investment strategy of the investment manager;
- Receive and consider statistics on the investment performance of the investment manager’s portfolio by a measurement service acceptable to the Committee;
- Evaluate the performance of the investment manager’s portfolio relative to its objectives and relative to the performance standards prescribed by the Policy; and
- Assess qualitative factors such as the investment manager’s organizational stability, personnel turnover, and record of service to the Investments.

On an annual basis, the Committee shall review and re-assess the adequacy of these Terms of Reference and recommend to the Board for approval.

The Committee shall report to the Finance & Audit Committee on a period basis and at least once a year.

No individual Member of the Committee shall have any right to vote or decide upon any matter relating solely to himself or any of his rights or benefits under the Plans and all Members shall be required to sign a BHB Code of Conduct and Conflict of Interest Certificate of Compliance.

5. CONDUCT OF MEETINGS

5.1 Membership

The Committee shall consist of no fewer than five and no more than thirteen individuals. Up to six Members in total shall be appointed by the Board from the voting Board Members of the BHB or from the community. All Members may exercise the right to vote on any matter tabled before the Committee. Members may be removed at any time by the voting Board Members of the BHB if necessary or appropriate. One appointed Board Member is designated as the Chair of the Committee (the “Chair”).

The individuals holding the following offices of the BHB shall also serve on the Committee:

- Chief Executive Officer
- Chief Financial Officer
- Deputy CFO
- Chief Operating Officer
- VP of Human Resources
- Assistant Director of HR
- Total Rewards Manager

In addition, a senior representative of each union, the Bermuda Public Services Union (“BPSU”) and the Bermuda Industrial Union (“BIU”) will serve as voting Members of the Committee.

Any Member of the Committee may resign and his/her successor, if any, shall be appointed by the Board. The Committee shall be responsible for the general administration and interpretation of the Plans and for carrying out their provisions, except to the extent all or any such rights or obligations specifically are imposed on other persons. The COO or VP Human Resources shall be the plan administrator and agent for service of legal process on the Plans.

All Members will normally attend meeting and the VP of Human Resources will arrange for the taking of minutes of the meeting and appropriate support to the Chair and Committee Members.

The Committee may invite any subject matter expert whether internal or external to attend all or part of any meeting in whatever capacity the Chairman of the Committee deems appropriate.

5.2 Appointments

Co-Opted Members may be nominated by the Committee Chair and should be vetted and approved by the Executive Committee and ultimately the Board. Co-Opted Members may serve for a period of one year, unless otherwise agreed by the Board.

The Board may exercise its discretion to re-appoint Co-Opted Members for an additional term. The Board's Committees are advisory by nature; decisions rendered / votes cast by Committee Members are therefore presented to the Finance & Audit Committee as recommendations.

5.3 Quorum and Voting

Five Committee Members shall constitute a quorum for the transaction of business. The quorum for meetings is outlined as follows:

- Two (2) Board Members
- Two (2) representatives from the Executive Team, which must include the CEO or her designate, and either the CFO or COO
- One (1) senior representative from either Union

All resolutions or other actions taken by the Committee at any meeting will be vote of a majority of those present and entitled to vote at any such meeting. In the event of an equal division of votes on any questions or matters, the Chair of the meeting may give a second casting vote. A Member may abstain from voting on a matter in which that Member has a financial or personal interest.

5.4 Frequency

Meetings will be held on a quarterly basis (being the third or fourth Thursday of each third month). Extraordinary meetings may be held as and when the need arises.

5.5 Resolutions in Writing

The Board hereby confers on the Committee powers to make decisions by way of resolution. A copy of the resolution(s) shall be circulated to all Members who would be entitled to attend a meeting and vote. The date of the resolution is the date when the resolution is signed by the last Member to sign.