

# Investment Committee Mandate

## **1. Purpose**

- 1.1. The purpose of the Investment Committee (“the Committee”) is to assist the Board of Directors (BOD) in fulfilling its investment, and oversight responsibilities for the Workplace Safety and Insurance Board (WSIB).
- 1.2. The Committee provides advice and assistance to the BOD on issues relating to the administration of the investments of the Insurance, Employees’ Pension, Supplementary Pension and Loss of Retirement Income Funds (collectively, “the Funds”).

## **2. Scope**

The mandate of the Committee is implemented in accordance with the Delegation of Investment Authority.

## **3. Authority**

- 3.1. In accordance with and to supplement the Statements of Investment Policies and Procedures (SIPPs), approval of investment policies, specifically:
  - 3.1.1. A policy that specifies the total Funds’ benchmark, relative performance targets (value-add and risk) and allocations to the Investment Management Corporation of Ontario’s (“IMCO”) investment strategies.
  - 3.1.2. Other investment policies as determined necessary or appropriate by the Investment Committee.
- 3.2. Approval of:
  - 3.2.1. Appointment of agents to provide advice and analysis to the Chief Investment Officer, the President and Chief Executive Officer, the Committee, and/or the BOD.
  - 3.2.2. Appointment of the securities lending agent.

## **4. Access to the Committee**

- 4.1. The Chief Investment Officer shall have direct and unrestricted access to the BOD through the Committee.
- 4.2. The agenda for each Committee meeting may include an in-camera session with the Chief Investment Officer, who may be invited to attend the session at the discretion of the Committee Chair. Such sessions are to occur without management present and are to be treated as strictly confidential between the Chief Investment Officer and the Committee.

## **5. Composition, skills and competencies**

- 5.1. The Committee will comprise a minimum of three members of the BOD. The Chair of the BOD and the President and Chief Executive Officer are members of this Committee.
- 5.2. Financial literacy in order to read and understand reports and presentations on the financial status, performance and management of the Funds.
- 5.3. Understanding of investment risks and opportunities as they pertain to the insurance industry or workers' compensation system.
- 5.4. Experience and knowledge in investment matters, which preferably include previous oversight of an investment function.
- 5.5. Understanding of asset liability management principles.
- 5.6. The committee may include external investment advisors appointed by the BOD.

## **6. Quorum**

The majority of the BOD members appointed to the Committee and a minimum of one external advisor constitute a quorum for the transaction of business. A decision of the majority is the decision of the Committee.

## **7. Frequency of meetings**

The Committee will meet quarterly, and more frequently as circumstances dictate.

## **8. Role of Committee Chair**

The Committee Chair provides leadership and direction in carrying out the Committee's responsibilities and duties. The Committee Chair also fosters relationships among the Committee participants and ensures that the Committee operates as a cohesive unit. The Committee Chair encourages full participation, facilitates consensus, and ensures clarity. In addition, the Committee Chair shall:

- 8.1. Lead and manage the Committee to ensure its effectiveness.
- 8.2. Ensure that members of the Committee are acquainted with, and their knowledge of the WSIB is sufficient, to the extent needed and expected for them to perform their duties.
- 8.3. Create the best possible working conditions for members of the Committee, individually and collectively.
- 8.4. Ensure that the expertise and skill of each member of the Committee are used in the best possible manner to benefit the WSIB.
- 8.5. Provide regular reports to the BOD on matters discussed at the Committee meetings.

## 9.1. Investment governance

### 9.1.1. Recommend to the BOD:

- 9.1.1.1. Amendments to, assignment, unlocking or termination of the Implementation and Support Agreement between IMCO, WSIB and Ontario Pension Board, excluding amendments to the schedules thereto
- 9.1.1.2. Amendments to, assignment, unlocking or termination of any of the Investment Management Agreements for the Funds between IMCO and WSIB, excluding amendments to the schedules thereto
- 9.1.1.3. Delegation of Investment Authority
- 9.1.1.4. SIPPs, including the asset mix policy for each of the Funds, and any warranted amendments to the SIPPs in light of fundamental changes to the Funds' liabilities, capital markets, applicable regulations, or other relevant factors
- 9.1.1.5. Appointment of one or more custodians to hold the investments of the Funds in safekeeping (jointly with Audit and Finance Committee)
- 9.1.1.6. Any private market investments that would result in or add to an investment (including any known existing commitments) exceeding 2% of the market value of the respective Fund at the time of purchase

### 9.1.2. The Committee approves:

- 9.1.2.1. Investment policies, as listed or referenced in section 3.1 above
- 9.1.2.2. Appointment of agents to provide advice and analysis to the Chief Investment Officer, the President & Chief Executive Officer, the Committee, and/or the BOD
- 9.1.2.3. Appointment of the securities lending agent

## 9.2. Investment performance reporting

### 9.2.1. Report to the BOD:

- 9.2.1.1. Financial status and performance of the Funds
- 9.2.1.2. Performance of IMCO and all WSIB-appointed agents not supervised by IMCO