WCB INVESTMENT COMMITTEE

Terms of Reference

1. PURPOSE:

The Investment Committee is established to assist the Board of Directors in fulfilling its oversight responsibilities regarding investments for the accident fund and the WCB Retirement Plan including:

(a) Develop policy for the consideration of the Board of Directors for the prudent investment of the accident fund;

(b) Regularly review and advise the Board of Directors about the investments in which the accident fund is invested;

(c) Make recommendations to the Board of Directors about the engagement of appropriate investment managers or advisors; and

(d) Ensure the WCB has in place reasonable and prudent supervision of any investment managers or advisors.

2. COMPOSITION

2.1 The Investment Committee will be composed of the Chair of the Board of Directors, the Chief Executive Officer (non-voting) and an equal number of members of the Board of Directors representative of workers, employers and the public interest.

2.2 In recognition of the value of investment expertise to the Investment Committee, the Board of Directors may also appoint up to three external voting members.

2.3 Board Member appointments to the Investment Committee will be reviewed annually. External members may be appointed for terms longer than one year as set out in the Board's By-laws.

3. CHAIR OF THE INVESTMENT COMMITTEE

3.1 The Board of Directors appoints a Board member representative of workers, employers or the public interest as a Committee Chair (under the legislation, external members may not chair committees). The appointment of the Committee Chair will occur, with input from the Committee, after the Committee has been selected each year.

3.2 The appointment of the Chair will be reviewed annually.

3.3 In the absence of the Chair of the Committee, the members will appoint an acting Chair.

3.4 The Chair of the Audit Committee may not chair the Investment Committee except as an acting Chair.

4. RESPONSIBILITIES

The Investment Committee will make recommendations to the Board of Directors about investment matters.

4.1 Investments – Accident Fund

The Investment Committee will:

(a) Review Policy 32.00 *Statement of Investment Policies and Objectives* annually, and make recommendations to the Board of Directors for amendments as the Committee deems necessary;

(b) Monitor the management of the Accident Fund investment fund. More specifically, the responsibility of the Committee is to ensure that the assets of the fund are managed in such a way as to:

i. identify assets which have characteristics similar to the liabilities being assumed;

ii. minimize the risk of negative returns for the fund; and

iii. generate the highest possible return with assets at a level of risk that is commensurate with the liabilities of the fund.

(c) Review the following, at least quarterly:

i. the investment performance of the fund for the previous period;

ii. the performance of the investment manager(s), for the same period; and

iii. any investment opportunities which are outside of policy or which require the approval either of the Committee or the Board of Directors.

(d) Make recommendations to the Board of Directors on the appointment, termination or replacement of investment managers and consultants.

4.2 Investments – WCB Retirement Plan

The Investment Committee will:

(a) Review the Statement of Investment Policies and Objectives annually, and make recommendations to the Board of Directors for amendments as the Committee deems necessary;

(b) Monitor the management of the Retirement Plan investment fund. More specifically, the responsibility of the Committee is to ensure that the assets of the fund are managed in such a way as to:

i. identify assets which have characteristics similar to the liabilities being assumed;

ii. minimize the risk of negative returns for the fund; and

iii. generate the highest possible return with assets at a level of risk that is commensurate with the liabilities of the fund.

(c) Review the following, at least quarterly:

i. the investment performance of the fund for the previous period;

ii. the performance of the investment manager(s), for the same period; and

iii. any investment opportunities which are outside of policy or which require the approval either of the Investment Committee or the Board of Directors.

(d) Make recommendations to the Board of Directors on the appointment, termination or replacement of investment managers and consultants.

4.3 Other

The Investment Committee will:

(a) Periodically perform a self-assessment of its performance as a Committee; and

(b) Review its terms of reference annually, and make recommendations to the Board of Directors for amendments as the Investment Committee deems necessary.

History:

1. Investment and Finance Committee Terms of Reference approved by Board Order 01/06 on January 31, 2006.
2. On January 30, 2014, the Board of Directors approved the establishment of a stand-alone Investment Committee and a stand-alone Finance Committee by Board Order 04/14 effective February 1, 2014. On March 17, 2014 by Board Order No. 11/14 the Terms of Reference have been amended to reflect the revised structure. Revisions also clarify that the Investment Committee will make recommendations on the appointment of investment managers and consultants for both the accident fund and the retirement plan.
3. Terms of Reference confirmed on January 22, 2015 by Board Order No. 07/15.
4. Terms of Reference were updated to clarify the process for appointment of Committee Chairperson on January 28, 2016 by Board Order No. 03/16.
5. Terms of Reference were updated on March 23, 2017 by Board Order 06/17 to reflect that the Investment Committee budget will be included in the WCB Operating budget and therefore the Committee will not approve the annual revenue and expenses budget.

6. Terms of Reference confirmed on January 25, 2018 by Board Order No. 05/18.

7. Terms of Reference were updated on April 16, 2019 by Board Order No. 14/19 for minor housekeeping changes.

8. Terms of Reference were updated on April 17, 2020 by Board Order No. 10/20 for Section 4.1 (d) Investments - Accident Fund and Section 4.2 (d) Investments - WCB Retirement Plan. In both sections, the recommendations to the Board would be for the appointment, termination or replacement of investment managers and consultants.

9. Terms of Reference were confirmed on November 25, 2021 by Board Order No. 47/2021.