

BOILERMAKERS' NATIONAL PENSION FUND (CANADA) BOILERMAKERS' NATIONAL HEALTH AND WELFARE FUND (CANADA)



GOVERNANCE POLICY

APPROVED BY THE BOARD OF TRUSTEES: JUNE 16, 2015
REVIEWED AND ADOPTED BY THE BOARD OF TRUSTEES: JUNE 2016
REVIEWED AND ADOPTED BY THE BOARD OF TRUSTEES: MARCH 2017
REVIEWED AND ADOPTED BY THE BOARD OF TRUSTEES: NOVEMBER 2017
REVIEWED AND ADOPTED BY THE BOARD OF TRUSTEES: DECEMBER 12, 2018

PRINCIPLE

The Boards of Trustees (“Boards”/”Board”/”Trustees”) are responsible for the management of the Boilermakers’ National Pension Plan (Canada) and the Boilermakers National Health and Welfare Plan (Canada) (the “Plans” or “Plan”) and the Boilermakers’ National Pension Fund (Canada) and the Boilermakers’ National Health and Welfare Fund (Canada) (the “Funds” or “Fund”). The Governance Policy communicates the structures and processes established for the oversight, management and administration of the Plans and Funds.

MISSION STATEMENT OF THE PENSION PLAN

The Mission Statement for the Pension Plan is

The mission of the Boilermakers’ National Pension Plan (Canada), established in 1971, is to fulfill pension obligations to all Plan beneficiaries through excellence in governance and service and by prudently investing the Fund’s assets.

MISSION STATEMENT OF THE HEALTH AND WELFARE PLAN

The Mission Statement for the Health and Welfare Plan is

The mission of the Boilermakers’ National Health and Welfare Plan (Canada), established in 1969, is to promote and support the well-being of Active and Retired Plan Members by providing sustainable health and welfare benefits through excellence in governance and service.

CORE VALUES

The core values of the Board of Trustees are:

Accountability
Engagement
Integrity

Transparency

GOOD GOVERNANCE OF THE PLANS AND FUNDS

In the carrying out of their fiduciary and other responsibilities the Trustees will consider:

- 1) Their governance model
- 2) Stakeholders to the Plans and Funds
- 3) The Trustees' roles and responsibilities as described in the respective policies and the Trust Agreement
- 4) Knowledge and skills for Board Members
- 5) Education
- 6) The established voting process for Board and Committee Meetings
- 7) Composition and Mandates of Committees
- 8) Compliance with applicable legislation
- 9) Statements of Investment Policies and Procedures
- 10) Funding and Benefits Policies
- 11) Information from employers
- 12) Management of Plans' and Funds' expenses
- 13) Remuneration and expense policies for the Board of Trustees
- 14) Audited financial statements
- 15) Conflict of interest policy
- 16) Code of conduct
- 17) Disclosure requirements
- 18) Custodian to the Funds

- 19) Communication in its various forms with Plan members and others
- 20) Member Charter
- 21) Persons with decision making authority
- 22) Measurement of performance and oversight of third- party service providers
- 23) Appeals process
- 24) Misleading and fraudulent claims management
- 25) Record retention
- 26) Business continuity
- 27) Establishment of other guidelines or policies for the good governance of the Plans and Funds
- 28) Governance Policy assessment and review process
- 29) Transparency
- 30) Any other relevant factor or criteria.

1. GOVERNANCE MODEL

The Trustees derive their authority and responsibilities from, and the Plans and Funds are maintained pursuant to the, Declarations of Trust dated June 17, 2014 as amended from time to time. The Health and Welfare Fund was originally established In December 1969. The Pension Fund was established in December 1971. The Declarations of Trust set out, in broad terms, the responsibilities of the Trustees in relation to the Plans and Funds.

The Plans and Funds are governed by Boards of Trustees appointed by the International Brotherhood of Boilermakers (IBB). The minimum number of Trustees is 7 and the maximum number is 15. All of the Business Managers of the Canadian local International Brotherhood of Boilermakers (IBB) construction lodges participating in the Funds/Plans are appointed as Trustees. The International Representative for the Industrial Sector is appointed as a Trustee. The International Vice President for Canada (“IVP”) is appointed as a Trustee. The IBB may appoint up to six other persons who may be designated as professionals or employer representatives. Observers may be appointed.

Each of the Funds/Plans has a separate Board of Trustees. The Boards meet on the same meeting schedule.

The Boards of Trustees meet at least three times per year. Board Committees meet as often as necessary to carry out their respective mandates. Board and Committee meeting schedules are set annually in advance. However, additional meetings may be necessary dependent on pressing matters.

Board meetings are normally held in Toronto, Ontario. Board meetings may be held by telephone. Emergency procedures exist to manage Plan and Fund business as necessary.

The IBB appoints the Boards' Chairperson and has appointed Edward Power for an indefinite term.

The Board will appoint a Vice Chairperson at each Board meeting.

Board meeting agendas are structured so as to maximize the effective use of Trustee time. The agenda is established to ensure that sufficient time is given to discuss important strategic issues and the status of important items. Strategic planning is discussed at each Board and Committee meeting.

The Board of Trustees is authorized to appoint a Recording Secretary and has appointed Susan Bird as Recording Secretary.

Trustees who are not designated as professional Trustees serve without compensation for their roles but are entitled to reimbursement of expenses reasonably incurred as they carry out their duties. Professional Trustees are compensated in accordance with the Professional Trustees Compensation Policy. There is a Trustees' Expense Policy that governs expenses.

2. STAKEHOLDERS

The Trustees have a fiduciary duty only to Plan members and their dependants/beneficiaries. The Trustees have identified the following stakeholders.

Plan members and their dependants/beneficiaries

The IBB

The Boilermaker Contractors' Association (BCA)

Contributing employers

Canada Revenue Agency (CRA)

Alberta Treasury Board and Finance and each similar provincial regulatory authority

Government administrative bodies such as family maintenance enforcement offices

Other pension and health and welfare plans with which the Plans and Funds maintain reciprocal agreements.

Service providers are engaged by the Board of Trustees. A current list of key service providers is attached in Appendix 1.

3. THE TRUSTEES' ROLES AND RESPONSIBILITIES

The Trustees are the legal administrator of the Plans and Funds. The Boards of Trustees therefore bear the fiduciary and other legal obligations inherent in the administration of the Plans and the Funds.

Those fiduciary and other legal obligations of the Board of Trustees, as “legal administrator”, are imposed under the Declarations of Trust, and the laws relating to trust funds, as well as under applicable legislation, including the *Income Tax Act (Canada)*, the *Trustee Act* and the *Employment Pension Plans Act (the “EPPA”)*. Under the *EPPA*, the administrator is ultimately responsible (among other requirements) for the establishment, amending and filing of all required Pension Plan documents, the filing of all reports and fees required under the *EPPA*, the funding for and payment of termination, death and retirement benefits in accordance with the terms of the Pension Plan and the *EPPA*, and the disclosure of information to Plan members and other stakeholders.

The Trustees, as the legal administrator of the Plans, stand in a fiduciary capacity in relation to the members and others entitled to benefits.

The Trustees, while acting as the legal administrator of the Plans must act honestly, in good faith and in the best interests of the members and others entitled to benefits.

The Trustees, in carrying out their duties, must exercise the care, diligence and skill that a person of ordinary prudence would exercise when dealing with the property of another person.

The Trustees, when investing the assets of the Pension Plan, must be compliant with the applicable legislation and apply the knowledge and skill that a reasonable and prudent person would apply to the Plan’s portfolio of investments having regard to the Plan’s liabilities.

A Trustee must not knowingly allow his or her interests to conflict with their duties in respect of the Plans. The Boards have adopted a Code of Conduct and Conflict of Interest Policy.

4. KNOWLEDGE AND SKILLS FOR BOARD MEMBERS

The Trustees have identified the following experience, knowledge and skills as appropriate and advantageous for the Board as a whole:

- Awareness of member attitudes and needs
- Communication content and avenues of
- Decision making discipline and process
- Financial literacy including investment knowledge
- Industry knowledge
- Governance knowledge
- Health benefits' literacy
- Human resources knowledge
- Legal knowledge
- Legislation knowledge
- Risk assessment and mitigation
- Strategic planning
- Technology knowledge
- Understanding of the IBB members including their work environment
- Understanding of the North American industrial energy sectors.

In addition, and consistent with the Core Values, the Trustees believe the following character attributes are desirable for Trustees:

- Accountability
- Discretion and maintenance of the confidentiality of Board and Committee business
- Engagement, including preparedness for all Board and Committee meetings
- High performance standards Integrity
- Independence of thinking
- Informed judgement
- Mature confidence
- Objectivity
- Respect
- Transparency
- Willingness to maintain current knowledge.

The Trustees believe that the above experience, knowledge and skills should be present in the composite and not all Trustees require each body of knowledge and skill set. Each Trustee, however, should possess each of the character attributes.

The Trustees have a process for each Trustee to self-assess his/her performance. Self-

assessment is carried out annually. Any Trustee may raise concerns about performance with the Board Chairperson. Board performance on the whole is assessed annually.

5. EDUCATION POLICY

The Trustees have adopted a Trustee Orientation Policy to assist new Trustees in becoming familiar with Plan and Fund operations.

The Trustees have adopted an Education Policy that addresses the need for Plan and Fund specific education. Trustee education may be provided in-house by subject matter experts as well as by external education offered by educational institutions.

6. THE VOTING PROCESS FOR BOARD AND COMMITTEE MEETINGS

Board meetings may be conducted provided adequate notice has been given and there is a quorum. A quorum will exist if the majority of the Trustees are present and provided at least one of the Chairperson and the International Vice-President (IVP) and two members of the Steering Committee are present.

The voting process for Board meetings is set out in the Declarations of Trust. The Declarations of Trust provide for a simple majority vote to carry any resolution. The Declarations of Trust provide for procedures for secret ballots and managing deadlocks.

The process for voting at Committee meetings is by simple majority. The Committee Chairperson will vote to break a tie.

7. COMPOSITION AND MANDATES OF COMMITTEES

The Declarations of Trust provide for the establishment of certain committees:

Steering Committee – Chairperson Edward Power
Investment Committee – Chairperson Edward Power
Governance Committee – Chairperson Heather Stewart
Benefit Committee – Chairperson Joe Maloney

The Declarations of Trust provide that the Board Chairperson is automatically appointed to each Committee. The Board of Trustees is responsible for appointing members to the Benefit, Governance and Investment Committees, subject to the maximum number of Committee members as established under the applicable Declarations of Trust. The IBB appoints the Steering Committee.

Each Committee is responsible for the creation and maintenance of its Mandate. Each

Committee Mandate is approved by the Board of Trustees.

Unless a power is given to the Committee by Board resolution to take a specific action, Committees of the Board make recommendations to the Board of Trustees. Committees are able to engage reasonable and necessary resources to assist in carrying out their Mandate. Extraordinary expenses (defined to be in excess of \$10,000 per project) for additional resources must be approved by the Board of Trustees.

8. COMPLIANCE WITH APPLICABLE LEGISLATION

Compliance with applicable legislation is fundamental to the role of the Board of Trustees. The Trustees have several mechanisms in place to scan the environment to ensure they are aware of legislative requirements. The Trustees have processes in place to receive timely information about the Plans' and Funds' compliance with legislative requirements. In furtherance of this objective, the Trustees have established a quarterly Compliance Report in order to monitor and record all compliance initiatives taken on behalf of the Plans and the Funds. The Compliance report is received at each Board Meeting. Other compliance reports, for example investment managers' compliance with the applicable Statement of Investment Policies and Procedures are received and reviewed by the applicable Committee.

9. STATEMENTS OF INVESTMENT POLICIES AND PROCEDURES (SIPP)

The Trustees have adopted a Statement of Investment Policies and Procedures for each Fund. In preparing the SIPPs the Trustees have made reference to the Pension Plan Prudent Investment Practices Guideline published by the Canadian Association of Pension Supervisory Authorities (CAPSA) and other applicable legislation.

10. FUNDING AND BENEFITS POLICIES

The Trustees have adopted a distinct Funding and Benefits Policy for both the Pension Plan and the Health and Welfare Plan. These policies adopt the premise that a primary objective of the Trustees is to provide benefits that can be sustained. The policies set out how the Trustees implement processes and checks and balances to identify and manage risks to the funding and benefits of the Plans. The policies discuss how the Trustees will manage funding surpluses and shortfalls. The policies identify and discuss the risks faced by the respective Plan and how those risks are managed.

In addition, the Trustees have adopted a Delinquency Policy that sets out the process for collection of employer contributions due to the Funds and steps taken if contributions are not remitted pursuant to the applicable collective agreements.

11. INFORMATION FROM EMPLOYERS

The Trustees will ensure that contributing employers to the Funds provide sufficient accurate and complete information on a timely basis for the Trustees to be able to make benefit determinations for Plan members. Under applicable legislation, the Trustees have the right to ask the superintendent of pensions to compel an employer to provide information.

Contributions are payable pursuant to the applicable collective bargaining agreement. Under applicable legislation contributions must be remitted within 30 days of the end of the month for which they are made. The Trustees have a Delinquency Policy that manages late contributions and other shortfalls in employer reporting.

12. MANAGEMENT OF PLANS' AND FUNDS' EXPENSES

Part of the Trustees' governance responsibilities is the oversight and approval of all expenses paid by the Funds. The Trustees will consider the fee schedules proposed by all third- party service providers to the Plans and Funds and ensure that they are competitive.

The Trustees may engage various methods to ensure competitive fees that include retention of the Auditor, formal or informal marketing approaches and the use of industry surveys. For example, the Pension Plan participates in the annual Fraser Survey on Pension Fund Expenses. The results of this report show that the Pension Fund is at, or below, the average of pension plans – particularly when it is considered that the Pension Plan is a national plan, invests in a number of alternative investments and is therefore more complex than most of the plans in the Fraser Survey.

Where reasonable, the Trustees engage services on a fixed fee basis.

At each Meeting of the Board of Trustees, the invoices submitted by all third-party service providers are subject to review and approval. The Trustees shall be satisfied that the expenses incurred, or proposed to be incurred, conform to the agreement between the Trustees and the third-party service provider. Third party service providers are expected to document fees to the Plans or Funds with enough detail for the Trustees to ensure that the fees are reasonable. The Trustees also receive the quarterly cheque list for each Fund that shows all amounts paid by the applicable Fund since the last cheque list.

In the event that expenses are shared (i.e. allocated between the Funds) it is the responsibility of the Board of Trustees to ensure that such allocation is transparent and reasonable.

The Trustees approve and monitor the annual Budget for each Fund.

13. REMUNERATION AND EXPENSE POLICIES FOR THE BOARDS OF TRUSTEES

The Trustees are not expected to be “out of pocket” for expenses incurred by them individually in the fulfillment of their duties in relation to the Plans and Funds. It is therefore the policy of the Board to allow expenses to be paid to the Trustees, provided that the nature and amount of such expenses are reasonable. No Trustee shall be reimbursed from the Funds except pursuant to a Resolution of the Trustees, or the Trustees Expense Policy.

Professional trustees are remunerated in accordance with the Professional Trustees’ Compensation Policy.

14. AUDITED FINANCIAL STATEMENTS

The Funds are audited on an annual basis. The Trustees issue Annual Reports to all Plan members that include the audited financial statements of the respective Fund. Audited financial statements are filed with the applicable regulatory authority.

15. CONFLICT OF INTEREST POLICY

The Trustees have adopted a Conflict of Interest Policy. Compliance with the Conflict of Interest Policy is confirmed annually by each Trustee. Conflicts of interest, if any, are declared at each Board and Committee meeting.

16. CODE OF CONDUCT

The Trustees have adopted a Code of Conduct. Compliance with the Code of Conduct is confirmed annually by each Trustee.

17. DISCLOSURE REQUIREMENTS

The Trustees must comply with all disclosure requirements set out in the *ITA*, the *EPPA* and other applicable legislation. The Trustees monitor compliance with these requirements.

Persons entitled to benefits under the Plans may review:

- Actuarial valuations
- Audited financial statements
- Declarations of Trust
- Funding agreement (collective agreement)

- Funding and Benefits policies
- Governance Policy
- Insurance policies
- Pension Plan Text
- Pension Plan amendments
- Statements of Investment Policies and Procedure
- Superintendent's reports.

The Trustees have established a web site for Plan members to provide ease of access to these documents.

In addition, the Trustees have the goal of excellence in communications with Plan members and therefore disclosure by the Trustees exceeds minimum standards. The Trustees have adopted a Communication Policy.

Participating employers to the Pension Plan are entitled to access to:

- Actuarial Valuations (two most recent)
- Audited Financial Statements (last three)
- Declaration of Trust
- Funding agreement (collective agreement)
- Funding and Benefits Policy
- Governance Policy
- Pension Plan Text
- Plan amendments
- Statement of Investment Policies and Procedures
- Superintendent's reports.

18. CUSTODIAN

The Trustees have appointed CIBC Mellon Global Securities as the custodian. Custodian reports are available to the Trustees, investment consultant, investment managers and the third- party administrator. Reconciliation processes exist to ensure that accounts of the Funds are balanced regularly. The performance of the Custodian is reviewed annually by the Investment Committee.

The Investment Committee meets with the custodian as required.

19. COMMUNICATION WITH PLAN MEMBERS AND OTHERS

The Trustees seek to be as transparent as possible. The Trustees have adopted a

Communication Policy and a Privacy Policy.

The Trustees must meet the legislated standard in terms of minimum disclosure with members via the Pension Plan's annual statements. The Trustees have delegated the responsibility for the issuance of these statements to the Administration Services Provider. The Administration Services Provider will ensure that the disclosure in the annual pension statements are compliant with applicable legislation and that the statements are issued within the timelines established under the *EPPA*. A copy of the most recent pension statements form a part of the governance documents of the Pension Plan and are available for review by the Trustees at any time.

Statements are issued to active members, former members and retired members.

The Trustees also have the responsibility to ensure that information about the Plans is available to members and prospective members in accordance with the applicable legislative requirements governing the Plans. The Plans' booklets are a basic tool for communication with Plan members. Amendments to the Plans will be communicated to Plan members and others in accordance with legislation, and will be reflected in updates to the applicable booklet.

The Boards have adopted a Management of Plan Member and Beneficiary Inquiries Policy that provides guidance on how requests for information, inquiries and complaints will be handled.

The Trustees have the responsibility to ensure that the Plans file all regulatory forms, information returns and other documents as may be required under applicable legislation (including under the *EPPA* and the *ITA*). Unless noted otherwise, this responsibility has been delegated to the Administration Services Provider. The Administration Services Provider confirms quarterly that all required filings have been made in compliance with applicable legislation or, if not, a disclosure to that effect (with reasons) is given. The status of applicable filings is reported in the quarterly Compliance Report reviewed at each Board meeting.

The Trustees will ensure that they receive copies of all communications regarding the Plans and Funds between the Administration Services Provider and the regulatory bodies governing the Plans.

The Trustees, by virtue of the Board's composition, have ensured that the settlor of the Funds (the IBB) receives communication about the Plans and Funds, whether required in accordance with the terms of the Declarations of Trust or otherwise.

The Trustees receive communication between the Administration Services Provider and Plan members in respect of appeals or other matters that require clarification. Member appeals are managed under the Appeal Policy. Member inquiries are managed under the Management of Member and Plan Beneficiary Inquiries Policy.

20. MEMBER CHARTER

The Trustees have adopted a Member Charter that sets out member rights and responsibilities. The Charter is communicated in appropriate Plan documents. It is also available at each IBB lodge office. It is included in the monthly updates to Business Managers and the monthly web site update available to Plan members.

21. PERSONS WITH DECISION MAKING AUTHORITY

The Board of Trustees is the main decision-making authority. When decision-making authority is delegated to other persons, the scope of the authority will be documented and the results of decisions made will be reported to the Board of Trustees. Investment managers to the Plans and Funds, for example, derive their decision-making authority from their investment management agreements. Investment managers submit quarterly written reports to the Investment Committee confirming compliance with their mandate and the applicable Statement of Investment Policies and Procedures.

The Investment Committee has established appropriate measurement standards for evaluating investment managers' performance such as rate of return, standard deviation, and information ratio.

The reporting and governance structure of the Plans and Funds do not generally allow independent decision making by third party service providers other than investment managers.

The Administration Services Provider is retained under an administration agreement that sets out the roles and responsibilities delegated to it. The Administration Services Provider will provide the Trustees with a quarterly compliance report that confirms compliance with legislated standards and other standards established by the Trustees. The Trustees do not consider the management of the Plans pursuant to the Plan documents as "decision making" but will require a report in the event that a decision was made not anticipated under the applicable Plan document.

22. MEASUREMENT OF PERFORMANCE AND OVERSIGHT OF THIRD-PARTY SERVICE PROVIDERS

Both the *EPPA* and the Declarations of Trust recognize that certain specialized functions are necessary for the proper management of the Plans and the Funds. The Declarations of Trust empower the Trustees to retain third party service providers to perform such functions. The Trustees are further permitted to rely on the advice and work product of the third-party service providers, provided that the Trustees have carried out reasonable due diligence, including being prudent in the retaining of the third-party service providers.

The Declarations of Trust specifically identify the following roles: actuary, administrative services provider, auditor, custodian, general consultant, investment consultant, accountant and legal counsel.

The Trustees may also retain any other third-party service provider they deem necessary in order to fill any skill gaps they identify as they manage the Plans and Funds. For example, the Trustees have retained an investment consultant to measure the performance of the Funds' investments and investment managers and to assist in the setting of an appropriate asset mix for the Funds' investments.

In retaining third party service providers, the Trustees will establish clearly defined roles and responsibilities and, where appropriate, performance measures for such third- party service providers. For example, when investment managers are retained performance targets will be established.

Service level agreements are included in agreements with third party service providers where appropriate.

Documents governing the roles and responsibilities of third-party service providers are approved by the Board of Trustees. The Trustees may seek legal counsel before agreements are executed. All agreements pertaining to third party service providers are accessible by the Trustees.

The Trustees may request a meeting with any third-party service provider at any time. The Trustees may ask the third-party service provider to report to the Board of Trustees, as required. The Trustees, in their sole discretion, may elect to meet with the third-party service provider by telephone or other means.

The Trustees, through the applicable Committee Mandate, conduct an annual review of key third party service providers to the Plans and Funds. The review is done in written format and documented in the minutes of the applicable Committee Meeting. The Trustees will, periodically discuss the performance of all of the Plans' and Funds' third-party service providers and determine whether the third-party service provider is performing to the Board's expectations.

The Trustees will communicate to the third-party service provider any weaknesses identified as part of this review and establish what remedial action is necessary and the timeframe for this action. Subject to the terms of any agreement, the Trustees may elect not to take remedial action, if not required by agreement, and simply terminate the arrangement with the third-party service provider in the event they no longer have confidence in the third-party service provider's ability to carry out its role for the Trustees. The result of the review and discussion will be documented.

The Trustees expect each third-party service provider to provide appropriate information for them to make fully informed and prudent decisions.

In the administration of the Plan, the Trustees expect that the Administration Services Provider will comply, as a minimum, with all timelines established by applicable legislation for the delivery of documents and other information to Plan members and other stakeholders. The Trustees expect clear communication if such timelines have not been met and a program to resume compliance. The quarterly compliance report provides confirmation of Plan and Fund compliance and notes any exceptions.

The Trustees acknowledge their duty to oversee the activities of all third-party service providers, and may establish oversight policies and other measures of performance from time to time.

23. APPEAL PROCESS

The Trustees must manage the Plans in an evenhanded manner and as such strict compliance with the applicable Plan's rules is required.

The Trustees have adopted an Appeal Policy. Members have the right to appeal the result of any claim or benefit payment made, or denied, by the Plans. Appeals are normally managed by the Benefit Committee which will make a recommendation to the Board of Trustees on the appeal. The Board of Trustees will determine the outcome of an appeal. The Administration Services Provider is responsible for communicating the results of the appeal to the member.

24. RECORD RETENTION

Documents governing the Funds and Plans are maintained under the Record Retention Policy. All Plan and Fund records are stored in Canada.

The Record Retention Policy establishes that Plan and Fund documents not be destroyed unless required by applicable legislation. For example, the Health and Welfare Plan will periodically destroy claims records to protect member and other beneficiaries' privacy.

The Record Retention Policy establishes that Plan members have the responsibility to keep records of their service with the Plans and to bring any possible errors or omissions to the attention of the Administration Services Provider so that records will be accurate.

25. BUSINESS CONTINUITY POLICY

The Trustees have adopted a Business Continuity Policy. The Trustees have confirmed

that each of its key third party service providers has a business continuity policy that includes a disaster recovery plan.

26. ESTABLISHMENT OF OTHER GUIDELINES OR POLICIES FOR THE GOOD GOVERNANCE OF THE PLANS AND FUNDS

The Trustees agree that the adoption and implementation of good governance practices will enhance the Board's ability to carry out its responsibilities to Plan members. In this regard, the Trustees establish guidelines and policies for the operation of the Plans and Funds that will serve to accomplish good governance.

The Trustees monitor the industry for best practices and discuss the applicability of these to the Plans and Funds. In conducting this review, the Trustees remain mindful that the Plans and Funds have limited resources as funding is fixed under collective agreements. The Trustees therefore balance the adoption of new standards and best practices with the resources available for expenses.

The Trustees subscribe to the principles of the Canadian Association of Supervisory Authorities (CAPSA) Pension Plan Governance Guideline #4 and regularly assess the Pension Plan's governance against this Guideline.

27. GOVERNANCE POLICY ASSESSMENT AND REVIEW PROCESS

The Trustees will undertake an assessment of the Board's performance annually. Through the Governance Committee a review of the Board's compliance with the Governance Policy will be measured based on the activities of the prior year. A written record of this assessment will be made and will be made available to the applicable regulator upon request.

The Governance Policy will be reviewed at least annually and will be amended when necessary.

28. TRANSPARENCY

The Governance Policy will be available to all Plan members, participating employers and the IBB via the Plans' web site.

29. CONFIRMATION OF COMPLIANCE WITH GOVERNANCE POLICY:

The Board managed the Plans and Funds in compliance with the Governance Policy

during the year ended December 31, 2018 and until the time of this review on December 12, 2018.