

Record of Decisions

Trustees Meeting #1 1999 02 08-09

After some discussion, *it was the consensus of the trustees that:*

1. The CBS Defined Benefit Plan Text and Trustee Agreement, when finalized, will be filed with FSCO with a full explanation of its features, including its bargaining history;
2. John Johnston will pursue initial discussions with Héma-Québec and report back to the Board;
3. The legal opinion from Kathy Bush will be reviewed by John Johnston and Kevin Skerrett when it is received; and
4. Collective agreement language will be amended over time to ensure consistent reference to participation in the Defined Benefit Pension Plan.

After considerable discussion over the course of the two days, *it was the consensus of the trustees that:*

1. John Johnston and Kevin Skerrett would act as co-chairs;
2. The concept of co-chairing would be continued as the approach to governance; and
3. M[urray] G[old] was requested to review and revise the Trust Agreement to replace references to AChair≅ and AVice Chair≅ with ACo-chairs≅ and make such other modifications as would be required.

After some discussion over the two days, *it was the consensus of the trustees that:*

1. The [custodial] arrangement with Royal Trust be extended by six months; and
2. J[ean-]P[aul] R[aymond] be requested to provide details of the CIBC Mellon and Royal Trust fee schedules and limitation of liability provisions for consideration by the Board.

After an in camera discussion, *it was the consensus of the trustees that:*

1. The contract between CBS and Mercer for actuarial and administrative services be replaced with a six-month contract between the Board of Trustees and Mercer;
2. The Board enter into a longer term contract for actuarial/administrative services based on a competitive process to be completed within six months; and
3. An RFP for actuarial/administrative services be prepared and sent to a number of actuarial firms, including Mercer.

It was also the *consensus of the trustees that:*

4. John Johnston enter into discussions with HDP Group Inc to sever the contract under which the services of Vicky Grabb have been provided;
5. Vicky Grabb provide a statement of the fees charged by her firm (Campbell Grabb Management Consultants Inc); and
6. A three-month renewable contract between the Board of Trustees and CGMC be established to provide the services of Vicky Grabb as Project Manager.

It was the consensus of the trustees that:

1. Price Waterhouse Coopers [(PWC)] be invited to make a proposal to provide auditing services;
2. PWC make a presentation to the Board at its next meeting; and
3. The presentation should outline services provided, the relationship between the auditor and the Board, fee structure, and any other relevant information.

It was the consensus of the trustees that:

1. The Red Cross be requested to provide current and ongoing reports on the asset mix of the pension assets that will be transferred to CBS;
2. The assets of the CBS Defined Benefit Pension Plan be invested in money market funds, pending approval of a long term investment policy;
3. The co-chairs engage the services of an investment consultant (JP Marshall, Frank Russell, or William M Mercer) before the next meeting to assist the Board of Trustees in the process of developing an investment policy and selecting an investment manager;
4. The investment consultant make a presentation to the Board at its next meeting to regarding the issues, options and processes to be considered; and
5. An investment manager be selected at the meeting after next.

After an in camera discussion, *it was the consensus of the trustees that:*

1. The Board retain Murray Gold as legal counsel to the Board;
2. Murray Gold be requested sever his solicitor/client relationship with the CBS unions both in the CCAA process and in negotiations with CBS;
3. A solicitor/client relationship between the Board and Murray Gold be established once the relationship with the unions has been severed (expected to be March 1, 1999);
4. Murray Gold be asked to provide his fee structure; and
5. John Johnston draft a letter for Board review establishing the relationship between the Board and Murray Gold effective March 1, 1999 and subject to annual review.

It was the consensus of the trustees that:

1. The Project Manager and Legal Counsel develop draft terms of reference for transfer of past service from other employers for presentation at the next meeting.

It was the consensus of the trustees that:

1. The principals will discuss the expenses to be recovered from the Escrow Fund;
2. Murray Gold enquire of the parties= legal counsel what expenses are being recovered from the Escrow Fund;
3. The Project Manager develop a draft trustee expense policy and administrative guidelines for review at the next meeting; and
4. The principals discuss the question of income replacement for trustees (versus wage replacement).

It was the consensus of the trustees that:

1. Other unions and/or locals be allowed to become participating unions and sponsors under the terms of the Trust Agreement provided that they agree to include language (to be developed) in their collective agreements and specify that bargaining unit members who join the pension plan after the date on which they become sponsors participate in the Defined Benefit Plan;
2. The project Manager and Legal Counsel develop recommended guidelines and terms of reference for a one-time DC to DB transfer window for consideration at the next Board meeting; and
3. Projections of workload and cost of such a transfer window be developed and presented to the Board at the next meeting.

It was the consensus of the trustees that:

1. Mercer and Murray Gold be asked to develop a one-day education session for the next Board meeting; and
2. Presentations by service providers (Investment Consultant, Auditor, etc) at the next Board meeting include an education component.

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Trustees Meeting #2 1999 04 26-28

On a motion by W[illiam] G[leed], seconded by H[arvey] G[eddes], it was the consensus of the trustees that:

- Royal Trust be retained as custodian, subject to negotiation of acceptable contract language (liability provisions) based on Schedule 2 (pooled funds); and
- The co-chairs be authorized to sign an agreement with Royal Trust based on Schedule 2 and a 90-day termination clause, subject to satisfactory review by M[urray] G[old].

It was the consensus of the trustees that:

- Jean-Paul Raymond of William M Mercer Limited be appointed as actuary effective April 1, 1999 for a period not exceeding 6 months; and
- A competitive RFP process be conducted within 6 months to select an actuary.

It was the consensus of the trustees that:

- Vicky Grabb of Campbell Grabb Management Consultants Inc be appointed as project manager effective April 1, 1999 for a period not exceeding 6 months.

On a motion by H[arvey] G[eddes], seconded by C[hristine] B[ounsall], it was the consensus of the trustees that:

M[urray] G[old] draft a letter to the Red Cross, for the signature of the co-chairs, requesting a meeting to discuss pension investment issues and requesting information required by the CBS DBPP trustees to conduct their business on a go-forward basis.

On a motion by H[arvey] G[eddes], seconded by C[hristine] B[ounsall], it was the consensus of the trustees that:

- V[icky] G[rabb] obtain from James P Marshall and William M Mercer a firm price for working with the Board to develop the Statement of Investment Policies & Goals; and
- The co-chairs select a consultant to begin working with the Board to develop the SIP&G at the next meeting.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], it was the consensus of the trustees that:

the co-chairs request proposals from two additional national-level [audit] firms and make a recommendation back to the Board.

It was the consensus of the trustees that:

Murray Gold be appointed legal counsel effective April 27, 1999, subject to annual review.

On a motion by S[hirley] McV[ittie], seconded by C[hristine] B[ounsell], it was the consensus of the trustees that:

the Valuation Report be accepted and filed as amended.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], it was the consensus of the trustees that:

- J[ean-]P[aul] R[aymond] develop cost estimates and models, administrative process and recommendations for the next trustees' meeting; and
- Provide an estimate of the cost of carrying out the exercise (communication, calculation, correspondence, etc).

On a motion by H[arvey] G[eddes], seconded by C[hristine] B[ounsell], it was the consensus of the trustees that:

- The proposed rates be approved; and
- V[icky] G[rabb] develop a policy statement and expense claim form for the next meeting.

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Trustees Meeting #3 1999 09 09

It was the consensus of the trustees that:

- The assets of the pension fund be allocated 60% to equities and 40% to bonds with a permitted variance of 5% up or down.

On a motion by K[evin] S[kerrett] seconded by C[hristine] B[ounsell], it was the consensus of the trustees that:

the Expense Policy and Claim Form were approved as circulated.

On a motion by H[arvey] G[eddes] seconded by W[illiam] G[leed], it was the consensus of the trustees that:

the contract [with Royal Trust] be approved and the co-chairs be instructed to sign on behalf of the Board of Trustees.

It was the consensus of the trustees that:

- The contract for services with William M Mercer Limited be extended by six months (to 2000-03-31); and
- The contract for services with Campbell Grabb Management Consultants Inc be extended by six months (to 2000-03-31).

On a motion by S[hirley] McV[ittie], seconded by K[evin] S[kerrett], it was the consensus of the trustees that:

the [following] collective agreement language and Declaration of Participation be approved as amended.

DECLARATION AND AGREEMENT TO PARTICIPATE IN THE CBS DEFINED BENEFIT PENSION PLAN {PRIVATE }

B E T W E E N:

_____ (the "PARTICIPATING UNION")

-and-

TRUSTEES OF THE CBS DEFINED BENEFIT PENSION PLAN

(the "TRUSTEES")

1. The PARTICIPATING UNION agrees that all persons who are represented by the union and who commence employment with Canadian Blood Services ("CBS") after the date of this declaration and agreement shall participate in *accordance with the eligibility provisions of* the CBS Defined Benefit Pension Plan (the "Plan").

2. The Plan is established by a Trust Agreement made as of _____, 1999, which may be amended from time to time (the "Trust Agreement"). The Plan is governed by a Board of Trustees (the "Trustees"). The PARTICIPATING UNION hereby agrees to be bound by the Trust Agreement and the provisions of the Plan, and to comply with the directions of the Trustees made under its terms.

3. The PARTICIPATING UNION agrees that the following language is deemed to be included in its collective agreement with CBS in respect of those persons whose participation in the Plan is secured by this declaration and agreement:

"Employees in the bargaining unit shall participate in *accordance with the eligibility provisions of* the CBS Defined Benefit Pension Plan (the "Plan"). The rate at which the employees shall contribute to the Plan shall be as established from time to time in accordance with the terms of the Plan. The rate at which the employer shall contribute to the Plan is limited to the fixed amount established from time to time in accordance with the terms of the Plan. The parties agree that the Plan is a defined benefit pension plan to which section 14(3) of the *Pension Benefits Act*, R.S.O. 1990 c. P.8 and section 6(1) of Regulation 909 under the *Pension Benefits Act*, *supra* apply. For purposes of clarity the contribution rates of both employees and the employer are described at Schedule "A" hereto."
 [schedule of sample contribution rates attached]

DATED this _____ day of _____, 1999.

FOR THE TRUSTEES: _____
 Per: (Authorized Signature) (Authorized Signature)

FOR THE PARTICIPATING UNION: _____
 Per: (Authorized Signature) (Print Name)

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Trustees Meeting #4 1999 11 04-05

On a motion by W[illiam] G[leed] seconded by H[arvey] G[eddes] it was the consensus of the Trustees that:

1. The co-chairs, John Johnston and Kevin Skerrett be authorized to sign on behalf of the Trustees for all category functions; and
2. Two signatures be required.

It was the consensus of the Trustees that:

1. A[ndrew] H[atney] contact Sam Schwisberg (CBS corporate counsel) about the applicability of the insurance Captive; and
2. M[urray] G[old] write to CHUBB to clarify ambiguities related to the status of the Trust Agreement indemnification provision.

It was the consensus of the Trustees that:

1. Deloitte Touche be engaged as auditors for 1999 and 2000;
2. That the audit engagement be direct between the CBS DB Trustees and Deloitte Touche; and
3. That Deloitte Touche be asked to set the price as the pro-rate share of the \$9,000 bid for both [DB and DC] audits.

A motion by H[arvey] G[eddes] seconded by Shirley McVittie (SMcV) that the SIP&G include 75% domestic investments and 25% foreign investments, with the foreign investments split 15% US and 10% non-North American, carried with four positive votes.

On a motion by W[illiam] G[leed] seconded by C[hristine] B[ounsall] it was the consensus of the Trustees that: the SIP&G be based on the James P Marshall recommendations with respect to investment management structure.

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Trustees Meeting #5 1999 12 03

On a motion by K[evin] S[kerrett] seconded by J[ohn] J[ohnston], it was the consensus of the trustees that: the interim SIP&G be endorsed pending finalization of the SIP&G under discussion.

On a motion by J[ohn] J[ohnston] seconded by S[hirley] McV[it]tie, it was the consensus of the trustees that:

a letter be written to Red Cross asking for a status report on the allocation of pension fund assets and liabilities.

It was the consensus of the trustees that the Procedure Participants' actuaries take the initiative with KPMG to begin the liability and asset allocation process.

On a motion by J[ohn] J[ohnston] seconded by S[hirley] McV[it]tie, it was the consensus of the trustees that:

The Investment Committee members be:

Kevin Skerrett
Shirley McVittie
William Gleed
Harvey Geddes

The Administrative Committee members be:

John Johnston
Faye Strike
Christine Bounsall
Dennis Blatchford

And that the draft Terms of Reference be referred to the committees for review and recommendation to the Board at its next meeting.

On a motion by W[illiam] G[leed] seconded by C[hristine] B[ounsall], it was the consensus of the trustees that:

subject to review by M[urray] G[old], K[evin] S[kerrett] and J[ohn] J[ohnston] be authorized to sign the [audit] engagement letter [with Deloitte & Touche] on behalf of the trustees.