

Record of Decisions

Trustees Meeting #6 2000 02 29 – 03 01

After an *in camera* discussion, on a motion by S[hirley] McV[itie], seconded by Faye Strike (FS), the Trustees approved extensions of the William M Mercer and Campbell Grabb Management Consultants contracts to December 31, 2000.

On a motion by S[hirley] McV[itie], seconded by F[aye] S[trike], the Trustees approved payment of invoices submitted by Koskie Minsky and William M Mercer for work conducted on behalf of the CBS DB Pension Plan prior to April 1, 1999.

On a motion by C[hristine] B[ounsall], seconded by K[evin] S[kerrett], the Trustees approved the Terms of Reference of the Administration Committee, as amended.

On a motion by K[evin] S[kerrett], seconded by H[arvey] G[eddes], the Trustees directed the Administration Committee to examine the options and make recommendations to the Trustees.

On a motion by H[arvey] G[eddes], seconded by C[hristine] B[ounsall], the Trustees approved retaining Mercer with a change of key contact person to Sylvain Poirier.

On a motion by K[evin] S[kerrett], seconded by S[hirley] McV[itie], the Trustees approved the Conflict of Interest Policy, as amended.

On a motion by J[ohn] J[ohnston], seconded by W[illiam] G[leed], the Trustees approved the Statement of Investment Policies and Goals as distributed.

On a motion by W[illiam] G[leed], seconded by H[arvey] G[eddes], the Trustees approved the recommendation that:

- James P Marshall be retained for one year to conduct the Investment Manager search, assist with the transition of assets from the Red Cross, monitor and report quarterly on Investment Manager performance, and provide additional advice as required, at a cost of about \$35,000 plus expenses.

On a motion by W[illiam] G[leed], seconded by S[hirley] McV[itie], the Trustees approved the recommendation that:

- James P Marshall be requested to initiate the Investment Manager search process to cover both the three-manager and the single manager options, and report to the Committee with a recommended selection process, evaluation/selection criteria, and a list of five potential investment managers for each mandate by March 15th;

- A conference call meeting of the Committee be held the last week of March (tentatively March 30th from 2-5 p.m.) to select interview candidates; and
- Interviews be held in Toronto April 13-14, with Marshall's to arrange facilities and set up the interview schedule.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees approved the recommendation that:

The approximately \$4 million in current contribution assets, now held in the Royal Trust Money Market Fund, be invested in a 180-day T-bill at 5.26%.

On a motion by K[evin] S[kerrett], seconded by S[hirley] McV[ittie], the Trustees approved the Terms of Reference of the Investment Committee, as amended.

On a motion by W[illiam] G[leed], seconded by H[arvey] G[leed], the Trustees directed the Co-Chairs to write to Red Cross expressing the Trustees' continuing concern about the poor performance of the Red Cross pension fund against the context of the performance of the market.

On a motion by K[evin] S[kerrett], seconded by W[illiam] G[leed], the Trustees approved the following Resolution:

“WHEREAS Canadian Blood Service (“CBC”) and the Participating Unions sponsor the Canadian Blood Services Defined Benefit Pension Plan effective September 28, 1998 for certain CBS employees (the “Plan”); and

“WHEREAS the Plan is administered by a Board of Trustees appointed equally by CBS and the Participating Unions (the “Administrator”); and

“WHEREAS the Administrator, in consultation with the Actuary, pursuant to Section 3.4 of the Plan, shall determine the Members' Contribution Rate; and

“WHEREAS the Administrator wishes to specify the initial Members' Contribution Rate in effect from September 28, 1998 to December 31, 2000;

“NOW THEREFORE BE IT RESOLVED THAT pursuant to Section 3.4(e)(iv) of the Plan, the initial Members' Contribution Rate from September 28, 1998 to December 31, 2000 shall be set at 4% of Pensionable Earnings. Any difference between this rate and the Members' Contribution Rate otherwise determined pursuant to Section 3.4, without taking into consideration Section 3.4(e)(iv), shall be paid out of the Member Surplus Account. To the extent that insufficient assets are transferred into the Plan from the Canadian Red Cross Pension Plan and the Potential Pension Claims Escrow Account to cover this Member partial contribution holiday, the Members' Contribution Rate shall be increased so that the resulting contribution

deficiency shall be recovered from Plan Members over a period to be determined by the Administrator.”

On a motion by H[arvey] G[eddes], seconded by K[evin] S[kerrett], the Trustees approved in principle the following valuation basis for DC-to-DB transfers: Conversion Value plus Contributions plus interest. (Final details, including interest rate, will be determined when the actual transfer opportunity is approved.)

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees approved the following valuation bases for transfers into the DB Plan from other employers' pension plans: the Funding Method based on conservative assumptions and the Plan accrual rate, with a guarantee of return of the amount of the transfer value plus interest; OR the method specified in Reciprocal Transfer Agreements with other Plans.

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Trustees Meeting #7 2000 05 26

It was the consensus of the Trustees that:

1. Murray Gold explore with CBSI the possibility of the DB Trustees being covered under the excess insurance; and
2. Murray Gold concurrently explore the cost and terms of excess insurance coverage purchased by the Trustees.

On a motion by W[illiam] G[leed], seconded by K[evin] S[kerrett], the Trustees approved the following Resolution:

“WHEREAS Canadian Blood Service (“CBC”) and the Participating Unions sponsor the Canadian Blood Services Defined Benefit Pension Plan effective September 28, 1998 for certain CBS employees (the “Plan”); and

“WHEREAS the Plan is administered by a Board of Trustees appointed equally by CBS and the Participating Unions (the “Administrator”); and

“WHEREAS pursuant to Section 16.1 of the Plan the Administrator has the right to amend the Plan; and

“WHEREAS the Administrator wishes to delegate to the Co-Chairs of the Administrator the right to make such amendments to the Plan as are required to secure and continue Plan registration of the Plan with the regulatory authorities and to comply with applicable legislation;

“NOW THEREFORE BE IT RESOLVED THAT effective January 1, 2000, the Administrator hereby delegates to the Co-Chairs of the Administrator the right to make such amendments to the Plan as are required to secure and continue Plan registration of the Plan with the regulatory authorities and to comply with applicable legislation, subject to prior review of the said amendments by legal counsel to the Administrator.”

On a motion by W[illiam] G[leed] seconded by K[evin] S[kerrett], the Trustees resolved to write to the Red Cross to request that assets be segregated by July 31, 2000.

On a motion by H[arvey] G[eddes] seconded by K[evin] S[kerrett] the Trustees approved the Funding Method as the basis for transferring assets from DB to DC in the case of an employee who is entitled to make such a transfer pursuant to the terms of the Plan Text.

On a motion by K[evin] S[kerrett] seconded by C[hristine] B[ounsall], the Trustees approved the following investment managers:

Domestic Balanced Mandate (active)	RT Capital
Canadian Bond & US Index Mandate (passive)	TD Quantitative Capital
Non-North American Mandate (active)	Murray Johnstone

On a motion by F[aye] S[trike] seconded by C[hristine] B[ounsall], the Trustees approved the year 2000 Operating Budget.

On a motion by C[hristine] B[ounsall] seconded by D[ennis] B[latchford], the Trustees approved the Trustee Education Policy.

On a motion by H[arvey] G[eddes] seconded by W[illiam] G[leed], the Trustees approved:

1. the outsourcing administration option;
2. development and distribution of an RFP to Mercer, Morneau Sobeco, Hewitt, AON, Bucks and Ecklers; and
3. delegation to the Administration Committee to interview and recommend an administrator to the Trustees.

Record of Decisions

Trustees Meeting #8 2000 06 27

On a motion by W[illiam] G[leed] seconded by S[hirley] McV[ittie], the Trustees approved the [audited] Financial Statements.

On a motion by H[arvey] G[eddes] seconded by S[hirley] McV[ittie], the Trustees approved Amendment Number One. (Signed copy attached to Minutes)

On a motion by J[ohn] J[ohnston] seconded by W[illiam] G[leed], the Trustees approved Amendment Number Two. (Signed copy will be circulated when completed)

On a motion by J[ohn] J[ohnston] seconded by W[illiam] G[leed], the Trustees approved Amendment Number Three. (Signed copy attached to Minutes)

On a motion by J[ohn] J[ohnston] seconded by S[hirley] McV[ittie], the Trustees approved:

1. Completion and signing of contracts with Murray Johnstone and TD Quantitative Capital;
2. Letters to Murray Johnstone and TD Quantitative Capital indicate the Trustees' concern with trading violations and ask both whether the company is under any kind of investigation with respect to such violations and what mechanisms are in place to prevent or detect such violations;
3. Deferral of the contract with RT Capital for one month until the outcome of the OSC investigation is complete; and
4. That RT Capital be invited to a meeting after the outcome of the OSC investigation is known, to discuss the issue and the RT Capital response.

On a motion by H[arvey] G[eddes] seconded by W[illiam] G[leed], the Trustees approved payment to CBS in the amount of \$484,835.38 [reimbursement for plan expenses paid by CBS on behalf of the plan].

Record of Decisions

Trustees Meeting #9 2000 09 08

On a motion by K[evin] S[kerrett], seconded by Harvey Geddes (HG), the Trustees approved the following fund rates of return: for 1998 4.23%; for 1999 3.3%.

On a motion by H[arvey] G[eddes], seconded by K[evin] S[kerrett], the Trustees approved the following: subject to CCRA not accepting the argument that the guarantee should remain because it is a feature of the Red Cross Plan, the guarantee of a non-negative return on the MPF will be removed from the Plan Text, with appropriate communication to members.

On a motion by K[evin] S[kerrett], seconded by S[hirley] McV[ittie], the Trustees approved correcting [pensionable] service records [for the period prior to September 28, 1998] through estimation of annualized earnings and pensionable service.

On a motion by William Gleed (WG), seconded by C[hristine] B[ounsall], the Trustees directed legal counsel to reply to TDQC on these four issues as follows:

1. The CBS DB Trustees must have the right to audit
2. No liability insurance is required so long as the TD Bank is prepared to act as guarantor for TDQC
3. TDQC cannot pursue the personal assets of the CBS DB Trustees
4. Services related to soft dollar transactions should be specified to be for the benefit of unit holders and fees with non-arms length brokers should be on terms comparable to alternative brokers.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees approved proceeding with the M[urray] J[ohnstone] I[nternational] L[imited] contract, subject to further review of insurance coverage.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees added Paul Saunders to the list of potential 7th Trustees.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees added the ADR Chambers to the list of potential 7th Trustees.

On a motion by W[illiam] G[leed], seconded by C[hristine] B[ounsall], the Trustees approved McLean Budden as the investment manager for the Domestic Balanced mandate.

On a motion by J[ohn] J[ohnston] seconded by K[evin] S[kerrett], the Trustees approved the recommendation of the [Administration] Committee [to appoint Morneau Sobeco as Third Party Administrator, subject to:

1. a satisfactory site visit
2. satisfactory meetings with the service and implementation teams
3. satisfactory reference checks
4. clarification of the cost quotation

Record of Decisions

Trustees Meeting #10 2000 11 02

On a motion by William Gleed (WG) seconded by C[hristine] B[ounsall] the Trustees instructed Murray Gold to write to Goodman's on behalf of the CBS DB Plan restating the clear provisions of the Court Order and that, if a cheque [for the "CBS Amount" of \$13.5 million] is not received by the end of November, action will be taken.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees directed Mercer, MG, and VG to convene a meeting with Red Cross to resolve the outstanding issues by November 20, 2000 and that a meeting with CCRA be arranged as soon as possible.

On a motion by H[arvey] G[eddes], seconded by C[hristine] B[ounsall], the Trustees urgently requested that a meeting be arranged with CCRA as soon as possible to resolve all outstanding issues.

On a motion by W[illiam] G[leed], seconded by S[hirley] McV[ittie], the Trustees instructed counsel to give TDAM until December 1, 2000 to conclude the agreement or the plan would look elsewhere for investment management of the index mandate.

On a motion by H[arvey] G[eddes], seconded by S[hirley] McV[ittie], the Trustees requested JJ, KS and MG to develop a contract between Mercer and the CBS Trustees for actuarial services to December 31, 2001, on an as-required basis.

On a motion by C[hristine] B[ounsall], seconded by H[arvey] G[eddes], the Trustees requested JJ, KS and MG to develop a contract between Campbell Grabb Management Consultants for VG's project management services to December 31, 2001, on an as-required basis with a 90-day notice of termination provision.