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RETIREMENT PROGRAM

Statement of Investment Policy and Procedures

Version 8.0

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Greenlight Retirement Program®

Statement of Investment Policy and Procedures

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Section 1: Introduction

The Greenlight Retirement Program® is a collection of Capital Accumulation Plans, each sponsored and maintained by a different Plan Sponsor. The purpose of the Program is to consolidate certain governance functions for all Plan Sponsors in a single governance program, through delegation by Plan Sponsors to HUB International Ontario Limited of certain of the functions related to administration of their Capital Accumulation Plans, in order to assist each Plan Sponsor to discharge its fiduciary duties with respect to the delegated functions at a reasonable level of cost.

The overall operation of the The Greenlight Retirement Program® is described in the document entitled, “The Greenlight Retirement Program® Governance Committee Charter”.

The purpose of this document is to set out the criteria for the selection and review of Record Keepers and Investment Managers, and the selection and review of investment funds for the Program.

A description of the participating Capital Accumulation Plans is available upon request.

Section 2: Definitions

Within this document, the following terms shall mean:

“**Act**” means the Ontario *Pension Benefits Act* (R.S.O. 1990, as amended), and includes any other applicable legislation of a substantially similar nature adopted by any other Province or by the Government of Canada.

“**Governance Committee**” means the Greenlight Retirement Program® Governance Committee appointed in accordance with, and operating under, the Greenlight Retirement Program® Governance Committee Charter.

“**Governance Committee Member**” means a member of the Program’s Governance Committee appointed in accordance with The Greenlight Retirement Program® Governance Committee Charter.

“**Investment Manager**” means any firm selected by the Governance Committee on behalf of a Plan Sponsor to invest any part of the CAP fund.

“**Investment Policy**” means the Greenlight Retirement Program® Statement of Investment Policy and Procedures as amended from time to time.

“**Capital Accumulation Plan**” or “**CAP**” means a tax-assisted savings plan established by a Plan Sponsor that permits the Plan Members to make investment decisions among investment options offered within the plan. Examples of a CAP include a defined contribution registered pension plan (DC RPP), a group registered retirement savings plan (RRSP), a group tax free savings account (TFSA) and a deferred profit sharing plan (DPSP). For this policy, the CAP is the Pension Plan for the Employees of ABC Company, with the Financial Services Regulatory Authority of Ontario registration number XXXXXXX. The investment funds can be found on the Record Keeper’s website. The default investment option for this account is the Balanced Profile asset allocation fund.

“**Plan Administrator**” means the Plan Sponsor when operating in the capacity of administrator, as defined under the Act, of a registered pension plan, if applicable.

“**Plan Member**” means any person who is entitled to benefits from a Capital Accumulation Plan.

“**Plan Sponsor**” means the employer who sponsors a Capital Accumulation Plan. For this plan, the sponsor of the Plan is ABC Company.

“**Program**” means the Greenlight Retirement Program®.



“**Record Keeper**” means any firm engaged by the Governance Committee on behalf of a Plan Sponsor to administer CAP accounts established and maintained under a Capital Accumulation Plan.

“**HUB International Ontario Limited**” means HUB International Ontario Limited, an Ontario corporation that provides pension and benefit consulting services to its customers.

Section 3: Responsibilities

The following are the responsibilities of the various parties with respect to the investment of the funds for Capital Accumulation Plans that are subject to the investment policy of the Program.

Governance Committee

The responsibilities of the Governance Committee are to:

- establish, periodically review, and amend as necessary the Investment Policy;
- select and, where appropriate, recommend the termination of the Record Keeper(s), and document the decision-making process;
- select and, where appropriate, recommend the termination of, the Investment Manager(s) and investment funds to be made available to Plan Members, and document the decision-making process;
- when necessary, engage the services of professionals such as accountants, actuaries, and lawyers to assist the Governance Committee to discharge its duties, and document the selection process;
- conduct quarterly reviews of investment performance of the Investment Managers and investment funds;
- conduct annual reviews of the administration of the Program;
- provide Plan Sponsors with regular reporting on the administration of the Program.

Plan Sponsors

The responsibilities of the Plan Sponsor are to:

- determine if this Program meets and continues to meet its needs and the needs of its employees;
- maintain the registered status of its Capital Accumulation Plan(s) under the Act and under the Income Tax Act of Canada, as applicable;
- ensure that it administers its Capital Accumulation Plan(s) fairly, impartially and in good faith in accordance with the plan document(s) as registered and in accordance with all applicable laws;
- engage and, if necessary, terminate, the Record Keeper(s) selected by HUB International Ontario Limited;
- prevent personal interests from being in conflict with those of Plan Members
- review the reports provided to it by the Governance Committee;
- act with the care, skill and diligence of a prudent person when carrying out its duties, including obtaining independent legal, actuarial and/or investment advice if it is prudent to do so;
- provide Plan Members with a mechanism to communicate their investment choices to the Record Keeper(s);
- if applicable, file the Investment Policy along with the appropriate regulatory forms with the Financial Services Regulatory Authority of Ontario, or another similar regulator, as required under the Act.



Plan Members

The responsibilities of the Plan Members are to:

- access appropriate investment information, education and decision-making tools to assist them to make appropriate investment decisions on a timely basis to meet their investment objectives;
- make investment choices with respect to contributions made by them and on their behalf and the assets held in their accounts under a Capital Accumulation Plan, having regard to their investment horizon, risk tolerance, liquidity requirements, demographics, longevity, contribution levels and other relevant factors;
- pay all investment fund management, operating and distribution fees, in addition to all applicable taxes, which are deducted directly from the funds or from the member's account.

Record Keepers

The responsibilities of the Record Keepers are to:

- handle all administration and transactions relating to the day-to-day operation of the Capital Accumulation Plan, in accordance with the terms of the policy it has issued, in this connection, to the Plan Sponsor;
- supply the Plan Sponsor with reports periodically and other information deemed necessary for the proper administration of this investment policy, as agreed upon between the Record Keeper and the Plan Sponsor;
- on an ongoing basis, provide Plan Members with information, education and decision-making tools to assist them to make appropriate investment choices to meet their investment objectives;
- exercise the care, competence and skill to be expected of a prudent and diligent insurance company, acting at all times on a basis which is fair and reasonable and not prejudicial to the interests of the Plan Members.

Section 4: Nature of Plan Liabilities

All participating Capital Accumulation Plans are tax-assisted savings plan established by a Plan Sponsor, which allow Plan Members to select their investment options. A summary of the participating Capital Accumulation Plans is available from HUB International Ontario Limited on request.

Section 5: Selection of Investment Managers

Common Menu of Funds

The Governance Committee will select a menu of investment funds, offered by one or more Investment Managers, from which Plan Members can choose.

It is expected that each Plan Sponsor will adopt the common investment menu. Where a Plan Sponsor chooses:

- to allow for an investment option outside of the common menu;
- to not allow an investment option which is on the common menu;
- to impose any additional restriction on the choice its Plan Members may make from the common investment menu.

That Plan Sponsor must explicitly accept responsibility for:

- monitoring any such investment options;
- ensuring the menu of investment options is appropriate for its Plan Members;
- communicating these options or restrictions to its Plan Members.



Choice of Investment Funds

The Governance Committee will select a list of between ten and twenty investment funds. These funds will include a broad range of risk/return profiles suitable to meet the diversity and demographics of Plan Members. The objective is to allow Plan Members to select from a menu of quality investment funds to suit his/her own investment objectives.

The investment funds selected will include at least one of each of the following:

- a low risk fund intended for capital preservation
- a Canadian equity fund
- a Canadian bond fund
- a Canadian balanced fund
- a foreign equity fund

The Governance Committee considers that it is appropriate for the Investment Managers to engage with the companies that the Investment Managers determine to invest in, where feasible, on environmental, social and governance (“ESG”) issues insofar as the Investment Managers believe such engagement may be of long-term benefit to the shareholders of such companies. This approach is driven by the belief that effective research, analysis and management of ESG factors can play a part in assessing the valuation and future performance of an investment. It involves the assessment of a wider range of risks and opportunities that may influence the investment performance of the Fund, by looking at factors beyond those included in traditional financial analysis. It also recognizes the long-term nature of ESG factors, and the impact they may have on the sustainability and profitability of individual entities, or of an industry sector. This approach sees ESG factors as among the many factors that may impact the investment performance of an asset, asset class or the entire fund. The Governance Committee delegates to the Investment Managers the responsibility to determine which factors, if any, are relevant and how to take them into account.

The Governance Committee shall obtain a written confirmation that each fund has met the investment criteria for the investment of Capital Accumulation Plans under the Act and/or the Income Tax Act (Canada), as applicable.

The Governance Committee will ensure that each Investment Manager has:

- a privacy policy, that at least meets the requirements of *Personal Information Protection and Electronic Documents Act*; and
- an ethics policy, that at least meets the requirements of The Code of Ethics and The Standards of Professional Conduct as determined by The Institute of Chartered Financial Analysts.

The Governance Committee may add or remove investment funds or Investment Managers at any time at its discretion.

In deciding to add or remove any investment funds or Investment Managers from the Program, the Governance Committee shall consider a range of information for each Investment Manager and fund, including:

- advice from Record Keepers on the performance of the fund and any recommendation to maintain, monitor or remove the fund;
- periodic advice from a third-party investment consultant to maintain, monitor, or remove the fund;
- the fund’s performance against the established benchmarks;
- the fund’s performance compared with the appropriate peer group;
- information available to the Governance Committee with respect to the manager’s consistency in philosophy and investment professionals;
- the fund’s fees, compensation, expenses and service agreement, to the extent that they are reasonable and competitive;
- the fund’s liquidity; given that liquidation of a Plan Member’s account may be required upon retirement, termination or death, funds that are valued and traded on a daily basis are preferred.

This list of criteria itself will be reviewed by the Governance Committee at least annually.

It is understood that Plan Members with unique and/or high-risk investment objectives may not find funds achieving all of their objectives within the common menu of funds. For these Plan Members, investment outside the Program may be necessary in order for them to properly achieve all of their investment objectives. Any investment outside the common



menu of investment funds is entirely that Plan Member's own responsibility; the Governance Committee will not monitor the suitability or rate of return of any such investment.

Review of Funds

At least quarterly, The Governance Committee will:

- review the investment performance of each investment fund;
- review the overall mix of investment funds offered.

The Governance Committee will conduct a quarterly review of each Investment Manager. This review will include at least the criteria set out in the preceding section. Based on its review, the Governance Committee will determine how frequently it, or its designated representative, will meet with each Investment Manager and any additional information it may require.

The Governance Committee, or its designated representative, will meet with each Record Keeper at least annually.

Default Option

The Governance Committee will designate one fund, or a mixture of several funds, as a default option to be used by Plan Sponsors in the event that a Plan Member does not make any investment choice. The default option will be suitably diversified so as to meet the expected investment needs of the Plan Members as a whole.

In the event a Plan Sponsor sets a different default option for its own Plan Members, that Plan Sponsor explicitly accepts responsibility for the monitoring of that default option.

Lending of Securities and Cash

The Program will not lend cash or enter into securities lending agreements, although funds used by the Program may do so if their practices permit.

Borrowing

The Program will not borrow money and the Program's assets will not be pledged or otherwise encumbered.

Valuation of Investments and Securities Not Traded on a Marketplace

It is expected that all the securities held by an Investment Manager will have an active market and therefore valuation of the funds available in the Program will be based on their market values. It is expected that the Investment Manager will notify the Governance Committee if the market for any investment held by funds in the Program becomes inactive and provide for the Governance Committee's consideration a method for valuing the affected investment.

Section 6: Voting Rights

The voting rights acquired through any investments are delegated to the Investment Manager.

Section 7: Reporting

Each quarter, following the Governance Committee meeting, HUB International Limited will provide to each Plan Sponsor a copy of the minutes of the meeting and any supporting documentation, which over the calendar year will address the following items:

- a report on the performance of the Investment Manager(s) and investment funds;
- notice of any change in the common investment menu;
- notice of any amendment to this Investment Policy;



- an annual review of, and report on compliance with, this Investment Policy;
- an annual report on the Investment Manager’s compliance with their respective investment policies.

Section 8: Conflict of Interest & Related Party Transactions

Conflict of Interest

If a member of the Governance Committee, or any agent of or advisor to the Governance Committee, has or acquires any financial interest, whether direct or indirect, in any matter in which any investment under the Program is concerned, or may benefit personally from any decision of the Governance Committee, or otherwise has a conflict of interest, whether actual or potential, that would conflict with or impair the ability of the person to act in the best interests of the Capital Accumulation Plan or the Plan Members, the person involved shall, as soon as practical, disclose in writing this conflict of interest to the other members of the Governance Committee.

Where a conflict is disclosed, the Governance Committee shall meet and agree upon a course of action. Any such person will thereafter abstain from any decision making with respect to the area of conflict, unless otherwise determined by unanimous decision of the Governance Committee.

The Governance Committee shall satisfy itself that an appropriate policy regarding conflicts of interest exists and is followed by any Investment Manager(s) and Record Keeper(s) or other service providers or professionals appointed by the Governance Committee. As a minimum, the Code of Ethics and Standards of Professional Conduct adopted by the Institute of Chartered Financial Analysts shall be expected to apply to Investment Manager(s).

Every disclosure of a conflict of interest under this Section shall be recorded in the minutes of the relevant Governance Committee meeting.

The failure of a person to comply with the procedures in this section shall not of itself invalidate any decision, contract or other matter.

Related Party Transactions

For the purposes of this Investment Policy, a “related party” and a “transaction,” in respect of the Program, have the meanings given to those terms in Schedule III of the *Pension Benefits Standards Regulations (Canada)*. The following related party transactions are permitted for the Program:

- any transaction that is required for the operation or administration of the Program where the terms and conditions of which are not less favourable to the Program than market terms and conditions, and, where the transaction does not involve the making of loans to, or investment in, the related party;
- any transaction where the value of which is nominal (that is, less than 3% of the market value of a particular fund) or which is immaterial to the Program (that is, the terms and conditions of the transaction are not less favourable to the Program than market terms and conditions); two or more transactions with the same related party shall be considered a single transaction; and
- any indirect investment:
 - in the securities of a related party if those securities are held in an investment fund in which investors other than the Plan Sponsor may invest;
 - in an unallocated general fund of an insurer authorized to carry on a life insurance business in Canada;
 - in securities issued or fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
 - in a fund composed of mortgage-backed securities that are fully guaranteed by the Government of Canada, the government of a province, or an agency of either one of them;
 - in a fund that replicates the composition of a widely recognized index of a broad class of securities traded at a marketplace; or



- that involve the purchase of a contract or agreement in respect of which the return is based on the performance of a widely recognized index of a broad class of securities traded at a marketplace.

Section 9: Review and Amendment

The Governance Committee will formally review this document at least once per year, and either confirm or amend it.

This Policy can be amended by the Governance Committee at any regularly scheduled meeting.

