



Nova Scotia Public Service
Long Term Disability Plan Trust Fund

TRUSTEE TERMS OF REFERENCE

Overview

In carrying out the responsibilities as a member of the Board of Trustees, each Trustee owes a fiduciary duty to the Trust and must:

- (a) Act honestly and in good faith with a view to the best interests of the Trust;
- (b) Exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) Oversee management of the business and affairs of the Trust.

Duties and Responsibilities

Trustees have two basic legal obligations to the Trust:

- Duty of Care – requires that Trustees exercise appropriate diligence in making decisions and in overseeing management;
- Duty of Loyalty – requires that Trustees make decisions based on the best interest of the Trust’s plan members and without regard to any personal interest.

In addition to these two basic obligations, Trustees need to demonstrate the following:

Ethical Judgment

- Act honestly and in good faith with a view to the best interests of the Trust;
- Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Informed Judgment

- Provide wise counsel on a broad range of issues; be able to think strategically about complex issues;
- Proactively apply their own knowledge, experience, and expertise to issues;
- Demonstrated a commitment to achievement and of making good business decisions;
- Understand the difference between governing and managing, and not encroach on management's area of responsibility and authority.

Integrity

- Utilize all abilities, experience, and influence fully and constructively;
- Demonstrate high ethical standards and integrity; understand the role, responsibilities, expectations, and legal duties of a Trustee;
- Be willing to be accountable for and be bound by Board decisions.

Independence

- Be able to act independently of plan management;
- Be able to act independently of other influences or direction;
- Be willing to take a stand, even if it is contrary to prevailing opinion;
- Disclose contracts or arrangements in which the Trustee has an interest;
- List all other boards the Trustees sit on;
- Identify any interlocking trusteeships; refer all individual claims inquiries to the CEO.

Financial Literacy

- Demonstrate financial literacy, including the ability to understand financial statements.

Industry Knowledge

- Develop a thorough understanding of the Trust's role in the industry and the community;
- Become and remain knowledgeable of the Trust's products, services, and industry;
- Maintain a clear understanding of emerging trends and issues.

Board Effectiveness

Meeting Protocol

- Advise the Chair in advance when planning to introduce significant or previously unknown information or material at a Board meeting;
- Contribute to the development of meeting agendas and advise the Chair of any matter which they wish to be discussed by the board at a future meeting;
- Work effectively with others and manage conflict constructively.

Meeting Preparation and Attendance

- Commit the necessary time to prepare for and attend each Board and Committee meeting;
- Review materials provided to exercise oversight and necessary for decision making;
- When attendance is not possible become familiar with the matters covered at the meeting;
- Maintain an excellent Board and committee meeting attendance record; Trustees are expected to attend 100% of all regularly scheduled meetings for the full duration of each meeting. In respect to fiduciary effectiveness, the Chair will notify the appointing Plan Sponsor for remedy if a Trustee's absence exceeds two (2) Board meetings per annum;
- Be in attendance for the full duration of the meeting, whenever possible;
- Devote time to be of effective service to the Board;
- Trustees are expected to make reasonable efforts to attend face to face meetings in person.

Continuing Education

- Participate fully and frankly in deliberations and discussions during the meeting;
- Encourage free and open discussion of the affairs of the Trust;
- Take initiative to raise questions and encourage open discussion regarding strategy, operations, and results;
- Be an available resource to management and the rest of the Board;
- When appropriate, communicate with the Chair or CEO between meetings;
- Demonstrate a willingness and availability for one-on-one consultation with the Chair or CEO.