

LOGISTEC CORPORATION

PENSION COMMITTEE

TERMS OF REFERENCE

**A. Background**

The Corporation sponsors certain pension plans. As a result, the Corporation has established an appropriate governance structure for those plans (collectively, the “Plans”) to enable the Corporation to meet its legal and fiduciary obligations to the members of the Plans.

The governance structure for the Plans is as follows:

- The Corporation’s Board of Directors (the “Board”) retains full power to make all amendments to the Plans.
- The Board delegates certain responsibilities to the Pension Committee of the Board (“PC”). The PC oversees the Plans and related funds and sets certain pension-related policies and strategies.
- The PC delegates certain pension monitoring and legislative compliance matters to the Management of the Corporation (“MC”). The MC monitors the administration and investment of the Plans and related funds in accordance with the policies determined by the PC.
- The MC is responsible for monitoring the day-to-day administration and custody of the Plans.
- One or more professional investment managers invest the assets of the Plans.
- The PC is assisted by such professional advisors as may be deemed necessary to administer the Plans in accordance with the PC policies and applicable legislation.
- The Corporation will administer the registered pension plans for purposes of pension legislation, and will oversee the Plans and related funds.

## B. Role of the Board

- The Corporation will act through the Board or officers authorized by the Board of the Corporation with respect to the Plans.
- The Board will be responsible for all non-fiduciary aspects of the benefits policy, and establishment and windup of the Plans.
- The Board will appoint the membership of the PC.
- The Board will be advised by the PC on all matters relating to the Plans that have been delegated to it by the Board.
- The Board will approve the mandates and terms of reference of the PC and delegate certain tasks, including authority to further delegate to appropriate individuals.
- The Board will monitor the PC with respect to the Plans and will receive an annual report from the PC on pension matters.

## C. Establishment of PC and Procedures

### 1. PC Membership

Members of the PC shall be appointed from time to time at the Board's discretion. The PC shall consist of not fewer than three (3) Directors and not fewer than two (2) members of the MC. The Board shall appoint a Chair of the PC. If the Chair of the PC is not present at any meeting, one of the other Director members of the PC who is present shall be chosen by the PC to preside.

### 2. Quorum

A simple majority, but not less than three (3) members of the PC, shall constitute a quorum.

### 3. Procedure, Records and Reporting

Subject to any statute or articles and by-laws of the Corporation, the PC shall fix its own procedures at meetings, keep records of its proceedings and report to the Board as may be required from time to time, but not less than annually. Notwithstanding the foregoing, minutes of all meetings of the PC shall be kept by the Corporate Secretary of the Corporation.

4. Secretary of PC

The PC shall appoint a Secretary who need not be a member of the PC.

5. Meetings

The Chair or the President of the Corporation or any two members of the PC may call a meeting of the PC.

6. Notice of Meetings

Notice of the time and place of every meeting shall be given, by any means of transmitted or recorded communication, including facsimile or other electronic means that produces a written copy, to each member of the PC at least 48 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting; and attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

7. Attendance of Others at Meetings

At the invitation of the Chair of the PC, individuals who are not members of the Committee may attend any meeting of the PC.

8. Review of Terms of Reference

The PC shall review its Terms of Reference annually or otherwise as it deems appropriate and propose recommended changes to the Board.

**D. Mandate of PC**

9. The PC shall:

- a) Discharge all responsibilities delegated to it by the Board;
- b) Approve the selection of investment manager(s), trustees, custodians and actuaries;
- c) Approve the investment and funding policies for the Plans;

- d) Approve the Statement of Investment Policies and Procedures for the Plans;
- e) Approve the criteria for trustee/custodian/investment manager selection and the criteria used to measure the ongoing performance of the Plans;
- f) Approve the appointment of the auditors for the Plans and review and approve the Plans' audited financial statements;
- g) Delegate certain duties and responsibilities to appropriate staff and advisors;
- h) Deliver annual reports to the Board in accordance with Section C (3);
- i) Review semi-annual reports from the MC on relevant pension plan issues, including:
  - design of the Plans
  - updated information on the Plans
  - overall financial conditions: assets, liabilities, surpluses or deficits, on a funding, solvency or windup basis as appropriate; current service costs; cash flow; highlights of related expenses
  - summary of investment manager and trustee/custodian performance: reasons for changes to net assets, and compliance with investment policy
  - proposed amendments to the Plans and related funding impact, if any
  - recommendations on the continued tenure of investment managers, trustees/custodians/third party administrators, advisors, and MC members and reasons therefore
  - recommendations on investment policy and strategy and compliance with such strategies
  - reports on any conflicts of interest
  - legislative compliance
  - upcoming pension trends or changes.

10. The PC may, at the request of the Board or on its own initiative, investigate such other matters as are considered necessary or appropriate in the circumstances.

Adopted by the Board of Directors on November 3, 2004