

THIS AGREEMENT is made the 10<sup>th</sup> day of January, 2019

**AMONG THE FOUNDING LABOUR SPONSORS OF THE UNIVERSITY PENSION PLAN ONTARIO (the "Plan") GOVERNING THE LABOUR SIDE OF THE UNIVERSITY PENSION PLAN SPONSOR BOARD ("Agreement") and OTHER MATTERS**

**WHEREAS** the University of Toronto Faculty Association ("UTFA"), Queens University Faculty Association ("QUFA"), University of Guelph Faculty Association ("UGFA"), United Steelworkers Local 1998 ("Local 1998"), United Steelworkers Local 2010 ("Local 2010") and United Steelworkers Local 4120 ("Local 4120") are the bargaining agents for certain employees of the University of Toronto, Queen's University and University of Guelph eligible to participate in the Plan and are the founding labour sponsors of the Plan ("**Founding Labour Sponsors**");

**AND WHEREAS**, UTFA, QUFA, UGFA, the United Steelworkers and its Locals 1998, 2010 and 4120 are signatories to the Amendment to Milestones and Key Terms Summary Agreement dated October 18, 2018 establishing terms and conditions of the Plan, including the governance of the Plan;

**AND WHEREAS** the rules governing the sponsorship of the Plan will be established in an agreement between the University of Toronto, Queen's University and the University of Guelph (the "**Founding Employer Sponsors**") on the one hand, and the Founding Labour Sponsors on the other hand ("**Sponsors Agreement**") which will include the establishment of a decision-making board comprised of representatives of the sponsors ("**Sponsor Board**");

**AND WHEREAS** it has been agreed between the Founding Employer Sponsors and the Founding Labour Sponsors that the Sponsor Board will have twelve (12) members, six appointed by employers participating in the Plan, and six appointed by the bargaining agents whose members participate in the Plan;

**AND WHEREAS** it has also been agreed that the employer side and the labour side of the Sponsor Board will each have one vote in reaching decisions contemplated by the Sponsors Agreement;

**AND WHEREAS** the Founding Labour Sponsors wish to establish rules regarding the structure, composition and appointment of the labour side of the Sponsor Board;

**AND WHEREAS** it is the intention of the Founding Labour Sponsors that the terms of this Agreement will form part of the Sponsors Agreement;

**NOW THEREFORE** the Founding Labour Sponsors agree as follows:

1. For purposes of this Agreement, "USW" shall refer to the United Steelworkers on behalf of its Locals 1998, 2010 and 4120 together, unless one or more of the Locals 1998, 2010 and 4120 is no longer participating in the Plan in which case "USW" will refer to the remaining locals and any such other United Steelworkers Locals that participate in the Plan in future.
2. **Composition of the Labour Sponsor Committee**
  - a. The labour sponsor will be comprised of six (6) individuals appointed in accordance with this Agreement by the bargaining agents whose members participate in the Plan (the "**Labour Sponsor Committee**"). Each of the six (6) appointees may also be referred to herein as a 'Labour Sponsor Member', or, where the reference is clear, as a 'Member'.
  - b. For the purposes of determining the composition of the Labour Sponsor Committee, Plan members represented by a bargaining agent will be divided into two constituencies: (i) Plan members represented by faculty associations ("**Faculty Associations**"); and (ii) Plan members represented by non-faculty unions. For the purposes of this Agreement, non-faculty unions are unions that do not represent Plan members who are faculty or academic librarians ("**Non-Faculty Unions**").
  - c. Of the six (6) Members on the Labour Sponsor Committee, UTFA shall have a permanent right to appoint one (1) Member and USW shall have a permanent right to appoint one (1) Member.
  - d. The six (6) Members on the Labour Sponsor Committee shall be allocated so that there are three (3) Members appointed by Non-Faculty Unions ("**Non-Faculty Members**") and three (3) Members appointed by Faculty Associations ("**Faculty Members**").
3. **Faculty Association Labour Sponsor Committee Members**

The three Faculty Members shall be appointed as follows:

- a. **UTFA Member:** UTFA will have at all times the right to appoint one (1) Member to the Labour Sponsor Committee. UTFA will have the right to remove, appoint or reappoint its Member in its sole discretion.

**b. Other Two Members:**

i. For the other two Members, there will be an initial transitional period which shall end on the date that is four years after the inception date of the Plan (the "Transitional Term").

ii. For the Transitional Term, the remaining two (2) Faculty Members shall be appointed as follows:

- one (1) Member shall be appointed by QUFA; and
- one (1) Member shall be appointed by UGFA.

In addition, during the Transitional Term, each of QUFA and UGFA will have the right to remove the Member appointed by it, in its sole discretion.

iii. After the expiry of the Transitional Term, and provided at least two additional Faculty Associations then have members participating in the Plan, the following mechanism will apply to the appointment and removal of persons to the other two Members (i.e. other than the permanent UTFA-appointed Member):

1. one (1) Member shall be jointly appointed by the two Faculty Associations each individually representing the second and third largest number of members in the Plan represented by Faculty Associations, for a term of four (4) years, such joint appointment to be made by consensus or in accordance with such other protocol to be agreed as between those two Faculty Associations; and
2. one (1) Member shall be jointly appointed by all of the other Faculty Associations who do not otherwise appoint a Member to the Labour Sponsor Committee and whose members participate in the Plan, for a term of four (4) years, such joint appointment to be made by consensus or in accordance with such other protocol as is established.

iv. In all cases, the Faculty Members will be accountable to the Faculty Association(s) eligible to make the appointment, and the appointing Faculty Association(s) will have the right to remove their appointees, at their discretion, by consensus or in accordance with such other protocol to be agreed by the applicable Faculty Association(s).

v. In all cases, the appointing Faculty Association(s) cannot appoint an individual as a Member who is not either a Plan member, or staff of the appointing Faculty Association(s).

**4. Non-Faculty Union Labour Sponsor Committee Members:** The three (3) Non-Faculty Members shall be appointed as follows:

- a. **USW Member:** USW will at all times have the right to appoint one (1) Member to the Labour Sponsor Committee. USW will have the right to remove, appoint or reappoint that Member in its sole discretion.
- b. **Other Two Members:** The other two (2) of the three (3) Non-Faculty Members shall be appointed as follows:
  - i. One (1) Member shall be selected by the Non-Faculty Union, other than USW, that represents the largest number of members of the Plan, provided that the Non-Faculty Union represents at least 10% of all the Plan members represented by the Non-Faculty Unions; and
  - ii. One (1) Member shall be selected by the remaining Non-Faculty Unions not otherwise represented on the Sponsor Board, provided that those Non-Faculty Unions collectively represent at least 10% of all the Plan members represented by the Non-Faculty Unions.
- c. Any appointment that cannot be filled in accordance with the criteria set out above will be allocated to the Non-Faculty Union(s) then participating in the Plan in order of the number of Plan members they then represent, provided that they represent at least 10% of all the Plan members represented by Non-Faculty Unions.
- d. In all cases, the Non-Faculty Union(s) appointing a Non-Faculty Member will have the right to remove their appointee, at their discretion, by consensus or in accordance with such other protocol to be agreed by the applicable Non-Faculty Unions.
- e. In all cases, the appointing Non-Faculty Union(s) cannot fill an appointment with an individual who is not either a Plan member, or staff of the appointing Non-Faculty Union(s).

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**5. Terms of Appointment**

- a. There will be a four-year term of office for the six (6) Labour Sponsor Committee Members appointed for the Transitional Term. Thereafter,

successor Members will be appointed for terms of four (4) years, in accordance with the appointment rules set out above.

- b. The Founding Labour Sponsors may decide to stagger the terms of appointment such that no more than two (2) of the six (6) Members leave the Sponsor Board at the same time.
- c. The Labour Sponsor Committee Members will meet regularly with representatives of all participating Non-Faculty Unions and Faculty Associations. In the first four years after inception, such meetings will take place quarterly. Thereafter, the timing of meetings will be as determined by the Labour Sponsor Committee Members, but no less frequently than twice per year.
- d. No individual appointed by the labour side can serve as a Sponsor Board Member for more than two consecutive four (4) year terms.

#### **6. Decisions of the Labour Sponsor Committee**

- a. As permanent Labour Sponsor Committee Members, UTFA and USW shall each have the right to appoint, in their sole discretion, one individual to the administrative Board of Trustees, in accordance with the terms of the governing Trust Agreement.
- b. With the exception of decisions whose subject matter is set out in Section 7 below, all decisions of the Labour Sponsor Committee shall be made by majority vote.
- c. Each of the six (6) Labour Sponsor Committee Members shall have one vote.
- d. The Labour Sponsor Committee will consider and determine whether a mechanism to break any impasse or deadlock on the Labour Sponsor Committee is desirable, and will revise this Agreement accordingly.

#### **7. Restrictions on Changes to Fundamental Plan Features – The Labour Sponsor Committee may not cast a Labour Sponsor vote without the agreement of each of UTFA, QUFA, UGFA and USW, as long as each of those Founding Labour Sponsors has members in the Plan, to change any of the following fundamental components of the Plan:**

- a. the defined benefit nature of the Plan;

- b. the sector-wide and open nature of the Plan such that Ontario universities and their bargaining agents and employees other than the original signatories to the Milestones Agreement may participate in the Plan;
- c. the requirement that the Labour Sponsor Committee of the Sponsor Board have an equal number of Members appointed by Faculty Associations and by Non-Faculty Unions; and
- d. the requirement that each Member on the Labour Sponsor Committee has one vote, and all decisions of the Labour Sponsor Committee shall be made by majority vote.

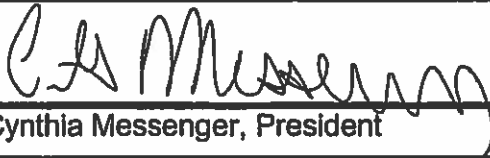
#### **8. Other Terms of this Agreement**


- a. This Agreement may be amended only upon written agreement of a majority of the Members of the Labour Sponsor Committee, which majority must include UTFA and USW. Paragraph 7 Restrictions on Changes to Fundamental Plan Features may not be amended.
- b. This Agreement may be signed in counterparts.

#### **9. Participation of Other Faculty Associations and Non-Faculty Unions**


As a sector-wide pension plan, the participation of employees represented by Faculty Associations and Non-Faculty Unions that are not the Founding Labour Sponsors is expected. Prior to settling the terms of participation of such groups, the Faculty Association and/or Non-Faculty Union for such members must acknowledge, accept and agree to be governed by the terms of this Agreement on constitution of the Labour Sponsor Committee, in consideration for the rights hereunder.

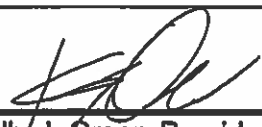
Agreed to effective January 10, 2019, by the Founding Labour Sponsors as evidenced by the signatures of their authorized signatories below:


|                                                         |                                                                                    |
|---------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>UNIVERSITY OF TORONTO FACULTY ASSOCIATION (UTFA)</b> |  |
|                                                         | Cynthia Messenger, President                                                       |


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|--------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>UNIVERSITY OF GUELPH FACULTY ASSOCIATION (UGFA)</b> |  |
|                                                        | Herb Kunze, UGFA Vice President and Pension Chair                                  |

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|-----------------------------------------------------|------------------------------------------------------------------------------------|
| <b>QUEENS UNIVERSITY FACULTY ASSOCIATION (QUFA)</b> |  |
|                                                     | Kayll Lake, President                                                              |

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| <b>UNITED STEELWORKERS, LOCAL 1998 (Local 1998)</b> |  |
|                                                     | Colleen Burke, President                                                            |

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| <b>UNITED STEELWORKERS, LOCAL 2010 (Local 2010)</b> |  |
|                                                     | Kelly J. Orser, President                                                            |

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| <b>UNITED STEELWORKERS, LOCAL 4120 (Local 4120)</b> |  |
|                                                     | Liz Cherry, President                                                                |

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| <b>UNITED STEELWORKERS</b> |  |
|                            | Alex D. McKinnon                                                                     |