



PBC Health Benefits Society

**Terms of Reference for
the Conduct Review
Committee**



Terms of Reference for the Conduct Review Committee

I. Purpose

The Conduct Review Committee (the Committee) is elected in accordance with Section 112 of the Financial Institutions Act (FIA). The purpose of the Committee is to:

1. Establish written procedures
 - a) to provide disclosure to Members as required by regulation under the FIA; and
 - b) designed to prevent conflicts of interest and to resolve them if they occur, setting out in those procedures techniques for the identification of potential conflict of interest situations and for restricting the flow of confidential information.
2. In accordance with Part 5 of the FIA:
 - a) approve or decline specific transactions or classes of transactions between the Society or a subsidiary of the Society and a Related Party.

II. Composition

1. The Committee shall be composed of at least three directors elected by the Board of Directors.
2. The Society Secretary will be the secretary to the Committee.

III. Duties and Responsibilities

1. Establish written procedures regarding disclosure to Members.
2. Establish written procedures regarding transactions with Related Parties, conflict of interest and methods of resolution.
3. Approve or decline transactions involving Related Parties, having regard to the provisions of Section 145 and 146 of the FIA.
4. Meet with the external auditor, internal auditor, representatives of the Superintendent's Office or others as circumstances dictate.
5. Review issues raised concerning a Director's breach of conflict of interest, guidelines, and/or the Code of Conduct.
6. Underwriting

The Committee shall review the underwriting experience of the Society. Specifically, the Committee shall review possible issues of conflict of interest.

Director's groups which have:

- a) gains or losses on a cumulative basis exceeding \$250,000; or
 - b) any gain or loss that is greater than \$100,000 and greater than 15% of inception-to-date income.
7. Review the written procedures established by the Committee every two (2) years.

8. Ensure management establishes appropriate policies and procedures for complying with applicable privacy legislation.
9. Consider other matters which, in the opinion of the Committee or at the direction of the Board of Directors, would assist the Directors to meet their responsibilities.

IV. Accountability

1. The Committee will report its discussions to the Board or if necessary, by written summary, at the next meeting of the Board.
2. The Committee will review the Committee Chair succession plan on an annual basis.
3. The Committee will liaise as necessary with other PBC Board Committees.
4. The Committee will review, on an annual basis, and recommend changes to, its Terms of Reference. These will be forwarded to the Governance Committee.

V. Committee Timetable

The major annual activities of the Committee for the forthcoming year are outlined in the Committee timetable which will be agreed by the Committee at its last meeting of the current year.

