mpac Municipal Property Assessment Corporation™

Investment Committee

Terms of Reference

Purpose

MPAC maintains a net asset balance (including reserves) in accordance with a reserve strategy approved by the Board of Directors, which considers both immediate and long-term needs. Net assets that have been invested (the "Fund") may be used immediately to finance current operations, maintain working capital, settle liabilities, or invest in MPAC's initiatives and non-current assets.

The Fund aims to ensure that:

- Short-term working capital is adequately financed; and
- Net assets not required for short-term working capital earn returns pursuant to MPAC's Investment Policy.

The Investment Committee is established by the Board of Directors to ensure that MPAC's Investment Strategy remains consistent with the overall objectives of the Corporation and maintains prudent and conservative investment practices.

Composition

1. The Investment Committee shall consist of a minimum of five (5) and a maximum of nine (9) directors of the Board. The Chair and Vice-Chair may (but are not required to) serve on the Investment Committee.

2. Members of the Investment Committee must not be drawn solely from any one municipal, taxpayer or provincial representative group.

3. At least two (2) Directors shall be a member of each of the Investment Committee and the Audit Committee. The Investment Committee Chair shall be a member of the Audit Committee and the Audit Committee Chair shall be a member of the Investment Committee.

4. The Board shall elect Investment Committee members based on qualifications and these Terms of Reference.

5. Each member of the Investment Committee shall serve at the pleasure of the Board, and only so long as the member is a Director.

6. Whenever possible, at least two (2) members of the Investment Committee shall possess significant investment experience and expertise, and the majority should be literate in investments, including: an understanding of investment principles, strategies, transactions, and performance; experience with and understanding of investment statements and reporting; experience with investment consultants and/or fund managers; and an understanding of investment markets.

7. The Investment Committee shall annually elect, from among its members, a Chair to preside over the meetings and fulfill the Position Description of the Investment Committee Chair.

8. MPAC shall provide a Minute taker to assist the Corporate Secretary with, among other responsibilities, taking minutes at Investment Committee meetings, and shall provide any other resources to the Investment Committee that the

Investment Committee deems appropriate to fulfill the Committee's Terms of Reference.

9. The Investment Committee shall dissolve on the date, if any, as determined by the Board.

Meetings

10. The Investment Committee shall meet at least four (4) times per year.

11. Unless otherwise determined by the Board, A majority of the total members of the Investment Committee, but not fewer than three (3) shall constitute a quorum for the transaction of business of the Investment Committee.

12. The Investment Committee shall maintain minutes of its meetings in which shall be recorded all actions taken by the Investment Committee. Such minutes shall be forwarded to the Board and inserted in the Minute Book of MPAC.

13. Meetings of the Investment Committee shall be held at the Pickering office of MPAC or at any other place in Ontario as specified in the notice calling the meeting.

Responsibilities

The Investment Committee shall report on discharging of their responsibilities to the Board of Directors.

Specifically, the Investment Committee shall have the following responsibilities:

14. Conduct a strategic review and recommend MPAC's Investment Policy, and any amendments thereof to the Board for its review and approval at least annually.

15. Review the Fund portfolio's performance and compliance with the Investment Policy and report its findings to the Board of Directors at least quarterly. The review shall include:

    a. The assets and net cash flow of the pools of investments;
    b. The current asset mix of each pool of investments;
    c. The investment performance and management of each pool of investments and each Investment Manager relative to the objectives of the Investment Policy;
    d. Portfolio holdings;
    e. Summary of Investment Manager changes during the period; and
    f. The fees and expenses incurred in managing the Fund.

16. Review and recommend for approval to the Board of Directors the selection or termination of the corporation's Outsourced Chief Investment Officer (OCIO).

17. Review and recommend for approval to the Board of Directors the selection or termination of a third-party consultant to monitor and evaluate the performance of the OCIO at least annually.

18. Ensure compliance with the Investment Policy and report any violations to the Board of Directors.

19. Report to the Board of Directors on the Investment Committee's activities, issues, and related recommendations.

20. Perform other activities delegated to the Investment Committee by the Board of Directors.

Committee Resources/Operations

21. The President and Chief Administrative Officer and the Chief Financial Officer may have direct communication with the Investment Committee at any time.

22. The President and Chief Administrative Officer and the Chief Financial Officer shall attend all Investment Committee meetings.

23. Other members of the Executive Management Group or Senior Leadership Team may be asked to attend meetings of the Investment Committee as the Investment Committee deems appropriate.

24. The Investment Committee shall review the need for any resources beyond those identified above. Such additional resources shall be provided by MPAC as deemed appropriate by the Investment Committee in fulfilling these Terms of Reference.

25. The Investment Committee shall evaluate at least every three (3) years the adequacy of these Terms of Reference and recommend any proposed changes to the Governance and Human Resources Committee for consideration and recommendation to the Board of Directors for approval.

26. The Investment Committee shall prepare annually an Investment Committee Work Plan to ensure that the foregoing responsibilities and

priorities are scheduled and fully addressed. The Investment Committee Work Plan shall be presented to the Board for consideration and approval.

27. The Investment Committee shall, at least annually, review its compliance with these Terms of Reference and evaluate its own effectiveness and shall report thereon to the Board.

28. Following each Investment Committee meeting, the Investment Committee Chair shall report to the Board on the activities, findings, due diligence, and any recommendations of the Investment Committee.

Procedures

29. The Investment Committee may meet in separate, non-management Closed sessions with internal personnel or outside advisors, as needed or appropriate.

30. The Investment Committee may meet in separate, non-management In Camera session at each regularly scheduled meeting.

31. The Investment Committee shall receive adequate funding from MPAC for independent advisors and ordinary administrative expenses that are needed or appropriate for the Investment Committee to carry out its duties.

32. The Investment Committee shall carry out any other appropriate duties and responsibilities assigned by the Board.

To honour the spirit and intent of applicable law as it evolves, the authority to make minor technical amendments to these Terms of Reference is delegated to the Manager, Board Administration, who shall summarize and report any minor amendments to the Governance and Human Resources Committee annually for information. The Governance and Human Resources Committee shall review any material change(s) to these Terms of Reference at its next regularly scheduled meeting and recommend such change(s) to the Board for consideration and approval.

For Reference:

Closed Session: A session with Board members only and internal personnel or outside advisors, as needed or appropriate.

In Camera Session: A session with Board members only.

A ***material*** change to a governance document is a substantive or fundamental change. It includes but is not limited to: a proposed change to a role, right, responsibility, or reporting relationship.

An ***administrative*** change to a governance document is non-substantive. It includes, but is not limited to: a definition, the use of adjectives, an elaboration, a footnote, the use of examples, consolidation of an administrative change in another document for consistency, or the use of technical or clarifying language.

An administrative change does not fundamentally alter any existing role, right, responsibility or reporting relationship.

History

Amendments:	N/A
Approval Date:	June 15, 2023
Previous Approval Dates:	September 28, 2022 | July 8, 2022 | November 25, 2011

Investment Policy Ad Hoc Committee Constitution and Disbandment:

Investment Policy Ad Hoc Committee Constituted September 21, 2006
Investment Policy Ad Hoc Committee Disbanded May 1, 2009
Investment Policy Ad Hoc Committee Reconstituted March 25, 2011
Investment Policy Ad Hoc Committee Disbanded June 21, 2012
Investment Policy Ad Hoc Committee Reconstituted June 29, 2022
Investment Policy Ad Hoc Committee becomes Investment Committee - Constituted as a standing committee on June 15, 2023