

Compensation Fund Committee Terms of Reference

(Last updated June 2022)

1. Mandate

The mandate of the Compensation Fund Committee (the “CFC”) is to manage the affairs of the Funeral Services Compensation Fund (“the Fund”) established by section 61 of the Act. The CFC operates independently of the Board of Directors and of the Bereavement Authority of Ontario (the “BAO”) but requires a relationship with the BAO for the protection of consumers and to function effectively.

2. Membership

The CFC will consist of at least five members, comprised of:

- three members of the Board of Directors, two of whom are not licensed class 1 or 2 Funeral Establishment Operator(s), Transfer Service Operator(s), Funeral Director(s), a Funeral Sales Representative or a Funeral Preplanner; and
- a minimum of two members who are representatives of the consumer interest and but who are not:
 - members or past members of the Board of Directors;
 - licensees or past licensees under the Act;
 - Shareholders, officers, directors, partners or employees of a licensed or previously licensed operator.

In order to retain the independence of the committee from the Board, the Chair of the Committee shall be selected by the members of the Committee.

3. Terms of Service

Committee members are appointed by the Board of Directors for a one-year term.

Each committee member has one vote. Where there is a tied vote, the Chair of the CFC will cast the deciding vote.

4. Roles and Responsibilities

The CFC is responsible for:

- ensuring compliance with the Act and its Regulations respecting the Fund;

- determining eligibility of claims for compensation from the Fund;
- exercising discretion in determining which documents must be received from claimants and participants, regarding their respective eligible claims and prospective obligations to the Fund;
- notifying participants of their failure to meet obligations or liabilities to the Fund;
- appointing and communicating with the Trustee;
- identifying long term investment goals for the Fund;
- ensuring that the Trustee reports quarterly to the CFC and the BAO; and
- managing and reporting the affairs of the Fund to the Minister and the BAO.
- Committee members should refer to the Compensation Fund MOU for further direction and clarity on the relationship between the BAO and the CFC.

5. Meetings

The Committee shall meet at least twice a year or at the call of the Committee Chair.

Meetings may be held in person, by teleconference or other such communication method that allows all participants equal access to communicate with one another.

A quorum of the majority of CFC members is required for executing the business of the committee.

6. Communications Protocol

Members of the CFC will not communicate the activities or decisions of the CFC publicly.

The CFC may conduct in-camera sessions during their meetings to discuss confidential matters.

7. Access to Bereavement Authority of Ontario Staff Resources

The CFC may be supported by one or more designated BAO staff members.

8. Expenses and Remuneration

Eligible expenses, related to travel and committee attendance, will be reimbursed according to the BAO's Expense Policy.

Remuneration for all committee members will be paid in accordance with the terms and rates outlined in the BAO Remuneration Policy. CFC

Financial expenditures required by the committee, as outlined in sections 1 – 4 in the Compensation Fund MOU require approval by the CFC.

9. Amendment, Modification or Variation

This Terms of Reference may be amended, varied or modified by agreement of the CFC.

Best efforts will be made to review this Terms of Reference on an annual basis, at the first committee meeting of each year.