



NEW JERSEY STATE FUNERAL DIRECTORS ASSOCIATION, INC.

BOARD OF TRUSTEES CHARTER

APPROVED FEBRUARY 13, 2018

I. PURPOSE AND SUMMARY

The purpose of the Charter is to describe the duties of the Board of Trustees (Trustees), to function as an instrument for the recording and maintenance of its self governance determinations, and to otherwise describe its obligations as it interprets them under any trust or other agreement to which the Trustees are a party.

The duties of the Trustees are subject to the assignments and direction of the Board of Directors of the New Jersey State Funeral Directors Association, Inc. (NJSFDA), so long as those directions do not conflict or abrogate their legal duties or obligations under any trust or agreement.

In general, the Trustees oversee activities of a fiduciary nature and/or as related to the investment of assets consistent with a prudent investment policy or as otherwise directed by law.

The Trustees currently have responsibility for the oversight and administration of three trusts to which they are party and which include:

- The New Jersey Prepaid Funeral Trust Fund (NJPF TF)
- Sure Trust: The Insurance Administration Trust (Sure Trust)
- The NJSFDA Benefits Trust (Benefits Trust) (an ERISA qualified sub trust of the Association Master Trust)

The Trustees also have responsibility for the investment of the reserve funds of the NJSFDA and New Jersey Funeral Directors Services, Inc. (NJFDS) as assigned by each entity's respective Board of Directors.

II. COMPOSITION

As provided for in Article Seven, Section 1.c. of the NJSFDA Constitution, the composition of the Board shall consist of five Trustees from the general membership of NJSFDA, with each Trustee serving a three-year term without compensation. Trustees shall be appointed by the President of the NJSFDA with the consent of the NJSFDA Board of Directors. The terms shall be staggered to ensure continuity. Trustees are eligible for reappointment with no term limits.

A Chair shall be elected each year by the current standing Board of Trustees at the first meeting of the new governance cycle. The Trustees shall elect one member to sit on the NJSFDA Audit Committee.

Trustees whose terms have expired must sign a letter acknowledging their completion of service if not reappointed. Expired terms shall be filled through appointment by the current NJSFDA President.

III. DESIGNATION OF OTHER TRUSTEES

The Trustees, as appointed in Section II above, may at any time designate individuals who are employed by the Association to serve as Trustees for Sure Trust. These individuals shall be designated as Staff Trustees. At no time shall there be more than three Staff Trustees.

The Trustees, as appointed in Section II above, shall appoint one or more Trustees to sit on the Association Master Trust (AMT) Board of Trustees as a representative of the Benefits Trust. The Trustees appointed to sit on the AMT Board of Trustees may be a Staff Trustee or any NJSFDA member at large who is eligible by their participation in the AMT benefits program.

IV. MEETINGS

The Board of Trustees shall meet at least three times annually. The Trustees will provide an annual report of their fiduciary responsibilities and actions to the NJSFDA and NJFDS Boards, respectively.

Trustees may miss no more than three meetings during each three-year term in order to maintain the position of Trustee.

V. RESPONSIBILITIES AND DUTIES

The responsibilities of the Board of Trustees shall include, but not be limited to, the following items listed below:

- A. Contributing to the Board of Trustees agenda by identifying, articulating, prioritizing, and scheduling matters the Trustees will regularly address.
 1. Set Board goals and work plan
 2. Identify information needs
 3. Create agenda planning process
- B. Review this Charter annually, or more frequently as conditions dictate, and update as necessary.
- C. Maintain high ethical standards in accordance with the NJSFDA Code of Business Conduct and Ethics.

- D. Monitor regulatory compliance and changes that impact the NJPFTF, Sure Trust or the Benefits Trust operations.
 - 1. Review procedures used to ensure regulatory compliance
 - 2. Analyze proposed legislation to ensure future compliance
- E. Review the audited year-end financials for the NJPFTF and the Benefits Trust (reported as a sub-trust of AMT).
- F. Review other financial and operational reports to monitor the activity and performance of the NJPFTF, Sure Trust and the Benefits Trust.
- G. Be responsible and accountable to the NJSFDA and NJFDS Boards and submit a formal report of the Board of Trustees to the NJSFDA and NJFDS Boards at least once annually.
- H. Review the Management Agreement between the New Jersey Funeral Directors Services, Inc. and the New Jersey Prepaid Funeral Trust Fund every three years.
- I. NJPFTF and Sure Trust
 - 1. Set investment policies for the NJPFTF focusing on the investment strategy, risk and rate of return.
 - 2. Monitor investment performance and review results on a regular basis using both internal and external benchmarks.
 - 3. Maintain and periodically review the New Jersey Prepaid Funeral Trust Fund Agreement.
 - 4. Suspend or terminate participation in the NJPFTF for failure to abide by the Trust Agreements.
 - 5. Develop new policies and procedures as necessary.
 - 6. In consultation with the Trustee representative elected to the Audit Committee, review and evaluate financial and administrative systems related to the Trustees areas of responsibility.
 - i. Ensure the integrity of financial controls, by monitoring adherence to investment policies.
 - ii. Monitor internal control system and operating environment.
 - iii. Monitor web-based applications with emphasis on security and new initiatives.
 - 7. Administer life insurance policies for the purpose of funding prepaid funerals.

8. For demutualization: administer stock conversions, subsequent sale of stock, and distribution of cash to the NJPFTF.

J. NJSFDA Benefits Trust

1. Use the funds contributed by the participating employers under this plan to secure benefits or purchase a policy or policies issued by an insurer.
2. Monitor the investment and reinvestment of available funds as specified in the Declaration of Trust.
3. Keep full accounts of all of the receipts and disbursements under the Plan.

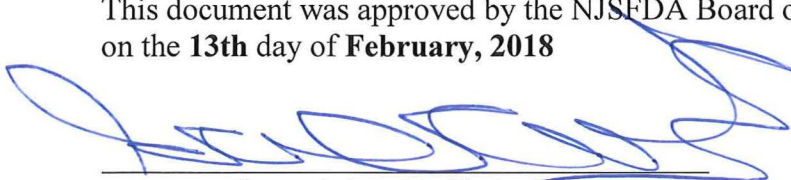
In lieu of the fund management responsibilities and duties outlined in items J.1. through J.3. above, as set forth in the Declaration of Trust the Board of Trustees may:

4. Immediately assign any and all group insurance and other contracts to the Master Benefit Trust (Association Master Trust or AMT), and shall then be responsible for the monitoring of that Trust as pertains to items J.1 through J.3 above.
5. Appoint one or more Trustees to serve on the AMT Board of Trustees, as warranted by the current level of participation, to monitor as set forth in J(1) above and to report regularly to NJSFDA Trustees.
6. Render an annual report to the employers.

K. **NJSFDA and NJFDS Reserve Funds**

1. Oversee the investment of all reserve funds for NJSFDA and NJFDS, in accordance with the guidelines set forth in the Investment Policy Statement.
2. Review investment performance for risk and return semi-annually.
3. Report to the NJSFDA and NJFDS Boards on investment performance at least once a year.

This document was approved by the NJSFDA Board of Trustees
on the **13th** day of **February, 2018**



Samuel Arnold, Chair
Board of Trustees