

# Institutional Trading Policy

COMPLIANCE & ETHICS



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## OVERALL PRINCIPLES

Securities laws prohibit trading in securities of a public company (or in related derivative securities) based on Material Nonpublic Information (“MNPI”) or Inside Information about the issuer. MNPI or Inside Information:

- relates to specific securities or a specific company;
- is material; and
- has not been publicly disclosed (through means such as a press release, regulatory filing, shareholder meeting or open analyst meeting).

It is against the law for OMERS or its employees to disclose MNPI or Inside Information to others except in the ordinary course of business or to use Inside Information in its institutional trading.

This Policy confirms the commitment of OMERS that institutional trading will be conducted lawfully and professionally, using the highest standards of integrity.

**This Policy addresses institutional trading in public securities for OMERS own account (including all related activities) and applies to all Employees, Directors and Contractors across OMERS.**

Next renewal date:	August 2022
Frequency of review:	Every 2 years

## MNPI

Examples of MNPI (or inside information) may include sensitive, material information about a company before it is announced publicly, such as *but not limited to*:

- A significant increase or decrease in near-term earnings prospects;
- Unexpected changes in financial results for any periods;
- Shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs; and
- Impending transactions or departures of key personnel.

OMERS and its employees may receive inside information in many ways such as:

- social events (golfing, dinner parties, etc.);
- ordinary course of business (e.g., working on a transaction);
- Internal or external business meetings; or
- recruitment or hiring process.

OMERS employees must report the receipt of Inside Information immediately to Compliance & Ethics or Legal so the appropriate controls and processes may be applied.

## Restrictions on Institutional Trading

OMERS may at any time trade in public securities unless the company is on the Black List, is currently subject to a hold period, or OMERS has received Inside Information but the company has not yet been added to the Black List. The Black List is a confidential list, maintained by Compliance & Ethics, of public companies for which OMERS may have Inside Information or may be subject to contractual trading restrictions.

Information received by OMERS from a public company during negotiations or due diligence on a proposed investment transaction will often involve Inside Information. That determination requires care and should include legal or compliance input.

Once a determination is made that someone within OMERS has, or is about to receive, Inside Information regarding a proposed transaction involving a public company or its related companies, the following steps must be taken with input or assistance from Compliance & Ethics:

- the target companies must be added to the Black List to prevent institutional trading in its securities; and
- where appropriate, ethical wall procedures can be implemented around the working group responsible for the transaction with approval of the CIO, in consultation with the OMERS General Counsel and Compliance & Ethics, to preserve Capital Markets' ability to manage its existing holdings.

In either case, the Inside Information may only be shared with other individuals or external parties as required in the necessary course of business.

Where a corporate action requires a voluntary decision/election/response to be made by Capital Markets to receive or dispose of securities or cash, pre-clearance for such corporate action is required. This includes voluntary elections on mandatory corporate action events other than the default option.

Purchases made under automatic dividend reinvestment plans (DRIPs) or share purchase plans do not have to be pre-cleared.

### Institutional Trade Exceptions

Where an institutional trade is prohibited by this Policy or involves a company on the Black List, an exception request may be submitted to Compliance & Ethics.

Exceptions must be approved before an institutional trade proceeds. Approval may be granted where Compliance & Ethics is satisfied based on discussion with the responsible Business Unit legal counsel that:

- the Business Unit is not subject to any contractual obligations that would prohibit institutional trading;
- no negative reputational concerns would arise over the proposed institutional trade; and
- OMERS does not possess, and should not be deemed to possess, Inside Information about the issuer company.

If an exception request is denied, OMERS is prohibited from trading in the issuer company until it is removed from the Black List.

### Responding to Incidents of Non-Compliance

All incidents of non-compliance with this Policy shall be referred to the Policy Manager (or such person as s/he may appoint or designate) for investigation and response and for input on appropriate disciplinary.

### Monitoring and Reporting

All control procedures and monitoring for compliance with this Policy shall be directed by the Policy Manager and shall be implemented day to day by the Policy Monitor.

**Quarterly:** A compliance report to be submitted by the Policy Manager to the Audit & Actuarial Committee.

### Documents related to this Policy

For further guidance on complying with this Policy and on maintaining the Black List (and other aspects of the Restricted List), and for setting up ethical walls, see the *Institutional Trading Guideline*.

#### ROLES & RESPONSIBILITIES

Policy Approver	The Audit & Actuarial Committee of the AC Board	Responsible for approving the Policy
Policy Sponsor	Chief Risk Officer	Ultimately accountable for the Policy, including its development, implementation and administration
Policy Manager	Global Head, Compliance & Ethics	Responsible for the design and operational effectiveness of the day to day administration of the Policy
Policy Monitor	Director, Legal and Compliance	Responsible for the monitoring, compliance and reporting functions of the Policy