

# OMERS Sponsors Corporation

## BOARD CHARTER

The role and responsibilities of OMERS Sponsors Corporation (“SC”) are set out in the *Ontario Municipal Employees Retirement System Act, 2006* (“OMERS Act”). The OMERS Act establishes the SC Board, sets out the key objects and powers of the SC, and authorizes the establishment of by-laws to govern its proceedings. These proceedings include the ability to establish committees to help the Board deliver on its oversight obligations, in charters for standing committees or in direction through resolutions of any ad hoc or special committee. To carry out its objects and powers, the SC Board makes decisions with measured reliance on the work of its committees and its Management team in the best interests of the SC. In carrying out its responsibilities, the SC Board interacts with the OMERS Administration Corporation (“AC”) Board and the AC Management team, and engages with sponsors and other stakeholders.

### Responsibilities

The SC Board has formal decision-making responsibilities relative to the following:

- **Plan Design and Contributions** – Within the scope of the OMERS Act, the *Pension Benefits Act* and the *Income Tax Act*, the SC Board is solely responsible for making decisions regarding the design of the OMERS Pension Plans (“Plans”). The SC Board evaluates matters related to Plan sustainability, affordability and meaningfulness. In making its decisions on these matters, the SC Board ensures there is appropriate liaison and consultation with the AC regarding the corporate strategy, investment strategy, funding strategy, discount rates and other actuarial assumptions, and appropriate engagement to gain relevant input from sponsors and other stakeholders.
- **Board Composition, Appointments and Effectiveness** – The SC Board is responsible for making decisions regarding the composition of the boards of the SC and the AC, their remuneration, terms limits, and the method of choosing the members of the boards of both corporations. The SC Board is also responsible for its own effectiveness, approving role descriptions and processes for evaluating the performance of the SC Board, its committees and individual Board members.
- **Values and Culture** – The SC Board approves a Code of Conduct to establish core values, govern actions and promote integrity. The SC Board also establishes rules relating to identification and resolution of conflict of interest (up to and including removal from the Board). The Board promotes a culture that embeds diversity, equity and inclusion.
- **Strategic Planning** – Working with SC Management and the AC Board and AC Management, the SC Board contributes to the strategic planning process and approves and endorses the corporate strategic plan for OMERS, setting out goals and responsibilities which serve to inform the creation of annual business plans, targets and budgets to work to achieving the overall strategic goals. The SC

Board monitors the status of strategy implementation with a view to overseeing the achievement of intended results and needed adjustments to the strategic plan as circumstances warrant.

- **Risk Oversight and Management** – Working with SC Management and the AC Board and AC Management, the SC Board ensures that the Corporation has effective risk management processes in place and processes to identify, evaluate, monitor, manage and report on key risks facing OMERS as a whole and the SC specifically.
- **Sponsor and Stakeholder Relations and Communications** – The SC Board approves stakeholder relations and communications strategies for the SC to facilitate engagement with and exercise accountability to all relevant stakeholders, providing timely and relevant information about the Plans and the SC Board’s decisions related to plan oversight. The SC Board oversees the implementation of such strategies, including the achievement of strategic objectives.
- **CEO Appointment and Succession** – CEO succession is a key responsibility of the SC Board. It is responsible for the process of recruiting the SC CEO. The SC Board has the authority to remove the SC CEO and shall apply any contractual provisions it has established in doing so. The SC Board shall develop, implement and monitor the process for CEO succession and monitor succession planning for the executive leadership, to ensure the SC has appropriate ongoing leadership.
- **CEO Oversight** – The SC Board is responsible for establishing and maintaining a CEO role description and annually evaluating the CEO’s performance and leadership effectiveness against the role description and any performance criteria established by the SC Board.
- **CEO and Senior Management Compensation** – The SC Board approves SC’s human resource policies and principles, the SC’s compensation philosophy and the annual performance targets and direct compensation awards for the CEO in accordance with the Board-approved philosophy.
- **Financial Oversight and Performance** – The SC Board appoints an external auditor, approves the Corporation’s financial statements prepared by SC Management, approves the annual report relating to SC activities, and oversees the establishment of appropriate financial, risk and governance controls and the integrity of such controls.
- **Overall Authority** – This SC Board charter does not limit the overall authority of the SC Board to deal with matters determined by the SC Board to be significant and material and to generally oversee its Management team. In so doing, the SC Board shall apply the following practices:
  - Delegation to Committees – The SC Board has the authority to delegate responsibilities to standing or special committees of the Board. The SC Board has the authority to delegate decision-making responsibility if it so chooses, with such limits as the SC Board considers appropriate. The SC Board approves the charters of all committees.
  - Delegation to Management – The SC Board delegates responsibilities and operational decision-making to the CEO and its Management team as it deems necessary or appropriate.
  - Good Governance – The SC Board makes decisions regarding appropriate corporate governance practices, guidelines and benchmarks, including the holding of meetings,

approval of by-laws, and the establishment of policies and processes to facilitate effective decision-making and to provide for compliance with applicable laws and regulations.

*Original Charter, approved December 7, 2022, effective January 1, 2023  
First Amendment and Restatement on December 6, 2023, effective January 1, 2024*