

Anti-Bribery & Corruption Policy

COMPLIANCE & ETHICS



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Effective
June 1, 2020

OVERALL PRINCIPLES

OMERS has zero tolerance for bribery and corruption and is committed to conducting our business fairly, honestly and openly without improper influence. We will not knowingly deal with those who offer, give or accept bribes or participate in any other form of corrupt behavior.

Bribery risk is evaluated on investment transactions with additional effort in those situations with higher risk. Risk assessments must be conducted annually by Business Units to determine if additional internal controls are necessary.

This Policy applies to all Employees, Directors and Contractors across OMERS.

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

Legal and Regulatory Framework: What is bribery and corruption?

Bribery is giving, offering, soliciting or accepting, anything of value as a means of improperly influencing an outcome or improperly obtaining or retaining an advantage. Corruption is the abuse of entrusted power for private economic or political gain. This Policy may refer to both as bribery.

The governments of Canada and many other countries, including the United Kingdom and the United States, have implemented laws to combat bribery. You should also be aware of the anti-bribery and corruption laws in jurisdictions in which we have a presence or do business as well as other countries' laws, which may be extraterritorial in nature and apply beyond the particular country's borders. We will comply with all applicable anti-bribery and corruption laws in the places where we do business. Our commitment to avoid bribery and corruption is guided by the principles set out in the OECD Convention of *Combating Bribery of Foreign Public Officials in International Business Transactions*. Although the laws vary in different countries, the fundamental principles are consistent across jurisdictions.

We do not offer, give, solicit or accept bribes to or from government officials or those in the private sector. Bribes can take many forms, including the provision or acceptance of:

- cash or cash equivalents;
- phony jobs or "consulting" relationships;
- kickbacks;
- facilitation payments;
- political or charitable contributions;
- social benefits;
- employment opportunities; or
- gifts, travel, hospitality and reimbursement of expenses.

You are strictly prohibited from offering, paying, promising, soliciting, receiving or authorizing, directly or indirectly, any financial or other advantage or benefit to any person, for the improper performance (whether through an act, omission, use of influence or otherwise) of a relevant function or activity.

Gifts and Entertainment Involving Government Officials

From time to time and in compliance with the *Code of Conduct and Ethics*, we may provide gifts or entertainment to others in connection with our business. We prohibit giving or attempting to give gifts or entertainment in order to improperly influence a business decision, a policy decision, or to create a reciprocal obligation.

Approval from the Global Head of Compliance must be sought prior to accepting gifts or entertainment from, or offering gifts or entertainment to, a government official, in order to ensure compliance with all applicable laws, policies and procedures and to track such expenses. For the avoidance of doubt and in accordance with our *Code of Conduct and Ethics*, entertainment includes meals.

Risk Assessments

The areas where we face the highest bribery risks are:

- transactions involving the purchase and sale of businesses or investment assets;
- transactions involving use of agents or third-parties in the execution of a business activity;
- new business initiatives; and
- interaction with government officials.

Annual Risk Consultation

Business Units must undertake to consult with Compliance & Ethics on an annual basis to review their respective bribery risks, including new and existing business activities and ongoing risks associated with existing portfolio companies and/or other investments.

All such reviews must be formally documented by Compliance & Ethics noting any additional procedures and/or actions deemed necessary due to specific or general risks identified. Results must be shared with the Risk Management team.

Investment Transactions

A Bribery Risk Assessment, summarizing due diligence conducted to identify and evaluate risks, must be completed for each investment transaction. For purposes of this Policy, an investment transaction is a transaction to acquire or dispose of assets, shares or other interests in, or any third-party loan (or commitment) to fund the activities of, an entity, group of entities or investment assets outside of OMERS (each an “**Investment Transaction**”).

Typically, Investment Transactions do not include:

- re-financings or internal reorganizations;
- normal course purchases and sales of public investments;
- ordinary course expenditures including capital expenditures required in respect of the normal growth, maintenance, repair and updating of real estate assets, real estate lease transactions including tenant inducement payments and tenant fit out loans; and
- debt transactions including borrowing, credit facilities, debentures, bonds or any related pledging or charging of assets for the purpose of ongoing management of investment assets.

Bribery Risk Assessments should also be completed for follow-on Investment Transactions requiring additional OMERS or Business Unit funding where, in consultation with Compliance & Ethics, the investment transaction team determines it is necessary or advisable based on the circumstances. For example, a Bribery Risk Assessment will generally not be expected for a follow-on investment where OMERS, directly or indirectly, has less than 50% of the voting or beneficial interest, for follow-on investments for purposes of funding working capital requirements or the buy-back of management’s equity.

Bribery Risk Assessment

The Bribery Risk Assessment focuses on four key areas to understand both the inherent and residual risk components of entering into a transaction:

- What is the country of origin of the target, assets and partners (as applicable)?
- What is the industry sector of the proposed investment and is it one with heightened risk of bribery?
- Are there any significant touch points between the potential investment and government or politically exposed persons?
- Does this transaction involve the use of third-parties authorized to act on our behalf? Does the target rely on consultants, distributors, or third-party

agents to carry out material aspects of its business?

The Bribery Risk Assessment will determine an inherent risk rating. The inherent risk rating will guide the investment transaction team and Compliance & Ethics on the necessary due diligence steps. Carrying out due diligence in line with this Policy will help us minimize legal, financial and reputational risks associated with Investment Transactions and will allow us to adopt any necessary risk mitigation strategies. A residual risk ranking will be determined based on assessment of the anti-bribery controls and mitigating factors identified coming out of the due diligence process.

Inherent Risk Rating

- **Low:** Investment transaction team to consider appropriate anti-bribery and corruption controls as part of due diligence process.
- **Medium:** Investment transaction team to prepare Bribery Risk Assessment. If inherent risk remains moderate or above, enhanced anti-bribery and corruption controls should be considered as part of due diligence process by the investment transaction team. A member of Compliance & Ethics must be involved in this process, including assignment of a residual risk rating based on assessment of anti-bribery controls and any mitigating factors.
- **High:** In addition to the steps outlined in Medium above, the CRO or his delegate must have direct involvement in the process.

If the residual risk rating is assessed as Medium or High, the investment materials and/or presentation to the AC Board, Investment Committee, TAC, CIO and/or Business Unit Head must refer to the residual bribery risk rating and mitigating controls.

New Business Initiatives

A new business Bribery Risk Assessment is to be completed for each new business initiative. A new business initiative is any proposal requiring AC Board or TAC approval to enter a new market, region or asset class or to create a new type of business structure or relationship that is not limited to a specific transaction, or is outside of the ordinary course of business, such as establishing a joint venture program or expanding the range of investment assets beyond what has been approved in the relevant business plan, but not including new Capital Markets portfolios.

The Business Unit proposing the new business initiative is responsible for developing and administering an implementation plan for addressing any identified bribery risks that are considered to be material as appropriate for their business.

Agents or Third-Party Consultants (acting on behalf of OMERS)

An agent is any person or entity retained by, and authorized to act on behalf of, OMERS who is paid to facilitate investments or strategic initiatives. This could include a consultant, joint venture partner, service provider, contractor, lobbyist or other advisor but does not include OMERS employees or AC Directors, nor does it include a law firm, accounting firm, financial, business or advisory, management consulting, or securities or real estate brokerage firm.

The finance and procurement functions have an established process for reviewing new vendors and identifying those with high risk for further consideration. Those vendors identified as high risk are referred to the CRO for approval.

Internal Controls

OMERS has risk-based internal controls designed to prevent and detect bribery and corruption by those acting on our behalf. These controls address both the giving and receiving of bribes, with particular emphasis on preventing the giving of bribes. The controls include the following components:

Policy Documents: In addition to this Policy, OMERS has a number of other policies, procedures and documents that support the framework through which the giving and receiving of bribes is prohibited and that implement controls to prevent and detect bribery. These materials include but are not limited to the *Code of Conduct and Ethics*, *Workplace Investigations*, *Background Checks*, *Anti-Terrorist Financing and Money Laundering*, *Sustainable Investing (and related ESG Assessment Procedures)*, *Corporate Procurement* and *Lobbying* policies. Limits on giving donations and sponsorships are detailed in the *Political Donations* and *Charities* policies.

The types of controls associated with the prevention and detection of bribery and corruption are risk-based, and include:

Due Diligence: On employees, agents and consultants covered by the *Code of Conduct and Ethics*, partners and investment targets, with particular focus on third-parties used to expand or maintain business. Additional due diligence may include more detailed background and reference checks. It may also include establishing the existence and application of adequate ongoing organization controls to provide comfort that anti-bribery and corruption are areas of focus for potential targets. The due diligence used to identify and evaluate risks must be documented. The due diligence process for the assessment of bribery risks is separate, but

complementary to, the due diligence we perform under the *Anti-Terrorist Financing and Money Laundering Guidelines*.

Contract Provisions: Compliance with applicable laws is considered in all business dealings as warranted by the risks involved in the arrangements and market practices, including service contracts to engage third-parties to act on our behalf. The extent of the contractual provisions depends on the risks involved and should strive to confirm representations that parties with whom we contract have complied or will comply, as appropriate, with all applicable laws and regulatory requirements. These general provisions would cover bribery legislation, although in higher risk situations more specific provisions may be appropriate. Embedding the right to audit and establish ongoing monitoring into contractual agreements may be considered.

Books and Records: Compliance with applicable laws is considered in maintaining our books and records for each transaction. Internal processes have been established to control the establishment of bank accounts, signing authorities, payments to third-parties and cash advances, as well as to retain books and records for prescribed periods of time.

Training and Communication

The Policy Manager is responsible for ensuring that this Policy is communicated throughout OMERS, and that appropriate employees are regularly trained on the Policy. Training will focus on employees in business areas where bribery risks are highest and will be tailored to the employee’s role.

Reporting Suspected Violations

If you are offered a bribe, are asked to make a bribe, or suspect any bribery or violation of this Policy, you have the right, as well as a duty, to report it to the Policy Monitor, Policy Sponsor or the OMERS Ethics Hotline.

You may submit a report or complaint by using the OMERS Ethics Hot Line operated by ClearView Connects, an independent third-party which provides a confidential communication channel for reporting your concerns. You may file a report through their website at www.clearviewconnects.com or by calling 1-866-696-6377. The OMERS Ethics Hot Line will accept anonymous complaints.

There will be no reprisal against you for making a report to the Policy Monitor, Policy Sponsor or the OMERS Ethics Hot Line in good faith. Failure to report a violation of this Policy may lead to disciplinary action, up to and including termination of your employment.

Refer to the *Workplace Investigations Policy* for how your report will be handled.

Employees of firms licensed by the Financial Conduct Authority (“FCA”) are also entitled to submit a report or complaint directly to the FCA.

Exceptions

The Policy Sponsor may grant non-substantive exceptions to this Policy. The reasons for granting an exception should be recorded in writing and kept by the Policy Manager and reported to the Policy Approver.

Exceptions will be reported to the Audit & Actuarial Committee at its quarterly meetings.

Responding to Incidents of Non-Compliance

The Policy Manager is responsible for identifying incidents of potential non-compliance under this Policy based on the established guidelines and procedures and reporting such incidents to the Policy Sponsor. If you violate this Policy, you could be subject to disciplinary action, depending on the severity of the violation, up to and including termination of your employment.

ROLES & RESPONSIBILITIES

Policy Approver	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 & Monitor	Global Head, Compliance & Ethics	Responsible for the design and operational effectiveness of the day to day administration of the Policy, and for the monitoring, compliance and reporting functions of the Policy