

OMERS Sponsors Corporation

BOARD COMPETENCY FRAMEWORK

The SC Board is responsible for Pension Plan design, determination of contribution rates, filing of valuations, reserves, and composition of the SC and AC Boards. The SC Board requires Board Members who satisfy all of the attributes and commitments in the shaded box. The SC Board as a whole needs to adequately satisfy the seven specific competencies below; each Board Member is expected to satisfy on joining the Board or commit to developing not less than four specific competencies.

Each Board Member must possess the following attributes:

- Independence, integrity, and sound judgment
- Curiosity and courage to ask the right questions and make difficult decisions
- Long-term, strategic outlook
- Commitment to the defined benefit (DB) Model and Jointly Sponsored Pension Plans ("JSPPs")
- Demonstrated ability to operate effectively as part of a diverse team and make timely decisions
- Respect for a confidential work environment that supports open dialogue to facilitate decision-making

Each Board Member must be willing to:

- Understand and exercise his or her fiduciary responsibilities to the SC
- Devote the time and effort necessary to be an effective Board Member
- Understand and comply with the SC's Code of Conduct, Confidentiality Policy and all other SC policies and guidelines
- Consistently attend and actively contribute to SC Board and Committee meetings, and AC/SC joint sessions
- Act in a manner that sustains and improves trust in OMERS
- Commit to long term strategic planning focused on risk and sustainability
- Participate in director and other development and/or education programs to meet no less than four specific competencies by the end of his/her third year on the Board

Stakeholder Relations

Experience in managing or overseeing stakeholder communications & engagement plans.

- Knowledge and understanding of the views of OMERS stakeholders
- Experience working within a stakeholder or similar organization
- Experience articulating the interests of stakeholders
- Ability to oversee/participate in healthy relations in a diverse, multi-stakeholder environment

- Understanding of the broader relationship between management and workers, (unionized and non-unionized)

Pensions – Design

Ability to understand pension design, policy and regulation.

- Ability to understand plan/trustee administration
- Literacy in personal financial and related retirement concepts
- Familiarity with Canadian retirement system, DB pension model and JSPPs, global pension landscape, related trends

Pensions – Funding

Knowledge of DB pension plan funding.

- Knowledge relating to overseeing an effective and sustainable retirement income or social security system
- Knowledge of the key funding principles for JSPPs
- Understanding of actuarial practice, asset-liability management

Governance

Experience in/knowledge of JSPP bicameral governance.

- Experience in creating, evaluating and compensating effective Boards
- Experience in delegation, reporting and oversight
- Understanding of the relationship among people, process and policy in a large or multi-stakeholder environment

Government/Regulatory/Public Policy

Experience in, or demonstrated understanding of, the workings of government and public policy.

- Understanding of relevant regulatory regimes
- Experience with macro-economic considerations and their impact on pension plans and government decision-making
- Ability to understand interrelationships of political, legal, tax, and economic concepts

Risk

Ability to identify principal risks of an organization or oversee risk management programs.

- Understanding of risk and return dynamics in a complex pension environment
- Familiarity with financial and management systems, internal controls, and financial reporting
- Ability to assess and oversee operating plans

Leadership Experience

Experience as a leader within a stakeholder organization or other large organization or government body.

- Experience in strategic planning, development and execution
- Experience using processes to assess, prioritize and make decisions on large strategic initiatives
- Ability to attract, retain, evaluate and replace the CEO
- Familiarity with compensation and performance measurement systems

Key Considerations Relating to Personal Attributes

Independence and Integrity

- Board Members are able to take action regardless of the wishes of management, the interests of the Sponsor Organization that appointed him/her, and any personal interests of the Board Member.
- Board Members demonstrate a commitment to high ethical standards, and hold others to the same standard.

Curiosity and Courage

- The Board ensures management and advisors deliver the tools they need to confirm or challenge the status quo and deliver better outcomes.
- Board Members deal with difficult or uncomfortable topics deliberately and centrally with a view to making appropriate decisions in a timely manner.
- Board Members have the courage to speak up (asking questions as well as questioning answers), even as a lone voice.

Long term and Strategic

- The Board is forward-looking.
- Board Members are guided by strategic goals and stakeholder needs.
- The Board is able to make decisions for the long term, while taking short-term issues into consideration.
- Board Members combine multiple risks and opportunities and question what the compounded impacts could be.

Commitment to the DB Model

- Board Members demonstrate a commitment to the defined benefit, jointly sponsored pension plan model (beyond the statutory requirement in *the OMERS Act, 2006*).
- Board Members commit to the successful operation of OMERS bicameral governance model.
- Board Members demonstrate a commitment to comprehensive retirement income security.

Teamwork

- Board Members collaborate through effective and respectful interactions.
- Board Members optimize complementary expertise and perspectives to reach consensus needed to pass motions.
- Every Board Member accepts and supports all Board/Committee decisions once made.
- The Board trusts and respects appropriate delegation to Committees and management.
- Board Members avoid the risk of group-think by considering multiple views.

Diversity

- Board Members include the diversity of OMERS plan membership and participating employers in its decision making.
- Board Members believe diversity of thought and perspectives is important to reach good decisions.
- Board Members believe fundamental diversity (gender, race, age, ethnicity, orientation, physical and mental abilities) can contribute to diversity of thought.

Definitions

- “Ability”

Demonstrated aptitude for learning or applying a subject of some complexity

- “Demonstrated”

Recognized by peers or the public for possessing a skill or attribute

- “Designed”

Created an approach to solve a problem or manage a process

- “Experience”

At least 5 years of demonstrated relevant work experience in a particular field or industry

- “Familiarity”

Exposure to a work stream or process in the course of carrying out a career or occupation

- “Knowledge”

Academic or practical understanding of a subject

- “Lead”

Responsible for managing a team or teams achieving results for an organization

- “Oversee”

Not directly managing but having responsibility for ensuring teams meet objectives

- “Understanding”

Demonstrated comprehension and articulation of complex issues

HISTORY

Effective Date: September 14, 2023

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