

OMERS Administration Corporation

GOVERNANCE & RISK COMMITTEE MANDATE

Purpose

The purpose of the Governance & Risk Committee (the Committee) is to assist the OMERS Administration Corporation (AC) Board of Directors (AC Board) in meeting its fiduciary oversight and related obligations in relation to governance and risk matters and particularly in relation to AC's governance principles by identifying governance, practices and standards (and supporting processes and practices) that promote and enhance effective Board and Management decision-making to ensure the OMERS plans are governed and administered in the best interest of their members and beneficiaries.

Composition

The Committee is to be comprised of up to seven Directors. Committee members will be recommended for AC Board approval by the Board Chair after consultation with the Governance & Risk Committee. Members will serve for one-year terms. The AC Board may reappoint any or all members of the Committee for additional one-year terms.

Meeting Schedule and Frequency

The Committee will meet four times per year and as many additional times as needed to carry out its duties effectively as determined by the Committee Chair.

Responsibilities

The Committee fulfills its purpose by:

A. Governance Matters

1. Approving, or recommending to the AC Board, on a periodic basis those governance, risk and other related policies designated in this Mandate.
2. Approving and implementing, at least every three years, regular governance effectiveness assessments of each of the AC Board, its Committees and individual Directors, and making appropriate recommendations to the AC Board.
3. Approving annually a governance manual and director's handbook to assist the AC Board in fulfilling its duties and obligations.
4. Approving biennially an education program to support Director development and monitoring its implementation.

5. Assessing the needs of the AC Board and its Committees in terms of frequency and location of meetings, agendas, and meeting conduct issues and making recommendations to the AC Board with respect to such matters from time to time.
6. Reviewing annually the effectiveness of the AC Board and Committees in meeting their mandate obligations.
7. Reviewing annually evolving governance trends, regulatory requirements, and best practices and recommending changes to AC's current approach to governance as required.
8. Recommending to the AC Board changes to the role descriptions of the Board Chair, Committee Chairs, and Board Members, as required.
9. Reviewing annually and, if appropriate, recommending changes to the AC Governance Principles every three years and reporting on the state of AC governance against the AC Governance Principles.
10. Consulting with the AC Board Chair on the Chair's recommendations regarding Committee leadership and membership.
11. Assessing and recommending the competency requirements of the AC Board as outlined in the Competency Framework every three years.
12. Confirming the specific competencies of individual Directors periodically.
13. Approving a skills matrix and accompanying gap analysis in respect of the AC Board based on individual Director competencies.
14. Recommending to the AC Board proposals with respect to governance and related considerations involving the Sponsors Corporation (SC), Sponsors and other stakeholders.
15. Overseeing AC's role with SC in the nomination process for AC Directors and the recruitment process for the AC Board Chair.
16. Reviewing and recommending to the AC Board annually the mandates of the AC Board and each of its Committees.
17. Reviewing and recommending the Committee's mandate to the AC Board and approving a work plan for the Committee.

B. Risk Matters

18. Reviewing, monitoring and overseeing AC's risk governance structure including recommending the Risk Management Mandate and AC's Risk Framework to the AC Board at least every three years.
19. Reviewing, monitoring and overseeing the Risk Appetite Statements, including pension, investment, governance and operational subsidiary risk appetite statements, for the Primary Plan and the Retirement Compensation Arrangement, ensuring that oversight of each risk category is assigned to the appropriate Committee and, at least every three years, recommending the Primary Plan, RCA and Subsidiary Risk Appetite Statements to the AC Board.
20. Liaising with the Corporate Governance Committee of the SC Board (and any successor to that Committee) to facilitate a holistic approach to OMERS governance and risk.

21. Overseeing risks assigned to the Governance & Risk Committee, including risks relating to governance matters, member & employer services, stakeholder relations & communications, information & technology, and business continuity & security, in each case as described in the AC Risk Framework.
22. Receiving risk reports submitted to other Committees and the Board, to assist the Committee in developing a thorough understanding of OMERS overall risk profile.
23. Reviewing reports from Management relating to oversight of the business continuity program and crisis management protocols which for greater certainty will cover the full program and not just technology-related aspects.

C. Other Matters

24. Reviewing reports from Management relating to oversight of government relations.
25. Retaining independent advisors to provide governance and any other expertise the Committee deems appropriate or necessary.
26. Ensuring members are provided with the appropriate resources and education to fulfil the Committee's responsibilities.
27. Conducting in camera sessions at the end of its meetings with the Chief Executive Officer, Chief Risk Officer, and Chief Legal & Corporate Affairs Officer together; the Chief Risk Officer alone; the Committee alone and any other party the Committee determines.

Committee Leadership

The role of the Committee Chair is to:

- foster a constructive tone so that the Committee works as a cohesive team;
- assist the Board Chair in developing and fostering a healthy Board culture;
- ensure that the informational needs of Committee members are met;
- promote the independent thinking and decision-making of the Committee;
- build consensus among Committee members;
- ensure meeting time is used effectively;
- monitor Committee activities to ensure the work undertaken is consistent with its mandate;
- work in conjunction with Management to ensure that the Committee fulfills its mandate and completes its work plan efficiently and effectively;
- move the Committee's discussion towards a constructive and timely resolution; and
- promote a culture of integrity, compliance, ethical decision-making and conduct, and inclusion.

Reporting and Accountability to the AC Board

The Committee will report to the AC Board on its activities, findings, recommendations and approvals. This will be accomplished by:

- the distribution of meeting materials and minutes of all Committee meetings to all Directors;
- an oral report from the Committee Chair at the next regularly scheduled quarterly AC Board meeting; and
- annually evaluating the Committee's performance in fulfilling its mandate and reporting its findings to the AC Board.

Applicable Policies

The Committee is responsible for approving the following policies:

- Board Education & Expense
- Charities
- Director Remuneration
- Lobbying
- Political Donations
- SC Support and Reimbursement

The Committee is responsible for recommending the following statements and frameworks to the AC Board:

- Risk Appetite Statements of the Primary Plan and the Retirement Compensation Arrangement, including pension, investment, governance, and operational subsidiary risk appetite statements
- Risk Framework

HISTORY

Effective Date: May 18, 2023

Approval Dates: November 23, 2007; November 20, 2008; December 17, 2008; December 17, 2009; December 16, 2010; December 15, 2011; December 14, 2012; December 13, 2013; December 12, 2014; February 26, 2015; December 10, 2015; December 15, 2016; December 14, 2017; December 13, 2018; February 22, 2019; December 12, 2019; July 9, 2020; November 19, 2020, December 9, 2021; February 28, 2022; December 8, 2022; May 17, 2023