

Amended and Restated By-Law No. 3 ("SC Board Composition")

Being a by-law relating generally to the representation on
the

OMERS Sponsors Corporation

BE IT ENACTED as a by-law of the Corporation as follows:

ARTICLE 1 COMPOSITION OF THE CORPORATION

1.1 Definitions

- (a) "**Act**" means the *Ontario Municipal Employees Retirement System Act, 2006* or any statute which may be substituted therefor, including any regulations made thereunder, as amended from time to time;
- (b) "**Background Check**" means a background check performed by an agency approved by the CEO with respect to criminal, financial, media, litigation, professional and other matters approved by the Corporation;
- (c) "**CEO**" means the Corporation's Chief Executive Officer;
- (d) "**Corporation**" means OMERS Sponsors Corporation as established pursuant to Section 22(1) of the Act;
- (e) "**Employee Members**" means the Members that have been appointed by unions, employee associations, retiree organizations/associations, or Employee Members pursuant to this By-law;
- (f) "**Employer Members**" means the Members that have been appointed by employer associations, employers, or Employer Members pursuant to this By-law;
- (g) "**Member**" means a member of the Corporation;
- (h) "**Member Group**" means, based on the circumstances, either of the Employer Members or the Employee Members;
- (i) "**Retiree Group**" shall consist of Ontario Retired Fire Fighters Association, The Municipal Retirees Organization of Ontario, The Police Pensioners Association of Ontario, and/or such other Ontario municipal employee retiree organizations as may be designated by majority vote of the Members from time to time;
- (j) "**Sponsor Organizations**" means the following organizations:
 - i. The Association of Municipalities of Ontario ("**AMO**");
 - ii. The Canadian Union of Public Employees (Ontario) ("**CUPE**");
 - iii. CUPE Local 79 of the Canadian Union of Public Employees ("**CUPE Local 79**");

- iv. CUPE Local 416 (Toronto Civic Employees Union) of the Canadian Union of Public Employees (“**CUPE Local 416**”);
- v. Electricity Distributors Association (“**EDA**”);
- vi. The Ontario Association of Children’s Aid Societies (“**OACAS**”);
- vii. Ontario Association of Police Services Boards (“**OAPSB**”);
- viii. Ontario Catholic School Trustees’ Association (“**OCSTA**”);
- ix. Ontario Professional Fire Fighters Association (“**OPFFA**”);
- x. Ontario Public School Boards’ Association (“**OPSBA**”);
- xi. Ontario Public Service Employees Union (“**OPSEU**”);
- xii. Ontario Secondary School Teachers’ Federation (“**OSSTF**”);
- xiii. The Police Association of Ontario (“**PAO**”);
- xiv. The Retiree Group; and
- xv. The City of Toronto (“**Toronto**”).

Reference to the phrase “approved by the Corporation” shall mean approved by a majority of the Members of the Corporation in accordance with Section 1.10 of this By-law.

1.2 Appointments

The Corporation shall consist of fourteen Members:

Seven Members appointed by the employer associations and the employer named below, as follows:

- (a) two persons appointed by AMO,
- (b) one person appointed by the EDA,
- (c) one person appointed by the OACAS,
- (d) one person appointed by the OAPSB,
- (e) one person appointed by either the OPSBA or by the OCSTA,
- (f) one person appointed by Toronto; and

Seven Members appointed by the unions, employee associations, or retiree organizations /associations named below, as follows:

- (g) one person appointed by CUPE,
- (h) one person appointed by either CUPE Local 79 or by CUPE Local 416,
- (i) one person appointed by the OPFFA,
- (j) one person appointed by OPSEU,
- (k) one person appointed by OSSTF,
- (l) one person appointed by the PAO, and
- (m) one person appointed by The Retiree Group.

1.3 Term of Office

Subject to Sections 1.4(g), 1.5 and 1.6, the term of office of all Members will be three years.

1.4 Appointment of Successor Members on Expiration of Term

A successor Member shall be appointed to succeed a Member at the expiration of such Member's term pursuant to the following paragraphs and Section 1.7:

- (a) Subject to subsections 1.4(b), (c), and (g), the party that appointed a Member (or had the right to appoint a Member but did not such that the Member was appointed pursuant to subsection 1.4(g) or subsection 1.7(b)) shall appoint a successor to that Member.
- (b) Members appointed by either the Ontario Public School Boards' Association or by the Ontario Catholic School Trustees' Association shall be appointed on an alternating basis by the associations.
- (c) Members appointed by either CUPE Local 79 or by CUPE Local 416 shall be appointed on an alternating basis by the respective local union.
- (d) At least twelve months prior to the expiry date of a Member's term, the CEO shall give written notice to the Sponsor Organization, with an information package including such information as determined by the Corporation from time to time, including any current skills and competency matrix and/or gap analysis, and a role description developed by the Corporation, and, in respect of an incumbent Member eligible for reappointment, specific information about such Member's attendance. An information meeting will be held within two months of delivery of such notices, at which the Chair, Vice Chair and the Chair of the Corporation's Corporate Governance Committee will present information and answer questions the Sponsor Organizations might have regarding the appointments process. The Sponsor Organization will be requested to propose a candidate for reappointment or appointment, as the case may be, at least eight (8) months prior to the expiry of a Member's term and provide the Corporation with a current resumé for the candidate. The proposed appointees will undergo a Background Check arranged by the Corporation's Chief Executive Officer, and the results thereof shall be reported to the Corporate Governance Committee prior to the interview process.
- (e) The primary responsibility of a Member on any issue of a fiduciary nature coming before the Corporation is to approve only such actions which the Member believes are in the best interests of the Corporation. Therefore, a Member must not only possess sufficient capacity to critically evaluate and decide on the business, pension and governance matters which come before the Members but also have the independence to take such action regardless of the wishes of the Corporation's management, the interests of the Sponsor Organization that nominated him/her, the wishes of OMERS Administration Corporation, and any personal interests of the Member. When discussing the appointment of Members with Sponsor Organizations, the Sponsor Organizations shall be requested to have regard for any competencies that have been identified as being required to enable the Members to function more effectively as a whole. The Corporation may establish desired attributes for Members to reflect the diversity of OMERS stakeholders and establish desired competencies to promote effective decision-making.
- (f) The Corporation's Corporate Governance Committee is responsible for providing an orientation interview for all proposed appointees, reviewing the results of the Background

Check with each proposed appointee, and making them aware of their fiduciary duties and in so doing shall have regard to the competency framework and Board Member role description as approved by the Members. Effective January 1, 2021, notwithstanding any other provision of this By-law a Member's appointment shall not become effective until such interview has occurred.

- (g) Should a responsible party fail to appoint a successor by April 30th of a Member's term, the Corporate Governance Committee shall identify a suitable candidate for recommendation in accordance with the process set out in this Section 1.4, and the Members shall vote upon the appointment of the candidate so recommended.
- (h) Effective January 1, 2021, a Member may have his or her initial term renewed and be named as his or her own successor for purposes of this Section 1.4 to a maximum of four (4) terms of three (3) years each, for a maximum of twelve (12) years' service in total.
- (i) The term of a successor Member shall commence effective immediately following the expiry of the term of the Member who he or she is to succeed.

1.5 Removal

A Member may be removed by the Corporation in the following circumstances:

- (a) If the Member is charged with or convicted of a criminal offence;
- (b) If the Corporation determines that (i) the Member has breached the Code of Conduct and (ii) dismissal as a Member is the appropriate remedy; or
- (c) The Corporation determines that the Member's attendance and participation is unsatisfactory in accordance with guidelines approved by the Members from time to time.

Removal of a Member by the Corporation will require a two-thirds vote of the Members, other than the Member whose removal is being voted upon.

A Sponsor Organization that appointed the Member may remove such Member, on thirty days advance written notice to that Member and the Chair, and, if the removal is during the term of a Member, on the reimbursement by the Sponsor Organization to the Corporation for any education expenses incurred by the Corporation during the previous twelve months in respect of that Member.

1.6 Resignation

A Member may resign by giving written notice thereof to the Corporation. The effective date of a resignation shall be stated in the Member's notice of resignation, but in no event shall the effective date precede the date that the written notice of resignation is received by the Corporation.

1.7 Appointment of Replacement Member Upon Death, Resignation or Removal of Member

- (a) If a Member dies, resigns or is removed from office prior to the end of his or her term, a replacement shall be appointed by the Sponsor Organization that made the appointment. After the process set out in Section 1.4 has been followed, a replacement Member shall be appointed for the period remaining in the term of the Member who he or she is meant to replace.

- (b) If a Sponsor Organization is entitled to appoint a Member to replace a Member who has died, resigned or been removed pursuant to subsection 1.7(a) but fails to do so within ninety (90) days of the Member's death, resignation or removal, an interim replacement Member shall be recommended by the Corporate Governance Committee and appointed by a majority vote of the Members for the period remaining in the term of the Member who died, resigned or was removed.

1.8 Appointment of Chair/Vice-Chair

(a) General Election Process

- (i) When an election is required for a term commencing January 1 of the following year, no later than July 1 of the current year, the CEO will solicit nominations from the Members for the positions of Chair. A Member wishing to nominate another Member to serve as Chair for a term commencing January 1 of the following year shall submit his/her nomination to the CEO during the period from July 1 to July 31 of the current year. The CEO will notify each nominee of his/her nomination.
- (ii) If more than one nominee is received for the position of Chair by August 1 at the meeting of the Members scheduled in August of the year, a vote to elect the Chair will be conducted by secret ballot. If there are more than two candidates and on the first voting round no candidate receives more than 50% of the votes, the candidate with the least number of votes will be dropped from the ballot and another vote will be held, with the process continuing until a candidate receives more than 50% of the votes.
- (iii) Immediately following the election of the Chair, the CEO will solicit nominations from the Members for the position of Vice-Chair. A Member wishing to nominate another Member to serve as Vice-Chair commencing January 1 of the following year shall submit his/her nomination to the CEO during the 10-day period following the election of the Chair. The CEO will notify each nominee of his/her nomination.
- (iv) If more than one nominee is received for the position of Vice-Chair by the end of the 10-day nomination period, at the next scheduled meeting of the Members, a vote to elect the Vice-Chair will be conducted by secret ballot. If there are more than two candidates and on the first voting round no candidate receives more than 50% of the votes, the candidate with the least number of votes will be dropped from the ballot and another vote will be held, with the process continuing until a candidate receives more than 50% of the votes.
- (v) For terms commencing January 1, 2023 and following, on the completion of the Chair's two-year term, the Vice-Chair will succeed to the position of Chair, subject to a confirmation by the Members by unweighted simple majority vote, such vote to be conducted by June 30 of the previous year. If the appointment is not confirmed, a new Chair and Vice-Chair will be elected in accordance with the process set out in subsections 1.8(a)(i) to (iv). If the appointment of the Vice-Chair to the position of Chair is confirmed, a new Vice-Chair will be elected in accordance with the process set out in subsections 1.8(a)(iii) and (iv).

(b) Special Provision for January 1, 2021 Term

For the election taking effect on January 1, 2021 only, if the Board elects a Chair from the

Employee Group, it must elect a Vice-Chair from the Employer Group, and if the Board elects a Chair from the Employer Group, it must elect a Vice-Chair from the Employee Group, as a transitional provision.

(c) General Election Provisions

- (i) The CEO, together with the Board Secretary, will coordinate the voting process and will issue, receive, and count all ballots.
- (ii) Notwithstanding Section 1.10 of this By-law, votes conducted by secret ballot for the Chair and Vice-Chair will not be based on weighted voting, but rather by an unweighted simple majority of the Members. A tie vote for the Chair shall be resolved by the drawing of straws. A tie vote for the Vice-Chair shall be resolved by deeming the winner to be the candidate who provides a balance of representation between the two Member Groups. If there are two candidates, either of whom would provide a balance of representation, the tie voted is resolved by a drawing of straws if the candidates are from only one Member Group.
- (iii) If only one individual is nominated for the position of Chair or Vice-Chair, that nominee will be deemed appointed by acclamation of the Members.

(d) Special Circumstances

- (i) Any Member may, by notice to the CEO and the other Members, require a vote to remove or replace the Chair or Vice-Chair prior to the expiry of the Chair's or Vice-Chair's term. A decision of the Members to remove or replace him/her shall require an affirmative vote of an unweighted simple majority of the Members.
- (ii) If the Chair or Vice-Chair ceases for any reason to be a Member, he/she will cease to be the Chair or Vice-Chair, as the case may be, and a vote will be held by the Members to appoint his/her successor in accordance with section 1.8(d)(iii).
- (iii) If the Chair resigns his or her position or is removed by a vote of the Members pursuant to paragraph 1.8(d)(i), the Vice-Chair assumes the role of Chair, subject to a confirmation by the Members by unweighted simple majority vote, such vote to be conducted within 20 days of the Chair's resignation. If the appointment is not confirmed, a new Chair and Vice-Chair will be elected in accordance with the process set out in subsections 1.8(d)(iv). If the appointment of the Vice-Chair to the position of Chair is confirmed, a new Vice-Chair will be elected in accordance with the process set out in subsections 1.8(a)(iii) and (iv).
- (iv) If an election for a Chair and Vice-Chair is required under section 1.8(d)(iii), the CEO shall as soon as possible solicit nominations for the role of Chair for a period of 30 days. The election for a new Chair shall be conducted at a special Board meeting to be held as soon as possible after the close of nominations in accordance with the process set out in section 1.8(a)(ii), and the nomination and election of a new Vice-Chair shall then be conducted in accordance with the provisions set out in section 1.8(a)(iii) and (iv).
- (v) If for any reason the Chair or Vice-Chair are not appointed by the end of a calendar year for the following term, then the incumbent Chair and Vice-Chair shall remain in office until the appointments of their successors.

- (e) The Chair and the Vice-Chair shall each serve one two-year term. No Member shall be permitted to serve (i) as the Chair for two consecutive terms, or (ii) as the Vice-Chair for two consecutive terms, or (iii) serve as Chair more than twice, or (iv) serve as Vice-Chair more than twice.

1.9 Discharge

If a Member resigns or is removed, or the Member's term expires, he or she shall be fully discharged from all future duties and responsibilities of a Member as of the effective date of such resignation, removal or expiration of term, as the case may be. If a Member dies, his or her heirs, administrators, executors and assigns shall be fully discharged from all future duties and responsibilities of the Member as of the date of the Member's death.

1.10 Voting

- (a) For this and all other By-laws of the Corporation, each Member appointed by AMO shall have two (2) votes, the Member appointed by the CUPE shall have three (3) votes, and each other Member shall have one vote.
- (b) For clarity, voting requirements for this and all other By-laws of the Corporation shall be based on the following:
 - (i) the requirement for an affirmative vote of a majority of the Members shall be satisfied if a majority of the available Member votes are in favour of the motion; and
 - (ii) the requirement for an affirmative vote of two-thirds of the Members shall be satisfied if two-thirds of the available Members votes are in favour of the motion.
- (c) A vote of the Members concerning the appointment or removal of a Member or a replacement Member shall be made without the Member or the vote(s) associated with the Member who is to be replaced or removed or whose term is set to expire or whose removal is being voted upon and such vote(s) shall not be considered "available" under subsection 1.10(d).
- (d) For purposes of determining whether a given matter has received the requisite amount of available votes under subsection 1.10(b), but subject to subsection 1.10(c), a Member's vote shall be considered available whether or not a Member attends or participates in a meeting at which votes are to be cast on the matter, and whether or not the member abstains from voting on the matter (including by reason of a conflict of interest as described in Section 5.14 of By-Law No. 1 of the Corporation). Abstentions shall be recorded as such in the minutes of the Corporation.

1.11 Limit on Members and Votes

Notwithstanding any other provision of this or any other By-law, at any given time there shall be no more than:

- (a) 7 Employer Members;
- (b) 7 Employee Members;
- (c) 9 Employer Member votes; and
- (d) 9 Employee Member votes.

1.12 Member Qualifications

A Member must:

- (a) be an individual who is eighteen years of age or older;
- (b) not have been found to be of unsound mind by a court in Canada or elsewhere;
- (c) not have the status of a bankrupt;
- (d) not have been previously removed as a Member pursuant to Section 1.5 of this By-law; and
- (e) commencing effective January 1, 2021, not already have served four (4) or more terms (whether consecutive or non-consecutive) as a Member of the Corporation and its predecessor, provided that for purposes of this subsection 1.11(e) and subsection 1.4(h), an initial partial term of two years or less will not be considered a “term”.

1.13 Amendments

An amendment to this By-Law shall require an affirmative vote of a two-thirds (2/3) of the Members. The provisions of this By-Law shall be reviewed by the Corporation every five (5) years from January 1, 2021, to ensure that the Corporation is representative.

The foregoing is **CERTIFIED** by the Chair and Corporate Secretary of the Corporation to be a true copy of By-Law No. 3 (formerly By-Law No. 4) of the Corporation, as validly enacted by vote of the Members at a duly convened meeting of the Members held February 23, 2021, with effect as of February 23, 2021.

Signed by

“original signed by”

 Chair

“original signed by”

 Corporate Secretary

Enacted on April 30, 2007
First Amendment and Restatement on February 19, 2009
Second Amendment and Restatement on February 16, 2010
Third Amendment & Restatement on April 25, 2013.
(Definitions, Co-Chairs, Qualifications, Appendix A)
Fourth Amendment & Restatement on December 31, 2013
(Appendix A) – Effective January 1, 2014
(Appendix A) – Revised August 19, 2014 – effective July 1, 2014)
Fifth Amendment and Restatement on November 18, 2014 (Sect. 1.8 – acclamation)
(Appendix A – Revised December 10, 2014 – effective January 1, 2015)
Sixth Amendment and Restatement on January 19, 2016 (Sect. 1.3)
(Appendix A) – Revised January 19, 2016 – effective January 1, 2016)
Seventh Amendment and Restatement on April 26, 2016 (Addition of 1.8 e)
Eighth Amendment and Restatement on January 17, 2017
(Appendix A) – Effective January 1, 2017
Ninth Amendment and Restatement on December 13, 2017
(Appendix A) – Effective January 1, 2018
Tenth Amendment and Restatement on December 12, 2018
(Appendix A) – Effective January 1, 2019
Eleventh Amendment and Restatement on November 14, 2019
Twelfth Amendment and Restatement on February 25, 2020
Thirteenth Amendment and Restatement on May 19, 2020
Fourteenth Amendment and Restatement on December 8, 2020
Fifteenth Amendment and Restatement on February 23, 2021