

OMERS Administration Corporation

INTRODUCTION TO GOVERNANCE MANUAL

OMERS Administration Corporation (AC) is a non-share capital corporation acting as the administrator of the pension plans governed by the *Ontario Municipal Employees Retirement System Act, 2006* (OMERS Act) and the trustee of the pension funds related to the pension plans. The composition of AC and the method of choosing its members (generally referred to as the Board of Directors of AC or the AC Board) is set out in the OMERS Act and the by-laws of OMERS Sponsors Corporation (SC). That same legislation grants to AC the capacity, rights and powers of a natural person for carrying out its objectives.

AC has adopted governance structures and processes to ensure that the objects of AC are achieved in an efficient and effective manner in the interests of plan members and other stakeholders. The AC Board and the management team (Management) at AC, led by the Chief Executive Officer, work closely together to administer the affairs of AC in the interests of the stakeholders, and work with the SC to further the objectives of the OMERS Pension Plans.

While the AC Board does have the plenary authority to change Management, if required, the governance systems and processes adopted at AC reflect a partnership between the AC Board and Management. The partnership directs its efforts at acting in the best interests of plan members and ensuring their pensions are delivered at a reasonable cost. The AC Board has overall stewardship responsibility for AC which is generally defined as a responsibility to oversee AC in broad general terms. The AC Board therefore sets boundaries and strategic direction. Management is the organization's ongoing driving force managing the affairs of AC and providing to the AC Board the information, reports and resources it needs for its stewardship role.

This Governance Manual sets out a framework for how the AC Board and Management share responsibility for the successes of AC. The governance documents are built on a foundation of partnership, equality, accountability, candour and clarity. All these principles are important among Directors, between the AC Board and Management and within the Senior Executive Team at AC. It is these principles which animate the charter documents included in this Governance Manual and lead to the collaborative approach to the affairs of the organization which underpin governance at AC.

The AC Board is committed to continually reviewing its governance processes. Through its Governance & Risk Committee, the AC Board updates this Governance Manual from time to time, and at least annually, to ensure that AC continues to do the best job it can for the benefit of all Plan members and other beneficiaries.

This Governance Manual can be used by plan members to see how responsibilities are divided among various important bodies at AC. It would also provide a useful resource to any regulators having jurisdiction over pension matters regarding AC's current governance practices.