

# Anti-Terrorist Financing & Money Laundering Policy

COMPLIANCE & ETHICS



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Effective  
January 1, 2020

## OVERALL PRINCIPLES

OMERS is committed to preventing the use of its operations for money laundering or financing terrorism and to complying with applicable laws and regulations intended to prevent and combat these activities (“AML/CTF Laws”).

OMERS will not deal with individuals, entities or restricted countries designated in Canadian and applicable international sanctions and terrorist financing lists.

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

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

## Legal and Regulatory Framework

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have been derived from legitimate origins or constitute legitimate assets.

Terrorist financing occurs when individuals or entities gather funds to support terrorists, terrorist activities or terrorist groups. In contrast to money laundering, terrorist financing can involve the use of legally derived money to carry out illegal activities.

Canada and many other governments have implemented laws to prevent and combat money laundering and terrorist financing, including sanctions programs. These AML/CTF Laws form the cornerstone of this Policy and OMERS anti-terrorist financing and anti-money laundering compliance program which is comprised of the following elements:

- written, risk-based internal policies, guidelines, procedures and controls which are comprehensive and proportionate to the nature, scale and complexity of OMERS activities;
- the designation of a Policy Manager, responsible for the monitoring, compliance and reporting functions of this Policy; and
- employee communication and education to enable the identification, assessment, monitoring and management of the money laundering risk.

In identifying its money laundering and terrorist financing risk and in establishing the nature of systems and controls, OMERS considers a range of factors, including but not limited to:

- (1) customer, client, member, product, transaction, and/or activity profiles;
- (2) transaction activity and distribution channels;
- (3) complexity and volume of its transactions;
- (4) processes and systems; and

(5) operating environment.

## Prohibitions

OMERS will not knowingly, directly or indirectly, engage in transactions with individuals, entities or restricted countries designated in Canadian sanctions or terrorist financing lists. Where OMERS is operating or doing business in other jurisdictions, OMERS also complies with applicable AML/CTF Laws in those jurisdictions.

Under no circumstances may an employee facilitate, participate or provide assistance in any money laundering activity or terrorist financing activity or fail to report Policy violations.

## Due Diligence and Other Procedures

OMERS must be confident in the integrity of parties with whom it deals.

For investment transactions, such confidence is obtained by gathering relevant information about transaction parties and performing risk-based due diligence to confirm that such parties are not individuals, entities or restricted countries with whom OMERS is prohibited to deal with under applicable AML/CTF Laws in Canada or, where applicable, abroad. The *Anti-Terrorist Financing & Money Laundering Investment Due Diligence Guideline* establishes risk-based due diligence, identification and verification procedures, including enhanced due diligence for those parties presenting higher risks.

In addition, OMERS will perform monthly reviews of holdings for designated entities under Canadian AML/CTF Laws and UN sanctions rules.

With respect to payments made under the terms of the OMERS Pension Plans, OMERS will crosscheck the names of those receiving benefits against those of designated persons under Canadian AML/CTF Laws and UN sanction rules monthly.

## Recordkeeping

OMERS must keep full and accurate records of the transaction and data obtained for due diligence, identification and verification process, as well as OMERS monitoring and compliance with this Policy.

OMERS may be required to furnish regulators with information contained in records under AML/CTF Laws. Any request by regulators for such records must be immediately referred to the Policy Manager.

## Exceptions

The Policy Sponsor may grant non-substantive exceptions to this Policy. The reasons for granting an exception should be recorded in writing, kept by the Policy Manager and communicated annually to the Audit & Actuarial Committee.

## Responding to Incidents of Non-Compliance

If you are aware of a real or potential violation of this Policy, alert the Policy Manager immediately. Do not disclose the fact that you have reported a real or potential match to individuals, entities or restricted countries with whom OMERS is prohibited to deal with under applicable AML/CTF Laws to any other person.

The Policy Manager is responsible for identifying incidents of potential non-compliance under this Policy based on established procedures and reporting such incidents to the Policy Sponsor.

Non-compliance with this Policy may subject employees involved to disciplinary action, depending on the severity of the violation, up to and including termination of employment, as well as possible civil or criminal fines or penalties.

## Monitoring and Reporting

The Policy Manager is responsible for the administration of the Policy, including implementing documented procedures to enable compliance, monitoring and reporting, as well as coordinating training as required.

A Money Laundering Reporting Officer function will be designated for each jurisdiction requiring such function, including but not limited to the United Kingdom and Luxembourg.

Documents related to this Policy

For further guidance on how to complete investment due diligence, see the *Anti-Terrorist Financing & Money Laundering Investment Due Diligence Guideline*.

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