

OMERS ADMINISTRATION CORPORATION

- and -

OMERS SPONSORS CORPORATION

MEMORANDUM OF UNDERSTANDING

DATED AS OF THE 1st DAY OF JANUARY, 2017

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding dated as of the 1ST day of January, 2017 is made

BETWEEN

OMERS ADMINISTRATION CORPORATION ("AC")

- and -

OMERS SPONSORS CORPORATION ("SC")

RECITALS

- A. The *Ontario Municipal Employees Retirement System Act, 2006* (the "**OMERS Act**") established a new and independent dual governance model for OMERS under which both the AC and the SC have specific statutory duties, responsibilities and accountabilities with respect to the OMERS Pension Plans;
- B. Pursuant to the OMERS Act, the SC has certain rights and responsibilities in respect of plan design including responsibility for determining benefit changes, contribution rate adjustments and any amendments to change the reserve to stabilize contribution rates, and in setting compensation levels and the composition and appointment protocol for both the SC and AC Boards;
- C. Pursuant to the OMERS Act and the *Pension Benefits Act* (Ontario) (the "**PBA**"), the AC is the administrator of the OMERS Pension Plans and trustee of the related pension funds (the "**Funds**") and, as such, the AC is responsible for the administration and investment of the OMERS Pension Plans and in the discharge of these responsibilities the AC is bound by its fiduciary obligations to the members of the OMERS Pension Plans;
- D. An efficient and effective working relationship comprised of regular and appropriate information exchange between the Parties and clear accountability and transparency is critical to the success of the governance model established by the OMERS Act;
- E. In a Framework Agreement dated May 6, 2009 (the "**2009 Framework Agreement**"), the Parties documented their agreement on the guiding principles, processes and procedures to be followed by the AC and the SC in the points of contact between them which occur in the discharge of their respective duties and responsibilities under the OMERS Act, the PBA and other applicable law;
- F. The governance of OMERS, including the relationship of the Parties and the processes and procedures to be followed by the Parties in points of contact between them, has evolved since 2009 and the Parties agree that the 2009 Framework Agreement should be replaced by this Memorandum of Understanding ("**MOU**");
- G. The Parties intend for this MOU to set out their agreement as to certain matters which are intended to be legally binding as well as various principles, processes and procedures in the form of touchpoints to be set out in a schedule attached to the MOU that, although not intended to be legally binding (except as otherwise specified), are nevertheless intended by the Parties to guide their conduct on matters where their responsibilities under the OMERS Act intersect.

In consideration of the mutual covenants herein, the Parties agree as follows:

ARTICLE 1

STRUCTURE OF MEMORANDUM OF UNDERSTANDING AND RULES OF INTERPRETATION

1.1 Structure of Memorandum of Understanding

- (1) Articles 1 to 6 of this MOU are legally binding on the AC and the SC.
- (2) The touchpoints set out in Schedule A attached to this MOU (the "**Touchpoints**") provide various principles, processes and procedures that are intended by the Parties to guide their conduct on matters where their responsibilities under the OMERS Act intersect. Save and except as provided in Article 4, the principles and other provisions set out in the Touchpoints are not intended to be legally binding on the Parties and are not required to be considered by either Party in the interpretation or operation of the Articles of this MOU.

1.2 General Rules of Interpretation

- (1) The Parties agree to be bound by the obligations, processes, procedures and other terms set out in or referred to in the Articles of this MOU. The Parties expressly agree that nothing in this MOU is intended to limit, amend, deny, extinguish or replace the duties, responsibilities and accountabilities of either Party under applicable law or, subject to Section 1.3, the by-laws or policies of the Boards of the AC or the SC.
- (2) The Parties specifically agree that in the event of any conflict, error, ambiguity or inconsistency between the terms or other provisions of this MOU and the provisions of applicable law such conflicts, errors, ambiguities or inconsistencies shall be resolved by giving effect to the relevant applicable law.
- (3) Except where specifically provided otherwise: (i) references to Articles or Sections or paragraphs shall mean an Article or Section or paragraph in this MOU and not a section or other provision in the Touchpoints, (ii) capitalized terms used in the Touchpoints shall have the same meaning given to such terms in this MOU and (iii) any reference to the MOU hereinafter includes the Touchpoints.

1.3 Compliance with MOU

- (1) Where a Party determines that there could be a conflict between the provisions of this MOU and the terms of a by-law or policy of either Party in effect on the date of this MOU, the Parties agree to consult with each other concerning such conflict. If the Parties cannot agree whether or not there is a conflict, or if the Parties cannot resolve the conflict, the matter shall be dealt with in accordance with the Dispute Resolution procedures provided in Article 4.
- (2) The Parties agree that they will not make changes to the terms of the by-laws or policies in effect on the date of this MOU, or enact new by-laws or policies which would conflict with the provisions of this MOU without first consulting with the other Party. If the Parties cannot resolve the conflict, the matter shall be dealt with in accordance with the Dispute Resolution procedures provided in Article 4.

ARTICLE 2

JOINT COUNCIL

2.1 Joint Council

(1) The Parties will establish the AC and SC Joint Council ("**Joint Council**") as a vehicle to address matters of importance to either Party with respect to oversight and governance of the OMERS Pension Plans including this MOU. The Joint Council will be composed of the SC Co-Chairs, the AC Board Chair and one other member of the AC Board as selected by the AC Board, after consideration of the recommendation of the AC Board Chair.

(2) The Joint Council can make recommendations to the AC and the SC but cannot bind the Parties.

(3) The Joint Council will meet at the request of either Party upon reasonable notice. The Joint Council will not typically minute their meetings but may do so in particular circumstances at the request of any Joint Council member.

ARTICLE 3

CONFIDENTIALITY AND LEGAL PRIVILEGE

3.1 Confidentiality

(1) The Parties recognize that the confidentiality regimes under which they each operate are different and that each is bound by different duties and obligations with respect to information.

(2) If the AC intends to stipulate that certain information to be provided to the SC is to be treated as confidential, the AC will request written confirmation from SC Management that the SC will treat such information to be confidential, in accordance with the SC's confidentiality policy and/or any SC By-law (as applicable). The SC will not release any information that is to be treated as confidential to any stakeholders or other interested parties.

(3) The AC will treat certain information provided to it by the SC as confidential if so requested by the SC.

3.2 Legal Privilege

(1) In providing advice, assistance and technical support to the SC, the AC may take into account external legal, actuarial and other third party advice, even if it does not expressly indicate that it has done so. The AC may recommend that the SC seek its own legal advice with respect to an issue and may further suggest appropriate counsel (which counsel may be the same counsel the AC has used in the past with respect to similar issues). The SC acknowledges that such advice, assistance, technical support or recommendation from the AC will not create a solicitor-client relationship between AC legal staff and the SC and that such a relationship is not the intention of the SC or the AC. The SC may also obtain its own independent legal advice on any advice, assistance and technical support provided to it by the AC.

(2) When AC Management is considering the legality of a proposed plan change, consideration will be given to requesting a joint legal opinion on behalf of the SC as well as the AC so that the legal opinion can be shared with the SC while maintaining any privilege in respect of the opinion.

(3) The Parties are not obliged to share memoranda, opinions or third party advice that they obtain in the course of carrying out their respective duties and responsibilities.

(4) Notwithstanding paragraph (3), on a case-by-case basis, either Party may provide its legal memoranda, opinions or advice to the other, with no guarantee that solicitor-client privilege will be retained.

ARTICLE 4

DISPUTE RESOLUTION

4.1 Dispute Resolution

(1) The AC and the SC shall follow the processes set out in *Touchpoint 2 – Dispute Resolution Between the AC and the SC* ("**Touchpoint 2**"), for resolving disagreements between them that arise in the course of carrying out their respective roles, responsibilities and duties in the sponsorship and administration of the OMERS Pension Plans including the interpretation or application of the MOU and, for greater certainty, the Touchpoints.

(2) Except where expressly agreed to otherwise by the Parties, they agree to be bound by the obligations, processes and other terms of Touchpoint 2.

ARTICLE 5

AMENDMENT AND TERMINATION

5.1 Amendment and Review

(1) This MOU may only be amended by the Parties by instrument in writing executed by each Party.

(2) At the request of either Party, the Joint Council will review the content and application of this MOU as required with the objective of determining whether and when any amendment should be made to the MOU. Reasons for amendment may include, but not be limited to: changes in applicable law or to either Party's by-laws; or reports or recommendations concerning the OMERS Act, the PBA or any other applicable law.

(3) The Parties will amend this MOU if its operation is contrary to applicable law or will have a material negative impact on the OMERS Pension Plans or on the performance of the Parties' respective roles and responsibilities under the OMERS Act.

5.2 Term

The term of this MOU shall commence on January 1, 2017 and continue until terminated by: (i) either Party with six (6) months prior written notice to the other; or (ii) mutual written agreement of both Parties, effective as of the date specified in such written agreement.

ARTICLE 6

GENERAL

6.1 Joint Protocols - 2012 Review and 2009 Framework Agreement

This MOU supersedes the four Joint Protocols – 2012 Review that were agreed to by the Parties relating to (i) amendments to the OMERS Pension Plans; (ii) membership growth; (iii) the actuarial assumption setting process; and (iv) OMERS Investment Management, and such protocols have no further force and effect. The Parties acknowledge and agree that the subject matters of the Joint Protocols have been addressed in this MOU or in the 2020 OMERS Strategy. This MOU supersedes the 2009 Framework Agreement and the 2009 Framework Agreement has no further force and effect.

6.2 Governing Law

This MOU shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in such Province.

6.3 No Third Party Beneficiary

This MOU is intended solely for the benefit of the Parties hereto and nothing herein shall be construed or deemed to confer any rights in or upon any person or entity other than the Parties.

IN WITNESS WHEREOF the Parties have executed this MOU as of the date first above written.

OMERS ADMINISTRATION CORPORATION

By: George L Cooke
Name: George Cooke

Title: Chair of the Board

By: [Signature]
Name: Michael Latimer

Title: President & Chief Executive Officer

OMERS SPONSORS CORPORATION

By: Marianne Love
Name: Marianne Love

Title: Co-Chair

By: Frank Ramagnano
Name: Frank Ramagnano

Title: Co-Chair

OMERS ADMINISTRATION CORPORATION

- and -

OMERS SPONSORS CORPORATION

MEMORANDUM OF UNDERSTANDING

SCHEDULE "A" - TOUCHPOINTS

SCHEDULE "A"
MEMORANDUM OF UNDERSTANDING TOUCHPOINTS

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MEMORANDUM OF UNDERSTANDING

Touchpoint 1 - General Principles of Cooperation

1. The Parties will support each other and work collaboratively in carrying out their respective roles and responsibilities in managing and governing the OMERS Pension Plans.
2. The Parties will work collaboratively to prepare a single strategic plan for OMERS. The Parties will review the strategic plan regularly and update the plan as appropriate. In addition, the Parties will work together to publish one joint annual report, with a clear separation of information which respects the distinctiveness of their roles and responsibilities.
3. While recognizing their distinct roles and responsibilities under the OMERS Act, each Party will consult the other on areas of mutual concern that may have a material impact on the other (e.g., AC Board appointments and compensation, communications, government relations, stakeholder relations).
4. The Parties will exchange information and communicate decisions with one another as appropriate in a timely manner, in order for each Party to carry out its responsibilities under applicable law.
5. The funding of the OMERS Pension Plans is a joint responsibility of the AC and the SC. The Parties acknowledge and agree that the OMERS funding process is governed by the AC's Funding Policy and Statement of Investment Policies and Procedures, and the SC's Statement of Plan Design Objectives and Strategy, for each of the OMERS Pension Plans. The Parties will work collaboratively in managing the OMERS funding process.

MEMORANDUM OF UNDERSTANDING

Touchpoint 2 - Dispute Resolution between the AC and the SC

Process

1. It is the intention of the AC and the SC to work in a collaborative manner and to minimize the prospect of disagreements arising between the Parties. In the event disagreements do arise in the course of carrying out their respective roles, responsibilities and duties in the sponsorship and administration of the OMERS Pension Plans, including without limitation, the interpretation or application of this MOU and for greater certainty the Touchpoints, the AC and the SC will employ the following process for resolving such disagreements.
2. The Parties will resolve disputes through escalating levels as set out below. However, by agreement, the Parties may pass over any step to proceed to the next course of action, or extend the timeframe of any step in the process.
3. Unless the Parties agree otherwise, neither Party shall initiate judicial or other proceedings in respect of any dispute prior to the time prescribed in paragraph 15 below.

Step 1 - Senior Management Discussion:

4. The AC CEO or a delegate and the SC CEO or a delegate will attempt to resolve the dispute through direct discussion between them. If they reach a resolution where Board approval is required or desired, they will present their recommendation to the AC Board and the SC Board for approval within 15 days of the date they reach a resolution.
5. If they are unable to agree between themselves to a resolution within 15 days after the issue was first presented by one of them to the other or if any proposed resolution reached by them is not thereafter approved by either the AC Board or the SC Board (where such Board approval was required or requested), the Joint Council will meet to resolve the dispute within 30 days after the issue was first presented by one Party to the other, or if any proposed resolution was rejected by the AC Board or the SC Board, within 45 days after the issue was first presented by one Party to the other.

Step 2 – Joint Council Discussion with Non-Binding Facilitation:

6. The Joint Council will seek to resolve the dispute within 30 days following the date upon which it first meets to consider the dispute. The Joint Council may agree to employ a mediator/facilitator ("Facilitator").
7. Any Facilitator will be chosen by the Joint Council. The conduct of any facilitation will be as prescribed by the Facilitator. If, with or without facilitation, the Joint Council is able to reach a resolution, it will present its recommendations to the AC Board and the SC Board for approval within 15 days.
8. If the Joint Council is unable to resolve the dispute within 30 days after the date upon which it first meets to consider the dispute or if any proposed resolution is not thereafter approved by either the AC Board or the SC Board, the matter will be forthwith referred to non-binding neutral evaluation ("Evaluation").

Step 3 – Non-Binding Neutral Evaluation:

9. The Evaluator (as defined below) shall be chosen and retained in the manner described in paragraphs 17-19 below.
10. The Evaluator will provide a non-binding independent assessment of the question in accordance with all appropriate principles of law and equity.
11. The Parties shall make written submissions to the Evaluator as follows:
 - The Party which first raised the issue under paragraph 5 above shall provide its written submission to the Evaluator and the other Party no later than 10 business days following the date upon which the Evaluator executes the retainer agreement pursuant to paragraph 19 below;
 - The other Party shall within 10 business days following receipt of such submission provide its written responding submission to the Evaluator and the other Party; and
 - The first Party may within 5 business days after receipt of the responding submission provide a written reply submission to the Evaluator and the other Party.
12. Except as specifically provided herein, the procedures for the Evaluation shall be in the discretion of the Evaluator taking the interests and submissions of the Parties into account. The Evaluator may, at his or her discretion, schedule a hearing to receive oral presentations no later than 15 business days following the date for receipt of the final written submission.
13. Formal proof of the facts relied upon by the Parties in the Evaluation process shall not be required and viva voce evidence shall not be entertained at any oral hearing.
14. Within 15 business days of the later of
 - (i) the date for receipt of the final written submission pursuant to paragraph 11 above
 - and
 - (ii) the date upon which any oral hearing is concluded,the Evaluator will provide to the Parties an independent written non-binding assessment of the question in accordance with all appropriate principles of law and equity.
15. If the dispute remains unresolved for any reason 20 business days following receipt by the Parties of the Evaluator's assessment, the Parties are free to pursue further legal remedies to resolve the matter.
16. All material presented in the Evaluation is without prejudice and shall not be disclosed to any third party. The assessment and any other documents produced by the Evaluator shall be kept confidential by the Parties and not shared with any third parties, nor offered as evidence in any other arbitration or judicial or other proceeding, whether related to the matter or not.

Other Procedural Matters:

17. The Joint Council will seek to identify and engage a person who they believe is qualified and willing to act as a neutral and independent evaluator ("Evaluator") within 30 days following referral of a matter to Evaluation pursuant to paragraph 8 above.

18. If the Joint Council is unable to agree on the engagement of an Evaluator within the 30 day time limit stipulated in paragraph 17 above, then either Party may contact ADR Chambers Canada (or its successor, if applicable) to identify and engage the person who is a retired judge and has the most experience as a judge to request that such person recommend a person to act as the Evaluator. The Parties agree to then engage, in accordance with paragraph 19, such a recommended person as the Evaluator, within 20 days of receipt of the recommendation from ADR Chambers Canada (or its successor).
19. The Parties shall each offer to enter into a retainer agreement with the chosen Evaluator on the terms set out in Attachment 1 and shall execute a retainer agreement with the Evaluator on these terms subject to such changes as may be reasonably requested by and agreed to with the Evaluator.
20. To the extent that the Parties incur reasonable costs in participating in any stage of this dispute resolution process, such costs will be reimbursed from the OMERS Pension Plans as permitted under applicable laws and *Touchpoint 5 - SC Costs, Reimbursement and Support*.
21. No time limit set out in this Touchpoint shall be waived or altered except pursuant to the express written agreement of the Parties.

Attachment 1:

Neutral Evaluation Agreement (Sample)

Touchpoint 2 - Dispute Resolution between the AC and the SC

Attachment 1 - Neutral Evaluation Agreement (Sample)

AMONG:

A: OMERS Administration Corporation ("AC")

B: OMERS Sponsors Corporation ("SC")

(together the "Parties" and individually, a "Party")

and

C: _____ (the "Evaluator")

The Evaluator and the Parties agree to a neutral evaluation ("Neutral Evaluation") as follows:

1. In accordance with Touchpoint 2 of the Memorandum of Understanding between the AC and the SC dated January 1, 2017 ("Touchpoint 2"), appended hereto in its entirety, the Evaluator shall provide a written non-binding assessment of the dispute submitted to him/her having regard to all appropriate principles of law and equity within the time period set out in Touchpoint 2.
2. The Evaluator is independent of the Parties and does not act as a legal representative of any Party during the Neutral Evaluation. The Evaluator does not offer legal advice nor does he or she have a duty to assert or protect the legal rights of any Party or to raise any issue not raised by the Parties.
3. Subject to Touchpoint 2, the Evaluator may determine the procedures to be followed for the Neutral Evaluation, including the provision of support and resources from the Parties or from third parties.
4. The Parties agree to jointly and severally indemnify and save the Evaluator harmless from any and all liability, costs, claims, demands, proceedings and causes of action howsoever arising under this Agreement or as a result of the conduct or consequences of the Neutral Evaluation, provided the Evaluator has carried out his or her duties honestly and in good faith. The Evaluator will not be liable to the Parties for any act or omission in connection with the duties of the Evaluator under this Agreement and shall have the immunity of a Judge of the Superior Court of any province or territory of Canada where the Neutral Evaluation is rendered or the Neutral Evaluator is resident.
5. The appointment of the Evaluator and any rights arising out of this Agreement, are personal to the Evaluator and may not be assigned without the prior written consent of the Parties.
6. Following the completion and/or termination of the Evaluation, according to its terms, the Evaluator shall not consult with, advise, or represent any Party in subsequent proceedings relating to this matter and shall not testify in any litigation or other proceeding relating to this matter.
7. By signing this Agreement, the Parties and/or their representatives, acknowledge that any statements made, which cannot be obtained from any other source, are confidential, without prejudice and privileged.

8. Statements made and documents produced by the Evaluator, which are not otherwise discoverable, shall not be subject to disclosure through discovery or any other process and shall not be admissible into evidence for any purpose, including impeaching credibility. Evidence that is independently admissible or discoverable shall not be rendered inadmissible or non-discoverable by virtue of its use during the Neutral Evaluation.
9. Nothing in this Agreement shall require the Parties to disclose solicitor/client communication, or any documents or information subject to privilege.
10. The Parties agree that the notes, records and recollections of the Evaluator shall, to the extent permitted by law, be confidential and protected from disclosure for all purposes and that, in any proceeding, no attempt will be made to compel the Evaluator to testify or produce any documents. The Evaluator will hold in strict confidence and will not reveal, copy or disclose to any person, any documents or information provided to the Evaluator or to which the Evaluator gains access in the course of performing duties or discharging responsibilities under this Agreement, without the prior written permission of the Parties.
11. The Parties agree that they will not call the Evaluator as a witness for any purpose whatsoever. No Party will seek access to any documents prepared for or delivered to the Evaluator in connection with the Neutral Evaluation, including any records, notes or materials made by the Evaluator.
12. The Parties agree that as between them and the Evaluator they are jointly and severally liable for the fees and disbursements of the Evaluator and that the Parties have agreed that the said fees and disbursements will be paid according to the procedures referred to in Touchpoint 2.
13. The Evaluator's role with respect to the Neutral Evaluation in question will conclude upon delivery of a written report of the Neutral Evaluation.

Signed by the Parties and the Evaluator this _____ day of _____, 20_____.

Appendix:

Touchpoint 2 – Dispute Resolution between the AC and the SC

MEMORANDUM OF UNDERSTANDING

Touchpoint 3 - OMERS Plan Funding Process

Process

Funding of the OMERS Pension Plans is a process which spans the calendar year. The key steps and timing are outlined below:

Q1	<p>Prior to the AC's final approval, the AC and the SC review the actuarial assumptions and methods and actuarial valuation results for the prior calendar year end (in February).</p> <p>The AC approves the actuarial assumptions and methods and actuarial valuation results, and the financial statement disclosures for the prior calendar year end (in February).</p> <p>Projections are prepared for both the AC and the SC (in March) for the period set out in the AC's Funding Policy.</p> <p>The SC finalizes decisions on any plan change proposals ("Proposals"), such as contribution rates, benefits and other plan changes, to be considered in the current year cycle (in March).</p>
Q2	<p>The SC confirms the RCA Allocation Threshold for the following calendar year.</p> <p>Pursuant to SC By-Laws, the SC decides on whether to amend, reject, approve, or proceed with the mediation and arbitration process respecting Proposals under review by June 30.</p> <p>The SC decides whether to file the valuation reports with the regulators more frequently than is required under the PBA.</p>
Q3	<p>The AC files plan amendments and valuation reports with the regulators where applicable.</p>
Q4	<p>The AC and the SC review the preliminary actuarial assumptions and methods for the current calendar year end and the projection scenarios for the next calendar year.</p> <p>The SC reviews Proposals for consideration for the next calendar year.</p>
Q1 – Q4	<p>The AC conducts, as determined necessary by the AC or when agreed to by the AC and the SC, contribution rate, experience and asset liability studies in support of the funding process.</p>

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Touchpoint 4 - Communications

Members, Employers and Stakeholders (collectively, "Constituents")

1. The AC will be responsible for communications with members and employers in compliance with its duties as the administrator of the OMERS Pension Plans. The AC will provide all technical and administrative information for inquiries from Constituents and other interested parties, subject to its policies, disclaimers and any legal or regulatory requirements.
2. The SC will be responsible for communications with sponsors and other stakeholders in alignment with its distinct roles and responsibilities. "Stakeholders" are sponsors, unions and associations that represent either members or employers who have interest or influence over plan design, but do not directly contribute to the OMERS Pension Plans in respect of members.
3. To ensure consistent messaging and leverage synergies, each of the AC and the SC will confer with the other on communication of material matters with their respective Constituents.
4. A joint communications plan will set out the objectives, general activities and execution parameters for delivering on the above.

Public Relations

5. In carrying out external communications with those who are not Constituents, the AC and the SC will be jointly responsible for the development and management of external public relations on matters which materially impact both Parties.
6. The AC will engage key audiences in the news media and in the pension and finance sectors, partnering with the SC on items that impact the SC or relate to its distinct roles and responsibilities.
7. The AC will provide all reasonable levels of support the SC needs to deliver any external public relations strategy with its key audiences regarding SC responsibilities under the OMERS Act and other applicable law on an effective and expeditious basis. These initiatives will build, promote and protect OMERS reputation (for both the AC and the SC).

Government Relations

8. The Parties will coordinate government relations efforts with respect to initiatives that materially impact both Parties. No action will be taken by either the AC or the SC which materially affects the other without engagement of the other Party.
9. A joint government relations plan will set out objectives, key areas of focus and processes for delivering the plan, recognizing the respective roles and responsibilities of the AC and the SC.
10. Each Party will have the primary responsibility with respect to legislative and regulatory changes impacting its respective statutory roles and responsibilities.

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Touchpoint 5 - SC Costs, Reimbursement and Support

Principles

1. Pursuant to the OMERS Act, the AC has the responsibility to provide to the SC:
 - information, advice, assistance, and technical and administrative support; and
 - reimbursement of costs incurred by the SC which the AC believes may be lawfully paid.
2. In the spirit of cooperation, the AC intends to provide as much support and reimbursement to the SC as is permitted by law, taking into account the different roles and responsibilities of the AC and the SC. The SC intends to cooperate with the AC by providing the AC with any information the AC requires in conducting its due diligence process with respect to support and reimbursement.
3. Any support or reimbursement of the SC by the AC must comply with the following:
 - the OMERS Act, PBA and *Income Tax Act* (Canada);
 - the February 6, 2008 decision of Justice Archibald of the Ontario Superior Court of Ontario;
 - the Joint Protocol between the AC and the SC signed June 27, 2007 ("Joint Protocol");
 - the AC's Support and Reimbursement Policy and Guideline, as amended from time to time;
 - this Touchpoint; and
 - protocols and procedures agreed upon by the AC and SC Management from time to time, clarifying support and reimbursement processes and requirements.

In the event of conflict, requirements of a higher-listed document override those of a lower-listed document.

4. The AC will not provide any support or pay any SC expenses that is/are not lawfully permitted.
5. The AC recognizes that the function and business needs of the SC may be different from that of the AC and will take this into consideration when determining whether expenses are reimbursable. Generally speaking, "sponsor-type" expenses would not be reimbursed (e.g., caucus expenses).
6. The SC will endeavour to notify and discuss reimbursement from the AC before incurring new types of expenses or non-recurring expenses, to confirm that the AC will reimburse for the proposed expense (e.g., conferences, consultants, new staffing positions, potentially duplicative work).

MEMORANDUM OF UNDERSTANDING

Touchpoint 6 - SC Levy

Principles

1. No more frequently than once every three years, the SC may initiate a process to collect a fee from active members and participating employers ("Levy") for the purposes of funding a separate account to pay SC costs that may not lawfully be paid out of the funds of the OMERS Pension Plans.
2. Once the SC determines to collect a Levy, the SC will inform the AC of its intent and the Parties will work collaboratively to design a collection process, including timelines and communications plans. The process will provide active members and participating employers sufficient time to reasonably comply.
3. The AC will administer the collection process, including distribution of communications, and will keep the SC apprised of progress.
4. The costs incurred by the AC in relation to the Levy will be paid by the SC in advance or as a set off against Levy amounts collected by the AC.