

# OMERS Administration Corporation

## GOVERNANCE & RISK COMMITTEE MANDATE

### Purpose

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

### Responsibilities

The Committee fulfills its purpose by:

#### Governance

1. approving and implementing regular performance assessments of the AC Board, its Committees and individual Directors, assessing the governance effectiveness, and making appropriate recommendations to the AC Board;
2. approving the following to assist the AC Board in fulfilling its duties and obligations:
  - (i) an orientation program for newly appointed Directors;
  - (ii) a governance manual and director's handbook for AC; and
  - (iii) ongoing development, education and training for all Directors.

3. approving processes and procedures for the regular ongoing assessment of Board and Committee meeting effectiveness, including assessment of the quality and timeliness of information provided to the AC Board and its Committees;
4. 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;
5. recommending changes to AC's current approach to governance considering evolving governance trends, regulatory requirements, and best practices;
6. recommending to the AC Board changes to the mandate and role descriptions of the AC Board, each of its Committees, the Board Chair and Committee Chairs, as applicable;
7. reviewing and, if appropriate, recommending changes to the AC's Governance Principles, at least once every three years and annually reporting on the state of AC governance as a whole;
8. consulting with the AC Board Chair on the Chair's recommendations regarding Committee leadership and membership;
9. reviewing, as required, Management proposals relating to governance practices and policies regarding investment entities and approaches relating to portfolio companies;
10. assessing the competency requirements of the AC Board and recommending skills and experience requirements to the AC Board, and confirming the specific competencies of individual Directors;
11. reviewing policies approved by the AC Board and its Committees that are identified as the responsibility of the Governance & Risk Committee;
12. recommending to the AC Board proposals with respect to governance and related considerations involving the Sponsors Corporation, Sponsors and other stakeholders;
13. overseeing the AC's role with the Sponsors Corporation in the nomination process for AC Directors and the recruitment process for the AC Board Chair;
14. reviewing and recommending any amendments to the Committee's mandate annually and approving a work plan for the Committee;
15. reviewing the strategy and framework for how AC communicates with plan members and other stakeholders on issues such as financial results, pension plan matters and financial performance, the timely disclosure and effectiveness of such information and periodically reviewing the framework against objectives;
16. reviewing reports from Management relating to oversight of the government relations program;

**Risk**

17. monitoring and overseeing the AC's risk management framework, reviewing the framework at least every three years and recommending any amendments to the AC Board for approval;

18. reviewing, monitoring and overseeing the AC's risk governance structure including recommending the mandate of the risk group to the AC Board for approval;
19. reviewing, monitoring and overseeing the Risk Appetite Statements, including subsidiary risk appetite statements, on behalf of the AC Board for the Primary Plan and the Retirement Compensation Arrangement, ensuring that oversight of each risk category is assigned to the appropriate Standing Committee and, at least every three years, recommending the Risk Appetite Statements to the AC Board for approval;
20. liaising with the Risk Oversight Committee of the SC Board (and any successor to that Committee) to facilitate a holistic approach to OMERS risk;
21. overseeing, on behalf of the AC Board, risks assigned to the Governance & Risk Committee, including risks relating to the governance model, member & employer services, stakeholder relations & communications, information & technology, and business continuity & security;
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;

#### **Plan Administration**

23. overseeing, on behalf of the AC Board, plan administration issues, including:
  - i) reviewing pension administration systems and development programs;
  - ii) pension administration communication and education channels; and
  - iii) pension administration performance;

#### **Technology**

24. overseeing, on behalf of the AC Board:
  - i) the enterprise data & technology plan in support of the OMERS strategic plan;
  - ii) technology projects that have strategic significance, including governance and implementation;
  - iii) technology risk management and risk assessments; and
  - iv) OMERS approach to cybersecurity; and
25. reviewing reports from Management relating to oversight of the business continuity program (which for greater certainty will cover the full program and not just technology-related aspects).

#### **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 the mandate;
- work in conjunction with Management to ensure that the Committee fulfills its mandate and completes its work plan efficiently and effectively;
- move Committee 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

Following each Committee meeting, report to the AC Board on the activities, findings and any recommendations of the Committee. This will be accomplished by:

- the distribution of the minutes of all Committee meetings to all Directors; and
- an oral report at the next scheduled AC Board meeting.

### Other Matters

The Committee will:

- retain external advisors to provide governance expertise and any other support as required or deemed appropriate, following the AC Board-approved selection process;
- ensure members are provided with the appropriate resources and education to fulfill the Committee's responsibilities;
- generally, conduct *in camera* sessions at the end of its meetings; and
- annually evaluate the Committee's performance in fulfilling its mandate and report findings to the AC Board.

### Applicable Policies

The Committee is responsible for approving the following policies:

- Board Education and Expense
- Charities
- Director Remuneration
- Lobbying
- Political Donations
- Sponsors Corporation Support and Reimbursement

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

- Risk Appetite Statements of the Primary Plan and the Retirement Compensation Arrangement, including any subsidiary risk appetite statements
- Risk Management Framework

## HISTORY

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Effective Date: *November 19, 2020*

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*