

**Policy Sponsor:** CLO and Legal

**Summary:** Outlines the orientation program required for new Directors. **This policy must be approved by the Governance Committee.**

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## 1. INTRODUCTION

The requirement for Directors, though nominated by specific sponsors of the Pension Plans, to act as fiduciaries for the benefit of all members of the Plans, and the complexity of the investment management and plan administration businesses of the OAC, as well as the pension industry generally, means new Directors must be properly integrated as quickly as reasonably possible. The Director orientation program is designed to enable new Directors to actively contribute to the work of the OAC Board and is key to productive and effective boardroom participation and understanding of the OAC specifically and the pension business generally.

Properly oriented directors make better directors; better directors make more engaged boards; and engaged boards provide strategic value to the enterprise and to the CEO and management team.

## 2. ORIENTATION PROGRAM

Orientation activities are designed to be relevant, results-oriented and interactive. They will be scheduled as soon as practical following the new Director's appointment and consist of the following.

### 2.1 Approach

Some components of the orientation must be standardized to ensure consistency. To be most effective, the program is also tailored as much as possible for each Director to provide a forum where knowledge and experience gaps can be identified and proactively addressed (as opposed to a "one size fits all" approach). To this end, the Board Chair, assisted by the Board Secretariat, engages new Directors to find out what type of developmental assistance is needed. On completion of the initial session, the Board Chair will ask new Directors about their comfort level with the OAC's strategy, key functional areas, financial information and relevant accounting rules, and other aspects of the administration of the Plans. Based on this feedback, additional orientation sessions and materials can be developed for each Director. This input is intended to ensure the time and resources committed to the orientation process are well used.

### 2.2 Self-Study

The Corporate Secretary and Board Secretariat arrange for the following written materials to be provided to new Directors well in advance of the on-site orientation session:

- OAC Governance Manual;
- OAC Governance Handbook;
- most recent annual reports of the OAC and the SC;
- password access to the OAC's online Code of Conduct training and acknowledgement program; and

- lists of books, magazines, websites, and other resources, as well as opportunities for ongoing education and training that may be useful.

### **2.3 Formal Meetings**

The core element of the new Directors orientation program is formal on-site meetings with the Board Chair and Senior Management to provide new Directors the opportunity to communicate directly with the individuals leading the OAC Board and running the Plans. Participation is mandatory and consists of two half-day sessions.

The meetings will be concentrated to maximize efficiency and make wise use of the Director's time. Covering materials should be forwarded to the Directors in advance of the visits to encourage maximum exchanges of information, time for questions and quick follow-up on any items raised but not resolved during the discussions.

The Board Secretariat distributes a schedule of meetings to all participants in advance of each orientation session and provides support to participants in preparing for the sessions. The meetings include the following participants (or their designates) and topics:

#### **2.3.1 Board Chair**

The OAC Board's culture, meeting protocol, relationship with Management, and the Director's role, expected contribution, including committee assignments;

#### **2.3.2 COO**

An introduction to the OAC and the Plans, the corporate mission and values, the OAC's position within the pension industry, industry trends and developments; the relationship with the SC, accountability and business process generally;

#### **2.3.3 CLO, Corporate Secretary and VP Compliance**

A corporate governance briefing on the legal and ethical environment of the pension business, particularly on fiduciary duties, Director's oversight obligations, harassment and discrimination and personal trading of securities; and

#### **2.3.4 Enterprise Senior Leadership Team**

Business strategy and plan administration at each of the business divisions and Investment Entities.

### **2.4 Informal Meetings with Other Directors**

Private meetings (e.g., off-site lunches) with other Directors provides a valuable opportunity to establish rapport and understand the Board's dynamics. Time with Committee Chairs in an informal setting will be given priority and is arranged by the Board Secretariat.

New Directors are strongly encouraged to take full advantage of opportunities for social interaction with all Directors as a means of building consensus by getting the Directors comfortable with each other and their respective experiences and perspectives.

### **2.5 Mentoring**

A key challenge facing most new Directors is understanding and navigating the "softer" side of the OAC Board. To address this, the Board Chair assigns an incumbent Director as mentor to new Directors to assist them with issues they encounter during their first year of service. The primary goal is to give new Directors access to a source of information about issues that may be difficult to raise otherwise, such as the workings of the Board and relational dynamics, as well as providing the new Director with timely and constructive feedback on their contribution.

**3. REPORTING**

As part of its commitment to transparency to Plan sponsors and members, the Governance Committee will annually consider information regarding Director participation and completion of the new Director orientation program to be included in the OAC's Annual Report as part of reporting on OMERS approach to good governance.

**HISTORY**

Effective Date:	March 26, 2009
Approval Dates:	A new policy that was formerly part of the <a href="#">Director Education Policy</a>
Next Scheduled Date for Review:	March 2012