

Policy Sponsor: CLO and Compliance

Summary: Describes insider trading prohibitions on institutional trading and on personal trading by all employees and Directors of OMERS Enterprise. Also includes additional reporting and other restrictions on trading by Access Persons in personal accounts, as well as procedures for maintaining Restricted Lists. **This policy must be approved by the Audit Committee.**

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1. LEGAL REQUIREMENTS

This policy and related procedures are designed to prevent and detect violations of regulatory and fiduciary legal requirements relating to securities trading for the Funds (collectively, “Institutional Trading”) and personal trading by Directors and employees within OMERS Enterprise (collectively, “Individuals”). Its purpose is to:

- protect Individuals against inadvertent violations of these requirements,
- safeguard against the fact or appearance of Individuals profiting from knowledge gained through their position within OMERS Enterprise, and
- demonstrate to OMERS stakeholders and regulators that OMERS Enterprise has reasonable and effective controls in place to ensure compliance with legal requirements.

1.1 Fiduciary Obligations & Conflicts of Interest

Every Individual owes a fiduciary duty to the Plans which requires that they place the interests of the Plans ahead of their personal interests and not use their position with OMERS Enterprise for personal advantage. This prohibits Individuals from trading in their personal accounts using knowledge of anticipated Institutional Trading or portfolio information (i.e. front-running). It also prohibits receiving special treatment or investment opportunities for personal accounts not generally available to the public (e.g. gifts of hot IPO allocations) that are offered by a party seeking to do business with OMERS Enterprise or influence its investment decisions.

1.2 Trading with Inside Information

From time to time, Individuals may have access to information about public companies¹ from markets around the world. This information is “Inside Information” if it:

- relates to specific securities or a specific company (i.e. it is not about a sector or region)
- is material (i.e. if known, would reasonably be expected to have a significant effect on the market price or value of the company’s securities, such as information about a reorganization, acquisition, financing, new business or product innovation, significant change in earnings or credit arrangements, or departure of a senior executive); and
- has not been publicly disclosed (i.e. it has not been disseminated through a press release, regulatory filing or shareholder or open analyst meeting).

Securities laws generally prohibit trading in securities using Inside Information, whether for the Funds or in personal accounts. We are also prohibited from disclosing Inside Information to others (“tipping”) except in the necessary course of business. The OAC [Code of Conduct](#) and similar Investment Entity Policies describe the basic obligations of Individuals having access to confidential information, including Inside Information, in the course of their duties. Individuals, particularly portfolio managers, analysts and other investment personnel who have contact with senior officers of public companies and others in the investment industry, must assess any information they receive from these contacts and determine that it is not Inside Information before trading or recommending trading in the securities of those companies.

If you think you may have received Inside Information always contact a member of your legal team immediately to determine whether it is Inside Information and what action if any needs to be taken.

¹ The term “company” is used in this policy in the broad sense meaning any form of separate business entity (e.g. corporation, trust, partnership, etc.) A company is considered “public” if its securities are traded publicly (e.g. it is a reporting issuer or its securities are registered for trading under the securities laws of any country).

2. TRADING RESTRICTIONS

OMERS Enterprise must fully comply with securities laws and meet its fiduciary duties to the Plans. Individuals managing the Fund's investments may be restricted in fulfilling their fiduciary role if they possess, or if OMERS Enterprise is considered to possess, Inside Information. Therefore it is essential that we accurately determine whether an Individual or group has received Inside Information and, where appropriate and possible, take action to isolate the Inside Information, such as through ethical wall procedures, to preserve the ability to manage the Fund's investments.

The subsections below discuss the common types of situations in which Individuals or groups may receive Inside Information about a company and the facts to consider in determining whether it is Inside Information. It is not exhaustive. When in doubt the matter should be discussed with Investment Entity legal or compliance personnel. The Black List is part of the Restricted List and is described more fully in section 4. Specific Black List Add/Remove Procedures are set out in Appendix B.

2.1 Proposed Transactions

Information received from a public company in the course of negotiations or to enable due diligence for a proposed transaction is often considered to be Inside Information. However, the determination of when Inside Information has been received and whether it continues to be Inside Information is not always clear. The determination must be made carefully and with legal input in order to comply with the law while avoiding unnecessary restrictions on Institutional Trading.

Example 1: An Investment Entity enters into a confidentiality agreement with a public company and receives financial projections in the course of its due diligence for a proposed financing transaction. If the projections were previously undisclosed, and differed from published analyst expectations, they would likely be considered Inside Information. However, once actual results are published for the period covered by the projections or significant variances exist between the projections and actual results for part of the projection period, the projections would not likely be considered material. The information in the projections would remain confidential under the agreement and therefore could not be disclosed to anyone, but it would likely no longer be considered Inside Information and, if so, Institutional Trading in the securities would no longer be prohibited.

Example 2: Where an Investment Entity is considering a significant equity investment of treasury shares in a public company, the potential investment would be Inside Information until it is publicly announced or abandoned. However, even after the announcement, subsequent changes to the proposed transaction may be material and as a result of negotiations with the issuer OMERS may be privy to further Inside Information. Whether OMERS continues to have Inside Information must be carefully monitored and determined on an ongoing basis.

Once a determination is made that an Individual or group within OMERS Enterprise has or is about to receive Inside Information regarding a proposed transaction, one of two courses of action must be taken:

- The company is added to the Black List to prevent Institutional Trading in the shares (other than as part of the proposed transaction). This would be appropriate where OCM does not have material holdings in the company; or
- Where appropriate and approved by the CIO, ethical wall procedures are implemented around the working group responsible for the transaction to preserve OCM's ability to manage existing holdings.

In either case, the Inside Information may only be shared with other Individuals or external parties as required in the necessary course of business.

2.2 Confidentiality/Standstill/Lockup Agreements

Where a proposed investment transaction involves a public company, subject to the holdings check process described in Appendix B, an Investment Entity may enter into a confidentiality, standstill, or lock up agreement regarding the public company's securities. These agreements impose contractual obligations that are in addition to insider trading limitations. The agreement may prohibit all Institutional Trading or may prohibit an Investment Entity, its officers and directors and affiliates from trading in any of the issuer's securities, trading in the common shares only, or only sales of shares, or may permit all normal course trading, or only index trading, for a specified period. Depending on the provisions in the agreement, it may be necessary to add the company to the Black List when the decision is made to enter into the agreement. Individuals negotiating these agreements should consult their legal team and, if appropriate, seek to have these agreements reflect any ethical wall procedures in place in order to minimize the restrictions on Institutional Trading.

2.3 Ongoing Involvement

Employees within OMERS Enterprise may sit on the board of or be involved in managing a public company, whether on behalf of OMERS or personally, and as a result have access to Inside Information (i.e. access to earnings information, financial statements or material business changes). OMERS Enterprise will be considered to have this Inside Information unless the Individual is able to be isolated through ethical wall procedures from Individuals responsible for Institutional Trading. These situations must be reviewed and addressed on a case by case basis by the Investment Entity legal or compliance personnel.

Members of the OAC Board who also sit on public company boards must report these directorships to the Compliance team under the Code of Conduct. As OAC Directors they are responsible for declaring potential conflicts of interest with OMERS and preventing disclosure of Inside Information they have about other companies to OMERS. In addition, OAC Compliance advises the Corporate Secretary and Board Secretary of these directorships to enable monitoring of OAC Board agendas and materials before distribution. This monitoring is intended to prevent Directors from inadvertently becoming advised of or being involved in confidential proceedings relating to the public companies in which they are directors.

2.4 Isolated Instances

An Individual may receive information about a public company outside of a proposed transaction. If it is not clear whether the information is Inside Information, the Individual should consult with Investment Entity legal or compliance personnel.

Example 3: Where it is widely anticipated that a company is about to do a significant financing and the company's underwriters are pre-marketing by soliciting interest in a private placement offering at varying prices, OMERS receipt of this pre-marketing information may or may not be considered material depending on the circumstances. However, the final pricing or other firm details of the offering would likely be considered material information and the company would be required to make a public announcement once these details were decided. If OMERS had knowledge of the final details, Institutional Trading in the company's outstanding securities would likely be prohibited before the announcement is made, as would tipping others with that information.

Individuals who have received Inside Information outside of a proposed transaction must not trade in the securities or disclose the Inside Information to anyone, except to obtain advice from Investment Entity legal or compliance personnel. If appropriate ethical wall procedures are implemented to isolate the Individual and keep the information confidential, OCM may be permitted to continue Institutional Trading in the company's securities.

Individuals who may have received Inside Information must contact Investment Entity legal or compliance personnel immediately and advise whether their responsibilities include trading or advising on that company, and whether any other employees are aware of the Inside

Information. Investment Entity legal or compliance personnel, with input from OAC Compliance, will determine whether:

- to add the company to the Black List; or
- a temporary ethical wall or reassignment of the employees' duties is appropriate.

Once the information has been disclosed or is determined not to be Inside Information, Investment Entity legal or compliance personnel will advise all affected employees that the issue has been resolved.

3. PERSONAL TRADING RESTRICTIONS

The restrictions on Individuals' personal trading are more stringent than those that apply to Institutional Trading because they address both insider trading prohibitions and fiduciary duties to avoid conflicts of interest with OMERS Enterprise. Individuals must not trade in securities of a company, or in related derivative securities,

- if they have or are deemed to have Inside Information about the company,
- using their knowledge of Institutional Trading or trading intentions for their personal advantage, or
- where the trade provides a benefit to the Individual that is not generally available to public investors and the trading opportunity is given by a party doing or seeking to do business with OMERS Enterprise or influence its investment decisions.

In addition to the above prohibitions applicable to all Individuals, specific further restrictions designed to prevent and detect prohibited trading are imposed on Access Persons as set out below. These include pre-clearance of trades, disclosure obligations, and trading restrictions related to limited investment opportunities and broker preferences (collectively, the "Restrictions").

3.1 Access Persons

An "Access Person" is anyone with influence over, or access to information about, proposed Institutional Trading, trading strategies or holdings in public companies that could be used for personal benefit. This includes Individuals involved in recommending or making investment decisions or who have access to systems containing investment information. It also includes those working with or in close proximity to persons involved in decision-making who regularly have the opportunity to see written information or hear discussions relating to investments. It may also be necessary to temporarily designate as Access Persons, Individuals who are not ordinarily considered Access Persons if they are identified as potentially having access to Inside Information that could be used for personal benefit, despite not having such access in the normal course. Appendix A is a list of positions and business areas whose employees are considered Access Persons.

3.2 Covered Accounts

The Restrictions apply to trades in all personal brokerage accounts (which may include RRSP, RESP and TFSA accounts) for which an Access Person directs trading, has trading authority, or gives investment advice about specific securities ("Covered Accounts"). This would include accounts of family members or associates if the Access Person influences trades in their accounts. It would exclude accounts:

- managed by a portfolio manager on a discretionary basis, or held in a blind trust;
- held in the Access Person's name, alone or jointly with another, if the Access Person does not have trading authority or influence trades made for the account; or
- in which only exempt trades are permitted (i.e. an account with a mutual fund dealer, bank, or insurance company).

For reporting purposes (see section 3.9 below) there are two types of Covered Accounts:

3.2.1 Trading Accounts

Any Covered Account in which non-exempt trades are made or in which both exempt and non-exempt trades are made.

3.2.2 Segregated Accounts

Any Covered Account in which only exempt trades are actually made, until such time as a non-exempt trade is made.

3.3 Exempt Trades

The Restrictions do not apply to trades where:

- neither Institutional Trading nor personal trading could affect the price of the securities, the securities are easily available and the Individual does not have Inside Information about the securities or the company; or
- the Access Person does not influence the trade or its timing.

Examples of exempt trades include trades that are:

- in bank deposits or guaranteed investment certificates;
- in debt securities issued or guaranteed by a government entity or by a world or regional development bank or monetary fund;
- in corporate debt instruments with maturities of 90 days or less;
- in units of open ended mutual funds, segregated funds, or pooled trust funds, or of exchange traded funds (ETFs);
- purchases made under automatic dividend reinvestment (DRIP) or share purchase plans, but not sales from these plans made at the direction of the Access Person;
- the result of a corporate action or expiry of a right (involuntary trades);
- in index products (options, futures or other derivatives that track published indices); or
- in commodities or derivatives on commodities.

If you are unsure as to whether a proposed trade is exempt, either contact Investment Entity legal or compliance personnel for confirmation prior to trading or pre-clear the trade.

3.4 Pre-clearance of Trades

3.4.1 The PTA System

All trades in Covered Accounts, other than exempt trades, must be pre-cleared through the OMERS PTA system by following the procedures set out in Appendix C. In limited circumstances pre-clearance may also be obtained from OAC Compliance by email or telephone (i.e. Access Persons without access to a computer or who have not yet received PTA access).

Pre-clearance to trade will only be granted if at the time of the request:

- the Access Person certifies that s/he is not aware of any pending or contemplated Institutional Trades in the securities and is not aware of any Inside Information regarding the company; and
- the company is not listed on the Restricted List (see section 4).

3.4.2 Pre-clearance Limits

Trades in each Covered Account must be pre-cleared separately. However, a single transaction pre-clearance may be used to cover multiple trades of the same security in the

same account. Where pre-clearance is declined, the Access Person should avoid disclosing to the broker that the company is on the Restricted List.

Pre-clearance grants the Access Person permission to trade the same day only. If the trade is not executed the same day, it must be pre-cleared again the next day. International trades must be executed before the opening of markets in Canada the next day (i.e. 9:00 am E.S.T., Toronto time).

Where pre-clearance is granted and the company is subsequently put on the Restricted List, the pre-clearance will be revoked. The Access Person will be advised of the revocation and must immediately make best efforts to instruct his or her broker not to execute further trades. However, trades made prior to being advised of the revocation in reliance on the initial pre-clearance will not violate the pre-clearance requirement.

3.4.3 Limit or Stop-Loss Orders

Limit or stop-loss orders may not be used to extend pre-clearance beyond the one day limit. The order must be pre-cleared daily.

3.4.4 Pre-clearance for Options

Each trade in a Covered Account to buy, sell, or exercise an option requires separate pre-clearance of the underlying securities. However, pre-clearance is not required to allow expiry of an option. Nor is pre-clearance required when an option is closed out as a result of action by a third party buyer to exercise an option previously sold from the Covered Account.

3.5 Short Term or Frequent Trading

Frequent trading may create a perception that employees are using their access to information that is not available to public investors to profit personally. Access Persons are therefore discouraged from making frequent opposite or in-and-out trades (a buy following a sell, or sell following a buy) in the same or equivalent security within a short period of time.

3.6 Limited Opportunities (Private Placements, IPOs) & Broker Preferences

The fiduciary obligations imposed on Access Persons prevent them from receiving benefits due to their position with OMERS Enterprise in the form of limited investment opportunities or preferences from brokers. Access Persons therefore must request an exception before participating in treasury offerings of any equity security, whether made under a prospectus, by private placement, or in any secondary offering linked to a new or listed security, such as offerings of special warrants or sales from control blocks, and regardless of whether OMERS Enterprise is buying securities in the offering.

In addition, to avoid the perception that Access Persons are being given special personal treatment in exchange for favouring the business relationship of their broker with OMERS Enterprise, an Access Person may not use the same individual broker for both personal and business trading purposes, or receive reduced fees or account perks not available to other clients.

3.7 Institutional Trades in Thinly Traded Securities

The market impact of Institutional Trading can be particularly significant in securities of public companies with small market capitalization or whose shares are thinly traded. These would include OTC traded companies and those listed on the TSX Venture Exchange or similar exchanges or marketplaces.

Where an analyst or portfolio manager recommends or authorizes an institutional trade in thinly traded securities that s/he also holds in a Covered Account, there may be a perceived conflict of interest if the Institutional Trading is likely to increase the value of the personal holding. Accordingly, in these situations the conflicted analyst must disclose details of his/her holdings to

the portfolio manager in writing at the time of the recommendation. Where the portfolio manager is conflicted, written disclosure of conflicting personal holdings must be made to the CEO OCM or his/her designate prior to or at the time of the trade.

3.8 Exceptions

Where an Access Person has sought pre-clearance for a trade which has been denied, or wishes to execute a trade that is otherwise restricted under this policy, s/he may request an exception to permit the trade by submitting a completed Form 3 to OAC Compliance. Exceptions must be approved prior to trading. The OAC VP, Compliance may grant approval where the Access Person has demonstrated that s/he:

- would not be trading against the Funds' interest;
- does not possess Inside Information about the company;
- would not be using knowledge of anticipated Institutional Trading or holdings for personal advantage; and
- would not be receiving a personal benefit from the broker that is unavailable to investors generally.

Exceptions for OCM Access Persons must also be approved by OCM Legal.

3.9 Reporting by Access Persons

3.9.1 Disclosure of Accounts and Annual Certification

All Access Persons must disclose their Covered Accounts by submitting Form 1 to the OAC Compliance within 30 days of becoming an Access Person and by submitting an amended Form 1 within 10 days of subsequently opening a new Covered Account. This includes both Trading Accounts and Segregated Accounts. An amended Form 1 must be submitted within 10 days of a Segregated Account becoming a Trading Account.

Form 1 provides a certificate of compliance with this policy. Annual certification of compliance is required in accordance with OAC or Investment Entity procedures.

3.9.2 Reporting of Activity in Trading Accounts

Access Persons must report their activities in all Trading Accounts by either:

- i. directing their brokers to provide duplicate account statements and trade confirmations for all Covered Accounts to OAC Compliance, using Form 2 Broker Direction Letter; or
- ii. directing their brokers to provide to the Compliance team duplicate trade confirmations and monthly activity summaries showing for each trade or transfer made in the account during that month, the date and nature of the activity (buy/sell or transfer in/out) and the name of the security.

This reporting requirement continues for 30 days after the Individual ceases to be an Access Person. Segregated Accounts are exempt from this reporting requirement on the basis that only exempt trades are made in those accounts.

3.9.3 Audit of Segregated Accounts

Annually, a sampling of Segregated Accounts of Access Persons will be audited by an external auditing firm or by OMERS Audit Services. The Access Persons being audited must provide to the auditor original account statements for each Segregated Account or other satisfactory evidence of activity in the account for the time period specified. Account information will be reviewed to identify any potential personal trading violations.

3.9.4 Confidentiality

All information received by OAC Compliance or Investment Entity legal or compliance personnel in connection with personal trading by Access Persons must be kept confidential and only be disclosed to responsible Senior Management or Directors if necessary for the administration of this policy or to others as required by law, in accordance with the [OAC Privacy Policy](#) or the privacy policies of the Investment Entities.

3.10 Review Procedures

OAC Compliance is responsible for maintaining the Restricted Lists within the PTA and Institutional Trading systems. Access Persons must ensure that they complete appropriate forms to enable pre-clearance monitoring and must authorize trading documentation from their brokers to be delivered for compliance review.

OAC Compliance reconciles the trading as reflected on trade confirmations with pre-clearance information from PTA and with information on account statements or summaries. They also review reports comparing Access Person trades with OMERS trading activity to monitor inappropriate use of PTA and potential personal trading violations. As noted above, a number of Access Persons with Segregated Accounts will be audited by Audit Services each year.

4. RESTRICTED LIST

The Restricted List is used to identify and monitor securities that OMERS Enterprise and/or Access Persons are not permitted to trade. The contents of the Restricted List are confidential. The list must not be distributed to and may not be accessed by anyone other than OAC Compliance and IOA team members as required, unless an exception is made to allow confidential disclosure in the necessary course of business.

The Restricted List consists of the following parts:

Restricted List Part	Reason for Restricting Trading	Restriction Applies To	Monitoring System
Black List	<ul style="list-style-type: none"> Possession of Inside Information (a statutory prohibition on trading), or Standstill/lock-up agreement (a contractual obligation not to trade) 	Institutional Trading	CRD or Bloomberg OMS system pre-trade block and post trade reporting
		Personal trading in Covered Accounts	PTA trade pre-clearance and post trade reporting
Grey List	Current or proposed Institutional Trading or review of a potential investment prior to receiving Inside Information (fiduciary duty or conflict of interest prohibition)	Personal trading in Covered Accounts	PTA trade pre-clearance and post trade reporting

The Grey List has several component lists, some of which only apply to some groups of Access Persons. For instance;

- the OCM Grey List containing daily Institutional Trading only applies to OCM, IOA and oversight personnel (executives, legal, compliance, audit, risk); and
- the Borealis Grey List containing public companies who partner with Borealis on material assets or with whom Borealis is likely to transact in the future, only applies to Borealis employees.

Appendix B contains specific procedures for adding/removing companies from the Restricted List.

4.1 Investment Entity Restricted List Responsibilities

Each Investment Entity must establish procedures designed to:

- protect Inside Information and other confidential investment information they receive, including for OCM, maintaining internal controls (e.g. ethical walls) relating to normal course trading;
- identify the individuals responsible for determining whether a company must be added to or removed from the Restricted List and reporting the information to OAC Compliance;
- ensure that the determination is made and reported to OAC Compliance promptly; and
- ensure that changes in circumstances that may affect the determination are also reported promptly so that companies are removed from the Restricted List on a timely basis.

HISTORY

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