

OMERS Administration Corporation

BOARD AND DIRECTOR COMPETENCIES

For Individual Board Members

In addition to demonstrating or having one or more of the enumerated heads of expertise identified in Section II below, each member of the Board of Directors (“OAC Board”) of the OMERS Administration Corporation (“OAC”) should possess the following attributes/personal characteristics:

- have no conflict of interest or legal impediment that would interfere with the exercise of the director’s independent judgment, including the duty of loyalty owed to the OAC and its plan members;
- fundamental qualities of intelligence, perceptiveness, good judgment, maturity, integrity, fairness and high ethics and standards and well regarded in the community;
- prior board or pension fund experience would be an asset;
- if on other boards or committees, a positive record of accomplishment in present and prior positions;
- common sense and business judgment;
- understanding of fiduciary responsibilities;
- ability to think strategically; and
- time, energy, interest and willingness to serve as a director of the OAC, including a commitment to learning and an appreciation of the significance of the OMERS pension promise.

Desired Skills and Competencies for the OAC Board

It is recognized that each director will bring a different set of skills to the OAC Board. In the determination of the appropriate mix of business skill sets, due regard should also be given to pension member expectations with respect to geographical representation, race, gender, and other factors reflective of OMERS membership. The competencies of the OAC Board are also linked to OMERS long-term strategic direction. Subject to ensuring that appropriate governance standards are met relative to financial literacy and independence, the OAC Board may also want to consider the number of Board members that meet the desired skills set out below.

1. Financial Expertise

- an understanding of generally accepted accounting principles, financial statements and financial performance;

- ability to understand actuarial reports;
- experience in preparing, auditing, analyzing or evaluating financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised in the financial statements of a large public pension plan with domestic and international investments, including pension accounting requirements;
- an understanding of audit committee functions;
- an understanding of and familiarity with enterprise risk management and integrated business information systems;
- an understanding of internal controls and related legislation such as Sarbanes-Oxley and Bill 198; and
- education or experience in one or more positions as principal financial officer, principal accounting officer, controller, accountant, auditor or experience actively supervising the aforementioned.

2. Pension/Human Resource Expertise

- understanding of the pension industry, preferably the public sector;
- understanding of the key risks and industry issues facing pension funds;
- ability to understand actuarial methodologies and assumptions;
- understanding of employee benefits matters including employee retirement and compensation options;
- understanding of succession planning plan management;
- understanding of occupational health and safety requirements and related employer obligations;
- education or experience relative to pension benefits and administration;
- expertise with respect to compensation planning and techniques and compensation measurement; and
- experience with human resources performance management.

3. Investment

- understanding of investment management concepts (asset mix, investment return requirements, etc.);
- expertise in some or all of the following sectors: public markets, private equity investments, private equity funds/partnerships, infrastructure or real estate;
- expertise in setting and monitoring investment policy and strategy;
- experience as a senior investment officer (or equivalent) of a large financial institution;
- experience, expertise or education in connection with equity trading, trading in derivatives, swaps, hedge funds and other synthetic products;
- expertise or experience in currency risk, hedging, direct investing;

- experience in the structuring of complex corporate transactions; and
- experience in monitoring investment performance and performance benchmarking.

4. Legal, Governance/Stakeholder Relations

- experience with regulated industries, preferably in the financial sector;
- experience or expertise relevant to OMERS regulatory/compliance environment, e.g., familiarity with the *Income Tax Act* (Canada) provisions affecting pension plans and their investments, *Pension Benefits Act* (Ontario) and Financial Services Commission of Ontario;
- understanding of the roles/responsibilities of senior executives and their accountability to the board of directors;
- experience with corporate governance structures and planning, including broad board experience;
- understanding of the political environment in which OMERS operates;
- experience working with politically sensitive organizations; and
- experience working with diverse stakeholder groups.

HISTORY

Effective Date: *March 23, 2011*

Approval Dates: *September 21, 2007, November 20, 2008, November 20, 2009, March 23, 2011*