

OMERS Administration Corporation

BOARD AND INDIVIDUAL DIRECTOR EVALUATION

Board of Directors Evaluation Overview

Objective

The primary objective of the assessment of the full Board of Directors and its Committees is to foster proactive board development by raising the performance bar relative to governance best practices.

Methodology

The evaluation process consists of three distinct phases:

1. Diagnostic Phase: The diagnostic phase focuses on data input through three means:
 - written survey/questionnaire by OAC directors and OAC Management;
 - interviews conducted with each OAC director and certain OAC Management after completed surveys are received; and
 - observation from attendance at Board and Committee meetings.
2. Action Planning: The results of the diagnostic phase are analyzed with a view to identifying common themes that form the basis for recommendations for improving overall board performance. A full report along with recommended action items are provided to the Governance Committee for review and the Board of Directors for approval. Discussion of the results is a scheduled agenda item at a subsequent Board meeting.
3. Action Implementation: This phase focuses on acting on those recommendations adopted by the Board of Directors.

Assessment Focus

The focus of the Board evaluation process is to consider key success factors relating to three distinct areas:

- board structure
- board processes
- board dynamics

Individual Director Evaluation Overview

Purpose

The primary purpose for the annual Individual Director Assessment process is to provide the means to identify issues impacting Director performance and to provide the accountability to act on those findings to improve the effectiveness of the Board of Directors and, in turn, the OMERS Administration Corporation (“OAC”). The assessment process was also designed to facilitate:

1. greater clarity and consistency with respect to performance expectations of Directors;
2. the identification of strengths and performance improvement opportunities of OAC Directors;
3. to set an expectation that individual Directors will use the feedback to address performance issues; and
4. to support individual Directors in the ongoing process of improving their personal contribution to the Board’s effectiveness and, in turn, the Fund and its stakeholders.

Process Steps

There are three phases to the Individual Director Assessment process.

1. Education: A session is held to familiarize OAC Directors with the objectives and process of the assessment. This does not need to be repeated but should be incorporated into new director orientation as required.
2. Diagnostic Phase: There are three distinct assessment processes that are used to help ensure the best possible outcome in terms of accurate issue identification. These include:
 - multiple perspective surveys (peer reviews)
 - observation
 - interviews
3. Feedback and Follow-up: The results of the diagnostic phase lead into the second phase of feedback to and follow-up with individual Directors. This phase ensures that the data collected is used to help ensure the objectives already stated are achieved and will be guided by the following process steps:
 - summarizing results of diagnostic phase provided
 - identifying key issues and priorities
 - confirm findings (feedback session with individual directors)
 - coaching on potential action steps to act on assessment results

In terms of participation, new directors (those who have served for less than one year) are not required to participate in the assessment. For newer directors who choose to participate, the process can be a positive experience that provides valuable feedback on their performance and contribution.

Confidentiality

In the reports back to individual Directors, there will continue to be no attribution to individual Directors. Individual Director input will not be materially changed but may be edited to ensure clarity and consistency of language.

Assessment Questionnaire

The questionnaire is designed and used as the first step in the diagnostic phase as a means of eliciting Directors' views on their colleagues' performance:

1. competency
2. contribution
3. characteristics

HISTORY

Effective Date: *March 23, 2011*

Approval Dates: *April 10, 2008, November 20, 2008, November 20, 2009'
March 23, 2011*