

Anti-Bribery & Corruption Policy

COMPLIANCE & ETHICS



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OVERALL PRINCIPLES

OMERS is committed to conducting its business fairly, honestly and openly without improper influence. We will not knowingly deal with those who offer or give bribes or participate in any other form of corrupt behavior.

Bribery risk is evaluated on investment transactions with additional effort in those situations with higher risk. Risk assessments should be conducted annually by Business Units to determine if additional internal controls are necessary.

This Policy applies to all employees and Directors across OMERS, as well as, Consultants covered by the Code of Conduct and Ethics. For the purpose of this Policy, OMERS refers to OMERS Administration Corporation (OAC) and its Business Units.

It does not apply to portfolio companies.

Next scheduled date for review:	June, 2018
Frequency of review:	Every year

What is bribery and corruption?

Bribery is the giving, offering or agreeing to provide benefits to others in order to improperly influence an outcome to obtain or retain an advantage. Corruption is the abuse of entrusted power for private economic gain. This Policy will refer to both as bribery. Bribery can take many forms, including the provision or acceptance of:

- cash payments
- phony jobs or “consulting” relationships
- kickbacks
- political or charitable contributions
- social benefits, or
- gifts, travel, hospitality and reimbursement of expenses

You are strictly prohibited from offering, paying, promising or authorizing, directly or indirectly, any financial or other advantage or benefit to any person, for the improper performance (whether it be an act, omission, use of influence or otherwise) of a relevant function or activity.

What is the basis of this Policy?

We will not support the offering or giving of a bribe to either public officials or those in the private sector. Our commitment is guided by the principles set out in the OECD Convention of *Combating Bribery of Foreign Public Officials in International Business Transactions*.

We will conduct our business by obeying the anti-bribery and corruption laws in the places where we do business. Although the laws vary in different countries, the fundamental principles are consistent across jurisdictions.

Risk Assessments

The areas where we face the highest bribery risks are:

- transactions involving the purchase and sale of businesses or investment assets
- new business initiatives
- interaction with government officials
- transactions involving use of agents or third-parties in the execution of a business activity

Annual Risk Assessments

By June 30th: Business Units should conduct an annual bribery risk assessment, which focuses on bribery risks, including new and existing business activities and ongoing risks associated with existing portfolio companies and/or other investments.

Responsibility for this assessment rests with the Business Unit, however, the execution shall be coordinated with the Compliance & Ethics team, to ensure consistency, and the results shared with the Risk Management team.

The conclusion of this risk assessment should determine if any additional procedures and/or actions are necessary as a result of specific or general risks identified.

Investment Transactions

A Bribery Risk Assessment must be completed for each investment transaction. For purposes of this Policy, an investment transaction is a transaction to acquire or dispose of assets, shares or other interests in, or any third-party loan or commitment to fund the activities of, an entity, group of entities or investment assets outside of OMERS, (each an "Investment Transaction").

Investment Transactions do not include:

- re-financings or internal reorganizations;
- normal course purchases and sales of public investments;
- ordinary course expenditures including capital expenditures required in respect of the normal growth, maintenance, repair and updating of real estate assets as well as real estate lease transactions including tenant inducement payments and tenant fit out loans; and
- debt transactions including borrowing, credit facilities, debentures, bonds or any related pledging or charging of assets for the purpose of ongoing management of investment assets,

Bribery Risk Assessments should also be completed for follow-on Investment Transactions requiring additional

OMERS or Business Unit funding where, in consultation with Compliance & Ethics, the investment transaction team determines it is necessary or advisable based on the circumstances. For example, a Bribery Risk Assessment will generally not be expected for a follow-on investment where OMERS, directly or indirectly, has less than 50% of the voting or beneficial interest, for follow-on investments for purposes of funding working capital requirements or the buy-back of management's equity.

The Bribery Risk Assessment focuses on four key areas to understand both the inherent and residual risk components of entering into a transaction:

- What is the country of origin of the target, assets and partners (as applicable)?
- What is the industry sector of the proposed investment and is it one with heightened risk of bribery?
- Are there any significant touch points between the potential investment and government or politically exposed persons?
- Does this transaction involve the use of third-parties authorized to act on our behalf

This Bribery Risk Assessment will determine an inherent risk rating. The inherent risk rating will result in one of the following:

- **Low:** Investment transaction team to consider appropriate anti-bribery and corruption controls as part of due diligence process. No further involvement required by the Compliance & Ethics team.
- **Medium:** Investment transaction team to prepare Bribery Risk Assessment. If inherent risk remains moderate or above, enhanced anti-bribery and corruption controls should be considered as part of due diligence process by the investment transaction team. A member of the Compliance & Ethics team must be involved in this process, including the preparation of an enhanced Bribery Risk Assessment which will assign a residual risk rating based on assessment of anti-bribery controls and any mitigating factors.
- **High:** In addition to the steps outlined in Medium above, the CRO or his delegate should have direct involvement in the process.

If the residual risk rating is assessed as Medium or above, the investment materials and/or presentation to the OAC Board, Investment Committee, Investment Management Committee and/or CIO must refer to the residual bribery risk rating and mitigating controls.

New Business Initiatives

A New Business Bribery Risk Assessment is to be completed for each new business initiative. A new business initiative is any proposal requiring OAC Board, SET or Investment Management Committee approval to enter a new market, region or asset class or to create a new type of business structure or relationship that is not limited to a specific transaction, or is outside of the ordinary course of business, such as establishing a joint venture program or expanding the range of investment assets beyond what has been approved in the relevant business plan, but not including new OCM portfolios.

The Business Unit proposing the new business initiative is responsible for developing and administering an implementation plan for addressing any identified bribery risks that are considered to be material as appropriate for their business.

Agents

An Agent is any person or entity retained by, and authorized to act on behalf of, OMERS who is paid to facilitate investments or strategic initiatives. This could include a consultant, joint venture partner, service provider, lobbyist or advisor but does not include OMERS employees or OAC Directors, nor does it include a law firm, accounting firm, financial, business or advisory, management consulting, or securities or real estate brokerage firm.

For each Investment Transaction involving an Agent, the investment transaction team must complete the Agent profile of the Bribery Risk Assessment. In all instances this assessment should be shared with the Risk Management team.

The accounts payable function should have an established process for reviewing new vendors and identifying those with high risk for further consideration. Those vendors identified as high risk should be referred to the Chief Risk Officer for approval.

Internal Control Program

OMERS has a risk-based internal control program designed to prevent and detect bribery and corruption by those acting on our behalf. This program addresses both the giving and receiving of bribes, with particular emphasis on preventing the giving of bribes. It includes the following components:

Policy Documents OMERS has a number of policies and procedures that underpin the framework through which the giving and receiving of bribes is prohibited and that implement controls to prevent and detect bribery. These include the *Code of Conduct and Ethics*, *Investigation of Complaints*, *Background Checks*, *Anti-*

Terrorist Financing and Money Laundering, *Procurement policies* and *Lobbying policies*. Limits on giving donations and sponsorships are detailed in the *Political Donations* and *Charities* policies.

The types of controls associated with these policies are risk-based, and include:

Due diligence on employees, agents, consultants covered by the *Code of Conduct and Ethics*, partners and investment targets, with particular focus on third-parties used to expand or maintain business. The due diligence used to identify and evaluate risks must be documented prior to closing a new Investment Transaction. Additional due diligence may include more detailed background and reference checks. It may also include establishing the existence and application of adequate ongoing organization controls to provide comfort that anti-bribery and corruption are areas of focus for potential targets. Embedding the right to audit and establish ongoing monitoring into contractual agreements may be considered.

Contractual representations –compliance with applicable laws are considered in all business dealings as warranted by the risks involved in the arrangements and market practices, including service contracts to engage third-parties to act on our behalf. The extent of the representations depend on the risks involved, and should strive to confirm representations that parties with whom we contract have complied or will comply, as appropriate, with all applicable laws and regulatory requirements. These general representations would cover bribery legislation, although in higher risk situations more specific representations may be appropriate.

Books and records – must correctly record both the amount and a written description of any transaction as required by applicable accounting and auditing standards. Internal processes have been established to control the establishment of bank accounts, signing authorities, payments to third-parties and cash advances, as well as to retain books and records for prescribed periods of time.

Training and Communication

The Policy Manager is responsible for ensuring that this Policy is communicated throughout OMERS, and that appropriate employees are regularly trained on the Policy. Training will focus on employees in business areas where bribery risks are highest and will be tailored to the employee's role.

Reporting Suspected Violations

If you suspect a violation of this Policy, you have the right, as well as a duty, to report the violation to the Policy Monitor or Policy Sponsor.

You may also submit a report or complaint by using the OMERS Ethics Hot Line operated by ClearView Connects, an independent third-party which provides a confidential communication channel for reporting your concerns. You may file a report through their website at www.clearviewconnects.com, or by calling 1-866-696-6377. The OMERS Ethics Hot Line will accept complaints that are anonymous.

Refer to the *Investigation of Complaints Policy* for how your report will be handled.

Borealis UK and OPE Europe Employees Only:

Employees of firms licensed by the Financial Conduct (“FCA”) are also entitled to submit a report or complaint directly to the FCA.

Exceptions

The Policy Sponsor may grant non-substantive exceptions to this Policy. The reasons for granting an exception should be recorded in writing and kept by the Policy Manager and reported to the Policy Approver.

Responding to Incidents of Non-Compliance

The Policy Manager is responsible for identifying incidents of potential non-compliance under this Policy based on the established procedures and reporting such incidents to the Policy Sponsor.

The following actions may also be taken after investigation of an incident of non-compliance:

- disciplinary action (up to and including dismissal) against the wrongdoer, dependent upon the results of the investigation, with appropriate remedial action
- where appropriate, the outcome of an investigation may be referred to the police or other legal authorities for further review

Monitoring and Reporting

The Policy Manager is responsible for the administration of the Policy, including implementing documented procedures to enable compliance, monitoring and reporting, as well as coordinate training as required.

ROLES & RESPONSIBILITIES

Policy Approver	Audit & Actuarial Committee of the OAC Board	Responsible for approving the Policy
Policy Sponsor	Chief Risk Officer	Ultimately accountable for the Policy, including its development, implementation and administration
Policy Manager & Monitor	VP, Compliance & Ethics	Responsible for the design and operational effectiveness of the day to day administration of the Policy, and for the monitoring, compliance and reporting functions of the Policy