

# OMERS Administration Corporation

## INVESTMENT COMMITTEE MANDATE

### Purpose

The purpose of the Investment Committee is to assist the Board of Directors (OAC Board) of the OMERS Administration Corporation (OAC) with respect to its oversight of investment strategy, risk, policies, and performance, and the approval of large transactions which exceed limits delegated to Management.

### Composition

The Committee is to be comprised of seven Directors. Committee members will be recommended for OAC Board approval by the Board Chair after consultation with the Governance Committee. Members will serve for one-year terms. The OAC Board may reappoint members of the Committee for additional one-year terms.

### Meeting Schedule and Frequency

The Committee will meet four times per year and as many additional times as needed to carry out its duties effectively.

### Responsibilities

The Committee fulfills its purpose by:

1. recommending appropriate investment policies including OAC's Statement of Investment Policies and Procedures at least annually to the OAC Board;
2. recommending OAC's investment asset classes and mix to the OAC Board;
3. reviewing the strategy for each OAC Business Unit and reporting to the OAC Board;
4. reviewing the OAC annual operating plan with respect to budgeted returns from the Business Units;
5. recommending an investment risk framework to the OAC Board and approving an investment risk policy to monitor and oversee investment-related risks, including credit risk, market risk, and concentration risk;
6. recommending delegations of authority and sub-delegations with respect to investment approvals and related decisions;
7. approving third-party capital co-investment programs where OMERS commitment exceeds the Board-approved delegations referenced in Paragraph 8;

8. approving investments where the approval has not been delegated to Management by Board-approved delegations of authority and approving the general form and content of investment approval requests coming to the Investment Committee;
9. recommending to the OAC Board related party transactions and transactions that may be determined by the Investment Committee from time to time to be outside the ordinary course of business or carry unusual forms of reputational risk, including the recommendation of policies to manage such transactions;
10. reviewing management reports to monitor the investment performance and the effectiveness of the investment strategies and related performance of the asset classes and business units and divisions;
11. monitoring investment activity against requirements of the OMERS Act, the *Pension Benefits Act*, the *Income Tax Act* and other applicable legislation and OAC's investment policies;
12. reviewing policies approved by the OAC Board and its Committees that are identified as the responsibility of the Investment Committee and such other management policies that are within the subject matters of the Investment Committee, including the engagement of external managers;
13. reviewing and confirming or recommending amendments to the Committee's mandate and procedures annually and approving a work plan for the Committee;
14. reviewing OMERS Finance Trust (OFT) strategy and plans regarding borrowings, either by way of credit facilities or note offerings; and
15. approving any OAC guarantees of such OFT borrowings.

## Committee Leadership

The role of the Committee Chair is to:

- foster a constructive tone so that the Committee works as a cohesive team;
- assist the Board Chair in developing and fostering a healthy Board culture;
- ensure that the informational needs of Committee members are met;
- promote the independent thinking and decision-making of the Committee;
- build consensus among Committee members;
- ensure meeting time is used effectively;
- monitor Committee activities to ensure the work undertaken is consistent with the mandate;
- work in conjunction with Management to ensure that the Committee fulfills its mandate and completes its work plan efficiently and effectively; and
- move Committee discussion towards a constructive and timely resolution.

## Reporting and Accountability to the OAC Board

Following each regular quarterly meeting, the Committee will report to the OAC Board on the activities, findings and any recommendations of the Committee. This will be accomplished by oral reports and the distribution of the minutes of all Committee meetings to all Directors.

## Other Matters

The Committee will:

- retain external advisors to provide investment management and any other expertise the Committee deems appropriate or necessary, following the Board-approved selection process;
- ensure members are provided with the appropriate resources and education to fulfil the Committee's responsibilities;
- conduct *in camera* sessions at the end of its meetings; and
- annually evaluate the Committee's performance in fulfilling its mandate and report its findings to the OAC Board.

## Applicable Policies

The Committee is responsible for approving the following policy:

- Investment Risk

The Committee is responsible for recommending the following policies to the OAC Board:

- Related Party Transactions Review
- Statement of Investment Authorities
- Statement of Investment Beliefs
- Statements of Investment Policies and Procedures for the Primary Plan, the RCA and the Supplemental Plan

## HISTORY

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Effective Date: *January 1, 2019*

Approval Dates: *May 22, 2014, December 12, 2014, February 26, 2015, December 10, 2015, December 15, 2016, December 14, 2017, February 22, 2018, December 13, 2018*