

**AMENDMENT AND RESTATEMENT OF
BY-LAW NO. 6
Being a by-law
relating generally to the compensation and reimbursement of expenses
of members of the OMERS Sponsors Corporation and
OMERS Administration Corporation**

WHEREAS Section 23(5) of the Act provides that Members of the Sponsors Corporation are to be paid such remuneration and expenses as may be authorized by by-law of the Sponsors Corporation; and

WHEREAS Section 33(6) of the Act provides that Members of the Administration Corporation are to be paid such remuneration and expenses as may be authorized by by-law of the Sponsors Corporation.

NOW THEREFORE be it enacted as a by-law of the Sponsors Corporation as follows:

**ARTICLE I
INTERPRETATION**

1.1 Definitions

- (a) **“Administration Corporation”** means the OMERS Administration Corporation, as continued under Section 32(1) of the Act;
- (b) **“Administration Corporation Member”** means a Member of the Administration Corporation;
- (c) the **“Act”** means the *Ontario Municipal Employees Retirement System Act, 2006* or any statute which may be substituted therefore, including any regulations made thereunder, as amended from time to time;
- (d) **“Authorizing Authority”** means the person or persons having responsibility for reviewing and approving expenses under Article III. In the case of the Sponsors Corporation the Authorizing Authority will be as specified in Section 1 of the policy attached as Appendix A. In the case of the Administration Corporation the Authorizing Authority will be the person or persons specified in the policy of the Administration Corporation referred to in Section 3.7;
- (e) **“Corporation”** means either of the Sponsors Corporation or the Administration Corporation and **“Corporations”** means both of such corporations;
- (f) **“Independent Board Chair”** means the independent chair of the Administration Corporation appointed in accordance with the provisions of Article 5 of By-Law No. 13.
- (g) **“Member”** means either a Sponsors Corporation Member or an Administration Corporation Member;

- (h) **“Person”** includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (i) **“Seat”**, in the case of the Administration Corporation, has the meaning attributed to such term in By-Law No. 13 and in the case of the Sponsors Corporation means the Sponsors Corporation position occupied by a nominee of a given party or Member Group (as defined in By-Law No. 4) pursuant to By-Law No. 4;
- (j) **“Sponsors Corporation”** means OMERS Sponsors Corporation, as established pursuant to Section 22(1) of the Act; and
- (k) **“Sponsors Corporation Member”** means a Member of the Sponsors Corporation.

ARTICLE II COMPENSATION

2.1 Effective January 1, 2014, Sponsors Corporation Members and Administration Corporation Members will be compensated for attendance at meetings of their respective Corporation and at meetings of committees and subcommittees thereof through an annual retainer, and no per diem or meeting fee payments will be made for attendance by either Corporation, save and except in the case of attendance at Appeals Committee hearings as specified below.

2.2 Effective January 1, 202017, the remuneration for each of the Corporations will be as set out below:

Sponsors Corporation	Annual Retainer
Co-Chairs	\$80,000.00 <u>\$85,000.00</u>
Chairs of Audit, Corporate Governance, Human Resources and Compensation, Plan Design and Risk Oversight Committees	\$45,000.00 <u>\$49,000.00</u>
All other Members	\$38,500.00 <u>\$42,000.00</u>

Administration Corporation	
Independent Board Chair	\$165,000.00 <u>\$185,000.00</u>
Chairs of Audit and Actuarial, Governance, Human Resources, Investments, and Risk Oversight Committees	\$80,000.00 <u>\$90,000.00</u>
All other Members	\$65,000.00 <u>\$75,000.00</u>

An Administration Corporation Member who is a Member of its Appeals Committee, with the exception of the Independent Board Chair, shall be entitled to receive the applicable annual retainer payment noted above and an additional meeting fee for each day of attendance at a hearing of such Committee (provided they are present for the full hearing while in session that day), regardless of the duration of the hearing on any given day. For the Chair of the Appeals Committee, the fee will be \$1000 per day and for all other Members of the Appeals Committee, the fee will be \$750 per day.

- 2.3 Members may receive remuneration for only one position at any given time. For example, a Member who is a Committee Chair will receive only the Committee Chair remuneration stipulated above and not also the “All other Members” remuneration stipulated above.
- 2.4 Sponsors Corporation Members must receive payment directly. Payment of compensation to Sponsors Corporation Members will be made automatically in arrears on or about March 31, June 30, September 30 and December 31 of each year. T4 slips will be issued by the Sponsors Corporation in the name of Sponsors Corporation Members. The Sponsors Corporation will withhold taxes (including CPP, if applicable) from remuneration payments made to Sponsors Corporation Members. The Administration Corporation may determine the manner and timing of payment of the compensation provided in this Article II in a policy approved by Administration Corporation Members, but no policy may contain any provision which is inconsistent with the provisions of this By-law. Any compensation arrangement that is in effect on January 1, 2020 where a Sponsors Corporation Member has directed that payment be made to the organization with which they are affiliated shall be permitted for the balance of such Member’s service on the Sponsor Corporation Board, but no new compensation arrangements of this nature are permitted.
- 2.5 The Sponsors Corporation will annually publish the compensation for Sponsors Corporation Members. The Sponsors Corporation will also annually publish the attendance records of Sponsors Corporation Members at Sponsors Corporation Member meetings.
- 2.6 Time spent by Members in travelling to Meetings or in travelling to or attending offsite training programs or conferences will not be compensable.

ARTICLE III REIMBURSEMENT OF EXPENSES

- 3.1 Subject to the following provisions of this Article III, each Member will be entitled to reimbursement by the Corporation of which they are a Member of reasonable and necessary expenses incurred by them in connection with business travel which has been approved by the Authorizing Authority and/or in connection with other activities (e.g. entertainment) approved by the Authorizing Authority, including:
- (a) (i) meals, including reasonable meal expenses for meetings approved by the Authorizing Authority (in or out of Toronto) or while travelling;
 - (ii) the cost of a modest amount of alcoholic beverages at reasonable prices consumed in the course of Corporation business; and
 - (iii) reasonable tips/gratuities in connection with the foregoing;

- (b) car rental and fuel costs for business travel approved by the Authorizing Authority, provided the Member ensures he/she has a minimum of \$1,000,000 liability coverage under the rental car agreement (additional costs incurred to purchase additional short term insurance coverage are reimbursable) and provided further that a car rental may be for only 30 consecutive days or less and must be used only when clearly more economical or convenient than the use of taxis or other public transportation;
- (c) flights at economy class rates for business travel within Canada and the continental U.S.A. approved by the Authorizing Authority and related service/cancellation fees and costs. For business travel outside of Canada and the continental U.S.A., Administration Corporation Members shall have the discretion to travel in business rather than economy class, so long as the travel is related to corporate business and not to conferences, conventions or education.
- (d) train travel at club car rates (VIA 1) for business travel approved by the Authorizing Authority and related service/cancellation fees and costs;
- (e) unless otherwise approved by a Corporation's Chair or Co-Chairs, as the case may be, reimbursement for travel to and from Board and Committee meetings will only be provided for travel to and from a Member's primary place of residence or primary place of business in Ontario;
- (f) airport limousines to and from airports, taxis, bus fare and parking (airport, hotel and other in-town) for rental or private vehicle used in connection with business travel approved by the Authorizing Authority;
- (g) reimbursement for use of private vehicles for business travel approved by the Authorizing Authority at rates equal to the limit on tax exempt allowances payable by employers to employees for such usage which have been adopted by the Department of Finance for the relevant period. Costs for operating repairs or damage to the vehicle incurred while being used in connection with business travel will be deemed included in the approved rate. Members will be responsible for confirming with their auto insurer that they have adequate insurance in place to cover occasional business use;
- (h) reasonable hotel accommodation (based on Canadian standards). When in Toronto on Corporation business, Members should seek the assistance of the appropriate Board Secretariat; and
- (i) telephone calls while travelling on Corporation business.

3.2 Members should wherever reasonably possible make use of technology in order to fulfill their responsibilities. ~~An appropriate device (as determined from time to time, currently an iPad, tablet or laptop computer) may be loaned to a Member by the relevant Corporation, in accordance with a hardware loaner policy which includes provisions for refreshment and maintenance.~~

~~Reimbursement of communication line expenses for communication devices used in whole or in part for Corporation business will be provided in amounts set by the Sponsors Corporation from time to time, provided that no expenses specifically attributable to calls or other communications unrelated to Corporation business shall be reimbursable.~~

~~The Administration~~Each Corporation shall ~~have the discretion to, instead of loaning hardware and/or reimbursing for communication line expenses as provided for in Section 3.2,~~ provide an allowance of ~~up to \$24,000~~ per annum per ~~Administration Corporation~~ Member. This allowance would also cover minor incidental expenses which may be incurred from time to time in the course of ~~Administration~~the respective Corporation's business.

~~In addition, in recognition that Sponsors Corporation Members may incur minor expenses when conducting Sponsors Corporation business that are otherwise not reimbursed, Sponsors Corporation Members will be entitled to a monthly allowance of up to \$50.00 to cover incidental expenses.~~

No receipts will be required to claim the allowances described in this Section 3.~~32~~. Claim A pro-rated payment for the allowance ~~will be paid to should be made by~~ a Member ~~to by~~ the Authorizing Authority at the end of each quarter. All other expenses which are reimbursable pursuant to this By-Law No. 6 and its appendices will be reimbursed only upon presentation of receipts in accordance with Section 3.~~45~~. Cash advances against future expenses will not be provided.

3.3 The Corporations will provide to Members traveling on business corporate insurance that includes:

- accidental death and dismemberment benefits,
- out of country medical costs,
- travel assistance,
- rental car collision damage for travel within Canada and the continental U.S.A.,
- excess liability (>\$1 million) claims for rental cars.

Such insurance will not cover:

- flight cancellation,
- personal property damage, including damage to private vehicles.

3.4 All Members seeking reimbursement of expenses are required to:

- (a) obtain all necessary approvals;
- (b) submit all receipts and other forms required for reimbursement promptly;
- (c) exercise integrity, prudence and good judgment in their business expenditures; and

- (d) try at all times to incur expenses at the most economical cost that meets business needs while allowing flexibility to reasonably accommodate their travel needs.

3.5 For certainty, the following expenses will not be reimbursable:

- (a) medical appointments or health assessments;
- (b) personal expenses, whether or not incurred as a result of, during or in connection with business travel; and
- (c) wage replacement.

In addition, Members are responsible for booking their own travel. In the case of Sponsors Corporation Members, booking assistance may be provided through the Sponsors Corporation Board Secretariat.

3.6 The Sponsors Corporation hereby adopts the policy concerning expense reimbursement procedures for the Sponsors Corporation attached as Appendix A. The Administration Corporation shall adopt its own policy or policies concerning expense reimbursement procedures, provided no provision of such policy or policies shall be inconsistent with the provisions of this Article III.

**ARTICLE IV
EDUCATION EXPENSES AND POLICIES**

4.1 Members will be reimbursed by their respective Corporations in respect of travel, tuition and other expenses incurred in attending conferences or other educational programs which have either been approved or mandated by the Sponsors Corporation or the Administration Corporation, as the case may be. In any one calendar year, the maximum number of conferences which a Member may attend and for which an individual Member may be reimbursed pursuant to the foregoing will be three, subject to a Corporation's Chair or Co-Chairs' discretion, as the case may be, for exceptions within budgetary guidelines.

The Sponsors Corporation hereby adopts the policy on Member Education attached hereto as Appendix B. The Administration Corporation may adopt its own policy or policies concerning Member Education provided that no provision of such policy or policies shall be inconsistent with the provisions of Section 4.1.

**ARTICLE V
REVIEW AND REPORTING**

5.1 Each of the Corporations is responsible for having procedures in place for reviewing its Members' expenses, on at least an annual basis. Additionally, the Administration Corporation will provide to the Sponsors Corporation, on at least an annual basis, reporting of all use of Business Class flights by Administration Corporation Members and any approvals granted pursuant to clause 3.1(c). The Sponsors Corporation will review approvals granted pursuant to clause 3.1(c) by both Corporations.

ARTICLE VI SUSPENSION, WAIVER OR EXTENSION OF TIMELINES OR DEADLINES

6.1 The Sponsors Corporation Members can through a majority vote, suspend, waive or extend any of the timelines or deadlines specified in this By-Law No. 6.

The foregoing is CERTIFIED by the Co-Chairs of the OMERS Sponsors Corporation to be a copy of By-Law No. 6, as validly enacted by vote of the Members of the Sponsors Corporation at a duly convened meeting of the Sponsors Corporation Members held the ~~14th day of November 2019.~~ 25th day of February 2020.

Barry Brown, Co-Chair

Frank Ramagnano, Co-Chair

Enacted on October 7, 2007

First Amendment and Restatement on April 22, 2009

Second Amendment and Restatement on June 22, 2009

Third Amendment and Restatement on May 25, 2010

Fourth Amendment and Restatement on December 16, 2010

Fifth Amendment and Restatement on September 23, 2011

Sixth Amendment and Restatement on February 21, 2012

Seventh Amendment and Restatement on July 26, 2012

Eighth Amendment and Restatement on March 20, 2013 – Interim Compensation -2.6 & 3.1(c)

Ninth Amendment and Restatement on April 25, 2013 (Section 2 – Compensation)

Tenth Amendment and Restatement on September 18, 2013 (Sect 2.2&2.8 – IBC & Vice Chair)

Eleventh Amendment and Restatement on February 18, 2014 (Section 3.1 re: mileage reimbursement)

Twelfth Amendment and Restatement on February 19, 2015 (Numerous Amendments & Housekeeping)

Thirteenth Amendment and Restatement on October 21, 2015 (Numerous Amendments – none to Appendices)

Fourteenth Amendment and Restatement on November 15, 2016 (Compensation)

Fifteenth Amendment and Restatement on December 13, 2017 (Sections 2.2 and 2.4 and Appendix B)

Sixteenth Amendment and Restatement on December 12, 2018 (Section 2.2)

Seventeenth Amendment and Restatement on November 14, 2019 (Sections 2.2 & 2.4)

Eighteenth Amendment and Restatement on February 25, 2020 (Sections 2.2 & 3.2)

APPENDIX A

EXPENSE REIMBURSEMENT POLICY

This policy sets out the procedures for implementing Article III of By-Law No. 6 of the OMERS Sponsors Corporation (the “**Sponsors Corporation**”) as it applies to Sponsors Corporation Members only.

1. Authorizing Authority

Reimbursement of business expenses is approved for Sponsors Corporation Members by the Co-Chairs and/or the Chief Executive Officer in accordance with Section 2.3 of By-Law No. 2 of the Sponsors Corporation, and for each Co-Chair, by the other Co-Chair or by the Chief Executive Officer. Co-Chairs are expected to ensure the travel is necessary and complies with By-Law No. 6 of the Sponsors Corporation and this policy.

Procedures

2.1 Expense Reporting

A completed expense report must be submitted to the Sponsors Corporation Board Secretariat for all travel and business expenses within a reasonable time of expenses having been incurred (generally within 30 days) and with sufficient explanatory detail to demonstrate compliance with By-Laws, policies and guidelines. Receipts must be attached in respect of expenses for which reimbursement is claimed. Where reimbursement for meals is requested, all persons for whom reimbursement is being claimed, whether OMERS staff or third parties, must be reported.

2.2 Receipts

Subject to Section 3.45 of this By-Law No. 6, receipts must include the name of the vendor, location, date and amount, with a breakdown of the items charged. Credit card statements are not sufficient. The airline receipt or the e-ticket is required for airfare claims. The detailed hotel bill listing each charge and itemized receipts for meals are required - credit card receipts are not sufficient.

2.3 Exceptions

Generally, receipts will be required for reimbursement. Details and reasons for seeking an exemption from this requirement must be provided.

2.4 Repayment and Set Off

Amounts owing to the Sponsors Corporation from reimbursements made that are later determined to be non-compliant with By-Law No. 6 and this policy, will be recovered from the individual as a debt owing to the Sponsors Corporation, and may be set off against other amounts owing to the individual.

Processing and Reporting

Methods for processing of requests for reimbursement of travel and business expenses will be established by the Sponsors Corporation subject to the limitations articulated in By-Law No. 6.

The Sponsors Corporation will ensure that appropriate disclosure of expenses reimbursed to, or paid on behalf of, Sponsors Corporation Members is made as part of the Sponsors Corporation annual report.

Attached to By-Law No. 6, approved June 22, 2009

Third Amendment and Restatement on May 25, 2010

Fourth Amendment and Restatement on December 16, 2010

Fifth Amendment and Restatement on September 23, 2011

Sixth Amendment and Restatement on February 21, 2012

Seventh Amendment and Restatement on July 26, 2012

Eighth Amendment and Restatement on February 19, 2015 (use of electronic receipts, etc.)

APPENDIX B

MEMBER EDUCATION POLICY

This policy sets out the procedures for implementing Article III of By-Law No. 6 of the OMERS Sponsors Corporation (the “**Sponsors Corporation**”) as it applies to Sponsors Corporation Members only.

1. Introduction

The Plan is complex, making it essential that Members keep abreast of constantly changing legislative requirements, regulatory policies and developments in governance and plan design, as well as plan funding and investment products and markets. Members must have the skills necessary to:

- Satisfy their statutory obligations to the Plan Sponsors, and
- Demonstrate due diligence in discharging their duties.

To do so, Sponsors Corporation Members must complete an education and training program designed to facilitate achieving and maintaining the requisite skills and competence. All new Sponsors Corporation Members are required to meet with the Co-Chairs to assist in determining individual training programs. The Corporation determines a budget for Member education on an annual basis.

Education Program

The Sponsors Corporation Member education program consists of the following:

	Course Provider	Priority	Recommended Completion Time After Appointment
New member orientation	OMERS Staff	Essential – to be completed prior to attending any conferences or other education programs	As soon as practicable
Queen’s University Governance Program (if completed prior to 2017) or Rotman’s ICPM Board Effectiveness Program for Pension and Other Long-Horizon Investment Institutions	External	Essential – to be completed following orientation	12 months

	Course Provider	Priority	Recommended Completion Time After Appointment
Audit Committee - Financial literacy training (Via in-house training session)	OMERS Staff	Essential for Audit Committee members, Useful for others	12 months
Humber College PPAC (3 sessions), or Equivalent	External	Highly Recommended	24 months
HRCC Certificate (Future in-house course to be developed)	OMERS Staff	Highly Recommended for HRCC members, Useful for others	18 months
School of Pension Investment Management (SPIM)	External	Useful	36 months
Osgoode Certificate in Pension Law	External	Useful	48 months
Other Committee training	External	Essential if prescribed by Sponsors Corporation	18 months
Conferences	External	Optional	N/A

2.1 New Members

The new Member orientation consists of a one to two-day in-house session with presentations and materials provided by OMERS staff. New Members are also encouraged to meet one-on-one with the staff in those areas in which they feel they would like additional information.

Members appointed prior to September 23, 2011 are encouraged, but not required, to register for the “essential” courses listed above. “Essential” courses are mandatory for Members appointed after this date, with the exception of Members who in the view of the Sponsors Corporation Co-Chairs have met or exceeded the educational benefits of the Essential courses by virtue of previous education and experience.

2.2 Pension-Related Conferences

Attendance at pension conferences and seminars permit Sponsors Corporation Members to meet with their peers from other pension plans as well as independent advisors to discuss issues, options and solutions that are being experienced by other pension plan sponsors and administrators. This is an important part of Sponsors Corporation Member education because it is independent of the Administration Corporation and promotes the independence of the Sponsors Corporation.

Conference Guidelines

- Sponsors Corporation Members must seek prior approval of the Co-Chairs to ensure that conference attendance would assist the Members in discharging their duties prior to booking.
- Conferences must be directly related to the responsibilities of directors of a public pension system.
- Conferences will be limited to venues within Canada and the continental U.S.A.
- Attendance at a conference is not permitted if it conflicts with a regularly scheduled Board meeting unless there are exceptional circumstances.
- No more than five Sponsors Corporation Members may attend any one conference, unless approved by the Co-Chairs (conference organizers may impose further restrictions on the number of attendees from any one plan.)

2.3 General

- Sponsors Corporation Members must each provide a written report to the Board on training and education courses attended and their value to future attendees.
- For conference attendees, one report may be submitted on behalf of all attendees and must include an assessment of the value to future attendees.
- Sponsors Corporation Members should not attend further conferences, education or training programs within six months of the end of their tenure.

3. Administration and Reporting

- The Sponsors Corporation Board Secretary will provide an annual report to the Sponsors Corporation setting out the educational events completed by each Sponsors Corporation Member.
- Regular, ongoing reporting (but no less than once a year) will be provided to each Sponsors Corporation Member setting out his or her year-to-date education-related expenses.

Attached to By-Law No. 6, approved June 22, 2009

Third Amendment and Restatement on May 25, 2010

Fourth Amendment and Restatement on December 16, 2010

Fifth Amendment and Restatement on September 23, 2011

Sixth Amendment and Restatement on February 21, 2012

Seventh Amendment and Restatement on July 26, 2012

Eighth Amendment and Restatement on February 18, 2014

Ninth Amendment and Restatement on February 19, 2015 (completion dates, budget, authorization)

Tenth Amendment and Restatement on December 13, 2017 (essential education)