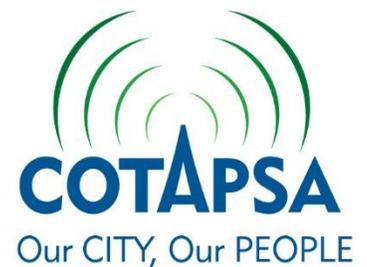


November 29, 2019

Frank Ramagnano and Barry Brown, Co-Chairs  
OMERS Sponsors Corporation Board of Directors (SC)  
900-100 Adelaide Street West  
Toronto, ON  
M5H 0E2



Dear Co-Chairs,

As the representative voice of the members of COTAPSA we are writing to comment on the November 14<sup>th</sup> SC Board decisions and to pose questions to aspects of the summaries as posted on your website. <https://www.omerssc.com/Sponsors/News-Activities/Changes-to-OMERS-By-Laws>

It is difficult to comment specifically on the quality of these recent amendments as the decision-making of the SC and its meetings are all deemed confidential and “in camera”. But in our opinion the amendments as presented do not constitute a “governance review”, of any sort.

There was no effort by the SC to seek input from management non-union employees or their representative organizations with respect to the decisions made, within the same timeframe as your Sponsor consultations. Over 54,000 members pay for the governance costs of OMERS but are provided with no opportunity to provide feedback on SC governance. The current governance matter has only become public because of the attention drawn to it by dissenting employee sponsor organizations.

By any definition, a “governance review” is established to receive feedback and recommendations from, in this case, sponsors, members or their representative organizations on how the SC’s business operations can be improved. The important part being an **objective point of view**. What governance benefits are derived for OMERS members when the SC Directors and their OMERS staff are assessing their own governance activities?

Recommendations to enhance governance effectiveness are normally accompanied with a rationale and anticipated impact. Not so with the SC. Only the SC Directors and OMERS management know why the recommendations were required – no background, analyses of problems or options for consideration were provided.

Healthy public pension organizations will normally post a milestone as important as a Board Effectiveness Review on their website. Yet, only a sliver of information of Board activities in the past year have been posted and no meeting summaries of SC Board meetings since 2017 have been provided.

After 13 years of input and dialogue among the sponsors, one would think there would be a consensus to review something as elemental as SC governance costs. With over two million dollars in annual operating and compensation costs for 14 Directors and three dozen board and committee meetings you essentially decided that more educational conferences and stricter confidentiality are needed to improve governance.

The attached information is not sensitive and should never have been treated as confidential by the SC. The information, in its entirety, could and should have been communicated to members prior to any decision.

What impact assessment or criteria is applied by the SC to determine “In Camera” and “confidential” classifications at your meetings and on relevant documents? No discernable

process is evident. This is not information impacting the SC's legislated obligations. With the exception of matters involving Director conflict of interest, mediation, contracts or arbitration, etc., all of the SC's activity information OMERS could be released under Ontario's Freedom of Information (FOI) legislation, were OMERS not exempted from it.

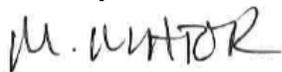
There are valid reasons for a level of confidentiality surrounding, for example, aspects of the process for recruiting OMERS Directors through appointing sponsors. On the other hand, determining the remuneration to be paid to SC or AC Directors is something that ought to be disclosed to members, in policy, discussion and in outcomes. If members are paying for the SC to maintain a website then it must clearly disclose how and why it chooses to disclose or not disclose information to sponsors and members, in a proper communications policy.

Where is the **Code of Conduct** the SC constantly refers to in these governance changes and bylaws? Given its importance, especially to the current bylaw changes, it must be posted on the SC website as soon as possible. The Administration Corporation has publicized its Code of Conduct for many years on its website. However, this does not expressly apply to the OMERS SC or its Directors, and the SC has a lengthy conflict of interest provision in one or more of its bylaws and policies.

As they stand, the six changes made required little effort and are hardly ambitious for any organization with a genuine desire to improve its governance.

The leadership in each sponsor organization must step back from their OMERS sponsor role and look objectively at the quantity and quality of the meagre decisions of the SC since 2006 within the context of a cost of over 30 million dollars of members' money. No sponsor leaders would be able to participate or remain silent with this sort of governance inefficiency and unchecked spending within their own organization. When will OMERS sponsors take the collective responsibility to acknowledge the limitations of the OMERS legislated governance model and have frank open discussions about governance alternatives?

Sincerely,



Mike Major

Copies to:

City of Toronto  
CUPE 79  
CUPE Ontario  
Ontario Professional Fire Fighters Association  
Ontario Catholic School Trustees' Association  
Ontario Association of Children's Aid Societies  
Electricity Distributors Association  
Association of Municipalities of Ontario  
Ontario Association of Police Service Boards  
OSSTF  
OPSEU  
Police Association of Ontario  
The Retiree Group  
Administration Corporation Board of Directors