



February 24, 2022

OMERS Administration Corporation (AC) Board of Directors
OMERS Sponsors Corporation (SC) Board of Directors
900 -100 Adelaide Street West
Toronto, ON M5H 0E2

Attention Ms. Pat Nolan, Director, AC Board Secretariat

Dear SC and AC Directors:

Re: February 28 Sponsor and Stakeholder Virtual Forum

COTAPSA is awaiting OMERS 2021 investment results, presumably on February 28, and we wish to send our concerns and questions in beforehand.

Our meeting on February 28 should not be used by OMERS management and directors to congratulate themselves for a year of decent investment performance without acknowledging and explaining offsetting challenges. Our pension plan's operational expenses continue to rise dramatically, and we are the only major Ontario pension fund in deficit - \$3.2 billion in unfunded liabilities after 12 years.

In addition to weak and erratic net returns on assets (and lower projected future returns) with maximized pension contributions from increasingly fewer members and strained employer budgets, OMERS members will most likely have their inflation indexation benefits eliminated by the OMERS SC in 2023. Meanwhile, our 29 directors and sponsors are saying as little as possible to members and employers about the pending benefit shrinkage and the plan's rising operating costs.

We fear that the February 28 session may follow the pattern of previous meetings, subjecting attendees to a barrage of corporate boasting while leaving little time for audience questions. Indeed, our annual report may only be released following or during the stakeholder meeting and after hundreds of millions of dollars in performance bonuses have been awarded to OMERS staff and Director salary increases have taken affect.

AC management and the AC directors oversee all investment and administrative operations, including compensation and performance reporting. Accordingly, they both have higher and fixed obligations to sponsors, members, employers and FSRA to better report and explain pension administration and investment expenses. Therefore, we are asking you in advance to consider and answer the following questions during your presentation on Monday:

- What were the total compensation and governance costs for 29 Directors in 2021?
- What percentage increase in compensation did OMERS directors reward themselves for 2021 and 2022?
- What amount did each corporation pay for travel, meals, conferences, and education in 2021?
- In keeping with the Toronto Council's request, why does OMERS refuse to include specific information on how each division fulfills its core functions, measures performance, or provides verifiable annual plans for continuous improvement?
- What is the status of the Oxford tax decision by the Supreme Court of Canada, estimated in 2018 to be more than 150 million dollars? Where is this liability shown on financial statements, and who paid the tax bill?
- What year is OMERS supposed to be fully funded again?
- How many staff do OMERS and Oxford Properties each have?
- Why do OMERS 29 directors allow OMERS management to spend hundreds of millions of dollars on OMERS Ventures, with dozens of highly paid staff in four or five offices worldwide, with little to no reporting to members on objectives, metrics, or costs?
- How was OMERS carried-interest compensation and liabilities reported in annual submissions to FSRA?
- Why do OMERS two boards allow fellow directors to spend tens of thousands of dollars on meals and foreign travel to educational conferences during their last term or the final year of their term? How do you justify educational conference travel expenses for some directors who have served on OMERS boards in some cases over 15 years and more?
- If each Board Chair approved the excursions, will they please provide the names, locations, costs, relevance to their role and rationale for each director's expense?
- What is the financial involvement of OMERS with Prince Charles's charitable organizations and initiatives?
- Will you please provide members with a list of investment and pension NGOs in which OMERS is involved, including total dollar amounts of commitments, dues, and staff time?
- Will you please tell sponsors and members specific efforts the two Boards and Management have taken to reduce pension administration and investment management costs in recent years, including improvements to financial reporting, benchmarking, and lowering our Management Expense Ratio?
- What was the amount of Commuted Value refunds for 2021?

- What are OMERS Management Expense Ratio (MER) and Discount Rate for 2021?
- Tell us why the OMERS boards refuse to provide a breakdown of Oxford Properties Group's expenses and profit?
- When will the AGM occur, and why is it a problem for OMERS to publish a date each year in advance?
- What specific criteria will the SC use in 2023 to determine cuts to contributors' cost of living allowances, and will they please disclose the information to members?

We genuinely hope that OMERS maximized net investment returns in 2021. COTAPSA will again examine OMERS operating expenses and evidence of efforts by the two Boards of Directors overseeing the management of the business and affairs of OMERS to improve financial reporting and cost controls.

Sincerely,

A handwritten signature in black ink that reads "M. MAJOR". The letters are bold and slightly slanted, with a cursive-like flow.

Mike Major
Executive Director