



April 6, 2022

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

Attention Ms. Pat Nolan, AC Board Secretariat

Dear Mr. Romagnano,

In response to revelations in a Toronto Star report on March 30, 2022, about removing an SC director, we would like clarification on several related issues, as the facts involve the reputation of the OMERS organization and expenditure of member resources.

OMERS members need you to explain what transpired at SC to prompt the removal of a board member. That a union head resigned amid allegations he received payments from his second in command is not our concern per se. However, what he may have done in exchange for facilitating an appointment to the OMERS SC Board of Directors is a matter for all OMERS members.

Please describe the nature and scope of the latest incident to diminish OMERS reputation:

1. When did the SC discover the incident?
2. What was the dollar amount involved?
3. Were any OMERS resources improperly accessed or used?
4. What was the cost of the investigation, both for the private investigators and OMERS staff time?
5. Will members' resources spent on the investigation be reimbursed by Local 79?
6. Why did the SC inform CUPE National that it had probed concerns about Local 79's member?
7. Why were outsiders reportedly given confidential information not permitted under SC bylaws?
8. Should the seat not have been filled by a person of Local 79's choosing immediately following Chan's removal? According to SC bylaws, SC staff should have sent the nomination paperwork to Local 79 directly and immediately. Did you make such undertakings?
9. When did the removal from the SC board of directors occur, and under what OMERS policies?
10. Was the matter handed over to the commercial crimes unit of Toronto Police by the SC?
11. What actions have the SC taken to prevent this activity from occurring again?
12. Will the SC disclose the investigation results paid for by members and employers?

As we read the SC bylaws, unless Locals 79 and 416 explicitly designated CUPE National as their emergency representative on these sorts of OMERS matters, SC officials had no apparent authority to share information outside the OMERS organization, especially to the possible exclusion of notice or

concurrence of Locals 79 or 416. Furthermore, this move has fairness and equity implications for members of Local 79, such as your reported reversion of the seat to Local 416 ahead of schedule.

The SC should explain its use of its Code of Conduct in this matter, in particular, its apparent use of "fiduciary duty" to the (SC) corporation and "prohibited payments" in removing a member of its board.

Finally, we note (see attached) certain unreported amendments to the **AC Composition Bylaw No. 4**, amended and restated on November 1, 2021. Specifically, a new definition for "Formally Independent" concerning the AC Board Chair, AC Members, any member of their immediate family, Sponsor Organizations, employees of the SC or the AC or any of its business units. Can you please explain these changes and the circumstances on the AC Board of Directors that prompted this revision? Otherwise, we worry that these sorts of changes in bylaws without context may be another effort to avoid disclosing internal events that may negatively affect OMERS governance reputation. For example, we have written to OMERS in the past with our concerns about negative commentary on social media about OMERS's crony culture with high employee turnover and preferential hiring at OMERS controlled entities of family and friends of OMERS board members and senior executives.

OMERS members and employers paid almost \$4.5 million in 2021 for OMERS SC operations. Please consider the concerns raised here and how existing or potential violations were reviewed and investigated. You must disclose this information to concerned members to uphold OMERS' reputation and assure us that your appointments processes have sufficient integrity.

Sincerely,

A handwritten signature in black ink that reads "M. MAJOR". The letters are bold and slightly slanted, with a casual, personal feel.

Mike Major
Executive Director

c.c.

OMERS Administration Corporation (AC) Board of Directors
OMERS Sponsors Corporation (SC) Board of Directors