Throughout, "OTPP" refers to the corporate organization, the Ontario Teachers' Pension Plan Board, and "the Board" and "board members" refers to the board members appointed to the OTPP.

1) AUTHORITY

a) The Enterprise Risk Committee ("ERC") is a standing committee of OTPP. The ERC assists the OTPP in fulfilling its governance responsibilities by providing oversight over the identification, assessment, management and reporting of significant and emerging risks that could materially impact OTPP's overall risk profile, strategy and objectives.

b) The ERC's responsibilities will include taking a higher level, forward-looking and generative approach to risk, including remaining knowledgeable about enterprise level risks assigned to other committees of OTPP, or being identified by such committees, and for maintaining an integrated approach to oversight of all enterprise level risks that recognizes and accounts for their interconnectedness.

c) The Committee is authorized to engage independent counsel and other outside experts as it determines necessary to carry out its duties, which could include for the use of assessing the effectiveness and independence of the risk management function, and to set and pay the compensation for any advisors engaged by the Committee. The Committee chair shall engage the necessary advisors and the Board shall be kept informed of both the selection of the advisors and their advice. The Board may reserve the right to access more detailed information beyond that contained in the Committee reports and recommendations.

2) RESPONSIBILITIES

2.1) Oversight of Enterprise Risk Governance

a) Review, approve and recommend to the Board for approval, at least annually, the Enterprise Risk Appetite Statement.

b) Oversee the identification, assessment, monitoring, and reporting of risk by management that could significantly impact OTPP's overall risk profile, strategy, and objectives.

c) Make recommendations to Board regarding the assignment of new or material emerging risks to be reviewed by committees of the board and reassignment of risks currently being managed by management and overseen by the board and board committees

d) Maintain a risk responsibility matrix that reflects the risks that each board committee has primary responsibility for overseeing.

e) Review, at least twice annually, or as appropriate, enterprise risk profile reports from management including emerging risks as well as results of key risk indicators above tolerance and management's plans to address those issues and the status of any such actions and plans for top enterprise risks.

f) Provide a forum for "big-picture" identification and analysis of enterprise risk, including working with management to identify material, emerging and non-traditional risk issues and trends.

g) Review, at least annually, reports from management on material areas of operational risk including:
   a. technology operations and risks, including the effectiveness of business continuity, disaster recovery and crisis management programs, and management's assessment of information technology risk and related updates.
   b. the information and cyber security framework and obtain periodic updates on cyber security risk and related emerging risks.
   c. the vendor risk management framework and related updates.

2.2) Enterprise Risk Management Policy and Procedures

a) Review, and approve, at least annually, the Enterprise Risk Management Policy.

b) Review how material exceptions to the Enterprise Risk Management Policy and related controls are identified, monitored, measured and controlled, and monitor remedial actions for material breaches of policies and controls.

2.3) Risk Governance

a) Oversee the effectiveness and independence (from operational management) of OTPP's risk management function.

b) Review, at least annually, reports of the Chief Risk Officer, including assurances that risk management is independent, adequately resourced and has appropriate status and visibility.

c) Monitor the appropriateness and soundness of OTPP's risk culture.

d) Meet privately with the Chief Risk Officer to discuss pertinent matters.

2.4) Other Matters

a) The Committee shall review the Terms of Reference of the Committee biennially and present any changes recommended to the Governance Committee for recommendation to the Board.

b) Advise the Board and carry out such other tasks, consistent with the above matters, as directed by the Board.

3) PROCEDURES

3.1) Meetings

a) The Committee will report the proceedings of each meeting and all recommendations made by the Committee at such meeting to the Board at the Board's next regularly scheduled Board meeting.

b) The Committee will meet in camera at each meeting to discuss pertinent matters.

4) POSITION DESCRIPTION FOR CHAIR OF THE ENTERPRISE RISK COMMITTEE

4.1 The Chair of the Committee shall:

(a)   Provide leadership to enhance the Committee's effectiveness by:

i.   Ensuring that the areas of responsibilities of the Committee and management are understood and respected by both;

ii.   Promoting the independent thinking of the Committee;

iii.   Building consensus among Committee members; and

iv.   Overseeing the discharge of the Committee's responsibilities including its reporting to the Board [and coordinating with the other board committees in respect of their risk-related responsibilities].

(b)   Act as the liaison between the Committee and management by working with the Chief Executive Officer or his delegate to:

i.   Carry out the annual calendar of the Committee's business;

ii.   Set the agenda for each Committee meeting;

iii.   Ensure that proper information is brought to the Committee including regular management reports and documentary materials in support of management's proposals.

(c)   Provide the Chair's insight for Enterprise Risk Management by providing input into OTPP's top enterprise risks.