

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, and “partners” refers to OTPP’s partners, being His Majesty the King in right of the Province of Ontario as represented by the Minister of Education and The Ontario Teachers’ Federation as represented by its Executive.

### **1) AUTHORITY**

- a) The OTPP is responsible for its governance.
- b) The Governance Committee (“Committee”) is a standing committee established to assist the OTPP in fulfilling its governance responsibilities.
- c) The Committee is authorized to engage independent counsel and other outside experts as it determines necessary to carry out its duties, 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) To review and report to the Board (and where indicated, the partners) biennially (unless otherwise indicated) on:**

- a) Changes to the Partners’ Agreement;
- b) The board succession plan for (i) the Chair of the Board and the Board as a whole, which will be presented to the partners biennially; and (ii) each standing committee of the Board;
- c) Conducting an annual assessment of the requisite skills needed for prospective or nominated board and committee members, the results of which will be presented to the partners each year in the form of a Board skills matrix;
- d) Conducting an annual assessment of the effectiveness of each of the OTPP’s committees as well as of the Board, and the contributions and performance of each board member, the results of which will be presented to the partners each year;
- e) The disclosure of the system of governance and the operation of the system to stakeholders;
- f) Reports from management on and monitor governance best practices and developments;
- g) Benchmarking and adopting best practices for governance;
- h) The implementation of governance-related policies;

- i) Best practices in governance and recommend those that would enhance and improve the governance of OTPP; and
- j) Board education including orientation for new board and committee members.

### **2.2) To review and report to the relevant partner or both partners, as applicable, on:**

- a) Its recommendation in respect of the reappointment of a board member, as requested by the partner that appointed such board member and to be reported to such partner;
- b) Its recommendation in respect of the reappointment of the Chair of the Board, as requested by one or both partners and to be reported to both partners;
- c) Its recommendations in respect of the removal or one-year extension of the term of a board member in accordance with the Partners' Agreement, to be reported to the partner that appointed such board member; and
- d) Its recommendations in respect of the removal of the Chair of the Board in accordance with the Partners' Agreement, to be reported to both partners.

### **2.3) To review, approve and recommend to the Board for approval biennially (unless otherwise indicated) on:**

- a) The Proxy Voting and Public Company Director Appointment Policy and recommending amendments to the Board as necessary;
- b) The Portfolio Company Governance Policy and recommending amendments to the Board as necessary
- c) The position description of the Chair of the Board;
- d) The terms of reference of each standing committee, including the Committee;
- e) In conjunction with the Chair of the Board, nominees for each of the standing committees and the chairs of each committee reflecting rotation of committee members and chairs where practical;
- f) The Code of Conduct for the board and committee members and the OTPP employees and the annual report on the Code of Conduct Compliance;
- g) The adequacy and the form of compensation of the board and committee members;
- h) The Anti-Bribery/Anti-Corruption Policy; and
- i) The General By-Law
- j) The Conflict of Interest Protocol

### **2.4) Other Matters**

- a) Advise the Board and carry out such other tasks, consistent with the above matters, as directed by the Board and/or as otherwise contemplated by the Partners' Agreement.

### **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
- c) The Committee will meet with each partner at least once annually to report on the matters described in paragraph 2.1 and/or 2.2, as applicable, and will be available to meet with either partner as requested by such partner.

### **4) POSITION DESCRIPTION FOR CHAIR OF GOVERNANCE 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.
- b) Act as the liaison between the Committee and management by working with the Chief Executive Officer or his delegate:
  - i. Carry out the annual calendar of the Committee's business;
  - ii. Set the agenda for each Committee meeting; and
  - iii. To 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.