

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

MEMBERS

Bill Chinery, Chair and George Lewis, Vice-Chair; all board members belong to this committee

1) AUTHORITY

- a) OTPP is responsible under the Teachers' Pension Act for the management of the pension fund. Subject to particular limits, OTPP has delegated the investment of the assets of the plan to the Chief Executive Officer of OTPP with the power to sub-delegate.
- b) The investment committee is a standing committee of OTPP established to assist it in fulfilling its responsibilities as manager of the pension fund including overseeing the investment of assets, investment-related liabilities and management of surplus (deficit) of the plan (the “Investment Committee”).
- c) The Investment 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 Investment Committee. The committee chair shall engage the necessary advisors and the board members shall be kept informed of both the selection of the advisors and their advice. Board members may reserve the right to access more detailed information beyond that contained in the Investment Committee reports and recommendations.

2) RESPONSIBILITIES

2.1) Investment Policies and Procedures

- a) Recommend to the board members for approval, investment policies (including the Statement of Investment Policies & Procedures and any changes thereto), procedures, guidelines and frameworks of the pension fund, as the same may be required by the Pension Benefits Act and its regulations, or otherwise determined to be necessary or advisable;
- b) Review the Board Investment Policy, the Portfolio Governance and Oversight Policy and operating policies annually and recommend amendments to the board members as necessary; and
- c) Monitor investment policies and procedures relative to the Enterprise Risk Appetite Statement and provide investment risk appetite input and oversight as required.

2.2) Investment Risk Management

- a) Receive economic & market updates and monitoring of medium-term risks;

- b) Recommend the annual active risk budget and total asset risk budget, risk-monitoring systems, appropriate risk management frameworks, asset-liability matching and asset-mix for the pension fund;
- c) Receive reports on investment activities from the Chief Investment Officer as required by the Board Investment Policy;
- d) Receive updates regarding OTPP's investment activities related to responsible investing and climate change;
- e) Provide input into OTPP's top enterprise risks including new or emerging investment risks for Enterprise Risk Management; and
- f) Meet privately with the Chief Risk Officer to discuss pertinent matters.

2.3) Strategy and Performance

- a) Review the annual investment plan and key strategic initiatives;
- b) Review on a quarterly basis the performance of the fund against the investment plan and benchmarks and other appropriate metrics for the fund and each asset class; and
- c) Review the performance and risk usage of each department in the Investment Division annually, including the real estate subsidiaries

2.4) Investment Proposals

- a) Recommend to the board members for approval specific investments outside of generally delegated constraints or limits, as set out in the Board Investment Policy and the Statement of Investment Policies & Procedures from time to time
- b) Thereafter monitor such investments by reports of the specific delegates on the commitment to, and completion of, the investments

2.5) Other Matters

- a) The Investment Committee shall review the Terms of Reference of the Investment Committee biennially and present any changes recommended to the Governance Committee for recommendation to the Board; and
- b) Advise the board members and carry out such other tasks, consistent with the above matters, as directed by the board members.

3) PROCEDURES

3.1) Meetings

- a) The Investment 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; and
- b) The Investment Committee will meet in camera at each meeting to discuss pertinent matters.

4) POSITION DESCRIPTION FOR CHAIR AND VICE-CHAIR OF INVESTMENT COMMITTEE

4.1) The Chair of the Investment Committee shall:

- a) Provide leadership to enhance the Investment Committee's effectiveness by:
 - i) Ensuring that the areas of responsibilities of the Investment Committee and management are understood and respected by both;
 - ii) Promoting the independent thinking of the Investment Committee;
 - iii) Building consensus among Investment Committee members; and
 - iv) Overseeing the discharge of the Investment Committee's responsibilities including its reporting to the board members.
- b) Act as the liaison between the Investment Committee and management by working with the Chief Investment Officer and Chief Risk Officer:
 - i) To carry out the annual calendar of the Investment Committee's business;
 - ii) To set the agenda for each Investment Committee meeting; and
 - iii) To ensure that proper information is brought to the Investment 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

4.2) The Vice-Chair of the Investment Committee shall:

- a) Assist the Chair of the Investment Committee with duties as listed above; and
- b) Act as Chair of the Investment Committee should the Chair be unable to do so.