

Provide the information required for each section. Refer to the [Broader Public Sector Executive Compensation Guide](#) for additional instructions and assistance with completing this form.

<b>A. Compensation Philosophy</b>	Provide information on the designated employer's compensation philosophy including details on how the executive compensation program supports the employer's strategic objectives and what the program, including its approach to performance-related pay, is designed to reward.
<b>B. Designated Executive Positions</b>	List all designated executives at the designated employer. If applicable, indicate the class or category of each designated executive position as it relates to the salary and performance-related pay structure in the executive compensation program.
<b>C. Salary and Performance-related Pay Caps</b>	
Comparator Selection	Provide information on the comparators used to benchmark salary and performance-related pay at the designated employer for each designated executive position or class of positions. Provide a rationale for the chosen comparators.
Comparative Analysis Details	Provide information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the methodology used to determine salary and performance-related pay can provide useful context.
Structure	Provide information on the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the salary ranges and performance-related pay structure can provide useful context.
<b>D. Salary and Performance-related Pay Envelope</b>	Provide the sum of salary and performance-related pay paid to designated executives for the most recently completed pay year. In addition, provide the maximum rate of increase to the salary and performance-related pay envelope. Additional information on why changes are necessary and how they were determined can provide useful context.
<b>E. Other Elements of Compensation</b>	<p>Provide information on any proposed compensation elements, other than salary and performance-related pay, that would be provided to designated executive positions or classes of positions but that are not generally provided in the same manner and relative amount to non-executive managers.</p> <p>Include rationale outlining the critical business reasons that justify the provision of each proposed element of compensation.</p>
<b>F. Supplemental Information</b>	Provide any additional information required to support or explain the information included in the executive compensation program.

Provide the contact information of the person completing this program.

**Contact Information**

Organization (Full Name)

Ontario Pension Board

**Completed By**

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First Name

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Job Title

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## A. Compensation Philosophy

Provide information on the designated employer's compensation philosophy including details on how the executive compensation program supports the employer's strategic objectives and what the program, including its approach to performance-related pay, is designed to reward.

Ontario Pension Board (OPB) administers Ontario's Public Service Pension Plan (PSPP), a defined-benefit pension plan serving approximately 41,000 active members and their employers, as well as more than 43,000 retired and former members. With \$24.4 billion in net assets under management, the PSPP is one of the largest and oldest pension plans in Canada.

We are committed to providing world-class client service while also being cost-efficient. OPB's objective is to be a high-performing pension delivery organization providing excellent service and value for money to our clients and stakeholders, while operating in a public-sector fiscal environment.

Our promise to PSPP members is to use innovative solutions and strategies to:

- o protect the long-term sustainability of the Plan;
- o oversee the investment of the Plan's assets to maximize returns within acceptable risk parameters;
- o keep contribution levels reasonably stable and affordable; and
- o deliver superior, cost-effective service to clients and stakeholders so that they can realize the full value of their participation in the Plan.

At OPB, we are committed to protecting our members by helping them make sound decisions about their pension and securing the pension promise for today's and tomorrow's members. Attracting and retaining high-quality leaders is about more than relevant industry experience and monetary compensation, it's about finding leaders who believe in OPB's mission to protect the pension promise and who are committed to helping us provide members with the support and tools they need to make sound pension decisions.

Our executive compensation follows the Government of Ontario's direction on provincial public sector wages. More specifically, as a designated employer, OPB is required to abide by the provisions of the Broader Public Sector Executive Compensation Act, 2014 to ensure transparency relative to compensation decisions. The Broader Public Sector Executive Compensation Program directive further specifies the process to be followed by OPB and other designated employer organizations. OPB follows the government's direction for broader public sector organizations to "attract and retain the necessary talent to deliver high-quality public services while managing public dollars responsibly."(see note 1)

We face significant competition for high-quality employees with the requisite experience at the executive level and must offer a market-competitive compensation package to attract and retain top talent. In an organization of OPB's size, it is essential that all executives contribute, through their leadership, to the success and performance of the entire organization. This requires seasoned leaders and a hands-on approach. Many executives at comparable levels in larger organizations lead discrete functions with multi-layered hierarchies of support. In contrast, OPB has a relatively flat organizational structure and our executives have broad spans of control.

OPB participates in third-party external compensation surveys to assess compensation comparators, and typically trends below market average. In assessing market compensation levels, the comparator organizations we include must be those with which we compete for talent and against which OPB's performance is compared. The primary labour market competitors for OPB are therefore other major Ontario public-sector pension plan administrators, third-party pension administration firms, defined-benefit plan administration departments of other organizations and out-of-province public-sector defined-benefit plan administrators and investment management organizations. Nevertheless, we recognize that there is an element of public service in employment with OPB and our monetary compensation reflects and respects the public sector context in which we operate.

Executive roles are evaluated using the Hay Group Job Evaluation Method, which evaluates jobs based on the required skills, knowledge, abilities, responsibilities and working conditions of the role. Once a position is evaluated, it is placed in a classification level, which corresponds to a salary band/range. Salary ranges were initially established based on external market data and ranges are reviewed on an annual basis through compensation surveys to

confirm salaries are at an appropriate level and to ensure OPB remains competitive in the external market.

Executives receive an annual base salary that is within the salary range assigned for the corresponding classification. OPB's current practice is to conduct annual performance and salary reviews for executives. The rate of salary adjustment is in line with the individual's job performance and in keeping within the appropriate market-based ranges. In addition to base salary, executives are eligible to participate in the annual short-term incentive plan. The incentive plan is designed to provide incentive to deliver results in line with the annual business objectives as established and monitored by OPB's Board of Directors. Incentive pay is not guaranteed; it is earned and paid only when certain levels of performance (measured both quantitatively and qualitatively) and results are achieved – both at the corporate and individual executive level. A significant proportion of performance pay for executives is dependent on the organization's performance versus the individual's performance. Organizational performance includes an assessment of client and stakeholder service performance, cost-effectiveness management and performance against business plan goals.

OPB is continuing its transformation journey, from the vision of asset pooling to its realization through IMCO, the upcoming sea change of pension modernization, and the exploration of opportunities via public-sector pension consolidation. We anticipate pension modernization will run approximately five to seven years from inception to execution, resulting in an enhanced pension administration system that will allow OPB to meet the evolving needs of our clients and stakeholders and ensure our technology remains current and our clients' personal information remains secure.

*Pension modernization and consolidation will place extraordinary demands on our already lean executive team.* These demands require executives who are also willing to take a very hands-on approach to managing operations, building capacity and providing agile leadership in a rapidly changing environment. It is essential that OPB's executives possess expertise on enterprise-wide business processes and systems as well as the strategic foresight to mitigate emerging issues, from legislative changes to market volatility to the privacy-related threats in the ever-changing sphere of cyber security.

Our structure is designed to meet the priorities of today and provide strategic leadership as we work towards our future state, which, once realized, will provide the opportunity to further refine our executive structure, including the possibility of capacity-building elsewhere in the organization.

Note 1: Ontario Budget, 2017. Chapter VI: Responsible Fiscal Management; Section A: Transforming Government for Sustainability and Fairness; Managing Compensation – Broader Public-Sector Executive Compensation (© Queen's Printer for Ontario, 2017, p. 214).

## B. Designated Executive Positions

List all designated executives at the designated employer. If applicable, indicate the class or category of each designated executive position as it relates to the salary and performance-related pay structure in the executive compensation program.

Full Job Title	Class of Position
E.g. Chief Operating Officer	E.g. VP-1
President & Chief Executive Officer	E6
Chief Investment Officer (CIO)	E5
Executive Vice President & Chief Pension Officer	E5
Chief Technology Officer (CTO)	E4
Chief Legal and Governance Counsel	E4
VP Client Services	E3
VP Finance	E3
VP Human Resources & Corporate Services	E3
VP Pension Modernization	E3

## C. Salary and Performance-related Pay – Comparator Selection

Provide information on the comparators used to benchmark salary and performance-related pay at the designated employer for each designated executive position or class of positions. Provide a rationale for the chosen comparators.

### Comparators 1

Executive Positions or Classes of Positions Benchmarked

All positions (classes E3-E6), including:

President & Chief Executive Officer

Chief Investment Officer (CIO)

Executive Vice President & Chief Pension Officer

Chief Technology Officer (CTO)

Chief Legal and Governance Counsel

VP Client Services

VP Finance

VP Human Resources & Corporate Services

VP Pension Modernization

### Canadian Public Sector or Broader Public Sector Comparators

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

Canadian Broadcasting Company Pension Plan

Civil Service Superannuation Board

University of Toronto Asset Management

Workers' Compensation Board-Alberta

New Brunswick Investment Management Corporation

Alberta Teachers' Retirement Fund Board

Insurance Corporation of British Columbia

OPTrust

Canada Post Pension Plan

Workplace Safety & Insurance Board

Healthcare of Ontario Pension Plan ("HOOPP")

Ontario Municipal Employees Retirement System ("OMERS")

Ontario Teachers' Pension Plan Board

Positions or Classes of Positions (e.g. Chief Financial Executives)

Positions were matched to similar benchmark roles (i.e. similar scope/responsibilities) within the Willis Towers Watson 2016 Investment Management Compensation Survey ("Towers Survey") and leveraging publicly available information. For each class of executive positions, comparators were from at least eight different organizations to inform the comparative analysis. The matches for each position are as follows:

- President & Chief Executive Officer was benchmarked to the Top Executive (CEO)
- Chief Investment Officer was benchmarked to the Head of Externally Managed Investments. This role was also matched to CIO roles only in cases where comparator organizations reported that over 75% of assets were externally managed as aligned to OPB's model.
- Executive Vice President & Chief Pension Officer was benchmarked to the Head of Pension Services
- Chief Technology Officer was benchmarked to the Chief Information Technology Officer
- Chief Legal and Governance Counsel was benchmarked to the Top Legal position
- VP Finance was benchmarked to the Top Finance position. However, for the larger Pension Funds (i.e. where assets under management ("AUM") are greater than \$60 billion), data have been level-matched to include finance executives one level below the CFO
- VP Human Resources & Corporate Services was benchmarked to the Head of Human Resources
- Given the uniqueness in the market for the positions of VP Client Services and VP Pension Modernization, market data was unavailable. Based on Hay Group's job evaluation methodology, the four Vice President positions have been identified as having a similar job size and have been banded within the same level/class (E3). As a result, OPB established a pay cap for E3 based on the benchmarked data for the VP Finance and VP Human Resources & Corporate Services.

When establishing the pay cap for each band, the 50th percentile was discounted significantly to take into account

differences between OPB and the comparator organizations and positions, and to take into account the public sector environment OPB operates in, as detailed below.

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#### Rationale for Selected Comparators

All comparators are within the Canadian public sector/broader public sector. The organizations were selected as they require similar competencies of leadership, relative to the types of complexities and accountabilities required by OPB's executive leadership team in order to achieve OPB's mandate and strategic objectives.

The comparator organizations were selected based on their similarities to OPB with respect to all of the factors as specified by the framework:

- The scope of responsibilities of the organization's executives: executives who are in the pension fund administration and investment fund management industries with comparable responsibilities to those at OPB. OPB is at 70th percentile in terms of Assets Under Management (AUM) (see attached).
- The type of operations the organization engages in: pension fund administration and investment fund management
- The industries within which OPB competes for executives: OPB's primary labour market competitors are other public sector pension fund administrators and investment fund managers
- The location of the organization: OPB primarily attracts candidates within the Greater Toronto Area. However, organizations located across Canada have been considered for executive positions as OPB would broaden the search to draw a broader pool of qualified candidates from the appropriate sector.
- The size of the organization: A sub-group of pension funds that participated in the Towers Survey were selected based on having AUMs that are approximately 1/3x to 3x that of OPB's.

Overall, OPB believes this group represents a balanced sample of organizations that have executives with a similar scope/size of responsibilities, complexity and a combination of other important benchmark criteria as mentioned above. We recognize that while some of these comparators are significantly larger pension plan organizations in terms of AUMs and number of members, they are directly comparable to OPB from the perspective of the operational structure necessary to achieve effective and cost-efficient pension administration.

OPB draws from and directly competes with its larger peers for talent. As a smaller organization with fewer resources and notably less depth in our executive ranks, we must nevertheless deliver comparable results. This means our executives must be "doers" as well as leaders/managers, and must bring significant pension administrative expertise to the table – expertise which, in larger organizations, would be relied upon from other levels of executives. In this way, managing a smaller organization with the same mandate is equally – if not more – challenging as managing a larger organization and requires comparable senior executive-level expertise.

AUM is one of several factors taken into consideration. The PSPP is a very mature plan with a member-to-pensioner ratio of 1:1, which means that expert and careful funding and investment risk management are even more pressing responsibilities than in other less mature plans. Furthermore, its diverse membership base includes multiple bargaining agents as well as executives, managers and specialists drawn from wide-ranging roles and all with varying needs and expectations. OPB works with more than 80 employers, and is the only pension plan that is directly accountable to the Government of Ontario.

CEM Benchmarking Inc. (see page 13, note 3) confirms that by a wide margin, OPB not only manages the most complex pension plan amongst its Canadian peer group, but also one of the most complex plans in the world. OPB received a 2017 CEM benchmarking score of 90 out of 100 with a service ranking of second in Canada and fourth globally. The CEM benchmarking survey notes OPB's complexity score as 78 out of 100 against a median complexity score of 36 amongst its Canadian peers (i.e. other major Ontario pension plans, including Ontario Teachers' Pension Plan, HOOPP and OMERS).

OPB's well-established and industry-leading Advisory Services model is one that peer plans are only now beginning to explore. This model provides exceptional client advice and support throughout all member life stages and major events, including personalized, proactive financial planning delivered by a cadre of certified financial planners, setting OPB apart from its peer plans and emulating a level of service previously available only through direct financial-services firms and independent financial advisors. Our need to maintain world-class advisory and client service excellence necessitates attraction and retention of top-tier talent, particularly during this period of transformational change.

The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

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**Comparators 2**

Executive Positions or Classes of Positions Benchmarked

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**Canadian Public Sector or Broader Public Sector Comparators**

Organizations (e.g. Organization 1, Organization 2, Organization 3, etc.)

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Positions or Classes of Positions (e.g. Chief Financial Executives)

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Rationale for Selected Comparators

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The designated employer received approval from the President of the Treasury Board to use private sector and/or international comparators for these executive positions or classes of positions.

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## C. Salary and Performance-related Pay – Comparative Analysis Details

Provide information on the percentile used to benchmark the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on the methodology used to determine salary and performance-related pay can provide useful context.

Executive roles are evaluated based on the required skills, knowledge, abilities, responsibilities, and working conditions of the role. The evaluation system used by OPB executive roles is the Hay Group Job Evaluation Method which is also used by many other Ontario broader public sector organizations. The evaluation points of the role determine the executive grade/class.

A brief overview of the evaluation methodology is provided in the attached graphic.

OPB worked with Hay Group to review all executive level positions and evaluate each role based on the factors listed above to determine the evaluation points, otherwise known as job size. Similarly sized executive positions were banded together to create a salary range structure and an overall pay cap. The job sizing exercise resulted in 4 executive level classes:

- E6: President & CEO
- E5: Senior Executive level positions
- E4: Senior Executive level positions
- E3: Vice President level positions

Under the guidance of Hay Group, each of OPB's designated executive positions were benchmarked at the 50th percentile as required by the framework, against jobs with similar job title, job content and scope of responsibilities within the selected comparator organizations using salary survey data. An in-depth analysis of each of OPB's executive positions compared to the applicable survey was conducted to ensure positions were matched appropriately. The positions were benchmarked to the 50th percentile of the selected comparator market's maximum total direct compensation (i.e. base salary + performance-related pay). The results of the comparative analysis were used to determine the maximum compensation (i.e. pay cap) that can be earned by OPB's executives.

OPB then applied a conservative approach to set the pay cap for each position by using a value below the regulated cap.

OPB reduced the pay cap by taking a discounted value of the 50th percentile of the maximum total direct compensation of the market for most positions. Pay ranges were established for each class. The discounts from the 50th percentile, range up to approximately 50% based on a number of factors. OPB considered differences in position complexity, level of accountability, areas of responsibility, size of fiduciary responsibility as well as ensuring we recognized the public sector environment in which OPB operates. In some classes, OPB was under the 50th percentile (discounting approximately 30- 50%). Following this exercise we found that only minor adjustments to ranges were required in many cases, and OPB was largely able to leverage their existing compensation model.

The pay cap set for each applicable executive class falls under the 50th percentile of the benchmarked data. The Chief Legal & Governance Counsel and the Chief Technology Officer (CTO) were banded together in one class (E4) based on Hay's analysis and job sizing methodology. The CTO's current policy maximum total direct compensation is above the proposed pay cap. In order to meet the requirement of the Regulation, OPB has amended the maximum annual performance related pay the E4 class can earn to bring the total direct compensation for the CTO within the proposed new pay cap.

OPB recognizes that some of the positions benchmarked to OPB's President & CEO have responsibility for an internally managed investment function. OPB recently participated in the establishment of IMCO and following a significant transformation cycle, saw the outsourcing of the investment management of OPB assets. This structural change is still in its infancy and continues to require the focus of OPB's President & CEO to ensure a successful transition. Furthermore, OPB will retain primary fiduciary responsibility for asset allocation, and is accountable for continued governance oversight of OPB's investments. We recognize in the role the continued complexity of a critical outsourced model.

The future holds considerable challenge for the role as OPB moves forward with its second strategic transformational

change journey, as we embark on Pension Modernization as well as pursue opportunities for public sector pension consolidation. These strategic objectives will require strong executive leadership to manage a vast and multifaceted redesign of existing services and systems and increasingly complex governance within the industry.

Given the above factors the Board proposes a pay cap for the CEO which reflects a 44% discount from the 50th percentile. This reflects the public sector environment in which OPB operates, but also recognizes the ongoing level of responsibility and skill required to successfully advance OPB's strategic agenda.

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### C. Salary and Performance-related Pay Structure

Provide information on the salary and performance-related pay cap for each designated executive position or class of positions. Additional information on salary ranges and performance-related pay structure can provide useful context.

Executive Position or Class of Positions	Salary Range Minimum (\$)	Job Rate (\$)	Salary Range Maximum (\$)	Target Annual Performance-related pay (% of Salary)	Maximum Annual Performance-related Pay (% of Salary)	Salary and Performance-related Pay Cap (\$)
E.g. President	E.g. 200,000	E.g. 220,000	E.g. 240,000	E.g. 7.5	E.g. 10	E.g. 264,000
E6	\$380,000	\$520,000	\$700,000	35.0	70.0	\$1,190,000
E5	\$261,000	\$330,000	\$395,000	25.0	50.0	\$592,500
E4	\$229,000	\$288,000	\$331,500	25.0	37.5	\$455,813
E3	\$165,000	\$207,000	\$249,000	20.0	40.0	\$348,600

## D. Salary and Performance-related Pay Envelope

Provide the sum of salary and performance-related pay paid to designated executives for the most recently completed pay year. In addition, provide the maximum rate of increase to the salary and performance-related pay envelope. Additional information on why changes are necessary and how they were determined can provide useful context.

<b>Sum of Salary and Performance-related Pay for the Most Recently Completed Pay Year (\$)</b>	<b>Maximum Rate of Increase to Envelope (%)</b>
\$4,008,380	4.5

Rationale for the Proposed Maximum Rate of Increase:

OPB's Board recognizes that it must address historical and significant market gaps in certain critical roles. It is OPB's intent to address this issue in the coming years within the established maximum pay cap. The market gaps that currently exist have been identified between OPB and its comparator group and the current compensation levels for some of OPB's executives are below the 50th percentile. The organizations in the comparator group are where OPB draws from and directly competes with for talent. As these organizations continue to increase their salary structures and actual compensation for their executives on an annual basis, and OPB keeps executives at their current level with only nominal increases, the disparity between OPB's compensation and the comparator group's compensation will grow. If adjustments are not made, or are not made at sufficient levels, OPB is at risk of being priced out of the talent market and will be unable to attract and retain the caliber of candidate it requires at the executive level to successfully run the organization. The request for increase to the envelope will enable OPB the ability to address the gaps over time through incremental increases up to the increase in envelope.

When determining the maximum rate of increase for its executives, OPB reviews government direction on broader public sector compensation from a variety of sources, such as the Budget and Speech from the Throne. OPB follows the government's direction for broader public sector organizations to "attract and retain the necessary talent to deliver high-quality public services while managing public dollars responsibly." (see note 1)

OPB recognizes that the government has taken a national leadership role on retirement income security (see note 2). At OPB, our mandate is to keep the pension promise for today's and tomorrow's members. Part of keeping this promise is to ensure we invest in the talent necessary to protect the long-term sustainability of the Plan while balancing against overall operating expenditures.

The primary labour market competitors for OPB are other major Ontario public-sector pension plan administrators, third-party pension administration firms, defined-benefit plan administration departments of other organizations and out-of-province public-sector defined-benefit plan administrators and investment management organizations. There is, however, an element of public service in employment with OPB and our monetary compensation respects the public sector context in which we operate. We seek to attract and retain high-quality leaders who believe in our mission and who are committed to helping us provide members with the support and tools they need to make sound pension decisions.

OPB has a strong reputation as an industry leader in pension advisory services, receiving a 2017 CEM Benchmarking Inc. (see note 3) score of 90 out of 100 with a service ranking of second in Canada and fourth globally. The CEM benchmarking also confirms that OPB manages one of the most complex pension plans in the world, with a complexity score of 78 against a median complexity score of 36 amongst Canadian peers. We are in the early stages of unprecedented change as we embark on our Pension Modernization Program. OPB anticipates this change effort will run approximately five to seven years from inception to execution. Pension Modernization focuses on creating an enhanced pension administration system that will allow OPB to meet the evolving needs of our clients and stakeholders and ensure our technology remains current and our clients' personal information remains secure.

OPB's core pension systems are aged, inefficient and close to end-of-life, which means they cannot support new technologies being used to advance our digital strategy. This legacy system puts limits on how responsive OPB can be in providing service to our members, especially in terms of introducing new digital tools that can enhance the client experience. Replacing our systems will take several years and will require a significant capital investment to ensure what we implement will meet our current needs and what we envision our members will need in the future. While this transformational work is going on behind the scenes, we must continue to provide client service excellence

at levels at or above current performance. Additionally, as part of our modernization process, we will be reviewing our business processes to identify where they can be redesigned to be more efficient and to improve the client experience.

OPB has been working with peer plans who have gone through similar projects over the last few years. They have been extremely helpful to us and have shared their learnings from what is universally agreed upon within the industry to be an extraordinarily complex undertaking. Given the need to make this unprecedented transformational change while at the same time continuing to provide our clients with high-quality service, strong executive leadership is critical to ensure business priorities are met and change is driven effectively from a fiscal and resource perspective. With Pension Modernization, it is essential that OPB's executives possess expertise on enterprise-wide business processes and systems as well as the strategic foresight to mitigate emerging issues, from legislative changes to market volatility to the privacy-related threats in the ever-changing sphere of cyber security.

Lastly, the Government of Ontario is encouraging consolidation of smaller pension plans in the broader public sector, as reflected in the commissioning of the 2012 Morneau Report (see note 4). It supported asset pooling through the creation of IMCO. It encourages the creation of a University sectoral plan, and its amendment of pension regulations, permits the merging of single employer defined-benefit plans into jointly sponsored defined-benefit plans. Many of the smaller broader public sector plans are encountering sustainability challenges, driving them to explore joining/partnering with larger pension plans. OPB believes it is uniquely situated to support the government's objective of pension consolidation. It is well-positioned to provide opportunities to other employers and their employees by joining the PSPP or partnering with OPB for pension administration delivery. To meet this need and take advantage of the opportunity for growth, OPB is engaged in a growth strategy initiative that supports the government's plan of consolidating smaller broader public sector pension plans within PSPP. This objective enables OPB to grow the client base which in turn enhances the sustainability of the PSPP.

Notes:

1. Ontario Budget, 2017. Chapter VI: Responsible Fiscal Management; Section A: Transforming Government for Sustainability and Fairness; Managing Compensation – Broader Public-Sector Executive Compensation (© Queen's Printer for Ontario, 2017, p. 214).
  2. Speech from the Throne (September 12, 2016).
  3. CEM is a leading benchmarking firm that specializes in benchmarking cost and performance of investments and administration. OPB participates in the Pension Administration Benchmarking.
  4. Morneau, William. Facilitating Pooled Asset Management for Ontario's Public-Sector Institutions: Report from the Pension Investment Advisor to the Deputy Premier and Minister of Finance.
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## E. Other Elements of Compensation

Provide information on any compensation elements, other than salary and performance-related pay, that would be provided to designated executive positions or classes of positions but that are not generally provided in the same manner and relative amount to non-executive managers.

Include rationale outlining the critical business reasons that justify the provision of each element of compensation.

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### Element 1

Element of Compensation

Supplementary Executive Retirement Plan (SERP)

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Positions or Classes of Positions

President & CEO

Executive Vice President & Chief Pensions Officer

Chief Technology Officer

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Rationale

Three existing executives currently participate in a Supplementary Executive Retirement Plan. The purpose of the Supplemental Plan is to provide pension benefits under the PSPP formula on Short-Term Incentive Plan earnings that are not pensionable under the PSPP and PSSBA. The SERP program was initially created as part of OPB's compensation program to attract and retain the necessary talent and expertise required at the senior executive level. This program will not be extended further to any other executive positions in the future.

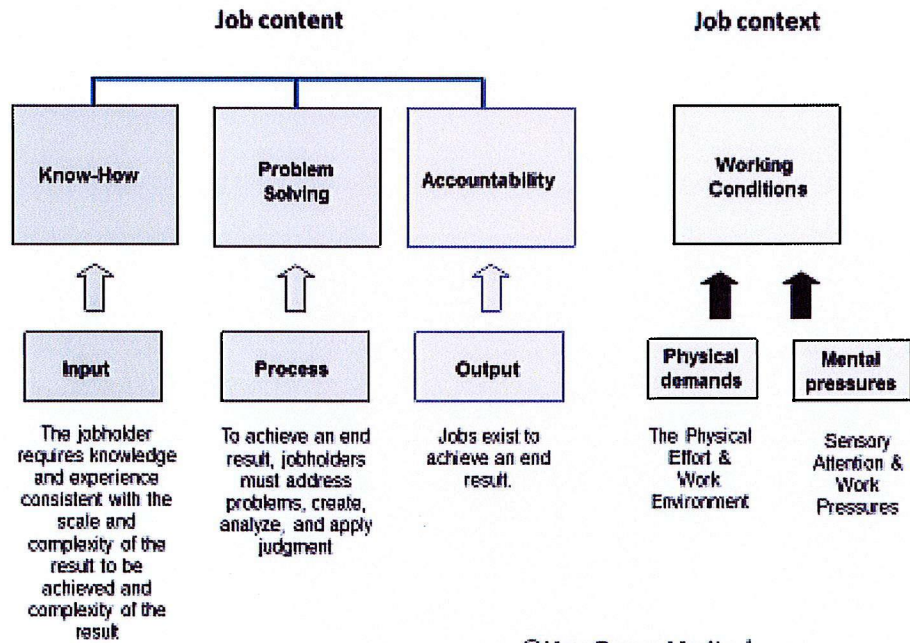
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## F. Supplementary Information

Provide any additional information required to support or explain the information included in the executive compensation program.

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**Hay Group Guide Chart-Profile Method<sup>SM</sup>**  
**The Basic Factors**



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Organization		Assets Under Management (Billions \$) <sup>1</sup>
<b>Ontario Pension Board</b>		<b>24.4</b>
1	Ontario Teachers' Pension Plan Board	175.6
2	Ontario Municipal Employees Retirement System ("OMERS")	85.2
3	Healthcare of Ontario Pension Plan ("HOOPP")	70.4
4	Workplace Safety Insurance Board	26.3
5	Canada Post Pension Plan	23.2
6	OPTrust	19.0
7	Insurance Corporation of British Columbia	13.9
8	Alberta Teachers' Retirement Fund Board	13.4
9	New Brunswick Investment Management Corporation	13.3
10	Workers' Compensation Board – Alberta	9.9
11	University of Toronto Asset Management	8.8
12	Civil Service Superannuation Board	6.8
13	Canadian Broadcasting Company Pension Plan	6.5
75th Percentile:		26.3
<b>50th Percentile (median):</b>		<b>13.9</b>
25th Percentile:		9.9
OPB variance from Median:		76%
OPB Market Position:		P70

<sup>1</sup> Data for each organization has been sourced from the most recently published annual report