

# Governance Committee Mandate

APRIL 1, 2024



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## 1.0 Introduction

The objects and powers of CPP Investments are outlined in the **CPPIB Act**. The **CPPIB Act** outlines certain responsibilities for the Board. The **Board Mandate** clarifies the Board’s responsibilities.

The **CPPIB Act** permits the Board to establish such committees as it deems necessary, and to assign to them such duties as it considers appropriate. The Board has established the Governance Committee in accordance with its authority to do so under the **CPPIB Act**.

This mandate is designed to articulate the responsibilities of the Governance Committee.

## 2.0 Purpose

The purpose of the Governance Committee is to assist the Board in fulfilling its obligations by providing a focus on governance that is intended to enhance CPP Investments’ performance, at all times taking into consideration established governance best practices. Further, the Governance Committee shall receive reports and make recommendations on matters including:

- (a) the **Board Mandate** and the mandate for each Board Committee;
- (b) the Board’s composition and effectiveness;
- (c) CPP Investments’ conduct and culture, including the **Code of Conduct, Conflicts of Interest Policy** and **Personal Trading Policy**, and their application;
- (d) maintenance and review of the Governance Manual; and
- (e) such other matters as may be determined by the Board.

### **3.0 Committee Membership**

#### **3.1 APPOINTMENTS AND RE-APPOINTMENTS**

The Governance Committee shall be composed of not fewer than three Directors.

The Committee Chair and members are appointed and/or re-appointed by the Board, on the recommendation of the Chairperson after consultation with the Governance Committee.

#### **3.2 REMOVAL OR REPLACEMENT**

A Governance Committee member may be removed or replaced at any time by the Board. Governance Committee membership will cease when an individual ceases to be a Director or at the time of their resignation from the committee.

#### **3.3 DELEGATION TO MEMBERS AND SUB-COMMITTEES**

The Governance Committee may delegate matters under its jurisdiction to a subcommittee or individual committee member. All work performed by such subcommittee and/or individual committee member must be reported at each committee meeting.

### **4.0 Committee Meetings**

#### **4.1 FREQUENCY, FORMAT AND LOCATION**

The Governance Committee will meet at least four times a year, with additional meetings at the discretion of the Committee Chair. The Governance Committee's meeting schedule will be determined by the Committee Chair based on the committee's mandate and timetable.

In-person meetings are usually held at the CPP Investments head office in Toronto, although they may from time to time be held elsewhere. Video or teleconference meetings may also be held at the discretion of the Committee Chair, provided the relevant electronic, telephonic or other communication facilities permit all persons participating in the meeting to communicate adequately with each other.

#### 4.2 QUORUM

A quorum for the transaction of business at a Governance Committee meeting will be a majority of the authorized number of members. Questions arising at a meeting will be determined by a majority of votes cast by the members present.

#### 4.3 INFORMATION

Committee meeting agendas and material will be distributed to Directors with sufficient time to ensure there is an opportunity to review. Material will be prepared in accordance with the **Guidelines for Board Materials**. The Committee Chair is expected to be consulted in advance by one or more of the Chairperson, the President & CEO, the Corporate Secretary or the Officer most closely associated with the Committee in relation to the agenda and information packages for each Committee meeting.

#### 4.4 ATTENDANCE BY THE CHAIRPERSON

The Chairperson will be invited to attend Governance Committee meetings, as an *ex officio* member of the Governance Committee.

#### 4.5 ATTENDANCE BY MANAGEMENT

The President & CEO will be invited to attend all Governance Committee meetings, recognizing that from time to time the Committee Chair may request a meeting without Management present.

Other members of Management may also be invited to attend Governance Committee meetings to provide information and opinions to assist the Directors in their deliberations.

#### 4.6 IN CAMERA SESSIONS

The Committee Chair shall hold an in-camera session at each Governance Committee meeting, unless it is agreed by the Governance Committee not to be necessary (such as a special Governance Committee meeting held for a single matter).

#### 4.7 MINUTES

The Corporate Secretary will ensure that minutes of each Governance Committee meeting are prepared and made available in a timely fashion to the Committee Chair, each committee member and to the Board.

#### 4.8 REPORTING

The Governance Committee will report through the Committee Chair in a timely manner to the Board on the results of its meetings including by distributing the minutes of its meetings and where appropriate, by an oral report by the Committee Chair at the next regularly scheduled Board meeting following each Governance Committee meeting.

### 5.0 Operations

The Chair of the Governance Committee may ask the Chairperson to call a meeting of the Board to consider any matter of concern.

The Governance Committee will have access to Management and CPP Investments' documents as may be required to fulfill its responsibilities.

The Governance Committee will be provided with the resources necessary to carry out its responsibilities. The Governance Committee may engage independent counsel and other advisors and set and pay the compensation for any advisors so engaged.

### 6.0 Duties and Responsibilities

Subject to the powers and duties of the Board, and to the requirements of the **CPPIB Act**, the Governance Committee will perform the following duties:

#### 6.1 CONDUCT AND CULTURE

- (a) Review on an ongoing basis the effectiveness of conduct- and culture-related policies, procedures and programs (including with respect to conflicts of interest and personal trading) in fostering a culture of ethics and integrity throughout CPP Investments, and report its findings to the Board as warranted.

- (b) Review a report from the Conduct Review Advisor on his/her review of the **Code of Conduct and Conflicts of Interest Policy** annually.
- (c) Monitor, recommend amendments to and annually review the **Code of Conduct, Conflicts of Interest Policy** and **Personal Trading Policy**, including receiving the aforesaid annual report from the Conduct Review Advisor.
- (d) Review reports from Management at least annually on, and be available to receive reports of, investigate and make recommendations in respect of, conduct and culture issues and initiatives, including:
  - (i) on the **Code of Conduct, Conflicts of Interest Policy** and **Personal Trading Policy**;
  - (ii) with respect to reports made through the whistleblower hotline; and
  - (iii) with respect to legislative or internal policy compliance items relating to conduct or culture,
 it being understood that all such significant matters are intended to be brought before the Committee in this regard.
- (e) Where appropriate, refer matters to the Conduct Review Advisor for their advice.

**6.2 GOVERNANCE DOCUMENTS AND INITIATIVES**

- (a) Recommend to the Board changes (other than those of a housekeeping nature which may be approved by the Corporate Secretary) to:
  - (i) **Board Mandate, annually;**
  - (ii) **Governance Committee Mandate, annually**
  - (iii) **Director Role Description, when warranted;**
  - (iv) **Chairperson Role Description, when warranted;**
  - (v) **Committee Chair Role Description, when warranted;**



- (vi) **President & CEO Role Description, when warranted;**
- (vii) such other aspects of the Governance Manual as may require review and the process for review of which is not covered elsewhere in this Mandate.
- (b) Approve changes (other than those of a housekeeping nature which may be approved by the Corporate Secretary) when warranted to the **Protocol Governing Appointment of Former CPPIB Directors to Investee Entity Boards.**
- (c) Prepare and recommend to the Board an annual statement of governance practices for publication in the Annual Report, and any summary of procedures, as required, and otherwise review any other public disclosure of the corporate governance policies and practices of CPP Investments.
- (d) Review periodic reports from Management on governance best practices, including with respect to conduct and culture, and CPP Investments' performance and practices compared to those standards.
- (e) Recommend to the Board any reports on corporate governance that may be required or considered advisable.

### 6.3 BOARD AND BOARD COMMITTEE MEETINGS

Assess the needs of the Board and Board Committees regularly in terms of the frequency of Board and Board Committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings, taking into consideration the results of the **Board and Committee Evaluation** and making recommendations to the Chairperson as required.

### 6.4 DIRECTOR APPOINTMENTS

- (a) In consultation with the Chairperson, lead the Board in assessing and planning for Board composition and succession, including:
  - (i) considering the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - (ii) considering the competencies and skills that the Board considers each Director to possess;

- (iii) overseeing the process of individuals self nominating for Director appointments; and
  - (iv) evaluating the competencies and skills that each new nominee would bring to the boardroom.
- (b) Where the Committee deems it desirable to form a search committee to nominate candidates to serve as Directors, recommend the formation of any such search committees and receive regular reports regarding the search process including the search firm(s) used for the Director search process.

**6.5 CHAIRPERSON SUCCESSION AND DESIGNATION**

Work with the Board, and the Chairperson as required, to ensure the Board is considering the issue of Chairperson succession planning.

**6.6 DIRECTOR ORIENTATION AND DEVELOPMENT**

In consultation with the Chairperson, and the Board as required:

- (a) Develop the overall approach to director orientation and development and outline the approach in the **Director Orientation and Development Processes**.
- (b) Oversee the design and implementation of the director orientation and development programs working closely with the Corporate Secretary and Management.

**6.7 BOARD DIVERSITY POLICY**

- (a) Review and recommend to the Board at least annually the Board of Directors Diversity Policy.
- (b) Oversee the implementation of the Board of Directors Diversity Policy and monitor progress towards the achievement of its objectives.

**6.8 BOARD EFFECTIVENESS ASSESSMENT PROCESSES**

Annually recommend to the Board, and implement, appropriate processes for evaluation of the Board and Committees, with reference to the **Board Evaluation Processes**.

**6.9 COMMITTEE APPOINTMENTS**

Act as a sounding board for the Chairperson in reviewing the Chairperson’s recommendations to the Board for appointing Board Committee members and Committee Chairs.

**6.10 REVIEW OF POLICIES**

Review all major policies which govern CPP Investments’ operations and material amendments thereto<sup>1</sup>, including but not limited to those specific policies referenced in this Mandate.

**6.11 AUTHORITIES POLICY**

Review and recommend to the Board at least annually the Authorities Policy.

**6.12 GOVERNANCE POLICY FOR CPPIB GROUP COMPANIES**

Review and approve at least once every three years the Governance Policy for CPPIB Group Companies.

**6.13 PROCUREMENT POLICY**

Review and approve at least once every three years the Procurement Policy.

**6.14 PROXY VOTING PRINCIPLES AND GUIDELINES**

Review and recommend to the Board at least annually the Proxy Voting Principles and Guidelines.

**6.15 PRIVACY POLICY**

Review and recommend to the Board at least once every three years the Privacy Policies.

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<sup>1</sup> The General Counsel & Corporate Secretary shall be consulted by the member of Management ultimately responsible for a policy to assist in determining whether the policy is “major” and whether the amendments are “material”.

**6.16 ANTI-CORRUPTION POLICY**

Review and recommend to the Board at least once every three years the Anti-Corruption Policy.

**6.17 COMMUNICATIONS POLICIES**

Review and recommend to the Board at least once every three years the Disclosure Policy and the Communications and Stakeholder Relations Policy.

**6.18 DIRECTORS' COMPENSATION**

Review the Directors' and Chairperson's compensation at least every two years and recommend changes to the Board when warranted.

**6.19 BOARD AND COMMITTEE PRIORITIES**

- (a) In consultation with the Chairperson, formulate annual priorities for the Governance Committee for each fiscal year and review progress against them at least annually.
- (b) Review annual priorities for the Board and Board Committees holistically to ensure Committee priorities are aligned with Board priorities and with those of other Committees.

**6.20 OTHER**

At the request of the Chairperson or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Board.

**7.0 Committee Timetable**

The timetable on the following pages outlines the Governance Committee's annual schedule of activities.

### Governance Committee Timetable

\* means “usual” or “approximate” timing that may be adjusted with agreement of the Committee Chair.

Source			Meeting				
Statute/Reg	Mandate		Mar/ April	June	Sept	Nov	Feb
	<b>5.1</b>	<b>CONDUCT AND CULTURE</b>					
	(a)	Review on an ongoing basis the effectiveness of conduct- and culture-related policies, procedures and programs (including with respect to conflicts of interest and personal trading) in fostering a culture of ethics and integrity throughout CPP Investments, and report its findings to the Board as warranted	<b>As required</b>				
	(b)	Review report from the Conduct Review Advisor on his/her review of the <b>Code of Conduct</b> annually and <b>Conflict of Interest Policy</b>	*				
	(c)	Monitor, recommend amendments to and annually review the <b>Code of Conduct, Conflicts of Interest Policy and Personal Trading Policy</b> , including receiving an annual report from the Conduct Review Advisor, and Conflict of Interest Policy	*				
	(d)	Receive a comprehensive report on conduct and culture issues and initiatives at least annually and be available to receive reports of, investigate and make recommendations in respect of, conduct and culture issues and initiatives	*		*		
	(e)	Where appropriate, refer matters to the Conduct Review Advisor for their advice	<b>As required</b>				

Source			Meeting				
Statute/Reg	Mandate		Mar/ April	June	Sept	Nov	Feb
	<b>5.2</b>	<b>GOVERNANCE DOCUMENTS AND INITIATIVES</b>					
	(a)	Recommend changes (other than those of a housekeeping nature which may be approved by the Corporate Secretary) to the Board when warranted: <b>Board Mandate; Governance Committee Mandate; Director Role Description; Chairperson Role Description; Committee Chair Role Description; President &amp; CEO Role Description;</b> and such other aspects of the Governance Manual as may require review	<b>As required</b>				
	(b)	Approve changes (other than those of a housekeeping nature which may be approved by the Corporate Secretary) when warranted to the <b>Protocol Governing Appointment of Former CPPIB Directors to Investee Entity Boards</b>	<b>As required</b>				
Items 22(1) and 22(4) of the Regulations	(c)	Prepare and recommend to the Board an annual statement of governance practices for publication in the Annual Report, and any summary of procedures, as required	*				
	(d)	Receive periodic reports from Management on governance best practices		*	*	*	*
	(e)	Recommend corporate governance reports to the Board where appropriate	<b>Ongoing</b>				
	<b>5.3</b>	<b>BOARD AND BOARD COMMITTEE MEETINGS</b>					
		Assess the needs of the Board and the Board Committees regularly and make recommendations to the Board when warranted	<b>Ongoing</b>				

Source			Meeting				
Statute/Reg	Mandate		Mar/ April	June	Sept	Nov	Feb
	<b>5.4</b>	<b>DIRECTOR APPOINTMENTS</b>					
		In consultation with Chairperson, lead the Board in assessing and planning for board composition and succession, including considering the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; considering the competencies and skills that the board considers each existing director to possess; <b>overseeing the process of individuals self-nominating for new Director appointments;</b> and evaluating the competencies and skills that each new nominee would bring to the boardroom; recommend the formation of a search committee, if desirable; receive regular reports from the search committee including the search firms(s) used for the director search process	<b>Ongoing</b>				
	<b>5.5</b>	<b>CHAIRPERSON SUCCESSION AND DESIGNATION</b>					
		Work with the Board, and the Chairperson as required, to ensure the Board is considering the issue of Chairperson succession planning	<b>As required</b>				
	<b>5.6</b>	<b>DIRECTOR ORIENTATION AND DEVELOPMENT</b>					
		Develop overall approach to director orientation and development and outline the approach in the <b>Director Orientation and Development Policy</b> , including annual reporting by directors on education and development activities; and oversee design and implementation of orientation and development programs working closely with Corporate Secretary and Management	<b>Ongoing</b>				

Source			Meeting				
Statute/Reg	Mandate		Mar/ April	June	Sept	Nov	Feb
	<b>5.7</b>	<b>BOARD DIVERSITY POLICY</b>					
	(a)	Review and recommend to the Board at least annually the Board of Directors Diversity Policy	*				
	(b)	Oversee the implementation of the Board Diversity Policy and monitor progress towards the achievement of its objectives	<b>Ongoing</b>				
	<b>5.8</b>	<b>BOARD EFFECTIVENESS ASSESSMENT PROCESSES</b>					
		Recommend to the Board, and annually implement, appropriate processes for evaluation of the Board and Committees, with reference to the <b>Board Evaluation Processes</b>					*
	<b>5.9</b>	<b>COMMITTEE APPOINTMENTS</b>					
		Participate in Board Committee and Committee Chair appointments				*	
	<b>5.10</b>	<b>REVIEW OF POLICIES</b>					
		Review all major policies which govern CPP Investments' operations and material amendments thereto, including but not limited to those specific policies referenced in this Mandate.	<b>As required</b>				



Source			Meeting				
Statute/Reg	Mandate		Mar/ April	June	Sept	Nov	Feb
	<b>5.11</b>	<b>AUTHORITIES POLICY</b>					
		Review and recommend to the Board at least annually the Authorities Policy.					*
	<b>5.12</b>	<b>GOVERNANCE POLICY FOR CPPIB GROUP COMPANIES</b>					
		Review and approve at least once every three years the Governance Policy for CPPIB Group Companies	As required				
	<b>5.13</b>	<b>PROCUREMENT POLICY</b>					
		Review and approve at least once every three years the Procurement Policy	As required				
	<b>5.14</b>	<b>PROXY VOTING PRINCIPLES AND GUIDELINES</b>					
		Review and recommend to the Board at least annually the Proxy Voting Principles and Guidelines					*
	<b>5.15</b>	<b>PRIVACY POLICY</b>					
		Review and recommend to the Board at least once every three years Privacy Policies	As required				
	<b>5.16</b>	<b>ANTI-CORRUPTION POLICY</b>					
		Review and recommend to the Board at least once every three years the Anti-Corruption Policy	As required				

Source			Meeting				
Statute/Reg	Mandate		Mar/ April	June	Sept	Nov	Feb
	<b>5.17</b>	<b>COMMUNICATIONS POLICIES</b>					
		Review and recommend to the Board at least once every three years the Disclosure Policy and the Communications and Stakeholder Relations Policy	<b>As required</b>				
	<b>5.18</b>	<b>DIRECTOR'S COMPENSATION</b>					
		Review the Directors' and Chairperson's compensation at least every two years and recommend changes to the Board	<b>As required</b>				
	<b>5.19</b>	<b>BOARD AND COMMITTEE PRIORITIES</b>					
	(a)	In consultation with the Chairperson, formulate annual priorities for the Governance Committee for each fiscal year and review progress against them at least annually.		*			
	(b)	Review annual priorities for the Board and Board Committee holistically to ensure Committee priorities are aligned with Board priorities and with those of other Committees.		*			
	<b>5.20</b>	<b>OTHER</b>					
		At the request of the Chairperson or the Board, undertake such other corporate governance initiatives as may be necessary or desirable to contribute to the success of the Board	<b>As required</b>				