



CPP
INVESTMENT
BOARD

Terms of Reference for the Board Chairperson

June 19, 2018

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1.0 INTRODUCTION

1.1 Appointment

The Chairperson is appointed from among the Directors by the Governor in Council on the recommendation of the Minister of Finance following consultation with the Directors and the Appropriate Provincial Minister of each Participating Province.

1.2 Accountability of the Board

The Board is responsible for the stewardship of the CPP Investment Board and as a consequence has accountability for overseeing the management of the CPP Investment Board. Critical to meeting this accountability are the relationship between the Board and Management, and the relationships among Directors.

1.3 Leadership of the Chairperson

The Chairperson fosters these relationships in the best interests of the CPP Investment Board and its stakeholders and, as the presiding Director, provides leadership in guiding the Board and coordinating its activities.

1.4 Independence of the Chairperson

The Chairperson, while working closely with the President, retains an independent perspective in representing the best interests of the CPP Investment Board, the Board and the CPP Investment Board's stakeholders.

1.5 Focus of the Chairperson

The Chairperson demonstrates understanding of and support for the clear division of responsibilities between the Board and Management.

2.0 LEADING THE BOARD

The Chairperson has the responsibility to:

2.1 General

- (a) Ensure the Board is alert to its obligations to the CPP Investment Board, its stakeholders and Employees, and under the law and the policies of the CPP Investment Board.

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- (b) Ensure the Board discharges its independent oversight role of Management.
- (c) Build consensus, foster effectiveness and develop teamwork within the Board.
- (d) Facilitate a candid and full discussion of all key matters that come before the Board.

2.2 Strategies, Policies and President Evaluation

- (a) Provide leadership to the Board and assist the Board in providing appropriate input into the formulation of the strategies and policies of the CPP Investment Board and reviewing and monitoring the implementation of such strategies and policies on an ongoing basis.
- (b) Lead the Board in monitoring and evaluating the performance of the President and, through the President, the performance of Management individually and as a whole.

2.3 Director Recruitment, Evaluation and Development

- (a) Lead the Director appointment process including:
 - i. work closely with the Governance Committee in:
 - the review of the skills and experience required on the Board generally and the specific needs of the Board at the time of appointment and reappointment;
 - recommendations to the Board regarding the competencies required on the Board; and
 - the selection of an external search firm(s).
 - ii. once the desirable competencies have been approved by the Board, manage the process with the search firm, the External Nominating Committee, governments and others as required through to appointment of Directors, at all times taking into account competency issues but also more specific issues such as director interlock situations.

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- (b) Based on the results of the **Individual Director Evaluation**, and consulting with other Directors as deemed appropriate, manage the Director reappointment process with the External Nominating Committee and governments.
- (c) Work with the Board, the Governance Committee and the External Nominating Committee as required regarding Chairperson succession planning.
- (d) Work closely with Directors and the Governance Committee to ensure that Director orientation and development programs meet the needs of the CPP Investment Board.
- (e) Participate with the Governance Committee as necessary in determining and implementing the annual evaluation processes for the Board, Chairperson, Board Committees and individual Directors.
- (f) Working with the Governance Committee Chair, prepare annual objectives for the Chairperson for the Board's approval.

2.4 Code of Conduct

- (a) Consult with Directors on issues requiring clarification in the **Code of Conduct**.
- (b) Work with the Conduct Review Advisor to:
 - i. Receive and consider a report regarding the nature of the general issues encountered in his/her role as Conduct Review Advisor from the Conduct Review Advisor at least annually.
 - ii. Where appropriate, refer matters to the Conduct Review Advisor for his or her advice.
 - iii. Receive and consider any reports from the Conduct Review Advisor on issues and concerns raised by Directors.
 - iv. Discuss with the Conduct Review Advisor and the President issues and practices in the public and private sectors that may assist the CPP Investment Board in maintaining best practices, as necessary.

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2.5 Board Committees

- (a) In consultation with the Governance Committee and taking into account the preferences, skills and experience of each Director, recommend the necessary Board Committees and the appointment of Committee Chairs and Board Committee members for approval by the Board.
- (b) Provide high-level advice and guidance to Committee Chairs.
- (c) Ensure that Board Committees report regularly to the Board.
- (d) Attend Board Committee meetings, where appropriate.

2.6 Board Meetings and Information

- (a) Chair Board meetings.
- (b) Ensure that Board and Board Committee meetings are conducted in an efficient, effective and focused manner.
- (c) In consultation with the President and the Corporate Secretary, and the relevant Committee Chair in relation to Board Committee meetings, establish annually, in advance, the annual schedule of Board and Board Committee meetings.
- (d) Consulting with Directors as appropriate, coordinate with the President and the Corporate Secretary the agenda and related events for Board meetings.
- (e) Communicate with the Board to keep it up to date on major Board developments, including timely discussion of potential developments.
- (f) Co-ordinate with the President and the Corporate Secretary to ensure the Board has sufficient and timely information to enable it to make informed decisions.

2.7 Communication with the Minister of Finance

Where required, act as the key liaison between the Board and the Minister of Finance.

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3.0 WORKING WITH MANAGEMENT

The Chairperson has the responsibility to:

- (a) Foster a constructive and harmonious relationship between the Board and Management.
- (b) Act as a sounding-board and counselor for the President and ensure the President is aware of concerns of the Board.
- (c) Require Management to present Strategic Plans, Business Plans, budgets and policies to the Board for its input, review and approval.
- (d) Collaborate closely with the President to co-ordinate activities and plans and to exchange timely information.
- (e) Act as spokesperson in matters involving the Board's duties and responsibilities and in other circumstances as agreed with the President.
- (f) Require the Board to monitor adherence by the CPP Investment Board to the **Act**, the **Regulations**, the **By-laws** and the Policies of the CPP Investment Board.

4.0 MEETINGS AND FUNCTIONS

The Chairperson has the responsibility to:

- (a) Ensure that the public meetings required under the **Act** are held.
- (b) Chair the public meetings as required under the **Act** and consider whether it would be desirable to involve other Directors in those meetings.
- (c) In coordination with the President, require that Management and, where applicable, the Board, are appropriately represented at official functions and meetings.