



CPP
INVESTMENT
BOARD

BY-LAW NO. 1

August 10, 2006

BY-LAW NO. 1

a by-law relating generally
to the transaction of the
business and affairs of

**CANADA PENSION PLAN INVESTMENT BOARD
1 - INTERPRETATION**

1.1 Definitions - In this by-law and all other by-laws of the Canada Pension Plan Investment Board, unless the context requires otherwise:

- (a) "Act" means the *Canada Pension Plan Investment Board Act* or any statute which may be substituted therefor, as amended from time to time;
- (b) "board of directors" means the board of directors of the Canada Pension Plan Investment Board;
- (c) "Investment Board" means the Canada Pension Plan Investment Board;
- (d) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act (Canada)*;
- (e) "person" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (f) "Regulations" means those regulations made by the Governor in Council pursuant to Section 53(1) of the Act which have received the requisite approval to become effective that is required pursuant to Section 53(2) of the Act;
- (g) words importing the singular number also include the plural and vice-versa; words importing the masculine gender include the feminine and neuter genders; and
- (h) all words used in this by-law and defined in the Act shall have the meanings given to such words in the Act.

1.2 Execution in Counterpart - Any notice, resolution, requisition, statement or other document required or permitted to be executed by more than one person for the purposes of the Act or any Regulations may be executed in several documents of like form each of which is executed by one or more of such persons, and such documents, when duly executed by all persons required or permitted, as the case may be, to do so, shall be deemed to constitute one document for the purposes of the Act and any Regulations.

2 - GENERAL BUSINESS

2.1 Head Office - The head office of the Investment Board shall be in the place within Canada, and at such location therein, as the board of directors may from time to time determine.

2.2 Seal - The Investment Board may, but need not, have a seal, the form of which may be adopted and changed by the board of directors.

2.3 Financial Year - The financial year of the Investment Board shall end on the 31st day of March in each year.

2.4 Execution of Instruments - The secretary or any other officer or any director may sign certificates and similar instruments (other than share certificates) on the Investment Board's behalf with respect to any factual matters relating to the Investment Board's business and affairs, including certificates verifying copies of the Act and any Regulations, the by-laws, resolutions and minutes of meetings of the Investment Board. Subject to the foregoing, deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of the Investment Board by any two directors or officers or any director together with any officer of the Investment Board. In addition, the board of directors may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

2.5 Banking Arrangements - The banking business of the Investment Board, or any part thereof, shall be transacted with such bank, trust company or other firm or body corporate as the board of directors may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Investment Board's behalf by such one or more officers or other persons as the board of directors may designate, direct or authorize from time to time and to the extent thereby provided.

3 - BORROWING

3.1 Borrowing - Without limit to the powers of the board of directors as provided in the Act and any Regulations, but subject to any express limitations therein contained, the board of directors may from time to time on behalf of the Investment Board:

- (a) borrow money on the credit of the Investment Board;
- (b) issue, reissue, sell or pledge debt obligations of the Investment Board;
- (c) to the extent permitted by the Act and any Regulations, give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee to secure the performance of an obligation or otherwise; and

- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Investment Board, owned or subsequently acquired, to secure any obligation of the Investment Board.

3.2 Delegation - Subject to the Act and any Regulations and by-laws, the board of directors may from time to time delegate to a director, a committee of directors or an officer of the Investment Board, or such other person or persons so designated by the board of directors, all or any of the powers conferred on the board of directors by the Act or any Regulations or by-laws to such extent and in such manner as the board of directors shall determine at the time of each such delegation.

4 - DIRECTORS

4.1 Duties of Directors - Subject to the Act and any Regulations, the board of directors shall manage the business and affairs of the Investment Board.

4.2 Number of Directors and Quorum - The board of directors shall consist of 12 directors, and a majority of appointed directors shall constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of directors may exercise all of the powers of the board of directors.

4.3 Ceasing to Hold Office - A director may resign from his or her position as such by notice in writing delivered or sent to the Investment Board and such resignation shall become effective at the time the Investment Board receives such notice or at the time specified in such notice, whichever is later.

4.4 Action by the Board of Directors - The board of directors shall exercise its powers by or pursuant to a by-law or resolution either passed at a meeting of directors at which a quorum is present or consented to by the signatures of all of the directors then in office if constituting a quorum.

4.5 Action in Writing - A resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of directors, is as valid as if it had been passed at a meeting of directors.

4.6 Meetings by Telephone - Any director may participate in a meeting of the board of directors or any committee thereof by means of telephone or other communications equipment whereby all persons participating in the meeting can hear each other, if the use of such means is necessary for such director to participate and if all of the directors consent to the holding of meetings in such manner. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board of directors held while a director holds office.

4.7 Place of Meetings - Meetings of the board of directors may be held at the head office of the Investment Board or at any other place within or outside Canada.

4.8 Calling of Meetings - Meetings of the board of directors shall be held from time to time at such place, on such day and at such time as the board of directors, the chairperson of the board of directors, the president or any two directors may determine.

4.9 Notice of Meetings - Notice of the time and place of each meeting of the board of directors shall be given to each director not less than seven days before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act or any Regulations requires such purpose or business to be specified.

4.10 Adjourned Meeting - Notice of an adjourned meeting of the board of directors is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.11 Votes to Govern - At all meetings of the board of directors, any question shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the chairperson of the meeting shall not be entitled to a second or casting vote. Any question at a meeting of the board of directors shall be decided by a show of hands unless a ballot is required or demanded.

4.12 Chairperson and Secretary - The Chairperson shall preside at all meetings of the board of directors. If the chairperson is absent at any meeting of the board of directors, the directors present shall choose one of their number to be chairperson. The Secretary of the Investment Board shall act as Secretary at any meeting of the board of directors and, if the Secretary of the Investment Board is absent or if no secretary has been appointed, the chairperson of the meeting shall appoint a person (who need not be a director) to act as secretary of the meeting.

4.13 Remuneration and Expenses - The directors, including the Chairperson, shall be paid such remuneration and receive such benefits for their services as directors as may be fixed by the by-laws, which remuneration and benefits shall be fixed having regard to the remuneration and benefits received by persons having similar responsibilities and engaged in similar activities. The directors shall be reimbursed for such expenses as the board of directors may from time to time authorize.

4.14 Conflict of Interest - Subject to and in accordance with the provisions of the Act and any Regulations and in the absence of an express policy of the Investment Board relating to conflicts of interest, a director or officer of the Investment Board who is a party to a material contract or proposed material contract with the Investment Board, or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with the Investment Board, shall disclose in writing to the Investment Board or request to have entered in the minutes of meetings of directors the nature and extent of such director's or officer's interest, and any

such director shall refrain from voting in respect thereof unless otherwise permitted by the Act or any Regulations.

5 - COMMITTEES

5.1 Committees of Directors - In addition to the committees of the board of directors required to be established pursuant to the Act, the board of directors may appoint other committees of directors, however designated, and delegate to such other committees any of the powers of the board of directors except powers to:

- (a) authorize the issuance of shares;
- (b) adopt, amend or repeal by-laws;
- (c) establish the Investment Board's investment policies, standards and procedures;
- (d) fill a vacancy in a committee of directors or in the office of auditor of the Investment Board;
- (e) appoint officers to the Investment Board or fix their remuneration; or
- (f) approve the annual financial statements of the Investment Board and any other financial statements issued by the Investment Board.

5.2 Transaction of Business - The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.3 Procedure - Unless otherwise determined by the board of directors, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairperson and to regulate its procedure.

6 - OFFICERS

6.1 Appointment of Officers - The board of directors may from time to time appoint a president, one or more senior vice-presidents, a corporate secretary, and such other officers as the board of directors may determine. The board of directors may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act and any Regulations, delegate to such officers powers to manage the business and affairs of the Investment Board. No director of the Investment Board may be appointed as an officer of the Investment Board.

6.2 Conflict of Interest - In the absence of an express policy of the Investment Board relating to conflicts of interest, officers shall disclose their respective

interests in any material contract or proposed material contract with the Investment Board in accordance with the Act, the Regulations and section 4.14 of this by-law.

7 - PROTECTION OF DIRECTORS AND OFFICERS

7.1 Indemnity of Directors and Officers - The Investment Board shall indemnify a director or officer of the Investment Board, a former director or officer of the Investment Board or any person who acts or acted at the Investment Board's request as a director, officer or member of any advisory, investment or other similar committee or board of an entity of which the Investment Board is or was a shareholder or creditor or in which the Investment Board has or had a financial interest (or a person who undertakes or has undertaken any liability on behalf of the Investment Board or, at the Investment Board's request, on behalf of any such entity) in accordance with the provisions of section 16 of the Act.

7.2 Insurance - Subject to the limitations contained in the Act and any Regulations, the Investment Board may purchase and maintain insurance for the benefit of any person referred to in section 7.1 as the board of directors may from time to time determine.

8 - SHARES

8.1 Issuance - The capital of the Investment Board shall be divided into ten shares having a par value of \$10.00 each. The shares shall be issued to the Minister to be held on behalf of Her Majesty in right of Canada.

8.2 Securities Records - The shares issued to the Minister shall be registered by the Investment Board in the name of the Minister.

9 - NOTICES

9.1 Method of Giving Notices - Any notice, communication or document ("notice") to be given, sent, delivered or served pursuant to the Act, any Regulations, the by-laws or otherwise to or on a shareholder, director, officer, auditor or member of a committee of the board of directors shall be sufficiently given, sent, delivered or served if delivered personally to the person to whom it is to be given or if delivered to such person's latest address as shown in the records of the Investment Board or if mailed to such person at such address by prepaid ordinary or air mail or if sent to such person at such address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been sent when it is delivered personally to such address as aforesaid; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been sent when dispatched or when delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary of the Investment Board may change or cause to be changed the recorded address of any shareholder, director,

officer, auditor or member of a committee of the board of directors in accordance with any information believed by the Secretary to be reliable.

9.2 Computation of Time - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, both the date of giving the notice and the date of the meeting or other event shall be excluded.

9.3 Omissions and Errors - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board of directors or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

9.4 Waiver of Notice - Any shareholder (or such shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board of directors may at any time waive the sending of any notice, or waive or abridge the time for any notice, required to be given to such person under any provision of the Act, any Regulations, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board of directors which may be given in any manner. Attendance of a director at a meeting of directors or of a shareholder or any other person entitled to attend a meeting of shareholders is a waiver of notice of the meeting except where such director, shareholder or other person, as the case may be, attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.