



CPP
INVESTMENT
BOARD

CONDUCT REVIEW ADVISOR

APRIL 5, 2006

CONDUCT REVIEW ADVISOR

CONDUCT REVIEW ADVISOR RATIONALE, COMPETENCIES & RESPONSIBILITIES APRIL 5, 2006

RATIONALE

The CPP Investment Board has created a role for a Conduct Review Advisor under the Code of Conduct and Conflict of Interest Procedures for Directors and the Code of Conduct and Conflict of Interest Procedures for Officers and Employees (the “Codes of Conduct”) because:

1. It recognizes that it may encounter unusual issues and concerns as a crown corporation in the public sector, which has been structured and is operating as a competitive investment management company in the private sector.
2. It will be a large and visible investor in Canada and abroad, acting on behalf of millions of Canada Pension Plan contributors and beneficiaries.

The Conduct Review Advisor will be accessible to directors, employees and relevant third parties to provide external, informed and objective advice on what can often be complex and difficult issues in an environment of changing expectations about acceptable behaviour. The Conduct Review Advisor is independent of the Chair, the Chair of the Governance Committee, the President and the Corporate Secretary but will at all times, subject to confidentiality where appropriate, work collaboratively with some or all of those individuals in furtherance of his or her responsibilities as outlined below.

COMPETENCIES

The Conduct Review Advisor should have broad experience, a reputation for good judgement, and a sensitivity to expectations and practices in both the public and private sectors. The Conduct Review Advisor requires flexibility in dealing with an investment organization operating at arm’s length from governments and recognized inter-personal skills. An understanding of the institutional investment environment is required, and a legal background is preferable.

RESPONSIBILITIES

The Conduct Review Advisor will:

1. Report to the Chair at least annually.
2. Assist the Governance Committee in monitoring, recommending amendments to and annually reviewing the Codes of Conduct.
3. Advise on matters referred by the Chair, the Chair of the Governance Committee, the President or the Corporate Secretary.
4. Counsel, with appropriate confidentiality protections, directors and employees seeking guidance in relation to the Codes of Conduct.
5. Provide, if requested, with appropriate confidentiality protections, written opinions to directors and employees seeking counsel in relation to the Codes of Conduct.
6. Be available to receive reports of breaches or suspected breaches of the Codes of Conduct.
7. Be accessible to directors, employees and relevant third parties in relation to Codes of Conduct issues.
8. Report regularly to the Chair on issues and concerns raised by directors, to the President on those raised by employees and relevant third parties, and to the Chair of the Audit Committee on issues relating to compliance with accounting, internal control or auditing standards, where appropriate respecting confidentiality concerns, in relation to Codes of Conduct issues.

CONDUCT REVIEW ADVISOR

9. Inform the Chair and the President of issues and practices in the public and private sectors that may assist the CPP Investment Board in maintaining best practices.
10. Inform the President of issues and practices that may assist management in sensitizing employees to developments in best practices.