



CPP
INVESTMENT
BOARD

**TERMS OF REFERENCE FOR THE
CHAIRPERSON**

FEBRUARY 9, 2005

TERMS OF REFERENCE FOR THE CHAIRPERSON

| | | |
|-----|--------------------------------------|---|
| 1.0 | INTRODUCTION | 1 |
| 1.1 | Accountability of the Board | 1 |
| 1.2 | Leadership of the Chairperson | 1 |
| 1.3 | Independence of the Chairperson..... | 1 |
| 1.4 | Focus of the Chairperson | 1 |
| 2.0 | LEADING THE BOARD..... | 1 |
| 3.0 | WORKING WITH MANAGEMENT | 2 |
| 4.0 | MEETINGS AND FUNCTIONS | 3 |

TERMS OF REFERENCE FOR THE CHAIRPERSON

1.0 INTRODUCTION

1.1 Accountability of the Board

The Board is responsible for the stewardship of the CPP Investment Board and as a consequence has accountability for 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.

1.2 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.

1.3 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.

1.4 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:

- (a) Provide leadership to the Board and assist the Board in reviewing and monitoring the implementation of the strategies and policies of the CPP Investment Board.
- (b) Build consensus, foster effectiveness and develop teamwork within the Board.
- (c) Ensure the Board discharges its independent oversight role of Management.
- (d) 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.
- (e) Keep the Nominating Committee and others involved in the nominating process apprised of the Board's requirements in respect of prospective Directors, as such requirements relate to desirable financial ability and work experience.

TERMS OF REFERENCE FOR THE CHAIRPERSON

- (f) Communicate with the Board to keep it up to date on major Board developments, including timely discussion of potential developments.
- (g) Consult with Directors on issues requiring clarification of various terms of reference or **Code of Conduct and Conflict of Interest Procedures for Directors**.
- (h) 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.
- (i) Co-ordinate with the President and the Corporate Secretary to ensure the Board has sufficient information to enable it to make informed decisions.
- (j) In consultation with the Governance Committee, recommend the necessary Board Committees, and the appointment of Committee Chairs and Board Committee members for approval by the Board.
- (k) In consultation with the President and the Corporate Secretary, establish annually, in advance, the annual schedule of Board meetings.
- (l) Coordinate with the President and the Corporate Secretary the agenda and related events for Board meetings.
- (m) Ensure that orientation and continuing education meet the needs of the Directors and the CPP Investment Board.
- (n) Chair Board meetings.
- (o) Attend Board Committee meetings, where appropriate.
- (p) Ensure that Board and Board Committee meetings are conducted in an efficient, effective and focused manner.
- (q) Ensure that Board Committees report regularly to the Board.

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.

TERMS OF REFERENCE FOR THE CHAIRPERSON

- (c) Require Management to present Strategic Plans, Business Plans, budgets and policies to the Board for 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 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 various policies of the CPP Investment Board.

4.0 MEETINGS AND FUNCTIONS

The Chairperson has responsibility to:

- (a) Require the public meetings required under the **Act** are held.
- (b) Chair the public meetings required under the **Act**.
- (c) In coordination with the President, require that Management and, where applicable, the Board, are appropriately represented at official functions and meetings.