

## MANDATE OF THE BOARD OF DIRECTORS

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### 1. Role

The affairs of la Caisse are, under the *Act respecting the Caisse de dépôt et placement du Québec* (the “*Act respecting the Caisse*”), administered by a Board of Directors which also supervises its management.

One of the roles of the Board of Directors is to ensure that la Caisse is managed in compliance with the provisions of its incorporating legislation and its regulations and that the institution takes all necessary measures to attain the objectives set out in its mission, i.e. to receive sums of money on deposit and manage them by seeking an optimal return on capital within the framework of depositors' investment policies while at the same time contributing to Québec's economic development.

The Board of Directors meets as often as needed to serve the interests of la Caisse, but at least once every two months, at the head office or at any other place in Québec where a meeting is called.

### 2. Composition

The Board of Directors is composed of no fewer than nine and no more than 15 members including the Chair of the Board and the President and Chief Executive Officer, who is a member of the Board by virtue of office.

(section 5)

At least two thirds of the members of the Board of Directors, including the Chair of the Board, must be independent. They must have no relationships or interests likely to affect the quality of their decisions with regard to the interests of la Caisse.

(section 5.5)

At least three quarters of the members of the Board of Directors must reside in Québec.

(section 5.4)

### 3. Meetings

Meetings are called by means of a notice that is sent to members by the secretary or the assistant secretary on behalf of the Chair of the Board. Committee meetings may be held without notice if the members consent to the holding of such meetings. The presence of a member at a meeting indicates his consent.

The Chair of the Board must call a meeting upon written request presented by four members.

Board members regularly meet before or after a meeting without management being present. Any member may ask the Chair of the Board that a meeting or any part of a meeting be held without management being present.

#### **4. Quorum**

Quorum at Board meetings shall be constituted by a majority of the members.

#### **5. Chair**

The Chair of the Board of Directors presides over Board meetings. If the Chair of Board is absent or unable to act, the Government of Québec may appoint a substitute, who must be an independent person. The Board may designate an independent member to exercise the functions of the Chair until a substitute is appointed.

(section 5.9)

#### **6. Secretary**

The secretary or assistant secretary of la Caisse may serve as secretary to the Board.

#### **7. Mandate**

The responsibilities of the Board of Directors include:

##### Strategic plan and business plan

- a) approving the strategic planning process;
- b) approving la Caisse's strategic plan and business plan at least once annually;  
(section 13.1 (3))
- c) monitoring management's implementation of the strategic plan and the business plan as well as their effectiveness;

##### Guidelines and policies

- d) approving la Caisse's general guidelines and policies, regularly monitoring their observation and examining or confirming them on a regular basis or as needed;
- e) approving, in collaboration with the Risk Management Committee, investment policies, standards and procedures, regularly monitoring their observation and examining or confirming them on a regular basis or as needed;  
(section 13.1 (6))
- f) adopting a socially responsible investment policy;

(section 13.1 (7))

Financial, internal control and audit issues

- g) approving la Caisse's annual budgets;  
(section 13.1 (3))
- h) approving la Caisse's annual financial statements;  
(section 13.1 (3))
- i) approving la Caisse's annual report;  
(section 13.1 (3))
- j) reviewing la Caisse's returns on its portfolios;
- k) supervising and appraising the integrity of internal controls and information disclosure controls;  
(section 13.2)
- l) approving a financial disclosure policy;  
(section 13.2)
- m) identifying the main risks associated with la Caisse's affairs and establishing risk management guidelines and policies as well as opportunities, regularly monitoring their observation and confirming them on a regular basis or as needed;  
(section 13.1 (1))
- n) hearing the Auditor General at his or her request;  
(section 13.2)
- o) assigning a mandate to any external auditor when the Board considers it appropriate;  
(section 13.1 (9))

Human resources

- p) appointing, with the Government's approval, the President and Chief Executive Officer of la Caisse, taking into account the expertise and experience profile established by la Caisse, and setting the remuneration and other conditions of employment of the President and Chief Executive Officer in keeping with parameters set by the Government after consultation with the Board;  
(section 5.3)
- q) approving, on the recommendation of the President and Chief Executive Officer, the appointment and remuneration of officers reporting directly to

the President and Chief Executive Officer and the most senior officer of each wholly-owned subsidiary;

(section 13.1 (5))

- r) ensuring that processes are in place for the recruitment and training of executive officers and the development of their skills;
- s) approving human resources policies as well as the standards and scales of remuneration and other conditions of employment of officers other than the President and Chief Executive Officer and employees of la Caisse and each of its wholly-owned subsidiaries;  
(section 13.1 (4), 15)
- t) annually set the targets to be attained, review annual results and approve, as required, allocations of amounts paid out under any variable compensation program;
- u) annually evaluate the performance of the President and Chief Executive Officer and other officers of la Caisse, taking into account the targets to be attained;
- v) planning the succession of the President and Chief Executive officer and examining succession plans prepared by the President and Chief Executive Officer for other officers;

#### Governance framework

- w) conducting, in collaboration with the Governance and Ethics Committee, an annual review of la Caisse's governance policies;
- x) approving and periodically reviewing, in collaboration with the Governance and Ethics Committee, the rules of ethics and professional conduct applicable to members of the Board of Directors of la Caisse and its wholly-owned subsidiaries and to the officers and employees of the Caisse and its subsidiaries, including the rules on conflicts of interest, ensuring that these rules are communicated to the persons who are subject to them, and approving any exemption to complying with the rules that may be granted to a director or officer of la Caisse;  
(section 13.1 (8))
- y) ensuring that policies are in place to create a culture of integrity in la Caisse;
- z) establishing, in collaboration with the Governance and Ethics Committee and the Human Resources Committee, an expertise and experience profile for selecting independent directors;  
(section 5.6)



- aa) establishing, for assistance in carrying out its mandate, an Audit Committee, a Human Resources Committee and a Governance and Ethics Committee, specifying their mandates, designating their members and receiving their reports and recommendations;  
(sections 13.1 (10) and 13.3)
- bb) establishing any other committee that the Board considers necessary to examine specific issues or facilitate the proper functioning of la Caisse, specifying its mandate, if any, designating its members and receiving the recommendations and reports of these committees;  
(section 13.5)
- cc) determining, in collaboration with the Audit Committee, delegations of authority and responsibilities in la Caisse;  
(section 13.1 (2))
- dd) overseeing, in collaboration with the Governance and Ethics Committee, the annual performance evaluation of the Board, the Board's committees, the Chairs of the Board and its committees, and of each of the directors;
- ee) seeing that all the Board's committees exercise their functions properly;  
(section 13.2)
- ff) reviewing, every other year and in collaboration with the Governance and Ethics Committee, the mandates of the Board and its committees in order to determine whether they are appropriate;
- gg) ensuring that a form of direct communication is established with the Chair of the Board or another independent director designated for this purpose by any interested party for any concern regarding la Caisse's practices or actions.

#### Regulations

- hh) making the regulations of la Caisse and submitting them to the Government for approval when such approvals are required by the *Act*.  
(section 13)

### **8. Other mandates**

The Board carries out other mandates entrusted to it by the Government.

### **9. Resources**

The President and Chief Executive Officer shall see that the Board has adequate human, material and financial resources, particularly as regards external experts, to perform its functions.

(section 5.13)

## 10. Reports

The Board receives summaries of Committee proceedings after each Committee meeting, as well as the summaries, which appear in la Caisse's annual report.

(sections 13.6 and 46)

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The numbers in parentheses refer to the corresponding sections in the *Act respecting the Caisse de dépôt et placement du Québec*.

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