

## MANDATE OF THE BOARD OF DIRECTORS

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### 1. Role

The affairs of CDPQ 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 CDPQ 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 CDPQ, 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 the Fund.

(section 5.5)

At least three quarters of the members of the board of directors must reside in Québec.

### 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. Secretariat

The Secretary or Assistant Secretary of CDPQ 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 CDPQ'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 CDPQ'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 CDPQ's annual budgets;

(section 13.1 (3))

- h) approving CDPQ's financial statements;

(section 13.1 (3))

- i) approving CDPQ's annual report;

(section 13.1 (3))

- j) reviewing CDPQ'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 CDPQ'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 CDPQ, taking into account the expertise and experience profile established by CDPQ, 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) approve, on the recommendation of the President and Chief Executive Officer and the Governance and Ethics Committee, the appointment of members of the Boards of Directors of CDPQ's real estate subsidiaries and CDPQ Infra Inc.;
- r) 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))
- s) ensuring that processes are in place for the recruitment and training of executive officers and the development of their skills;
- t) 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 CDPQ and each of its wholly owned subsidiaries;  
(section 13.1 (4), 15)
- u) annually set the targets to be attained, review annual results and approve, as required, allocations of amounts paid out under any variable compensation program;



- v) annually evaluate the performance of the President and Chief Executive Officer and other officers of CDPQ, taking into account the targets to be attained;
- w) 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

- x) in collaboration with the Governance and Ethics Committee, annual review the governance rules of CDPQ, its real estate subsidiaries and its wholly owned subsidiaries (of which it directly or indirectly owns all common shares);
- y) 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, officers and employees of CDPQ, its real estate subsidiaries and its wholly owned subsidiaries (of which it directly or indirectly owns all common shares) 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 CDPQ;  
(section 13.1 (8))
- z) ensuring that policies are in place to create a culture of integrity in CDPQ;
- aa) 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)
- bb) 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)
- cc) establishing any other committee that the Board considers necessary to examine specific issues or facilitate the proper functioning of CDPQ, specifying its mandate, if any, designating its members and receiving the recommendations and reports of these committees;  
(section 13.5)
- dd) determining, in collaboration with the Audit Committee, delegations of authority and responsibilities in CDPQ;  
(section 13.1 (2))
- ee) overseeing, in collaboration with the Governance and Ethics Committee, the annual performance evaluation of the Board, the Board's committees,



- ff) the Chairs of the Board and its committees, and of each of the directors;
- gg) seeing that all the Board's committees exercise their functions properly;  
(section 13.2)
- hh) 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;
- ii) 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 CDPQ's practices or actions.

#### Regulations

- jj) making the regulations of CDPQ 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 CDPQ's annual report.

(sections 13.6 and 46)

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Approved by the Governance and Ethics Committee on October 29, 2006  
Adopted by the Board of Directors on October 30, 2009  
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Revised by the Board of Directors on December 13, 2013  
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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*.