

BY-LAW NO. 1

(amended and restated)

**A By-Law Relating Generally
to the Transaction of the
Business and Affairs of the**

PUBLIC SECTOR PENSION INVESTMENT BOARD

1 INTERPRETATION

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

- (a) “Act” means the *Public Sector Pension Investment Board Act*, as amended from time to time;
- (b) “Board of Directors” means the Board of Directors of PSP Investments;
- (c) “by-laws” means the by-laws of PSP Investments, as amended or restated from time to time;
- (d) “person” includes an individual, partnership, association, body corporate, trust, trustee, executor, administrator or legal representative;
- (e) “PSP Investments” means the Public Sector Pension Investment Board; and
- (f) “Regulations” means the regulations made by the Governor in Council pursuant to section 50 of the Act.

1.2 **Interpretation** - In this by-law and all other by-laws of PSP Investments:

- (a) words importing the singular number also include the plural and *vice versa*; words importing the masculine gender also include the feminine and neuter genders and *vice versa*; and
- (b) all terms used in this by-law which are defined in the Act shall have the meanings given to such terms in the Act.

2 GENERAL BUSINESS

2.1 Head Office - The head office of PSP Investments shall be at the location within the National Capital Region (as described in the schedule to the *National Capital Act*), and at such location therein, as the Board of Directors may from time to time determine.

2.2 Branch and Operating Offices - PSP Investments may establish branch and operating offices in such place or places within or outside Canada as the Board of Directors may from time to time determine to be necessary for the carrying-out of the objects of PSP Investments, provided, however, that PSP Investments shall at all times maintain its principal operating office within Canada.

2.3 Seal - PSP Investments may, but need not, have a corporate seal, the form of which may be adopted and changed by the Board of Directors.

2.4 Financial Year - The financial year of PSP Investments as specified in section 34 of the Act is the period beginning on April 1 in one calendar year and ending on March 31 in the next calendar year.

2.5 Execution of Instruments - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed on behalf of PSP Investments by any two directors or officers or by any director together with any officer of PSP Investments.

Notwithstanding the foregoing, any officer or director may sign certificates and similar instruments on behalf of PSP Investments with respect to any factual matters relating to its business and affairs, including certificates verifying copies of the Act and the Regulations, the by-laws, resolutions and minutes of meetings of PSP Investments.

The Board of Directors shall have power from time to time to authorize any officer or officers or any other person or persons authorized by the Board of Directors to sign, for and on behalf of PSP Investments, specific contracts, documents and instruments, or classes of contracts, documents and instruments in writing. 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.

2.6 Execution in Counterpart - Any instrument or document required or permitted to be executed by one or more persons may be executed in as many counterparts as may be necessary, each of which, when duly executed by one or more of such persons, shall be an original and all such counterparts together shall constitute one and the same such instrument or document.

2.7 Execution of Proxies - The Chief Executive Officer and the Chief Financial Officer may designate and appoint from time to time one or more officers or employees of PSP Investments or proxy service or voting service providers as they deem appropriate to execute for and on behalf of PSP Investments, proxy voting instruments relating to the securities of corporations, trusts, partnerships and other entities held as investments by or on behalf of PSP Investments for the purpose of causing the votes attaching to such securities to be voted at meetings of security

holders in a manner not inconsistent with the proxy voting guidelines of PSP Investments in effect from time to time.

2.8 Banking Arrangements - The banking business of PSP Investments, or any part thereof, shall be transacted with one or more banks, trust companies or other firms or bodies 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 PSP Investments' 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.

2.9 Amendment of By-laws – The Board of Directors may adopt and amend by-laws that are consistent with the Act, which by-laws or amendments will take effect as of the date enacted by the Board of Directors or on such later date as may be stated in the by-law or amendment to be its effective date. The Board of Directors shall provide a copy of all by-laws and any amendment to or repeal of any by-law to the Minister, the Minister of National Defence and the Minister of Public Safety and Emergency Preparedness within 14 days after its effective date.

3 BORROWING

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

- (a) borrow money on the credit of PSP Investments from any bank, trust company, firm or person;
- (b) limit or increase the amount to be borrowed;
- (c) issue, reissue, sell or pledge debt obligations of PSP Investments;
- (d) to the extent permitted by the Act and the 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
- (e) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of PSP Investments, owned or subsequently acquired, to secure any obligation of PSP Investments.

3.2 Delegation - Subject to the Act, the Regulations and the by-laws, the Board of Directors or/and one of its committees, when applicable, may from time to time delegate to a director, a committee of directors or an officer of PSP Investments, all or any of the powers conferred on the Board of Directors by the Act, the Regulations or the by-laws to such extent and in such manner as the Board of Directors shall determine at the time of each such delegation. For greater certainty, as provided in subsection 8(2) of the Act, the Board of Directors may not delegate the power to:

- (a) adopt, amend or repeal by-laws;

- (b) establish PSP Investments' investment policies, standards and procedures;
- (c) fill a vacancy in a committee of directors;
- (d) appoint officers of PSP Investments or fix their remuneration; or
- (e) approve the annual financial statements of PSP Investments and any other financial statements issued by PSP Investments.

4 DIRECTORS

4.1 Duties of Directors - Subject to the Act and the Regulations, the Board of Directors shall manage or supervise the management of the business and affairs of PSP Investments.

4.2 Number of Directors and Quorum - Pursuant to section 6 of the Act, the Board of Directors is comprised of 11 directors including the Chairperson. A majority of the directors in office from time to time shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Notwithstanding vacancies, a quorum of directors may exercise all of the powers of the Board of Directors. If there is no quorum present at a scheduled meeting of the Board of Directors, a majority of the members present may adjourn the meeting to a fixed time and place, but no other business may be transacted.

4.3 Ceasing to Hold Office - A director may resign from his position as such by notice in writing delivered or sent to PSP Investments and such resignation shall become effective at the time PSP Investments 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 made or passed by the affirmative vote of a majority of a quorum of directors, either in person or otherwise as permitted by the by-laws, 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 Communication Facilities - With the consent of a quorum of the Board of Directors (or, where the context requires, of a committee of directors), any director may participate in a meeting of the Board of Directors or any committee thereof by means of telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate with each other, if the use of such means is necessary for such director to participate. Any such consent shall be effective whether given before, at or after the meeting to which it relates and may be given with respect to all meetings of the Board of Directors or committees of directors held while a director holds office. A meeting of the Board of Directors or a committee of directors at which some or all of the directors attend by telephone or other communication facility shall, for all purposes of this by-law, be deemed to be a meeting of the

Board of Directors or a committee of directors, as the case may be, and for such purpose the place of the meeting shall be deemed to be the place at which the chairperson of such meeting is located, and participation in such meeting by means of telephone or other communication facility shall be deemed to be attendance at such meeting.

4.7 Place of Meetings - Meetings of the Board of Directors may be held at the head office of PSP Investments or at any other place within or outside Canada as the Board of Directors may determine.

4.8 Calling of Meetings - Regular and special 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, and if the meeting is to be held pursuant to section 4.6 of this by-law, the method for participating in such meeting, 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 unless the Act or the Regulations require 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 by one or more of the directors attending the meeting.

4.12 Chairperson and Corporate 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, subject to section 4.14 of this by-law, choose one of their number to be the chairperson at and for the purposes of such meeting. The Corporate Secretary of PSP Investments shall act as secretary at any meeting of the Board of Directors and, if the Corporate Secretary of PSP Investments is absent or if no secretary has been appointed, the Chairperson or the chairperson at and for the meeting shall appoint a person (who need not be a director) to act as secretary of the meeting.

4.13 Chairperson Succession - For the purpose of consultation with the Minister as contemplated by subsection 14(1) of the Act, the Board of Directors may recommend one of its members to be designated as Chairperson.

4.14 Vice Chairperson – Subject to the Minister’s rights under subsection 14(5) of the Act, in the event the Chairperson is incapable of performing his duties or in the event of a vacancy in the office of Chairperson, the directors shall designate one of their number as Vice Chairperson and such director shall exercise the powers, duties and functions of the Chairperson until the Chairperson resumes exercising the same or his successor is designated by the Minister.

4.15 Notification to the Minister - The chair of the governance committee of the Board of Directors or any other director designated by the Board of Directors shall send written notice to the Minister of any recommendation or designation made by the Board of Directors under sections 4.13 or 4.14 of this by-law.

4.16 Remuneration and Expenses – In accordance with the Act, the directors, including the Chairperson, shall be paid such remuneration for their services as directors as may be fixed by the by-laws, which remuneration shall be fixed having regard to the remuneration 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.

4.17 Conflict of Interest - Subject to and in accordance with the provisions of the Act, the Regulations and any express policy of PSP Investments relating to conflicts of interest, a director or officer of PSP Investments who is a party to a transaction or proposed transaction with PSP Investments, or is a director or an officer of or has a material interest in any person who is a party to a transaction or proposed transaction with PSP Investments, shall disclose in writing to PSP Investments or request to have entered in the minutes of a meeting of the Board 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 the Regulations.

4.18 Minutes - The minutes of all meetings (including meetings *in camera*) of the Board of Directors and committees of the Board of Directors shall be written and made available to the members of the Board of Directors, each of whom shall receive a copy of such minutes, as applicable.

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 the powers to:

- (a) adopt, amend or repeal by-laws;

- (b) establish PSP Investments' investment policies, standards and procedures;
- (c) fill a vacancy in a committee of directors;
- (d) appoint officers of PSP Investments or fix their remuneration; or
- (e) approve the annual financial statements of PSP Investments and any other financial statements issued by PSP Investments.

5.2 Transaction of Business - The powers of a committee of directors may be exercised by resolution passed by the affirmative vote of a majority of the members of the committee, either in person or otherwise as permitted by the by-laws, 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 a committee may be held at any place in or outside Canada.

5.3 Procedure - Unless otherwise determined by the Board of Directors:

- (a) each committee of directors shall have the power to fix its quorum at not less than a majority of its members and to regulate its procedure; and
- (b) the Governance Committee shall, on an annual basis and when otherwise required, recommend to the Board of Directors for approval, the directors to serve on and the chair of each committee.

6 OFFICERS

6.1 Appointment of Officers - The Board of Directors may from time to time appoint a president, one or more vice-presidents, a chief financial officer, 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 the Regulations, delegate to such officers the powers to manage the business and affairs of PSP Investments. No director of PSP Investments may be appointed as an officer of PSP Investments.

6.2 Conflict of Interest - Subject to and in accordance with the provisions of the Act, the Regulations and any express policy of PSP Investments relating to conflicts of interest, officers shall disclose their respective interests in any transaction or proposed transaction with PSP Investments in accordance with the Act, the Regulations and section 4.17 of this by-law.

7 PROTECTION OF DIRECTORS, OFFICERS AND EMPLOYEES

7.1 Indemnity of Directors, Officers and Employees - PSP Investments shall indemnify a director or officer of PSP Investments, a former director or officer of PSP Investments, an employee or former employee of PSP Investments or any person who acts or acted at PSP Investments' request as a director or officer of an entity of which PSP Investments is or was a shareholder or in which PSP Investments has or had a financial interest (and the personal

representatives of each such person) against any liability incurred by the director, officer, employee, former director, officer or employee, person or personal representative (each a "Covered Person") in such capacity unless the liability relates to a failure to act honestly and in good faith, the whole as more fully set forth in the Annex to this section 7.1 attached to this by-law to form an integral part hereof.

7.2 Insurance - Subject to the limitations set out in the Act and the Regulations, PSP Investments may purchase and maintain insurance for the benefit of a director or officer, or former director or officer, of PSP Investments, or any person who acts or acted at PSP Investments' request as a director or officer of an entity of which PSP Investments has or had a financial interest, and the personal representatives of that person, against any liability incurred by the person in that capacity unless the liability relates to a failure to act honestly and in good faith.

8 NOTICES

8.1 Method of Giving Notices - Any notice, communication or document ("notice") to be given, sent, delivered or served pursuant to the Act, the Regulations, the by-laws or otherwise to or on a director, officer, auditor or member of a committee of the Board of Directors shall be sufficiently given, sent, delivered or served if (i) delivered personally to the person to whom it is to be given; (ii) delivered to such person's latest address as shown in the records of PSP Investments; (iii) mailed to such person at such address by prepaid ordinary mail; or (iv) sent to such person at such address by any means of prepaid transmitted or recorded communication. The Corporate Secretary of PSP Investments may change or cause to be changed the recorded address of any director, officer, auditor or member of a committee of the Board of Directors in accordance with any information believed by the Corporate Secretary to be reliable.

Any notice required to be given to or served on PSP Investments by any director, officer, auditor or member of a committee of the Board of Directors pursuant to the Act, the Regulations or any by-law of PSP Investments shall, unless otherwise provided therein, be sufficiently given or served if (i) delivered personally to PSP Investments at its head office; (ii) mailed to PSP Investments at such address by prepaid ordinary mail; or (iii) sent to PSP Investments at such address by any means of prepaid transmitted or recorded communication (including facsimile transmission or electronic mail).

A notice delivered as provided in this section 8.1 shall be deemed to have been sent when it is delivered personally to the appropriate address as aforesaid, and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been sent when sent, dispatched or delivered by physical or electronic means to the appropriate communication company or agency or its representative for dispatch.

8.2 Omissions and Errors - The accidental omission to give any notice to any 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.

8.3 Waiver of Notice - Any 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, the 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 the Board of Directors which may be given in any manner. Attendance of a director at a meeting of directors is a waiver of notice of the meeting except where such director or other person 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.

**ANNEX TO SECTION 7.1
OF
BY-LAW NO. 1
OF
PUBLIC SECTOR PENSION INVESTMENT BOARD**

WHEREAS it is the understanding of PSP Investments that the Government of Canada desires that federal Crown corporations not purchase “directors and officers” liability insurance, but instead rely solely on statutory indemnity provisions, and this Annex is intended to facilitate this objective; and

WHEREAS all terms used herein which are not herein defined shall have the respective meanings attributed to them in the Act or in said By-Law No. 1, as applicable.

(a) The indemnity contemplated by section 7.1 of By-Law No. 1 of PSP Investments shall, without limitation, include all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by a Covered Person in respect of any civil, criminal, administrative, investigative or other proceeding in which the Covered Person is involved because of such Covered Person's association with PSP Investments, or with an entity of which PSP Investments is or was a shareholder or in which PSP Investments has or had a financial interest (an “Investee Entity”).

(b) Reference to a “*Covered Person*” in said section 7.1 and in this Annex shall include any employee or former employee of any wholly-owned entity established by PSP Investments for the purposes of its operations and whose responsibilities are or were such that the person may incur liability in such capacity, whether or not such person was appointed as an officer of such entity.

(c) PSP Investments shall advance moneys to a Covered Person for the costs, charges and expenses of a proceeding referred to in section (a) above provided such Covered Person agrees in advance, in writing, to repay the moneys if the Covered Person does not fulfill the conditions of section (d) below. All such advances shall be provided by PSP Investments on a timely basis and so as to avoid any disbursement of funds for such purpose by any Covered Person.

(d) PSP Investments shall not indemnify a Covered Person under section (a) above if the liability incurred by such Covered Person relates to a failure to act honestly and in good faith, the whole as determined by final judgment of a court of competent jurisdiction.

(e) The right to indemnity and to the advance of moneys set forth above shall, without limiting the generality of the foregoing, also apply in respect of an action by or on behalf of PSP Investments or any Investee Entity to procure a judgment in its favour, to which such Covered Person is made a party because of such Covered Person's association with PSP Investments or such Investee Entity.

(f) Any future repeal or amendment of said section 7.1 or this Annex shall not have any impact on actions taken under the authority thereof before such repeal or amendment. Moreover, upon the written request of any Covered Person, and whether or not any event shall have occurred which shall have given rise to the possibility of any indemnification or advance under said section 7.1 and this Annex, PSP Investments shall forthwith confirm by written contract between it and such Covered Person, all of the obligations of PSP Investments to such Covered Person contained in said section 7.1 and this Annex.

(g) The preamble to this Annex shall form an integral part hereof.

IN WITNESS WHEREOF this amended and restated By-Law No. 1 has been duly adopted at the meeting of the Board of Directors held on November 13, 2015.



Corporate Secretary