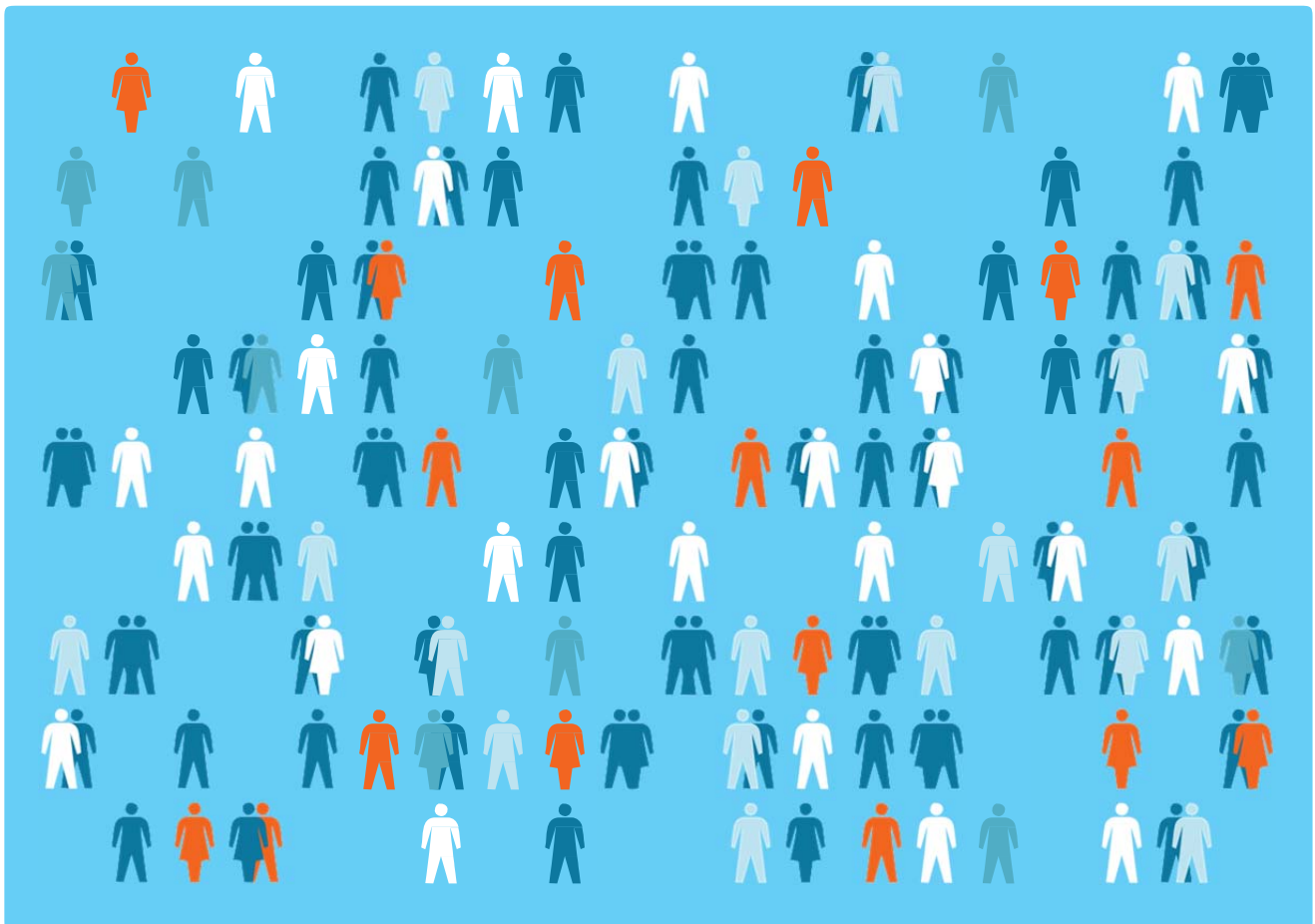


CODE OF CONDUCT FOR DIRECTORS



PUBLIC SECTOR PENSION INVESTMENT BOARD



THIS CODE OF CONDUCT PROVIDES A PRACTICAL
FRAMEWORK DESIGNED TO HELP YOU BETTER
UNDERSTAND PSP INVESTMENTS' PRINCIPLES
AND VALUES

In this document, *we*, *us* and *our* refer to PSP Investments. *You* and *your* refer to any member of the Board of Directors of PSP Investments.

Approved by the Board of Directors on November 13, 2015; effective on January 1, 2016.

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MESSAGE FROM THE CHAIR OF THE BOARD AND THE CHAIR OF THE GOVERNANCE COMMITTEE

Maintaining the highest standards of corporate governance and a reputation for integrity are prerequisites if the Public Sector Pension Investment Board (PSP Investments) is to succeed in its mandate and deliver a level of performance that will provide for the public sector pension plans' long-term sustainability.

The Code of Conduct for Directors, together with the Code of Conduct for Officers, Employees and Others, have been developed to help establish and maintain a culture that guides decision-making throughout PSP Investments.

As a member of the Board of Directors, we expect you to demonstrate an unwavering commitment to honesty and integrity in your actions, and to be mindful that your actions can affect PSP Investments as a whole. The Code of Conduct for Directors provides a framework to help you fully understand PSP Investments' principles and values, and integrates various legislative requirements relating to professional ethics and conduct. The Code of Conduct's purpose goes beyond complying with minimum statutory requirements. It will also assist you in identifying, minimizing and resolving real or potential conflicts of interest, so you can effectively exercise your duties on behalf of PSP Investments while maintaining your independence and integrity.

In January of each year, every Director must reassert his or her commitment to complying with the Code. Should you have questions about the Code of Conduct, contact the Corporate Secretary or the Chair of the Governance Committee.

(signed)

Michael P. Mueller
Chair

(signed)

Garnet Garven
Chair of the Governance Committee

1. ABOUT THIS CODE OF CONDUCT

This Code of Conduct contains principles and guidelines for ethical behaviour at PSP Investments, and describes the governance and corporate culture we want to develop and preserve.

1.1. WHO THIS CODE OF CONDUCT GOVERNS

This Code of Conduct applies to all members of the Board of Directors.

1.2. HOW TO USE THIS CODE OF CONDUCT

In most situations, personal values and honesty will guide your decisions and actions. There are, however, situations where issues will arise. Therefore, the Code of Conduct sets out guidelines for:

- › Personal and professional conduct;
- › Identifying and dealing with conflicts of interest;
- › Receiving *gifts and other benefits*;
- › Preventing fraud and corruption;
- › Protecting PSP Investments' *assets*; and
- › Personal trading.

These guidelines are designed to help you make the right decisions; however, they cannot cover every aspect of ethical conduct, nor every situation or dilemma you could face in your position. When you are not sure of the appropriate course of action, always act in the best interests of PSP Investments and ask yourself the following questions:

- › Is it legal?
- › Is it in conflict with the best interests of the contributors and beneficiaries under the pension plans whose *assets* we manage and invest?
- › Will your action or decision bear the closest public scrutiny?
- › Could it create a negative perception of you or PSP Investments?
- › Do you have a *private economic interest* that others may feel influences your ability to carry out your duties in a responsible way? A *private economic interest* is a right, entitlement or benefit that gives you a commercial or financial advantage. It poses a risk when others feel it influences your behaviour or your ability to carry out your duties responsibly and objectively.

If you are not sure about a specific situation or have questions regarding an aspect of the Code of Conduct, contact either the Chair of the Governance Committee or the Corporate Secretary.

In circumstances where the Chair of the Governance Committee has a conflict of interest or requires any approval under the Code of Conduct, the Chair of the Board will assist in the role where we otherwise refer to the Chair of the Governance Committee. In circumstances where the Chair of the Board has a conflict of interest or requires any approval under the Code of Conduct, the Chair of the Governance Committee will assist in the role where we otherwise refer to the Chair.

1.3. ACKNOWLEDGEMENT

When you take on your role as a Director, you will be required to complete a form that includes the following:

- › A formal acknowledgement that you have read, understood and will comply with the Code of Conduct, and
- › Disclosure of:
 - the name and address of all corporations, trusts, partnerships or other entities; (i) for which you serve as a Director or trustee; (ii) over which you exercise control; (iii) for which you have more than 10% of the voting rights; or (iv) for which you have a duty with respect to investment advice or decisions; and
 - information about any *private economic interest* that may be relevant to our efforts to protect PSP Investments' reputation.

This information helps us monitor your objectivity in carrying out your duties, and maintain public confidence and trust in PSP Investments.

On an annual basis, the Corporate Secretary will send a request for you to complete a questionnaire for the purposes of:

- › Assisting the Board of Directors in monitoring compliance by its members with the Code of Conduct;
- › Facilitating the determination of Director independence for corporate governance purposes;
- › Ensuring the accuracy of PSP Investments' disclosure through its annual report and otherwise, and certifying again that you have read and understood the Code of Conduct and that you have complied with it during the specified reporting period.

We may also be required to provide other certifications or acknowledgements from time to time.

1.4. ENFORCING AND MAINTAINING THE CODE OF CONDUCT

The Governance Committee monitors how the Code of Conduct is being applied, reviews the Code of Conduct at least every two years and recommends any appropriate changes.

The Corporate Secretary is responsible for administering the Code of Conduct's procedures.

Always consult the online Board portal for the most recent version of the Code of Conduct.

1.5. FAILING TO COMPLY

PSP Investments takes its Code of Conduct very seriously. Integrity, honesty and trust are essential elements of our business success. Failing to comply with any aspect of it will result in sanctions, which will vary depending on the seriousness of the breach or violation:

- › Depending on your actions, failing to comply could lead to civil or criminal prosecution, which could result in substantial fines or imprisonment.
- › The Chair of the Board could also recommend that you be removed from the Board of Directors.

1.6. REPORTING NON-COMPLIANCE

If you believe or suspect that the Code of Conduct has not been adhered to or that any law, rule or regulation applicable to PSP Investments has been violated or if you have information or knowledge of any act or practice which is illegal or prohibited under the provisions of the Code of Conduct or any law, rule or regulation applicable to PSP Investments' business, you must report it to:

- › The Chair of the Governance Committee;
- › The Chair of the Board; or
- › The Corporate Secretary.

Your discussions will be kept in confidence as much as possible.

As a Director, you also have obligations as a “public office holder” (but not as a “reporting public office holder”) under the *Conflict of Interest Act* (which are summarized below under *Conflict of Interest Act* and in Appendix A). Accordingly, you may consult with the Conflict of Interest and Ethics Commissioner with respect to your obligations under that Act. The Commissioner’s office may be contacted at:

**Office of the Conflict of Interest and Ethics Commissioner
Parliament of Canada**

Centre Block, P.O. Box 16, Ottawa ON K1A 0A6

Telephone: 613-995-0721, facsimile: 613-995-7308, e-mail: ciec-ccie@parl.gc.ca

1.7. CONTINUING DUTIES OF FORMER DIRECTORS

Even after you cease to be a Director, you may not act in any manner that would result in you taking improper advantage of your previous position as a Director of PSP Investments. This includes “switching sides” by acting for or on behalf of any person or organization in matters relating to a specific proceeding, transaction, negotiation or case where PSP Investments is a party and where you, in your capacity as a Director of PSP Investments, either acted for or provided advice to PSP Investments, or participated in considering the specific proceeding, transaction, negotiation or case. This also includes providing advice to any person or organization using *information* obtained while you were a Director of PSP Investments that is not available to the public. There is no time limit on these prohibitions.

2. PERSONAL AND PROFESSIONAL CONDUCT

PSP Investments expects its relationship with you to be based on trust. This means you must have an unwavering commitment to honesty and integrity in all of your actions.

2.1. APPROPRIATE CONDUCT

We expect you to:

- › Conduct yourself with integrity;
- › Comply with all of PSP Investments' policies and procedures that apply to Directors, including the Code of Conduct;
- › Comply with all laws and regulations that apply to PSP Investments, including the *Public Sector Pension Investment Board Act*, the *Public Sector Pension Investment Board Regulations* and other laws and regulations;
- › Familiarize yourself with the disclosure requirements generally applicable to PSP Investments, and never knowingly misrepresent, or cause others to misrepresent facts about PSP Investments and its affiliates to others; and
- › Protect the confidentiality of **information** belonging to PSP Investments; this applies even after you're no longer a Director.

We also expect that you will *not*:

- › Be involved in, or appear to be involved in, any improper conduct or conduct that conflicts with this Code of Conduct;
- › Engage in, condone or commit any illegal acts, or encourage others to do so;
- › Participate in fraudulent manipulative or deceptive market activities of any kind, either directly or indirectly;
- › Allow any of our business activities to be subject to political interference; if you suspect that this may be the case, report this immediately to the Chair of the Governance Committee, the Chair of the Board or the Corporate Secretary; or
- › Use any **information** belonging to PSP Investments to your advantage or in any other inappropriate way.

2.2. LITIGATION RELATING TO PSP INVESTMENTS

You must notify PSP Investments' Corporate Secretary if you have become – or believe that you will become – a participant, including as plaintiff, defendant or witness, in any litigation or similar legal matter that could reasonably relate to the business or affairs of PSP Investments.

You must also immediately notify the Corporate Secretary if you receive any notice of legal action or other similar communication relating to PSP Investments, including from a court, government agent, regulatory agency or lawyer. You must always contact the Corporate Secretary before producing any documents, submitting to an interview, answering questions or responding to a request regarding any actual or potential litigation or similar investigation relating to us.

2.3. CONTACT WITH THE MEDIA AND THE PUBLIC

It is important to ensure that PSP Investments' reputation is maintained and that its messages are consistent. The President and Chief Executive Officer and the Executive Vice President and Chief Investment Officer are our spokespersons for overall communications with the public on strategy and operational issues. The Chair of the Board may also serve as spokesperson for PSP Investments in collaboration with the President and Chief Executive Officer. Unless you receive specific authorization, you should not discuss any investment or other activity of PSP Investments with the media or engage in public discussions of any kind, including on external social networking that could be perceived as expressing the representations, opinions or views of PSP Investments. If you receive a media inquiry, you should direct it to the Vice President Communications and Government Relations, or if she/he is not available, to another officer designated by the President and Chief Executive Officer. That individual will then evaluate the request and respond or follow up as appropriate.

You are permitted to give presentations to other groups at public seminars, conferences and similar occasions. However, you should ensure that it is clear to the audience that you are speaking in your own capacity and not on PSP Investments' behalf. You should also keep your comments general and avoid comments on any specific investment situations.

2.4. CONTACT WITH GOVERNMENTS

Ensuring a consistent and coherent approach with governments is equally important. For this reason, the Vice President, Communications and Government Relations must be contacted before any communication with government representatives in Canada or abroad regarding the business of PSP Investments.

2.5. POLITICAL CONTRIBUTIONS

No political contributions shall be made by or on behalf of PSP Investments. This policy applies solely to the use of PSP Investments' **assets** and subject to the provisions of the Code of Conduct, it not intended to discourage or prevent individual Directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by PSP Investments for personal political contributions.

3. CONFLICTS OF INTEREST

Our conflict of interest procedures go beyond the requirements of the *Public Sector Pension Investment Board Act* and are generally consistent with our Directors' obligations under the *Conflict of Interest Act*. They're intended to help you:

- › Identify real, potential or perceived conflicts of interest;
- › Minimize the chance that you will find yourself in one; and
- › Resolve any existing conflicts of interest.

3.1. IDENTIFYING CONFLICTS OF INTEREST

You have a conflict of interest if you allow, or appear to allow, your personal or private interests, or the interests of your family members, other relatives or **associates**, to affect your ability to perform your work for us objectively, impartially and effectively.

PSP Investments defines an associate as:

- › A corporation you own or control shares in, directly or indirectly, when the shares represent more than 10% of the voting rights;
- › Your business partner who is acting on behalf of your partnership; and
- › A trust or estate you have a beneficial interest in, or for which you serve as trustee or in a similar capacity.

You have a conflict of interest if:

- › You are a party to a transaction or proposed transaction with PSP Investments;
- › You are a director or officer of, or have a **material interest** in, an **entity** which is party to such a **transaction** or proposed **transaction**; or
- › You, your family members, other relatives or **associates** receive personal benefits from a third party as a result of your position or a transaction with PSP Investments (for example loans to, or guarantees of obligations of you, your family members, other relatives or **associates** may create conflicts of interest).

A **transaction** includes a contract, guarantee or investment of any kind. **transaction** includes a contract, guarantee or investment.

In addition, you probably have a conflict of interest if you are in any way associated with or have a **private economic interest** in:

- › Any of PSP Investments' **transactions** or proposed **transactions**; or
- › A vendor, supplier or other organization we do or plan to do business with.

In any event, you probably have a conflict of interest if you have a **material interest** in an **entity** or person PSP Investments is doing or considering doing business with. You may have a **material interest** if:

- › You are related to, or share a household with, the person or people being considered for a **transaction**;
- › You are related to, or share a household with, an officer or employee of the **entity** that PSP Investments is considering for a **transaction**;

- › You are related to, or share a household with, a person that owns more than 10% of the voting rights of the **entity** that were considering for a **transaction**; or
- › The person or **entity** PSP Investments is considering doing business with is your **associate**.

The best way to judge whether you have a **material interest** in an **entity** is to ask yourself if a well-informed person would reasonably conclude that your interest in it could in any way influence your decision or performance in carrying out a duty on behalf of PSP Investments.

Conflicts of interest are not always clear cut, and actions that appear to be conflicts of interest can be just as damaging. We expect you to organize any **private economic interests** in a way that will (i) maintain public confidence and trust in the integrity and objectivity of PSP Investments; and (ii) allow you to identify, disclose, and, where reasonably possible, eliminate any real, potential or perceived conflicts of interest.

3.2. AVOIDING CONFLICTS OF INTEREST

You are required to apply your best effort, knowledge, skills, time and energy to carrying out your duties and responsibilities with PSP Investments.

You may not make use of your position as a Director of PSP Investments in a manner that may create a conflict of interest or an appearance of conflict of interest between your personal interests and the interests of PSP Investments.

This means you will:

- › Be loyal to PSP Investments as part of your commitment to serving on our Board; this means supporting the achievement of our corporate objectives, regardless of any other association you may have;
- › Notify the Chair of the Board and Corporate Secretary in advance if you plan to accept an appointment to a board or as executive of any business or enterprise that might benefit from, or be in conflict with, the activities of PSP Investments, and obtain the Chair of the Board's written approval; and
- › Comply with your obligations as a "public office holder" under the *Conflict of Interest Act*; those obligations are summarized below under *Conflict of Interest Act* and in Appendix A.

It also means you will not:

- › Offer consulting or other services to PSP Investments personally or professionally, or through an **entity** that you, your family or another relative has a **material interest** in;
- › Become involved in any project or activity that may be construed as negatively affecting, competing with, or being in conflict with our interests;
- › Intend or claim to speak on our behalf when you are in fact speaking on behalf of someone else; or
- › Try to influence a management issue on behalf of someone else.

3.3. WHAT TO DO IF YOU HAVE A REAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST

If you have or expect that you will have a real, potential or perceived conflict of interest as described above, you cannot approve the **transaction** or participate in any discussions to approve it.

In these circumstances, you must make full and immediate disclosure in writing to the Chair of the Board or you must request to have entered in the minutes of a meeting of the Board of Directors or one of its committees, the nature and extent of your interest in a contract, guarantee or investment brought before the Board of Directors for discussion.

You must refrain from voting on a resolution or other decision and refrain from participating in a discussion or debate in any circumstances where you know (or reasonably should have known) that you would have a conflict of interest. This includes, but is not limited to, discussions and decisions regarding any contract, guarantee or investment involving your interests.

3.4. SYSTEMATIC CONFLICTS OF INTEREST

As a Director, you have a systematic conflict of interest if you have or take on executive responsibilities with an organization whose objectives and mandates may be in conflict with, or may reasonably be perceived to be in conflict with, the objectives and mandates of PSP Investments. If you find yourself in this situation, you will be expected to resign from the Board of Directors.

3.5. CONFLICT OF INTEREST ACT

As a Director, you must also comply with the *Conflict of Interest Act* and avoid conflict of interests as specified in that Act. In general, you will be in a conflict of interest under that Act if you exercise an official power, duty or function that provides an opportunity to further your private interests or those of your relatives or friends or to improperly further another person's private interests. Your further obligations as a "public office holder" under that Act are summarized in Appendix A.

4. GIFTS AND OTHER BENEFITS

PSP Investments is particularly sensitive to the public's perception of how we deal with gifts and other benefits. You must use your best judgment to avoid situations of real or perceived conflicts of interest. We expect that you will adhere to the following guidelines on gifts and other benefits in your capacity as a Director of PSP Investments, keeping in mind the full context of this Code of Conduct.

4.1. OVERALL CONSIDERATIONS

We define **gifts and other benefits** as any products, services, hospitality or other benefits including meals, beverages, lodging, accommodation, travel, entertainment and recreation (tickets, passes, etc.) gratuities, business courtesies, training, transportation, commissions, fees, salaries, payments, preferential pricing, gift certificates, **securities**, memberships, discounted sporting or cultural event tickets, and any other similar products, services or benefits, including those meant to recognized the closing of a deal.

You must not directly or indirectly accept or solicit any **gifts and other benefits** that may:

- › Compromise or appear to compromise your integrity or your objectivity in carrying out your duties and responsibilities as Director of PSP Investments;
- › Be construed as an attempt to bribe or influence, or as a form of payment for a particular transaction or a referral;
- › Contravene a law or regulation; or
- › Place you under an obligation to the donor.

4.2. PROHIBITIONS

In addition to the overall considerations above, you are not permitted to accept in your capacity as a Director of PSP Investments:

- › **Gifts and other benefits** (other than those defined in sections 4.3 and 4.4) exceeding CDN \$100 without the prior written approval of the Chair of the Governance Committee or the Chair of the Board; and
- › **Gifts and other benefits** from PSP Investments' participating suppliers/partners for the duration of any bid or bid-like process;
- › Tickets to sporting or cultural events whether you are with a host or not, even if it is for a business purpose and it is within the normal industry standards of courtesy or business protocol; and
- › Free airfare or accommodation from any firm or organization associated with the investment or pension industries or from any existing or potential partner, vendor or supplier, without the prior written approval of the Chair of the Governance Committee or Chair of the Board.

4.3. PERMISSIBLE GIFTS AND OTHER BENEFITS

You may generally accept **gifts and other benefits** in your capacity as a Director of PSP Investments provided that:

- › they are within the normal industry standards of courtesy, hospitality or business protocol;
- › they do not compromise or appear to compromise your integrity or objectivity, or the integrity or objectivity of PSP Investments or anyone else;
- › they are not in the form of cash or its equivalent;
- › they are permitted under applicable laws;
- › they are in any event less CDN\$100 in value; and
- › their aggregate value from any one person or entity does not exceed CDN\$100 per year.

Attendance at certain widely attended gatherings (including sporting or cultural events attended as part of a group) and opportunities to attend industry meetings or educational conferences related to your capacity as a Director of PSP Investments are generally not considered to be gifts and other benefits, provided that the Chair of the Board or the Chair of the Governance Committee has determined that attendance is in the best interest of PSP Investments. You may generally accept meals or participate in events related to these gatherings, meetings or conferences if the same treatment is offered to all participants or attendees and if attendance is offered to multiple organizations (and, as noted previously, does not include any free airfare or accommodation).

4.4. PERMISSIBLE HOSPITALITY

You may accept hospitality (generally defined as including meals, drinks, etc...) in your capacity as a Directors of PSP Investments if it is infrequent and for a business purpose, if it is of a reasonable value, if it does not involve attendance at sporting or cultural events, if the host is present for the event, and if it is within the normal standards of courtesy.

4.5. SPECIAL CIRCUMSTANCES AND GENERAL REQUIREMENTS

In situations where it is difficult to decline **gifts and other benefits** that do not meet the guidelines set out above, or where you believe that there is sufficient benefit to PSP Investments to warrant an exception from any of the general guidelines described above, you must seek specific written instructions from the Chair of the Governance Committee or the Chair of the Board on how to proceed. They will notify you in writing as to whether the **gifts and other benefits** are to be declined or retained by PSP Investments, donated to charity, disposed of, or retained by you.

You must also:

- › Discourage existing and potential partners, vendors and suppliers from offering inducements that conflict with PSP Investments' Code of Conduct;
- › Advise existing and potential partners, vendors and suppliers that we can maintain a business relationship only if they also comply with this section of the Code of Conduct; and
- › Return any inappropriate gifts with a copy of the Code of Conducts for their reference, and always ask for guidance if you have any doubts.

5. FRAUD AND CORRUPTION

You must act with honesty and integrity, and without the use of fraudulent or corrupt practices to obtain any illegal advantage for your own personal benefit or for the benefit of PSP Investments or a third party.

5.1. FRAUD

Any form of fraud – including collusion, falsification of records and **asset** misappropriation – will not be tolerated.

You are expected to demonstrate your commitment to PSP Investments' Code of Conduct through your words and actions, and to advise our business partners that dishonest or unethical behaviour will not be tolerated, even if the result could benefit PSP Investments.

Business should be conducted in an honest way without the use of fraudulent practices to obtain any unfair or illegal advantage for your personal benefit or the benefit of PSP Investments or a third party.

5.2. CORRUPTION AND BRIBERY

Any form of corruption - including the abuse of position or the payment or acceptance, directly or indirectly of any form of **bribe** - is strictly prohibited.

As such, you are prohibited from offering or giving anything of value, directly or indirectly to:

- › **Public officials** – if the intention is to influence the official and obtain or retain an advantage in the course of business; or
- › Persons in the private sector – if the purpose is to induce such persons to perform (or reward for performing) a relevant function or activity improperly.

It is strictly prohibited to make illegal payments to **public officials** of any country for the purposes of obtaining or retaining business or an advantage in the course of business conduct.

Any knowledge you have of any of the above mentioned practices must be immediately reported to the Chair of the Governance Committee, the Chair of the Board or the Corporate Secretary.

6. PROTECTING OUR ASSETS

You are required to protect the **information** and other **assets** that belong to PSP Investments.

PSP Investments' information includes:

- › Non-public information relating to PSP Investments' business and affairs, including proprietary, technical, business, investment, financial, human resources and other information;
- › Information relating to third parties we deal with; and
- › Proprietary and confidential records belonging to PSP Investments.

As a Director, you have an obligation to keep **information** belonging to PSP Investments confidential while you are a member of the Board of Directors and after you have retired from the Board. If you become aware of a possible misuse of confidential **information**, we expect you to report it to the Chair of the Governance Committee, the Chair of the Board or the Corporate Secretary immediately.

You can only disclose PSP Investments' **information** as part of your duties and responsibilities, or when the law requires it.

PSP Investments' assets include:

- › Physical property;
- › Electronic property;
- › Human resources;
- › Work completed by employees, officers and Directors of PSP Investments;
- › Work completed for PSP Investments by others in the absence of some other agreement about ownership; and
- › Intellectual property such as trade secrets, trademarks and copyrights, as well as business, marketing and service plans, systems, software programs, designs, databases, records, salary information and any unpublished financial data and reports.

You have an obligation to protect these **assets**, and can only use them for the benefit of PSP Investments. If you become aware of a possible fraud or theft of assets, we expect you to immediately report it.

We expect that all of our records will be maintained with integrity and care, in compliance with our internal control and record retention procedures and all applicable accounting principles and laws. All funds and **assets** must be recorded and disclosed. PSP Investments' records, reports and financial condition must not be distorted or manipulated.

Information about our investments is confidential and must not be discussed with or disclosed to third parties without express consent. You must not misstate or knowingly misrepresent **information** for personal gain or for any other reason.

7. PERSONAL TRADING

PSP Investments has established personal trading guidelines to make sure its investment activities are carried out using the highest level of integrity, and to protect you and PSP Investments from the risk or perception of insider trading, the potential for civil liability and any embarrassment.

7.1. GUIDELINES

The following are key aspects of PSP Investments' personal trading guidelines for Directors:

- › You cannot trade in securities that are on the **Restricted List**;
- › You cannot trade on issuers that are on the **Grey List** unless the Compliance Officer has reviewed and authorized the same;
- › You must pre-clear all trades with the Compliance Officer, except:
 - trading in **exempt securities** and **managed accounts**;
 - securities acquired under automatic plans; and
 - trades that result from corporate actions or when you are the executor of a will and are liquidating the succession.
- › You must not engage in front running or other practices that result in you or others benefiting from the investment activities, tactics, strategies or information belonging to PSP Investments;
- › You cannot knowingly trade securities in which we are planning to undertake significant trading activities, which could influence market prices (for greater certainty, this would not include **exempt securities**);
- › You cannot invest in **private investments** as defined; exceptions may be granted by the Compliance Officer;
- › You must not engage in insider trading;
- › You must disclose information about your investment activities to our external Compliance Consultant so they can verify that you have complied with these and other applicable guidelines, as explained further below.

We explain these guidelines further below.

7.2. TRADES AND ACCOUNTS COVERED BY GUIDELINES

We define a **trade** as any activity that represents a change in legal or beneficial ownership of securities. This includes gifts and donations. A **Security** is a share, bond or debenture or other form of corporate debt, interests in trusts and limited partnerships, and includes derivatives, warrants, options and other rights and interests.

These restrictions apply to investment accounts you direct, influence or control and would normally apply to accounts where:

- › You are involved in making investment decisions;
- › You have a significant influence on the investment decisions; or
- › You are involved in voting decisions or have voting control.

This includes investment accounts you hold, and could also apply to accounts that are not in your name

(if you influence, direct or control them), such as:

- › Accounts held by a corporation, partnership or other *entity* accounts held by an investment club or other similar organization;
- › Accounts held by a member of your family or other relative; or
- › an **associate** accounts held in trust for you, a member of your family, other relative or **associate**.

As noted above, the preclearance restrictions do not apply to:

- › **Managed accounts**, where a third party¹ has full discretion to make the investment decisions on your behalf and you are not consulted in relation to individual trades;
- › **Automatic plans**, such as an automatic dividend reinvestment plan, share purchase plan or similar automatic plan, as long as you were otherwise permitted to trade in the security at the time you became covered by the plan or the plan was amended, or
- › **Corporate actions**, where a trade results in an automatic issuance, redemption, purchase or sale of the security without any action on your part as a dividend in kind, reorganization or merger.

During your career, you may have participated in compensation arrangements that include things like:

- › Grants of deferred stock units, stock appreciation;
- › Rights or stock options; and
- › Long-term incentive plans.

Your **exercise** of any of these items is considered a **trade** for the purpose of these guidelines.

7.3. EXEMPT SECURITIES

You may trade the following securities without obtaining preclearance:

Fixed-income securities:

- › Government bonds, debentures or other forms of government debt; and
- › Fixed income notes maturing within 365 days.

Publicly-traded investments managed by third parties:

- › All mutual funds;
- › Closed-end investment trusts; and
- › Pooled funds.

ETFs, Index products and basket of securities:

- › Exchange traded funds that are publicly traded and track the performance of a widely recognized market index of securities, traded on a public exchange;
- › Index products or other products that replicate the composition of widely recognized market indexes of securities, traded on a public exchange; and
- › Any other publicly-traded investments that represent an underlying diversified basket of securities.

If a single issuer's weight represents more than 20% of the exchange traded fund or index product, the exchange traded fund or product is not exempt and preclearance is required.

¹ The definition of a third party excludes a family member living in your household.

Money market instruments:

- › Negotiable promissory notes maturing within 365 days;
- › Commercial paper maturing within 365 days;
- › Bankers' acceptances; and
- › Money market instrument funds.

Other:

- › Guaranteed investment certificates or GICs;
- › Mortgages on real or personal property;
- › Foreign currency;
- › Hedge funds;
- › Capital calls on private equity funds;
- › Commodities;
- › Any securities specifically identified by the Compliance Officer to be exempt from our trading restrictions; and
- › Derivative products based on or otherwise linked to any of the **exempt securities** listed under any of the categories above.

If you are not sure whether a security is an **exempt security**, it is your responsibility to contact the **Compliance** Officer at complianceofficer@investpsp.ca for clarification before you proceed with the **trade**.

7.4. RESTRICTED LIST

You cannot trade in securities that are on PSP Investments' **Restricted List**. The **Restricted List** is a confidential list maintained by the Compliance Officer that applies to our officers, employees and others in addition to our Directors.

The Restricted List includes securities where we:

- › Have a special relationship with the issuer; or
- › Are considered to be an insider of the issuer or have special status for other reasons.

As a Director who is covered by this Code of Conduct, you must preclear your trades as described below.

You must not disclose to anyone any name on the Restricted List that you become aware of, including to a broker, investment manager, financial planner, colleague, friend, family member, other relative or **associate**.

If you are prohibited from trading in a security because it is on the Restricted List due to our investment activities or because PSP Investments is an insider of the issuer and this causes you undue hardship, you may appeal the decision to the Compliance Officer. The Compliance Officer will decide if you should be granted an exemption. However, we expect that an exemption will be granted only in limited circumstances due to the importance of the considerations underlying the **Restricted List**.

7.5. PRECLEARING TRADES

You must preclear all **trades**, except trades in **exempt securities** and **managed accounts**, and securities acquired under automatic plans. This process makes sure you:

- › Are sensitive to your obligations under this Code of Conduct; and
- › Do not violate the Code of Conduct by trading restricted securities.

The authorization you receive for a **trade** is good for five business days, unless otherwise indicated. The day you receive the preclearance is considered day 1 unless it is obtained after the market in question is closed.

How to preclear	Things to note
1. Contact the Compliance Officer at: complianceofficer@investpsp.ca	All enquiries must include the following information: <ul style="list-style-type: none"> - Type of transaction (buy or sell) - Issuer name, security and ticker symbol - Financial market (such as the exchange the security is traded on)
2. Wait for a response.	Your request will be authorized or declined within a reasonable time.
3. Carry out the trade.	The authorization is good for five business days, unless otherwise indicated. You may need to submit another request if you don't carry out the trade within the relevant timeframe.

If you want to carry out additional **trades** in the same **security** at a later time, you will need to preclear them again, except in the following situations:

- › The sale or purchase price is set at the time of preclearance and you are committed to the trade, but the trade isn't executed for reasons beyond your control, as long as you remain legally committed to the trade and it is completed on the original terms;
- › A pre-authorized purchase plan is set up at the time of the preclearance to purchase a fixed amount of the security during specified periods in the future;
- › The purchase or sale of the security is made as part of an automatic plan that was set up at the time of the preclearance;
- › Automatic or mandatory exercise of options or other derivatives; or
- › A corporate action results in an automatic purchase or sale of the **security** without any action on your part.

If any of these arrangements were in place when you became a member of the Board of Directors or otherwise became subject to the Code of Conduct, you should inform the Corporate Secretary as soon as possible.

7.6. INSIDER TRADING AND TIPPING

Applicable securities legislation prohibits trading when you have material information about a public company that has not been publicly disclosed.

It is against the law for you or anyone else to buy or sell securities based on undisclosed material information you obtained through your work with us or to pass the undisclosed material information on (called **tipping**), intentionally or not, to someone who may then buy or sell the securities.

If you obtain undisclosed material information in relation to a public company, you must not pass that information to others except on a “need to know” basis strictly for business purposes within PSP Investments.

Insider trading laws are complicated and continue to evolve. If you are not sure whether information is material, you should communicate with the Corporate Secretary before trading in any securities relating to the information or communicating the information inside or outside of PSP Investments, to avoid breaching the Code of Conduct or involving yourself or others in any liability issues.

If you suspect that you may have learned undisclosed material information about an issuer, you should contact the **Corporate Secretary** as soon as possible.

7.7. INSIDER REPORTING

Directors and officers are considered to be insiders of certain issuers of securities which we hold significant investments in.

On June 17, 2008, Canadian securities regulators issued an order exempting our Directors and officers from needing to file insider reports in Canada if they are insiders only because of their position with PSP Investments.

If you are considered to be an insider of an issuer for any other reason, you may be responsible to file insider reports and you should contact the **Corporate Secretary** to determine whether or not those reports are required.

7.8. DISCLOSING TRADING AND PERSONAL INFORMATION

As a Director, you are required to disclose information about your personal trading so that PSP Investments’ Compliance Consultant can verify that you have complied with the trading guidelines. The required information is described below. You are required to disclose information about the personal trading of family members, other relatives or associates, if you direct, control or have a significance influence over their accounts or trading.

The External Compliance Consultant operates at arm’s length from PSP Investments and is responsible for:

- › Receiving and organizing the documents they receive from you, and keeping them confidential (except to the extent necessary to deal with actual or potential breaches of the Code of Conduct);
- › Examining all the reported **trades** to make sure you are in compliance with the Code of Conduct;
- › Reporting any actual or potential breaches of the Code of Conduct to the Corporate Secretary; and
- › Reporting the results to the Governance Committee quarterly.

PSP Investments will ask you to provide information about your personal trading directly to the External Compliance Consultant when you begin serving on our board, and then periodically as described below.

You must send this information about all accounts you direct, influence or control.

7.8.1. NAMES OF PERSONS WHOSE INVESTMENTS ARE DIRECTED, INFLUENCED, OR CONTROLLED BY YOU

You must provide the names and addresses of all individuals or entities over whose investments you direct, influence or control. You will be asked to update this information every January as well as ever time the Code of Conduct is significantly changed.

7.8.2. PERSONAL TRADING ACCOUNTS

You must complete a personal trading account information form. The form includes a list of the investment accounts you own, direct or control, or have a significant influence over including **managed accounts**. It also includes a declaration you must sign if you do not own, direct, control or have a significant influence over any investment accounts. If you are not sure whether you direct, control or have an influence over an investment account, you should include the account on your list.

For each account on the list, other than accounts where you hold only exempt securities, you need to provide:

- › The type of account and the account number;
- › Who the registered holder is;
- › The name of the investment dealer or financial planner who manages each account; and
- › The name of the firm that the investment dealer or financial planner works for.

You will be asked to update this information annually as well as every time the Code of Conduct is significantly changed. You are also required to update it when you open or close accounts, or make other changes after you have submitted the form.

You are also required to attach a copy of your latest statements for each account that you own, direct, control or have a significant influence over, other than accounts that hold only **exempt securities** and **managed accounts**.

For **managed accounts**, you will be required to obtain the signature of the third party responsible for your managed account and provide a copy of the Investment Policy Statement for each managed account.

7.8.3. PERSONAL TRADING

Every quarter, you are required to send to PSP Investments' External Compliance Consultant a personal trading form disclosing your purchases and sales of securities during the last quarter, including options or other rights to acquire securities you have received since the date of the last report, for all accounts you own, direct, control or have a significant influence over other than accounts that hold only **exempt securities**, and for all **managed accounts**.

8. GLOSSARY

In addition to terms elsewhere defined herein, the following defined terms apply to this Code of Conduct:

Assets: economic resources which include our equipment as well as monetary consideration. It covers physical and electronic property, human resources, work completed by employees, officers and directors of PSP Investments and work completed for us by others.

Associate:

- › A corporation you own or control shares in, directly or indirectly, when the shares represent more than 10% of the voting rights;
- › Your business partner who is acting on behalf of your partnership; and
- › A trust or estate you have a beneficial interest in, or for which you serve as trustee or in a similar capacity.

Bribe: any reward, advantage or benefit that is given as consideration for an act or omission in the performance of someone's duties or functions or is given to induce someone to use his or her position to influence any acts or decisions of the organization for which he performs duties or functions. Bribes may be made directly and indirectly or through an intermediary.

Entity: corporation, trust, partnership, fund or an unincorporated association or organization, including charitable and political organizations.

Exempt Securities: refer to Section 7.3 but generally includes government bonds or debt instruments, publicly-traded investments managed by third parties, ETFs, index products and basket of securities where no single issuer represents more than 20% of the weight at the time of purchase or sale and money market instruments.

Gifts and other benefits: any products, services, hospitality or other benefits, including meals, beverages, lodging, accommodation, travel, entertainment and recreation (tickets, passes, etc.), gratuities, business courtesies, training, transportation, commissions, fees, salaries, payments, preferential pricing, gift certificates, **securities**, memberships, discounted sporting or cultural event tickets, and any other similar products, services or benefits, including those meant to recognize the closing of a deal.

Grey List: a confidential list, maintained by the Compliance Officer, which includes the name of **issuers** for which trading is restricted. Refer to the *Code of Conduct Procedure* (CORP-02) for details on issuers that are included on the Grey List as well as the process to maintain the Grey List.

Information:

- › Non-public information relating to PSP Investments' business and affairs, including proprietary, technical, business, investment, financial, human resources and other information;
- › Information relating to third parties we deal with; and
- › Proprietary and confidential records belonging to us.

Managed accounts: investments accounts that may contain securities but for which a third party (which excludes a family member living in your household) has full discretion to make the day-to-day investment decisions on your behalf and you are not consulted in relation to individual **trades**.

Material Interest:

You have a material interest if:

- › You are related to, or share a household with, the person or people being considered for a transaction;
- › You are related to, or share a household with, an officer or employee of the entity that we're considering for a transaction;
- › You are related to, or share a household with, a person that owns more than 10% of the voting rights of the entity that PSP Investments is considering for a transaction; or
- › The person or *entity* we're considering doing business with is your *associate*.

Private economic interest: right, entitlement or benefit that gives you a commercial or financial advantage. It poses a risk when others feel it influences your behaviour or your ability to carry out your duties responsibly and objectively. For example, it could be a significant ownership you have in a public or private company but that did not trigger specific voting rights or control.

Private investments: consist in any (i) Infrastructure Investment, Private Equity Investment, Real Estate Investment and Natural Resources Investment, as such terms are defined in the *Statement of Investment Policies, Standards and Procedures* of PSP Investments and which may reasonably be expected to be of interest to PSP Investments or any of its subsidiaries, (ii) private investment of a nature similar to those described in (i) above and which may reasonably be expected to be of interest to PSP Investments or any of its subsidiaries, and (iii) private investment in, together with, or with the participation of, a partner of PSP Investments or any of its subsidiaries, or a person who might reasonably be expected to be or become a partner of PSP Investments or its subsidiaries.

Public officials: broadly defined to include any individuals: who hold a legislative, administrative or judicial position of any kind, whether appointed or elected; who exercise a public function; or who are an official or agent of a public international organization (such as the United Nations, the World Bank or the International Monetary Fund). Public officials also include any official of a political party, and any candidate for political office and any executive, officer, agent or employee of a government-owned or government-controlled business (such as a state-owned bank or utility, a sovereign wealth fund, or a public university).

Finally, public officials include any person who is acting in an official capacity for the entities described above, including a private consultant who also holds a position with, or acts on behalf of, a government or with a public international organization, or with an enterprise owned or controlled by a government.

Restricted List: a confidential list maintained by the Compliance Officer which includes the name of issuers for which trading of securities is prohibited. Refer to the Restricted List and Supplementary Ethical Walls Procedure (Corp-05) for more information.

Security: share, bond, debenture or other form of corporate debt, interests in trusts and limited partnerships, and includes derivatives, options and other rights and interests, including those with exposure to an underlying security.

Trade: any activity that represents a change in legal or beneficial ownership of securities.

Transaction: a contract, guarantee or investment of any kind.

APPENDIX A

CONFLICT OF INTEREST ACT SUMMARY OF RULES FOR PUBLIC OFFICE HOLDERS

Public office holders are in a **conflict of interest** when they exercise an official power duty, or function that provides an opportunity to further their private interests or those of their relatives or friends, or to improperly further another person's private interests. (section 4)

General Duties for All Public Office Holders (Part 1)

- › Arrange your private affairs to prevent conflicts of interest; (s. 5)
- › Abstain from participating in decisions that would involve a conflict of interest; (subsection 6(1))
- › Do not take any action aimed at circumventing the Conflict of Interest Act. (s. 18)

Prohibited Activities while Holding Office (Part 1)

- › Providing preferential treatment to any person or organization based on the identity of the person or organization representing them; (s. 7)
- › Using information that is not available to the public to further private interests; (s.8)
- › Using your position to influence a decision to further private interests; (s. 9)
- › Being influenced in exercising your duties by offers of outside employment; (s. 10)
- › Accepting any gift or other advantage that might reasonably be seen to have been given to influence you in exercising your official duties; (s. 11)
- › Entering into a contract or employment relationship, in the exercise of your official duties, with a spouse, common-law partner, child, sibling or parent, or permitting the entity for which you work to do so; (s. 14)
- › Personally soliciting funds if it places you in a conflict of interest. (s.16)

Recusal (Part 2)

- › You must recuse yourself from any discussion, decision, debate or vote if you would be in a conflict of interest. (s. 21)

Post-Employment – Prohibited Activities (Part 3)

- › Acting in a manner that takes improper advantage of your previous office; (s. 33)
- › Acting for or on behalf of any person or organization in connection with any specific proceeding, transaction, negotiation or case where the Crown is a party and where you had acted for, or provided advice to, the Crown while in public office; (ss. 34(1))
- › Providing advice to clients, business associates or employers using information that was acquired in the course of your official duties and that is not available to the public. (ss. 34(2))

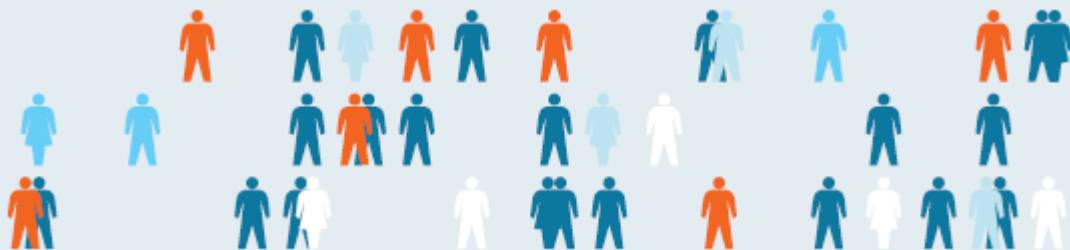
Administration and Enforcement (Part 4)

The Commissioner may conduct an examination:

- › On the written request of a Senator or Member of the House of Commons who has reasonable grounds to believe that a public office holder or former public office holder has contravened the Act; (s. 44)
- › On her own initiative if she has reason to believe that a public office holder or former public office holder has contravened the Act. (s. 45)

This summary is intended as a quick reference. The Conflict of Interest Act itself is the final authority. You are encouraged to seek advice from the Office of the Conflict of Interest and Ethics Commissioner. You can reach an advisor by telephone at 613-995-0721 or by e-mail at ciec-ccie@parl.gc.ca.

**IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENT
OF THIS CODE, CONTACT THE CORPORATE SECRETARY
OR THE CHAIR OF THE GOVERNANCE COMMITTEE**





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