PUBLIC SECTOR PENSION INVESTMENT BOARD
(PSP INVESTMENTS)

TERMS OF REFERENCE FOR THE GOVERNANCE COMMITTEE

Approved by the Board of Directors on August 13, 2026

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INTRODUCTION

The Governance Committee is a standing committee of the Board of Directors (the "Board") of the Public Sector Pension Investment Board ("PSP Investments") and must be comprised of at least three Directors.

The Governance Committee will generally assist the Board in developing PSP Investments' approach to its own governance.

DUTIES AND RESPONSIBILITIES

Subject to the duties and responsibilities of the Board and to the requirements of the *Public Sector Pension Investment Board Act* (the "Act"), the Governance Committee will perform the following duties:

1. Governance Documents and Initiatives

(a) Develop and recommend to the Board for approval, the By-laws and governance related policies of the Board;

(b) Develop terms of reference for the Board, the Board Committees, the Board Committee Chairs and the Chairperson and recommend them to the Board for approval, and periodically review and recommend to the Board for approval such amendments as may be necessary or advisable; and

(c) Monitor and report to the Board with respect to the implementation of the governance-related policies of PSP Investments.

2. Board and Committee Composition

(a) Assist the Board and External Nominating Committee in identifying suitable candidates for appointment as Directors of PSP Investments by outlining targeted recruitment skill sets and other recruiting considerations;

(b) Recommend to the Board for approval, timely changes in the role, size, composition and structure of the Board Committees;

(c) Annually recommend to the Board for approval, the Directors to serve on each Board Committee, the Chair of each Board Committee and, as the need arises, Directors to fill vacancies on each Board Committee; and

(d) Review and report to the Chairperson or the Board on succession planning for Board and Board Committee Chairs.

3. Board and Committee Effectiveness

(a) Oversee the implementation of procedures for assessing the effectiveness of the Board as a whole and the performance of individual Directors on an annual basis;

(b) Assess the needs of the Board in terms of the frequency and location of Board and Board Committee meetings, meeting agendas, reports, information and discussion papers, and the conduct of meetings;

(c) Ensure that all Board Committees are functioning effectively and meeting all of their respective objectives and goals; and

(d) Monitor and assess the relationship between the Board and Management, defining the limits to Management's authority and ensuring that the Board is able to function independently of Management.

4. Compliance and Legal and Regulatory Oversight

(a) Recommend to the Board for approval, a Code of Conduct which includes procedures established by PSP Investments for the identification of potential conflicts of interest and procedures to resolve such conflicts;

(b) Monitor compliance with PSP Investments Act, Regulations and Code of Conduct;

(c) Ensure that procedures are in place for the disclosure and investigation of alleged misconducts and other reportable concerns, including the creation and maintenance of an appropriate speak-up line;

(d) Receive at least quarterly, a summary of all reported incidents of alleged misconduct and other reportable concerns, and ensure that action is taken in a timely manner;

(e) Investigate, discuss and make recommendations to the Board for approval in respect of breaches and suspected breaches of the Code of Conduct, when required;

(f) Meet privately with Chief Compliance Officer to discuss relevant compliance and regulatory matters;

(g) Receive reports on material litigation and other legal matters; and

(h) Review, as appropriate, legislative changes and regulatory developments that could have a material impact on the activities of PSP Investments.

5. Directors' Compensation

(a) Review at least every two years the Directors', the Committee Chairs' and the Chairperson's compensation; and

(b) Review and recommend to the Board for approval, the Director compensation information disclosed in PSP Investments' annual report.

6. Directors' Onboarding

(a) Develop an overall approach to the Director onboarding program to familiarize new Directors with PSP Investments' affairs;

(b) Approve a Director education policy and oversee the design and implementation of a continuing educational program for all Directors, as necessary, so that the Directors' knowledge and understanding of the activities of PSP Investments remain current; and

(c) Ensure that each new member of a Board Committee receives appropriate training with respect to the requirements and obligations of the Board Committee to which he or she is appointed.

7. Corporate Governance and Sustainable Investment

(a) Review and approve PSP Investments' proxy voting principles, and recommend to the Board for approval PSP Investments' principles relating to sustainable investment;

(b) Review and stay abreast of corporate governance issues and trends; and

(c) Recommend to the Board for approval a nominee policy for the governance of portfolio entities.

8. Communications and Government Relations

Review PSP Investments' communication and stakeholder relations strategies and receive reporting on such activities.

9. Disclosure

Review and recommend to the Board for approval an annual statement of governance practices for publication in PSP Investments' annual report.

10. Canada Growth Fund

Receive reporting on the operations of Canada Growth Fund Investment Management Inc., including reporting on activities, monitoring compliance with obligations under the investment management agreement[1] and other legal and compliance related matters.

11. Other

(a) Undertake, at the request of the Chairperson or the Board, such other governance-related initiatives as may be necessary or desirable to contribute to the success of PSP Investments; and

(b) Retain, as necessary, any advisors, consultants, or other experts to assist the Governance Committee in fulfilling its responsibilities.

DEFINITIONS

In addition to terms elsewhere defined herein, the following defined terms apply to these Terms of Reference for the Governance Committee:

"**Board Committees**" refers to the following committees of the Board of Directors of PSP Investments: Investment and Risk Committee, Audit Committee, Governance Committee, and Human Resources and Compensation Committee.

"**By-laws**" refers to the by-laws governing the conduct and management of PSP Investments approved and amended from time to time by the Board.

"**Canada Growth Fund**" refers to Canada Growth Fund Inc., an independent and arm's length public fund.

"**Canada Growth Fund Investment Management Inc.**" refers to PSP Investments' wholly-owned subsidiary established for the purpose of providing investment management services to the Canada Growth Fund.

"**Chairperson**" refers to the Chairperson of the Board of Directors of PSP Investments appointed by the Governor in Council in accordance with the Act.

"**Chief Compliance Officer**" refers to the Chief Compliance Officer of PSP Investments.

[1] Investment Management Agreement entered into on March 11, 2024 between PSP Investments, Canada Growth Fund Investment Management Inc., Canada Development Investment Corporation and Canada Growth Fund Inc.

"**Chief Executive Officer**" refers to the President and Chief Executive Officer of PSP Investments duly appointed by the Board.

"**Code of Conduct**" refers to the Code of Conduct for Directors, Employees and Consultants of PSP Investments adopted and amended from time to time by the Board.

"**Directors**" refers to members of the Board.

"**External Nominating Committee**" refers to the external nominating committee established by the President of Treasury Board pursuant to PSP Investments' governing legislation.

"**Management**" refers to the Officers of PSP Investments and the other members of the senior management team of PSP Investments as may be determined from time-to-time by the Chief Executive Officer and communicated to the Board.

"**Officers**" refers to those employees who are appointed as officers by the Board in accordance with By-Law No. 1.

These Terms of Reference were most recently reviewed and amended by the Board on August 13, 2026.