PUBLIC SECTOR PENSION INVESTMENT BOARD
(PSP INVESTMENTS)

TERMS OF REFERENCE FOR THE INVESTMENT AND RISK COMMITTEE

Approved by the Board of Directors on August 13, 2026

PUBLIC SECTOR PENSION INVESTMENT BOARD
TERMS OF REFERENCE FOR THE INVESTMENT AND RISK COMMITTEE

INTRODUCTION

The Board of Directors (the "Board") of the Public Sector Pension Investment Board ("PSP Investments") is required by the *Public Sector Pension Investment Board Act* (the "Act") to establish an Investment and Risk Committee ("IRC") to perform the duties specified by the Act. The IRC shall be comprised of all of the members of the Board.

The IRC will be responsible for overseeing the investment and risk management functions of PSP Investments.

DUTIES AND RESPONSIBILITIES

Subject to the duties and responsibilities of the Board and to the requirements of the Act, the IRC will perform the following duties:

1. Asset Class Strategies and Investment Oversight

(a) Receive regular reporting on asset class investment strategies, portfolio composition, and asset management activities;

(b) Approve all investments (including related guarantees) and divestments not delegated by the Board to the Chief Executive Officer;

(c) Approve the engagement of investment managers empowered with discretionary authority to invest the assets of PSP Investments as provided for under the Act;

(d) Receive reporting as provided in the approved delegation of investment authorities;

(e) Receive for consultation potential investments by Canada Growth Fund in accordance with the governance framework established with the Board.

2. Investment Policies and Procedures

(a) Recommend to the Board for approval on an annual basis, a written statement of investment policies, standards and procedures ("SIP&P") for each Pension Plan Account managed by PSP Investments pursuant to the Act;

(b) Approve investment related policies;

(c) Require management to implement and maintain appropriate procedures to:

i. Monitor the application of and compliance with the SIP&P; and

ii. Ensure that PSP Investments' agents and mandataries comply with the Act and the SIP&P.

(d) Review, evaluate and approve Management's procedures referred to in paragraph (c) above; and

(e) Approve securities offering programs, related guarantees and limits to such programs.

3. Risk Management

(a) Review, evaluate and approve the guiding principles, limits and policies that govern the overall approach with respect to PSP Investments' risk management;

(b) Ensure that the risk management function has the resources needed to fulfill its mandate and that the function is free of any influence that could adversely affect its ability to objectively assume its responsibilities;

(c) With the support of other committees of the Board, when required, ensure the timely identification of risks to PSP Investments' business and the implementation of appropriate systems and processes to identify, monitor and manage material investment and non-investment risks. In discharging this duty, the IRC will monitor:

i. the quality, adequacy and timeliness of risk-related information provided by Management to ensure that the IRC has the information and understanding needed to evaluate risks, how they may affect PSP Investments and how Management is addressing them; and

ii. the respective responsibilities of the IRC, other Board committees and Management for risk oversight and management of specific risks, to ensure that the risk oversight function is coordinated and appropriately addressed and to ensure a shared understanding as to accountabilities and roles.

(d) Review on a quarterly basis enterprise risk management reports and other related risk reports and updates, including updates on emerging and strategic risks to which PSP Investments may be exposed; and

(e) On a regular basis, meet privately with the Chief Risk Officer.

4. Performance

(a) Review on a quarterly basis PSP Investments' investment activities, including but not limited to liquidity and portfolio rebalancing; and

(b) Review PSP Investments' quarterly, annual and long-term performance.

5. Other

(a) Undertake, at the request of the Board, such other activities as may be necessary or desirable;

(b) Retain, as necessary, any advisors, consultants, or other experts to assist the IRC in fulfilling its responsibilities; and

(c) Review periodically, in consultation with the Governance Committee, the Terms of Reference for the IRC.

DEFINITIONS

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

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

"**Chief Risk Officer**" refers to the Chief Risk Officer of PSP Investments duly appointed by the Board.

"**Funds**" refers to the Canadian Forces Pension Fund within the meaning of the Canadian Forces Superannuation Act and the fund established under the regulations made under section 59.1 of that Act; the Public Service Pension Fund, within the meaning of the Public Service Superannuation Act; and the Royal Canadian Mounted Police Pension Fund within the meaning of the Royal Canadian Mounted Police Superannuation Act.

"**Governance Committee**" refers to the Governance Committee of the Board of PSP Investments.

"**Management**" refers to the Officers of PSP Investments and the other senior employees 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 of PSP Investments who are appointed as officers by the Board in accordance with By-Law No. 1.

"**Pension Plan Accounts**" refers to the four separate accounts established and managed by PSP Investments for each of the Funds and which receive such Funds' respective contributions from the Government of Canada.

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