



**PUBLIC SECTOR PENSION INVESTMENT BOARD
(PSP INVESTMENTS)**

TERMS OF REFERENCE FOR THE CHAIRPERSON
Approved by the Board of Directors on June 7, 2018

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INTRODUCTION

The Chairperson of the Board of Directors (the “Board”) of the Public Sector Pension Investment Board (“PSP Investments”) is appointed among the members of the Board (the “Directors”) by the Governor in Council on the recommendation of the President of the Treasury Board after consultation with the Directors, the Minister of National Defence and the Minister of Public Safety and Emergency Preparedness.

The primary functions of the Chairperson are to facilitate the operations and deliberations of the Board and the satisfaction of the Board’s functions and responsibilities under these Terms of Reference and in accordance with the *Public Sector Pension Investment Board Act* (the “Act”) and the regulations adopted thereunder (the “Regulations”).

DUTIES AND RESPONSIBILITIES

The Chairperson will perform the following duties:

1. General

- (a) Ensure that the Board satisfies its duties and responsibilities as set forth in the Act, the Regulations and the Terms of Reference of the Board, and ensure that the Board complies with the By-Laws and the policies of the Board;
- (b) Ensure the Board discharges its independent oversight role of Management;
- (c) Provide leadership, foster effectiveness and develop teamwork within the Board;
- (d) Guide the Board in establishing a consensus on important issues and decisions, while allowing full and open debate.

2. Board Meetings

- (a) In consultation with the Chief Executive Officer and the Corporate Secretary:
 - (i) Establish a schedule for regular Board meetings and determine when special meetings should be called;
 - (ii) Determine matters that should be addressed by the Board and develop the agenda for Board meetings; and
 - (iii) Ensure that the Board has sufficient and timely information to operate at the level of investment management literacy thereby enabling it to make informed decisions.
- (b) Chair meetings of the Board and ensure that such meetings are conducted in an efficient and productive manner;

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- (c) On a regular basis as part of scheduled meetings of the Board, ensure that Directors have an opportunity to meet separately without Management present.

3. Board Committees

- (a) Oversee the delegation of responsibilities to each Board Committee;
- (b) Participate as a member of the Investment Committee and serve ex officio on other Board Committees;
- (c) Ensure that Board Committees report key developments regularly to the Board;
- (d) Provide advice and guidance to Board Committee chairs.

4. Director Recruitment, Development and Evaluation

- (a) Lead the individual director evaluation process and assist the Governance Committee in the implementation of the procedures for evaluating the performance of the Board;
- (b) Support the Director recruitment process by working closely with (i) the Governance Committee in outlining targeted recruitment skill sets and other recruiting considerations; and (ii) with the External Nominating Committee, in ensuring that candidate recruitment is consistent with the expectations of the Act;
- (c) Support the Governance Committee to ensure that the Director onboarding and education programs meet the needs of the Board.

5. Relationship with Management

- (a) Facilitate effective, open communications and liaise between the Board and the Chief Executive Officer and communicate to the Chief Executive Officer the comfort or concern of the Board and other stakeholders;
- (b) Serve as a principal source of advice and counsel for the Chief Executive Officer;
- (c) Assist the Human Resources and Compensation Committee in monitoring and evaluating the performance of the Chief Executive Officer;
- (d) Communicate with the Chief Legal Officer or the Corporate Secretary on governance matters, as required or advisable from time to time;
- (e) Review the proposed appointment, performance, and if necessary termination of the Corporate Secretary and inform the Chief Executive Officer of comfort or any concerns or findings.

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6. Communication with Stakeholders

- (a) Assume a leadership role at the annual public meeting of PSP Investments and at the annual meetings with the members of the three advisory committees established under the Superannuation Acts;
- (b) Represent PSP Investments as spokesperson on issues to be determined from time to time;
- (c) Act as the key liaison between the Board and the President of the Treasury Board;
- (d) Participate in meetings of Chairs of federal agencies.

7. Other

- (a) Approve requests from Directors to serve on other boards and receive reporting or provide approval, as required, pursuant to the Code of Conduct;
- (b) Approve a quarterly summary of the CEO's expenses prepared by Management;
- (c) Review periodically, in consultation with the Governance Committee, the Terms of Reference for the Chairperson and the Board of Directors;
- (d) Retain, as necessary, any advisors, consultants or other experts to assist the Board in fulfilling its responsibilities;
- (e) Carry out such other functions and duties as are requested by the Board.

DEFINITIONS

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

“Board Committees” refers to following committees of the Board of Directors of PSP Investments: Investment 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.

“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 Executive Officer” refers to the Chief Executive Officer of PSP Investments duly appointed by the Board.

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“Chief Legal Officer” refers to the Chief Legal Officer of PSP Investments duly appointed by the Board.

“Corporate Secretary” refers to the Corporate Secretary of PSP Investments duly appointed by the Board.

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

“Governance Committee” refers to the Governance Committee of the Board.

“Human Resources and Compensation Committee” refers to the Human Resources and Compensation 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.

“Superannuation Acts” refers to the Canadian Forces Superannuation Act, the Public Service Superannuation Act and the Royal Canadian Mounted Police Superannuation Act.

These Terms of Reference were most recently reviewed and amended by the Board on June 7, 2018.