



## **MANDATE OF THE GOVERNANCE AND ETHICS COMMITTEE**

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### **1. Establishment**

There is hereby established a committee of the Board of Directors called the Governance and Ethics Committee.

(section 13.3)

### **2. Composition**

The Committee is composed of independent members of the Board of Directors, including the Chair of the Board.

(section 13.4)

### **3. Guests**

Other Board members may be invited to take part in committee meetings on a regular or occasional basis without being members of the Committee or having voting rights.

Upon invitation by the Committee, any other person may attend, in whole or in part, a meeting, when the Committee considers it necessary or desirable.

### **4. Meetings**

Regular meetings are held on the dates, at the times and locations set by the Board of Directors. They are called by means of a notice that is sent to members by the Secretary or the Assistant Secretary on behalf of the Committee Chair. Committee meetings may be held without notice if the members consent to the holding of such meetings. The presence of a member at a meeting indicates his consent.

An extraordinary meeting may be called at any time by the Committee Chair, the Chair of the Board, the President and Chief Executive Officer, one of the Committee members or the Executive Vice-President, Legal Affairs and Secretariat.

Committee members regularly meet before or after a meeting without management being present. Any Committee member may ask the Chair that a Committee meeting, or any part of it, be held without management being present.

### **5. Quorum**

Quorum at Committee meetings shall be constituted by a majority of the members.

In the absence of a quorum, the Chair of the Board may, if he is not a member of the Committee, and at the request of the Committee Chair, serve as a member for this meeting and have voting rights.

### **6. Chair**

The Committee Chair, as designated by the Board of Directors from among independent members, chairs the Committee meetings. When the Committee Chair is unable to attend a meeting, the Chair of the Board or a member of the Committee may act as Chair for this meeting.

### **7. Secretariat**

The Secretary or Assistant Secretary of CDPQ may serve as secretary.



## 8. Mandate

The mandate of the Committee is to assure the Board of Directors that CDPQ upholds the highest standards in terms of governance and ethics. The committee is responsible for monitoring the structure, the composition, the performance, and the operations of the Board of Directors and its committees.

The responsibilities of the Governance and Ethics Committee include the following:

### Governance and ethics policies and practices

- a) Review and submit to the Board of Directors for approval CDPQ's governance rules;  
(section 13.11 (1))
- b) Review and submit to the Board of Directors for approval the rules of ethics and professional conduct applicable to members of the Board of Directors and to officers and employees of CDPQ, its real estate subsidiaries and of its wholly owned subsidiaries (of which it directly or indirectly owns all common shares), including conflict of interest rules, and review it every three year;  
(section 13.11 (4) and 13.1 (8))
- c) Review any violation of the rules of ethics and professional conduct committed by a member of the Board of Directors, a member of senior management, or an employee and any sanction imposed as a result of that violation;
- d) Review and, if advisable, approve any waiver of the rules of ethics and professional conduct requested by a member of senior management or a Board member;
- e) Review and evaluate the governance rules in the CDPQ's real estate subsidiaries and wholly owned subsidiaries (of which it directly or indirectly owns all common shares) and report on them to the Board;
- f) Review all reports submitted pursuant to the Policy on Responsible Investment, particularly with regard to the integration of environmental, social and governance (ESG) factors;
- g) Review and submit to the Board of Directors for approval:
  - i) a socially responsible investment policy;  
(section 13.1 (7))
  - ii) a policy concerning the governance principles that CDPQ intends to promote in companies where it exercises its voting rights
  - iii) a regulation prescribing control measures to ensure compliance with section 41 of the Act respecting the Caisse regarding the personal use of any information received respecting the operations of CDPQ  
(section 41)
  - iv) a regulation establishing situations where an officer of CDPQ is subject to section 42 of the Act respecting the Caisse dealing with statements of interest.  
(section 42)



- h) Ensure that every member of the Board of Directors shall, at the time they assume their duties and every year thereafter, forward to the Board of Directors a list of their interests in any legal persons and a list of such interests as their spouse may have together with a statement of all transactions that have changed such lists during the year;  
(section 42)

Structure, composition, productivity and operations of the Board and its committees

- i) Ensure that structures and procedures to ensure that the Board of Directors acts independently from CDPQ's management are implemented and maintained;  
(section 13.11 (2))
- j) Review every other year the mandates of the Board of Directors and its committees and recommend any necessary changes to the Board, if any;  
(section 13.11 (3))
- k) Annually review the composition, size, and structure of committees of the Board of Directors and the appointment of Committee chairs;  
(section 13.1 (10))
- l) recommend to the Board, in collaboration with the President and Chief Executive Officer, the appointment of members of the Boards of Directors of CDPQ's real estate subsidiaries and CDPQ Infra Inc.;
- m) Recommend to the Board of Directors the expertise and experience profile to be used when choosing independent members, in collaboration with the Human Resources Committee;  
(section 5.6 and 13.10)
- n) Annually review the process for assessing the performance of Board members, the Board of Directors as a whole, Board committees, and Board and Committee chairs and recommend to the Board of Directors the action plans it deems appropriate;
- o) Periodically review the needs of the Board of Directors and its committees in terms of the frequency of meetings, meeting agendas, working papers, reports, and information as well as the running of meetings and make recommendations to the Board of Directors in this regard;
- p) Review the process of welcoming new members along with the ongoing training and upgrading of Board members and periodically recommend any necessary changes to the Board, if any;
- q) Periodically review:
  - i) the procedure for dismissing a Board member  
(section 5.8)
  - ii) the number of missed meetings following which the absence of a member constitutes a vacancy  
(section 10)
- r) Periodically prepare recommendations to be transmitted to the Government regarding the salary, additional salary, fees, or allowances of all Board members,



including the Board and Committee chairs, but not the President and Chief Executive Officer;

(section 5)

- s) Evaluate the quality of the independent members with regard to the criteria established by the Act and regulations of the Government;  
(section 5.5)
- t) Recommend to the Board of Directors the designation of an independent member to exercise the functions of the Chair of the Board if a substitute has not been appointed;  
(section 5.9)
- u) Recommend to the Board of Directors the establishment of other Board committees to review specific issues or facilitate the proper functioning of CDPQ and define their mandates;  
(section 13.5)

#### Assessment of Committee performance

- v) Carry out a review and assess every other year of the adequacy of its mandate and annually of its ability to fulfill it;

### **9. Other mandates**

The Committee carries out other mandates entrusted to it by the Board of Directors.

### **10. Resources**

The President and Chief Executive Officer shall see that the Committee has adequate human, material and financial resources, particularly as regards external experts, to perform its functions.

(section 5.13)

When the Committee wishes to use the services of external experts, it shall send, for information purposes, prior notice to the chair of the Board of Directors and the President and Chief Executive Officer. This notice shall include a description of the mandate and the budget. The Chair of the Board of Directors shall inform the Board of Directors when such mandates are granted.

To fulfill its responsibilities, the Committee may consult all Caisse records and contact any officer, employee or auditor, if that is justified to exercise its duties.

### **11. Reports**

The Committee shall report to the Board of Directors on the results of its work after each of its meetings. This report contains in particular the recommendations that it considers necessary.

It shall also submit to the Board of Directors a summary of its proceedings to be included in the annual report of CDPQ, including the activities carried out during the fiscal year – particularly its assessment of the structures and procedures put in place to ensure the independence of the Board of Directors.

(section 13.6 and 46 (l))



Records of deliberations of the Committee are accessible to members of the Board of Directors for information.

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Approved by the Governance and Ethics Committee on August 15, 2005  
Adopted by the Board of Directors on August 26, 2005  
Amended by the Board of Directors on October 30, 2009  
Revised by the Governance and Ethics Committee on December 16, 2010  
Amended by the Board of Directors on November 25, 2011  
Amended by the Board of Directors on December 13, 2013  
Amended by the Board of Directors on December 11, 2015  
Revised by the Board of Directors on February 20, 2018  
Revised by the Board of Directors on October 11, 2019

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The numbers in parentheses refer to the corresponding sections in the *Act respecting the Caisse de dépôt et placement du Québec*.