

## **PUBLIC SECTOR PENSION INVESTMENT BOARD**

### **TERMS OF REFERENCE FOR THE INVESTMENT COMMITTEE**

**Revised by the Board of Directors as at November 9<sup>th</sup>, 2007**

#### **INTRODUCTION**

1. 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*, 1999, c.34 (the “Act”) to establish an investment committee to perform the duties specified by the Act.
2. The Board has determined that the Investment Committee shall be comprised of all of the members of the Board.

#### **DEFINITIONS**

3. “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.

#### **DUTIES AND RESPONSIBILITIES**

4. The Investment Committee will be responsible for overseeing the investment management function of PSP Investments. In particular, the Investment Committee shall:
  - (a) Perform the duties that are assigned to it by the Board including, without limitation, the approval of all investment proposals, related borrowings and execution of instruments in relation thereto, except as otherwise provided under PSP Investments’ Delegation of authority;
  - (b) Approve the engagement of investment managers, other than those who are employees of PSP Investments, empowered with discretionary authority to invest the assets of PSP Investments;
  - (c) Recommend to the Board for approval, a written statement of investment policies, standards and procedures (the “SIP&P”) for the amounts managed by PSP Investments pursuant to the Act;
  - (d) Review the SIP&P annually and recommend changes to the Board, as necessary;
  - (e) Recommend to the Board other investment policies, as necessary;
  - (f) Meet with Management to discuss the effectiveness of PSP Investments’ investment policies, the achievement of PSP Investments’ investment objectives and the performance and risk position of the investment managers;
  - (g) Require Management to implement and maintain appropriate procedures to:

- (i) Monitor the application of the SIP&P; and
- (ii) Ensure that PSP Investments' agents comply with the Act and the SIP&P;
- (h) Review, evaluate and approve Management's procedures referred to in paragraph (g) above;
- (i) Retain, as necessary, any advisors, consultants, or other experts to assist the Investment Committee in fulfilling its responsibilities; and
- (j) Review periodically the Terms of Reference for the Investment Committee.

**HISTORY**

5. These Terms of Reference were:

- Initially adopted by the Board on March 13, 2001;
- Reviewed and amended by the Board on September 16, 2004;
- Reviewed and amended by the Board on February 9, 2006;
- Reviewed and amended by the Board on February 15, 2007; and
- Reviewed and amended by the Board on November 9<sup>th</sup>, 2007.