

Director Orientation and Development Processes

APRIL 1, 2024



1.0 Introduction

The Director orientation and development approach and processes are intended to assist Directors in enhancing their ability to contribute to CPP Investments.

It is expected that Directors will possess sufficient experience and skills at the time of their appointment to serve in such a capacity. However it is recognized that they will not be expert in all disciplines or in all aspects of governance. The orientation program is expected to familiarize new Directors with the Board requirements and serve as an introduction to CPP Investments' business and operations. In recognition of the evolving nature of a Director's responsibilities, the goal of ongoing Director development is, among other things, to ensure that Directors are aware of leading and best practices with respect to their duties.

2.0 Background

The Director Role Description, the Chairperson Role Description and the Governance Committee Mandate all make reference to responsibilities regarding Director orientation and development processes.

3.0 Director Orientation

New Director orientation is designed to be a complete introduction to CPP Investments for new Directors, while also tailored to individual Director needs. The objective of the comprehensive orientation program, which is continually updated, is to provide the new Director with sufficient information so that they can be expeditiously and effectively integrated into the work of the Board. The program includes:

- (a) information about the duties and obligations of Directors;
- (b) an introduction to the Board Committees, with a particular focus on the Board Committees of which they are expected to become members in the near term;
- (c) documents from recent Board and Board Committee meetings, and

(d) session(s) involving discussion of:

- i. the background, history and mandate of CPP Investments;
- ii. its strategy and business planning processes and documents; and
- iii. departmental overviews.

At the orientation session(s), new Directors are given opportunities to meet with senior management and other Directors.

4.0 Director Development

Given the unique nature of CPP Investments, significant ongoing Director development is delivered in-house to the full Board. In many cases all Directors will be exposed to the same information. Directors should also be proactive in ensuring they become and remain knowledgeable to fulfill their duties and seek additional training and information if necessary, including through external seminars and conferences.

4.1 MANAGEMENT BUSINESS PRESENTATIONS

Management presentations are undertaken regularly at Board meetings, in the context of an upcoming requested approval of a CPP Investments business initiative, a new or amended aspect of investment policy, a departmental overview, or otherwise. Although these presentations will be oriented towards the business of CPP Investments and, if applicable, any specific approval being requested, they also often include information about generally accepted standards, best practices and peer practices.

4.2 'DEEP DIVE' SESSIONS

'Deep dive' sessions are typically held during Board meetings, may involve both internal and external speakers and relate to issues relevant to the business of CPP Investments. Topics are generated with input from Directors and Management. Examples include sessions about geopolitics, asset management trends, sustainability and cybersecurity.

4.3 ARTICLES, MEMBERSHIPS AND OTHER INFORMATION

Articles of interest will be provided periodically to Directors by Management with a focus on articles that are of direct relevance to the business of CPP Investments and typically with a Management synopsis as a cover. Other material, subscriptions, memberships and information may be provided to Directors in support of their ongoing development.

4.4 CONFERENCES, SEMINARS AND FORUMS

Notwithstanding the above education, there may be a need for Directors to receive additional information on topics relevant to their role at CPP Investments by way of attendance at external conferences, seminars and forums.

Directors are encouraged to raise opportunities for attendance at outside conferences, seminars and forums, where the Director wishes CPP Investments to sponsor such attendance, with the Chairperson (or the Chair of the Governance Committee in the case of the Chairperson), to consider approval of such requests on a case by case basis. In the consideration of any such requests it is important that:

- (a) the subject matter of the proposed opportunity relate directly to the responsibilities of the requesting Director in the oversight of the business of CPP Investments;
- (b) the possible reputational implications to CPP Investments of the requested attendance be taken into account;
- (c) the cost of the event be reasonable relative to the cost of other comparable educational opportunities; and
- (d) there be fairness among directors. To that end, the Chairperson or Governance Committee Chair, as the case may be, will consider communicating to all Directors relevant opportunities that are drawn to their attention, and in considering fairness in allocating such opportunities the Chairperson or Committee Chair will take into account, among other factors they think appropriate, the relevance of the seminar to the Director's development objectives with CPP Investments and other events attended in the past by the Director.

4.5 DIRECTOR FEEDBACK

Director feedback will be sought regularly on the Director orientation and development processes, including:

- (a) from Directors having completed or participated in the Director orientation program;
- (b) in the interviews with the Chairperson occurring annually in connection with the peer evaluation process (and the Chairperson in the discussion which takes place annually with the Chair of the Governance Committee as part of the Chairperson evaluation process);
- (c) as an aspect of the annual reporting to the Governance Committee outlined in Section 4.6;
- (d) in connection with the annual review of the performance of the Board and Board Committees and the setting of priorities for the Board and Board Committees.

4.6 REVIEW AND REPORTING

The above methods of ongoing Director education are reviewed as deemed appropriate by the Governance Committee on an ongoing basis. The Governance Committee will review annually the outside developmental events attended by Directors including those sponsored by CPP Investments and the costs of each event sponsored by CPP Investments.