



**CPP
INVESTMENT
BOARD**

Tab No. G-1

DIRECTOR COMPENSATION, TRAVEL AND EXPENSE POLICY

October 1, 2009

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DIRECTOR COMPENSATION, TRAVEL AND EXPENSE POLICY

1.0 DIRECTOR COMPENSATION

1.1 Overview

Subsection 10(10) of the **Act** provides as follows:

A Director is entitled to receive from the Board such remuneration and benefits as may be fixed by the by-laws, which remuneration and benefits shall be fixed having regard to the remuneration and benefits received by persons having similar responsibilities and engaged in similar activities.

On February 7, 2007, the Board approved the current version of By-law No. 2, a by-law to establish the remuneration of Directors, a copy of which is attached as Appendix A.

2.0 DIRECTOR TRAVEL AND EXPENSE POLICY

2.1 Overview

The objective of this travel policy is to establish the procedures by which the CPP Investment Board will reimburse reasonable travel and related expenses of Directors incurred on behalf of their activities related to the CPP Investment Board in the categories articulated below.

2.2 Air Travel

- (a) Business class airfare will be reimbursed;
- (b) Directors will be eligible for reimbursement of the air fare and other transportation costs actually incurred to attend a given event or meeting which they are required to attend, but not exceeding such costs between their Canadian place of permanent residence and the location of such event or meeting unless the prior written consent of the Chair (who shall notify the Chair of the Governance Committee that such consent has been granted) in respect of that event or meeting has been obtained; and
- (c) The CPP Investment Board will pay for the use of a private automobile to and from either office or home to an airport and return.

2.3 Ground Transportation

- (a) The CPP Investment Board will reimburse expenses for taxis or buses required between airports, event locations and hotels;
- (b) Car rental at destination will be paid when it is economical to do so;

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- (c) The CPP Investment Board will provide an allowance to Directors for the use of a personal vehicle for business purposes at the CPP Investment Board's approved rate which is the Canada Revenue Agency's prescribed rate as amended from time to time; and
- (d) The CPP Investment Board will reimburse parking expenses incurred while carrying out duties while on travel status, including airports, hotels or event locations.

2.4 Accommodation

- (a) Where an overnight stay is necessary, accommodation arrangements must be made in establishments with no greater than a four star rating unless equivalent or better rates are offered; and
- (b) Reasonable valet and telephone charges will be paid by the CPP Investment Board.

2.5 Meals

- (a) The CPP Investment Board will reimburse for reasonable expenditures for meals while travelling on CPP Investment Board business, including tips and goods and services tax. Receipts must be provided for meals.
- (b) Without receipts, meal expenses may be claimed as follows:
 - Breakfast \$10.00
 - Lunch \$15.00
 - Dinner \$20.00
 - Daily total \$45.00

2.6 Reimbursement of Expenses

- (a) Expense claims should be submitted in a timely manner. A claim form is attached as Appendix B for your use;
- (b) An annual summary of each Director's expenses, prepared by Management, will be reviewed by the Chairperson;
- (c) An annual summary of the Chairperson's expenses, prepared by Management, will be reviewed by the Chair of the Audit Committee; and
- (d) Receipts are to be attached to the claims; and
- (e) Claims must be dated and signed by the claimant.

DIRECTOR COMPENSATION, TRAVEL AND EXPENSE POLICY

APPENDIX A

By- Law No. 2

a by-law to establish the remuneration of the directors of

CANADA PENSION PLAN INVESTMENT BOARD

1. Definitions - All terms used but not defined in this amended and restated By-Law (this “By-Law”) shall have the meanings ascribed thereto by By-Law No. 1.
2. Directors’ Remuneration - In accordance with subsection 10(10) of the Act, each member of the Board of Directors (a “Director”) other than the Chairperson shall receive as remuneration during each fiscal year of the Investment Board, the aggregate of the following amounts:
 - (a) an annual retainer of \$25,000;
 - (b) an annual retainer of \$7,500 for each committee of the Board of Directors of which a Director is the Chair;
 - (c) a fee of \$1,500 if attendance is in person, for each meeting of the Board of Directors attended by a Director provided that only a single meeting fee will be paid to a Director who attends meetings of the Board of Directors and the Investment Committee held on the same day;
 - (d) a fee of \$1,250 if attendance is in person, for each meeting of any of the standing or ad hoc committees of the Board of Directors attended by a Director;
 - (e) a fee of \$750 if attendance is by way of a teleconference for each meeting of the Board of Directors or any of its standing or ad hoc committees attended by a Director provided that only a single meeting fee will be paid to a Director who attends meetings of the Board of Directors and the Investment Committee held on the same day;
 - (f) in addition to the meeting fees outlined in subparagraph 2 (c), (d) and (e) above, a travel time allowance for each occasion when travel to attend a meeting of the Board of Directors or any of its standing or ad hoc committees is required, based upon the distance between the Director’s residence and the head office of the Investment Board, as follows:

Distance (km)	Fee
300 km to 1,000 km (i.e. Montreal)	\$250

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Distance (km)	Fee
1,000 km to 2,500 km (i.e. Winnipeg, Charlottetown, Halifax)	\$500
Over 2,500 km (i.e. Edmonton, Vancouver)	\$1,000

 ; and

- (g) a fee of \$1,000 for each public meeting held by the Investment Board in accordance with subsection 52(1) of the Act attended by a Director.
3. Chairperson's Remuneration - In accordance with subsection 12(5) of the Act, a Director appointed as Chairperson shall receive as remuneration during each fiscal year of the Investment Board the aggregate of the following amounts:
- (a) an annual retainer of \$120,000; and
- (b) a fee of \$1,000 for each public meeting of the Investment Board attended by the Chairperson and for each non-meeting day of travel in conjunction therewith.
4. Timing of Payment - The annual retainers and fees contemplated by paragraphs 2 and 3 of this By-Law shall be paid quarterly in arrears or on such other basis as the Board of Directors may determine from time to time.
5. Amendment - Subject to the provisions of the Act, this By-Law may be amended or repealed at any time by the Board of Directors and such amendment or repeal shall be effective as soon as it is approved by the Board of Directors or on such later date as may be determined by the Board of Directors.
6. Effective Date - This By-Law shall come into force on April 1, 2007.


IN WITNESS WHEREOF this By-Law No. 2 was duly passed at a meeting of the board of directors on February 7, 2007.

DATED February 7, 2007

Chairperson

DIRECTOR COMPENSATION, TRAVEL AND EXPENSE POLICY

**APPENDIX B
SAMPLE EXPENSE CLAIM FORM**

	<p>CPP INVESTMENT BOARD</p>
<p>Expense Claim Form</p>	
Director's Name: _____	
Date of Expense Report: _____	
Meeting(s) Attended: _____	
Date of Meeting(s): _____	
Expense Details ¹	Total Expense (Cdn \$)
Transportation	
Air	
Train	
Taxi	
Parking	
Mileage	
_____ km x \$0.52/km =	
Accommodation	
Meals	
Miscellaneous	
Total To Be Reimbursed:	
<p>¹ attach receipts where applicable</p>	
<p>_____ Signature of Claimant</p>	<p>_____ Approved By</p>