

MANAGEMENT INVESTMENT COMMITTEE

TERMS OF REFERENCE

1. Introduction

The *Canada Infrastructure Bank Act* (the “**CIB Act**”) sets out the purpose of the Canada Infrastructure Bank (“**CIB**”) as follows:

The purpose of the Bank is to invest, and seek to attract investment from private sector investors and institutional investors, in infrastructure projects in Canada or partly in Canada that will generate revenue and that will be in the public interest by, for example, supporting conditions that foster economic growth or by contributing to the sustainability of infrastructure in Canada.

The Board of Directors (the “**Board**”) has delegated the day-to-day management activities and other affairs of the CIB to the CEO, who is authorized under the By-laws to delegate responsibility for various aspects of CIB’s investment activities to other officers of the CIB. The Board has also approved the Investment Policy to describe the guidelines that govern the operation and administration of the CIB’s investment activities under the CIB Act.

Consistent with the authorities delegated by the Board, the Management Investment Committee (the “**MIC**”) is hereby established with the following Terms of Reference.

2. Purpose of the MIC

The MIC is responsible for overseeing the CIB’s investment activities within the CIB’s authorities in the CIB Act and the parameters established by the Board-approved Investment Policy. The MIC reviews infrastructure projects at various stages with guidance from the Investment Policy, including investment proposals and requests under the Project Acceleration initiative, and recommends investment proposals to the Investment Committee of the Board. The MIC may also approve investment proposals and perform other administrative decision-making responsibilities within the parameters and authorities delegated by the Board to the MIC pursuant to the Investment Policy.

3. Composition of the Management Investment Committee

3.1 **Voting Members** – The MIC will be comprised of six (6) Voting Members holding the following offices:

- i) Chief Executive Officer;
- ii) Chief Investment Officer;
- iii) Chief Financial Officer;
- iv) Group Head, Strategy;
- v) Group Head, Communications and Public Affairs; and
- vi) General Counsel & Corporate Secretary.

- 3.2 **Non-Voting Members** – The individuals holding the following positions/titles will have the right to receive notice of, attend and participate at meetings, but will not have a right to vote:
- i) Head of Finance and Asset Management;
 - ii) Head, Credit Risk & Fiscal Impact
 - iii) Head, Enterprise Risk Management
 - iv) Managing Director, Investments;
 - v) Head, Project Development, Western Canada;
 - vi) Head, Project Development, Eastern Canada;
 - vii) Head, Investment Operations & Initiatives;
 - viii) Director, Sector strategies;
 - ix) Associate General Counsel, Investments.
- 3.3 **Invited Observers** – At the invitation of the Chair, other employees within the CIB's Investments, Credit Risk, Legal, Finance, Asset Management, Strategy, and Communications & Public Affairs teams may receive notice of and voluntarily attend meetings as observers only. Observers will not have the right to participate at meetings unless specifically invited by the Chair to contribute to the MIC's deliberations.
- 3.4 **Chair** – The CEO is the Chair of the MIC and will preside at each meeting. If the CEO is not available for a meeting, the Chief Investment Officer will serve as the Chair for the meeting at which a quorum is present.
- 3.5 **Conflicts of Interest** – In accordance with the procedures in the *Conflict of Interest Policy for Employees*, a Voting Member and Non-Voting Member will declare any interest that may give rise to a real, potential or perceived conflict of interest or other circumstances that could interfere with the member's ability to carry out his or her duties objectively and impartially. A member who has declared a conflict of interest will not participate in the discussions and, with respect to Voting Members, will not vote on any resolution regarding the subject matter considered at the meeting.

4. Quorum

A quorum for meetings will be four (4) Voting Members, including at least two (2) members of the following offices: CEO; Chief Financial Officer; or General Counsel & Corporate Secretary.

5. Secretary and Minutes of Meetings

CIB's Corporate Secretary, or such other individual designated by the Chair, will be the secretary to the MIC. Minutes recording the resolutions of the MIC and key reasons for those decisions will be prepared by the secretary, who will, subsequent to the MIC's approval, keep them in a book of minutes. A list of follow-up action items from prior MIC meetings will be circulated with the minutes of the meeting.

6. Activities and Responsibilities

The MIC's activities and responsibilities include, but are not limited to, the following:

- 6.1 **Delegated Authorities and Investment Approvals** – The MIC will approve, if appropriate, in accordance with any decision-making authorities delegated or authorized by the Board pursuant to the Investment Policy, investment proposals and the execution of instruments in relation thereto, having regard to the terms and conditions, target outcomes and risks associated with the investment proposal and the management thereof.¹
- 6.2 **Recommendations for Investment Proposals** – The MIC will review and make a recommendation to the Investment Committee of the Board relating to material investment activities (e.g., approval of program strategy memorandum, preliminary and final investment proposals), having regard to the terms and conditions, target outcomes and risks associated with the investment proposal and the management thereof, which the Investment Committee may then recommend to the Board for approval.
- 6.3 **Project Acceleration** – The MIC will approve requests made under the Project Acceleration initiative and recommend to the Board those that exceed the CEO's delegation of signing authority (\$5M and above).
- 6.4 **Investment Policy** – The MIC will review and make a recommendation to the Investment Committee of the Board regarding any amendments to the Investment Policy, as appropriate, which the Investment Committee may then recommend to the Board for approval.
- 6.5 **Asset Management** – the MIC will:
 - i) review and approve, or recommend to the Investment Committee of the Board for approval in accordance with the requirements of the Investment Policy, material amendments or waivers to the terms and conditions of investments;
 - ii) review and make a recommendation to the Investment Committee of the Board relating to the disposition of an investment, which the Investment Committee may then recommend to the Board for approval; and
 - iii) review the annual update of the CIB's investments, including any material change to the risk profile of the CIB's investments.
- 6.6 **Project Development MOUs** – The MIC will review memoranda of understanding (MOU) signed with a project proponent to facilitate a joint public announcement about the CIB's financial support in project development activities to advance the infrastructure project.

¹ Pursuant to the Investment Policy, the Board approved a delegation of authority to the MIC to approve investment proposals within the specified thresholds under the following initiatives: Zero Emission Buses Initiative (up to \$50M); Building Retrofits Initiative (up to \$50M); and Indigenous Community Infrastructure Initiative (up to \$30M).

6.7 **Other Duties** – The MIC will:

- i) carry out or monitor the implementation of any other duties and functions delegated by the Investment Committee of the Board; and
- ii) perform any other activities consistent with these Terms of Reference, the CIB Act and By-laws, as the MIC or the Investment Committee deems necessary or desirable.

7. **Decisions**

7.1 Decision-making is led by the CEO and the MIC will aim to reach a consensus on its decisions. When consensus cannot be reached, the CEO makes the final decision, taking the majority opinion into consideration.

7.2 A resolution in writing signed by all the Voting Members entitled to vote on that resolution at a MIC meeting will be as valid as if it had been passed at a meeting of the MIC.

8. **Reporting**

The CEO and the Chief Investment Officer will report to the Investment Committee on at least a quarterly basis on the relevant issues including:

- the status of potential investments;
- the status of current investments;
- the report on investments approved under the delegated authority by the Board to MIC;
- any significant issues or material risks to current and prospective investments;
- at least annually, an individual investment report on the performance of investments; and
- all other material matters dealt with by the MIC.

9. **Meeting Procedures**

9.1 **Frequency** – The MIC meets at least on a monthly basis, or more frequently, as the CEO deems necessary for the MIC to discharge properly its responsibilities. The CEO will determine the time and place of and the procedure at meetings.

9.2 **Notice of Meeting** – Notice of each meeting of the MIC will be given to each Voting Member and Non-Voting Member as far in advance of the time for the meeting as practicable, but in any event, not later than 24 hours preceding the time of the meeting (unless otherwise waived by all Voting Members). Each notice of meeting will, to the extent practicable, be accompanied by copies of the materials to be considered at the meeting.

9.3 **Agenda and Meeting Materials** – Meeting agendas and related materials to be considered at the meeting are expected to be available to Voting Members and Non-Voting Members at least 48 hours in advance of each meeting to allow adequate time to review the materials and prepare in advance of the meeting.

- 9.4 **Participation** – Voting Members and Non-Voting Members may participate in any meeting by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating by any such means will be deemed to be present at that meeting.
- 9.5 **In Camera Meeting** – In the interests of preserving confidentiality, the Chair can decide that attendance with respect to a meeting or agenda item is strictly restricted to the Voting Members and other invited attendees.
- 9.6 **Confidentiality and Privacy** – All participants and attendees acknowledge that the unauthorized disclosure to a third-party of confidential information and issues discussed at meetings of the MIC will constitute a breach of the *Code of Conduct for Employees*.
- 9.7 **Advice** – The Chair may invite from time to time such other persons to attend the meeting to contribute expertise to specific issues and to take part in the discussion and consideration of the affairs of the MIC.
- 9.8 **Review of Terms of Reference** – At least annually, the MIC will review these Terms of Reference to assess the MIC's effectiveness in fulfilling its responsibilities, as set out above, and make any changes, as necessary.

10. Definitions

In addition to the terms defined elsewhere herein, the following defined terms apply to these terms of reference:

Board: means the Board of Directors of CIB pursuant to subsection 9(1) of the CIB Act.

By-laws: refers to the by-laws governing the conduct and management of CIB, approved and amended from time to time by the Board.

Chief Executive Officer or CEO: means the Chief Executive Officer of the CIB pursuant to subsection 9(1) of the CIB Act.

Chief Financial Officer: means the person appointed by the Board, on the recommendation of the CEO, as the Chief Financial Officer, or equivalent position.

CIB: means the Canada Infrastructure Bank.

CIB Act: means the *Canada Infrastructure Bank Act*, S.C. 2017, c. 20, s. 403, as amended from time to time.

Chief Investment Officer: means the person appointed by the Board, on the recommendation of the CEO, as the Chief Investment Officer of the CIB, or equivalent position.

Corporate Plan: means the corporate plan submitted to the Minister pursuant to section 16 of the CIB Act and section 122 of the *Financial Administration Act*, RSC 1985, c F-11, as amended from time to time.



General Counsel & Corporate Secretary: means the person appointed by the Board, on the recommendation of the CEO, as the General Counsel & Corporate Secretary, or equivalent position.

Group Head, Communications and Public Affairs: means the person appointed by the Board, on the recommendation of the CEO, as the Group Head, Communications and Public Affairs, or equivalent position.

Group Head, Strategy: means the person appointed by the Board, on the recommendation of the CEO, as the Head of Strategy, or equivalent position.

Investment Committee: means the Investment Committee of the Board.

MIC: means the Management Investment Committee.

Minister: means the member of the King's Privy Council for Canada who is designated as the Minister under section 3 of the CIB Act.

Non-Voting Member: means the individuals holding the positions, or equivalent, set out in section 3.2 of these Terms of Reference.

Project Acceleration: means the initiative described in the CIB's approved Corporate Plan. The CIB has allocated \$500M to the Project Acceleration initiative. This funding can be used for two main purposes:

- to expedite due diligence, planning and development activities for infrastructure projects as part of the CIB's overall operating budget; and
- to help finance early works planning and construction with the goal of shortening the critical paths of high impact infrastructure project in which the CIB's expect to make an investment as part of its overall capital plan and budget.

Voting Member: means the individuals holding the positions in section 3.1 of these Terms of Reference.

11. Effective Date

These Terms of Reference were last reviewed and approved by the Management Investment Committee on June 1, 2023.