

IN THE MATTER OF THE SECURITIES LEGISLATION OF
SASKATCHEWAN, BRITISH COLUMBIA, ALBERTA, Qu顛c, ONTARIO, MANITOBA,
NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF
THE CANADA PENSION PLAN INVESTMENT BOARD

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Saskatchewan, British Columbia, Alberta, Ontario, Manitoba, Qu顛c, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) has received an application from the Canada Pension Plan Investment Board (CPP Investment Board or the Applicant) for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant's directors and senior officers be exempt from the Insider Reporting Requirements in cases where they are insiders of a reporting issuer solely as a result of being a director or senior officer of the Applicant;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 - Definitions or in Qu顛c Commission Notice 14-101;

AND WHEREAS the Applicant has represented to the Decision Makers that:

(a) The CPP Investment Board was established as a corporation under the *Canada Pension Plan Investment Board Act* (the CPP Investment Board Act) and is governed by the CPP Investment Board Act and the Regulations made thereunder (Regulations). All of the share capital of the CPP Investment Board is held by the Minister of Finance of Canada (the Minister of Finance).

(b) The objects of the CPP Investment Board under the CPP Investment Board Act are to manage amounts that are transferred to it by the Canada Pension Plan and to invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the factors that may affect the funding of the Canada Pension Plan and the ability of the Canada Pension Plan to meet its

financial obligations. The CPP Investment Board does not manage any assets, other than those that are transferred to it under the Canada Pension Plan.

(c) The CPP Investment Board is the sole provider of investment management services to the Canada Pension Plan. It currently manages approximately \$14.6 billion, mostly invested in index funds, and expects to manage in excess of \$130 billion in assets by 2012.

(d) The CPP Investment Board has the capacity of a natural person and its business is managed and supervised by a board of directors (the Board of Directors) appointed by the Governor in Council on the recommendation of the Minister of Finance. The Board of Directors is required to establish, and has established, an audit committee and an investment committee.

(e) The CPP Investment Board provides investment management services to the Canada Pension Plan which are comparable to the services provided by "investment managers", as that term is defined in National Instrument 62-103 – Early Warning System and Related Take-Over Bid and Insider Reporting Issues (NI 62-103). The CPP Investment Board is not an investment manager for purposes of NI 62-103 because the CPP Investment Board is not, and is not required to be, registered as an "adviser" under the Legislation. Therefore, the CPP Investment Board is not an "eligible institutional investor" under NI 62-103.

(f) On October 25, 2002, the Decision Makers have granted a decision relieving the Applicant from (i) the requirements triggered by the acquisition of 10% or more of a class of voting or equity securities under the provisions of securities legislation listed in Appendix B of NI 62-103; (ii) the restrictions regarding further acquisitions of securities under the provisions of securities legislation listed in Appendix C of NI 62-103; and (iii) the requirement for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of a reporting issuer, in each case, as if the Applicant is an "eligible institutional investor" under NI 62-103.

(g) As the CPP Investment Board is not an "eligible institutional investor" under NI 62-103, its directors and senior officers are not entitled to the exemption from the Insider Reporting Requirements available to directors and senior officers of "eligible institutional investors" in Section 8.3 of NI 62-103. Consequently, the directors and officers of the CPP Investment Board are subject to the Insider Reporting Requirements in cases when they become insiders of a reporting issuer solely as a result of being a director or senior officer of the CPP Investment Board.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that every director or senior officer of the Applicant who is an insider of a reporting issuer solely as a result of being a director or senior officer of the Applicant, who is itself an insider of the reporting issuer, is exempt from the Insider Reporting Requirements, provided that the Applicant continues to comply with, and to meet, the applicable reporting and filing requirements and other applicable conditions enumerated in NI 62-103 as if the Applicant is an "eligible institutional investor" thereunder.

DATED this 6th day of August, 2003.

"W. S. Wigle"

"P.K. Bates"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – directors and senior officers of Government-owned investment manager who are insiders of a reporting issuer solely as a result of being directors or senior officers of the investment manager exempted from the insider reporting requirements provided that the investment manager complies with reporting and filing requirements as if it were an "eligible institutional investor" under National Instrument 62-103.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 107 and 121(2).