Preamble: “Manitoba Public Insurance contracts five external investment managers to administer its Canadian equity portfolio, which represents 14.3 per cent of the total investment portfolio. The Corporation also has 3.3 per cent of its portfolio in United States equities which are actively managed by one external investment manager and the Corporation has passive exposure to the U.S. equity market through two Exchange Traded Funds.” (page 30)

a) Please file a copy of the most recent Investment Performance report and explain the performance of each manager compared to their mandate.

b) Please file a “sample” copy of the contract executed with each manager.

RESPONSE:

a) The most recent Investment Performance is as of May 31, 2010. The Investment Activity & Performance Report was prepared by Manitoba Public Insurance, which uses 3rd party returns calculated by API. Please see PUB 1-26 (d) for the report.

Manitoba Public Insurance currently has four Canadian equity external investment managers.

The external investment managers have three objectives (or mandates) stated in the Investment Counsel Agreements. The objectives are based on: 1) return relative to the benchmark, 2) return relative to CPI, and 3) absolute and relative measures of risk.

Objective 1: Return vs. a Benchmark

The first objective is that the manager should outperform the benchmark by at least 150 basis points annually over a rolling four year period.

The benchmark for the three Canadian Large Cap managers is the S&P/TSX Total Return Index (capped at 10%). The benchmark for the Canadian Small Cap
manager (manager “D”) is the BMO Nesbitt Burns Small Cap (Unweighted) Index and the benchmark for the U.S. Large Cap manager (manager “E”) is the S&P 500 Total Return Index.

**Objective 2: Return vs. CPI**

The second objective is that the manager should outperform the consumer price index (CPI) by more than 4.0% on an annualized basis. All managers failed this objective. However, it must be noted that none of the benchmarks earned an annualized four year return greater than 4.0% over CPI.

**Objective 3: Risk and Risk Adjusted Return**

The third objective is that the manager’s level of risk should be consistent with or less than the level of risk inherent in the manager’s benchmark. Risk is measured by the standard deviation of the quarterly returns about the mean value of moving four-year time periods and by Sharpe ratio, calculated over the same four-year time period.

An analysis of the five managers’ performance relative to these objectives is shown below.

**Results of the Managers’ Objectives**

<table>
<thead>
<tr>
<th>Manager</th>
<th>Objective 1 Value Added Mgr. Return over the Benchmark Return plus 150 bps</th>
<th>Objective 2 Value Added Manager Return over CPI</th>
<th>Objective 3 Manager’s Standard Deviation</th>
<th>Benchmark’s Standard Deviation</th>
<th>Manager’s Sharpe Ratio *</th>
<th>Benchmark’s Sharpe Ratio *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cdn. Large Cap Mgr. A</td>
<td>-2.6%</td>
<td>0.3%</td>
<td>24.7%</td>
<td>24.7%</td>
<td>(0.02)</td>
<td>0.03</td>
</tr>
<tr>
<td>Cdn. Large Cap Mgr. B</td>
<td>0.2%</td>
<td>3.1%</td>
<td>23.5%</td>
<td>24.7%</td>
<td>0.14</td>
<td>0.03</td>
</tr>
<tr>
<td>Cdn. Large Cap Mgr. C</td>
<td>-1.1%</td>
<td>1.8%</td>
<td>27.1%</td>
<td>24.7%</td>
<td>0.04</td>
<td>0.03</td>
</tr>
<tr>
<td>Cdn. Small Cap Mgr. D</td>
<td>-1.7%</td>
<td>-0.8%</td>
<td>17.0%</td>
<td>26.0%</td>
<td>(0.07)</td>
<td>(0.06)</td>
</tr>
<tr>
<td>U.S. Large Cap Mgr. E (USD)*</td>
<td>-3.2%</td>
<td>-6.3%</td>
<td>18.1%</td>
<td>18.3%</td>
<td>(0.31)</td>
<td>(0.21)</td>
</tr>
</tbody>
</table>

Source: API Asset Performance Management
* rate is calculated by MPI

b) A sample copy of the contract executed with each manager is attached.
Investment Counsel Agreement

This Agreement made as of the 31st day of ****, ****.

Between:

Her Majesty the Queen in Right of the Province of Manitoba as represented by the Minister of Finance (hereinafter called the “Province”) as agent for The Manitoba Public Insurance Corporation (hereinafter called the “Corporation”)

Of the First Part

- and -

******** Investors Inc.
(hereinafter called the "Investment Counsel")

Of the Second Part

Whereas the Corporation does administer certain funds for reserve and general business purposes;

And Whereas the Corporation wishes to invest part of these funds (such part referred to hereinafter as the “Fund”);

And Whereas the Province acting pursuant to Section 12 of The Manitoba Public Insurance Corporation Act is responsible for the investment of the funds;

And Whereas the Province and Investment Counsel wish to enter into this Investment Counsel Agreement effective the 31st day of ****, ****;

Now Therefore the Province and the Investment Counsel agree as follows:

The parties acknowledge that the foregoing recitals are true in substance and in fact.
ARTICLE I - DEFINITIONS

1.1 Definitions

(a) “Agreement” and “Investment Counsel Agreement” means this Agreement and includes Schedule “A” and “B”.

ARTICLE II - APPOINTMENT OF INVESTMENT COUNSEL

2.1 Appointment and Acceptance of Appointment

The Province hereby appoints the Investment Counsel as investment counsel with respect to the Fund, and the Investment Counsel accepts such appointment and agrees to provide the investment counsel services, outlined in Article IV of this Agreement, with respect to the Fund.

2.2 Fees

(a) For the services to be provided, pursuant to the Agreement, the Province will cause to be paid to the Investment Counsel, the fees, in such amounts and on such terms as are provided for in the Fee Schedule attached hereto as Schedule “A”. Fee Schedules will be sequentially numbered (commencing with No. 1), and any new Fee Schedule will be attached hereto as at the effective date thereof, subject to the approval and acceptance by the Parties to the Agreement.

(b) Notice of change in the Fee Schedule shall be given in writing, to the Province at least three (3) months prior to the effective date of such change.

(c) The fees, pursuant to the Fee Schedule, are to be based on the market value of the Fund, including cash under ten percent of market value or its equivalent held for investment, as determined by the Investment Counsel, provided that the Province consents to such determination of market value.

(d) The fees, pursuant to the Fee Schedule, represent the total remuneration that the Investment Counsel will receive under the Agreement.

ARTICLE III - OBLIGATION OF THE PROVINCE
3.1 **Funds to be Invested**

The Province shall, at the earliest practicable date, provide the Investment Counsel with such detailed information, as **** be required with respect to the Fund to be invested.

3.2 **Custodian Agreement**

The Province has appointed a custodian (the “Custodian”) to hold certain assets of the Corporation to be invested by the Province. The Fund shall be deposited with the Custodian. The Province agrees to furnish the Investment Counsel with a copy of any written agreement which the Province **** have with the Custodian and will inform the Investment Counsel of any change in the appointment of the Custodian.

3.3 **Investment Objectives**

The Statement of Investment Mandate respecting the investment of the Fund (“Mandate”) attached as Schedule “B” forms part of this Agreement and shall be followed by Investment Counsel. The Province shall provide the Investment Counsel with written notice of any changes or amendments made to the Mandate Statement, as **** be adopted by the Province from time to time.

**ARTICLE IV - DUTIES OF INVESTMENT COUNSEL**

4.1 **Directing Investment**

The Investment Counsel shall direct the Custodian to make the necessary payments out of the Fund, for the purchase or acquisition of investments of the kind permitted by Article 4.6 herein, and to deliver any share securities held as part of the Fund for sale or exchange in connection with the investment powers granted in this Agreement.

4.2 **Meetings**

A senior officer of the Investment Counsel shall attend such meetings, as **** be required from time to time by the Province. In addition, Investment Counsel **** call meetings with the Province, at such times as **** be mutually agreed upon from time to time, for the purpose of reviewing and considering investment of the Fund and establishing, maintaining or varying the policy and objectives relating thereto.
4.3 **Quarterly Reports**

The Investment Counsel will, within forty-five (45) calendar days following the end of each calendar quarter, provide the Province, and such other persons as the Province **** direct, with a written report, which will include a list of all transactions for the immediately preceding calendar quarter, a review of the economy, a review of stock and bond markets, a portfolio listing and statement by the Investment Counsel certifying that all investments made by Investment Counsel, on behalf of the Fund, comply with the requirements of Article 4.6 herein.

4.4 **Annual Reports**

The Investment Counsel will, within forty-five (45) calendar days following the close of each fiscal year of the Corporation, provide the Province, and such other persons as the Province **** direct, with a written annual statement, including information provided in quarterly statements and also a performance analysis of the Fund for the said fiscal year, and such other information as the Province **** reasonably require.

4.5 **Other Services**

The Investment Counsel shall provide such other services as are consistent and reasonable with its duties under the Agreement.

4.6 **Permitted Investments**

Investment Counsel shall invest and re-invest the Fund, in accordance with the Mandate and any amendments thereto, and any specific written instructions of the Province.

4.7 **Competitive Rates of Commission**

Investment Counsel shall, to the extent permitted by law, attempt to negotiate competitive rates of commission with respect to all transactions under the Agreement.

4.8 **Powers of the Investment Counsel**

The Investment Counsel, in exercising its duties herein, is empowered:

(a) to invest and re-invest the Fund in investments, pursuant to the terms of the Agreement;
(b) to buy, sell or exercise rights and warrants to subscribe for securities, and to exercise conversion and redemption privileges pertaining to securities held in the Fund;

(c) to authorize the deposit of such stock or other securities in any voting trust or with any protective or like committee or depository designated thereby, and to join in any protective agreement and assent to or participate in any recapitalization, merger or similar transaction in respect of any concern whose stock or other securities are held in the Fund. The Investment Counsel agrees to supply the Province with all pertinent information and documentation whenever such powers are exercised as aforesaid, when requested to do so by the Province.

(d) to place orders with brokers, investment dealers, banks and/or trust companies for the purchase and sale of securities, and to purchase for the Fund, securities directly from the issuers or holders thereof, and to sell securities directly to the issuers thereof or to other persons; and

(e) to give such instructions,

(i) in writing, or
(ii) orally, subject to such instructions being confirmed in writing within twenty-four (24) hours, or
(iii) by telefax,

from time to time to the Custodian, as it deems advisable with respect to the purchase, sale, exchange and delivery of securities and disbursements in respect thereto, and to take such other appropriate action for the proper implementation of the Agreement and the Mandate, as the Investment Counsel deems appropriate. The Investment Counsel shall, immediately upon the execution of the Agreement, inform the Custodian and the Province, in writing, of the names of its employees empowered to give instructions to the Custodian and of any successors thereto.

4.9 Fair Allocation of Investment Opportunities

Where it appears probable that demand for an investment opportunity will exceed the supply thereof at a given price, it shall be a policy of the Investment Counsel that no
preferential treatment will be shown to any client as against any other client, when the
Investment Counsel places an order on behalf of clients whose investment objectives would
be appropriately met with a participation in such opportunity. Further, if the total allotment
on any new or secondary issue is such that the total order, placed by Investment Counsel
for clients, exceeds the total allotment received by Investment Counsel for its clients, it
shall be the Investment Counsel’s policy that such allotment shall be allocated fairly among
all the accounts managed by the Investment Counsel. “No preferential treatment” or
“fairly”, as used herein, shall be construed to mean that reductions will ordinarily be
approximately equal percentage amounts of the orders placed; however, a minimum size of
holding of a security necessary to justify its place in an account **** affect allocations as
will efficient trading unit considerations.

ARTICLE V - CONDITIONS OF APPOINTMENT

5.1 **Investment Counsel to Vote Securities**

The Investment Counsel will assume the responsibility of exercising voting rights acquired
through the investment of the Fund, at all times acting prudently and solely in the interest
of beneficiaries of the Fund. The Investment Counsel will advise the Province prior to
exercising any right which has any material implication for the Fund. The Investment
Counsel will keep a record of all voting and submit a report at the request of the Province.

5.2 **Investment Counsel Not to Hold Assets**

Investment Counsel shall not, at any time, be in physical possession of any of the assets
forming part of the Fund.

5.3 **Confidentiality**

Investment Counsel will maintain the strictest confidence in regard to the affairs and
information of the Province and the Corporation, financial or otherwise, and shall not divulge
such affairs to any person without prior consent of the Province or the Corporation, or
unless required by law. The Province and the Corporation will treat all investment advice
and information given to them as confidential (except unless disclosure is required by law)
and for the exclusive use and benefit of the Fund.

5.4 **Standard of Care**
The Investment Counsel, in carrying out its duties and responsibilities pursuant to this Agreement, agrees to exercise such competence and skills as **** be expected of a careful and diligent investment counsel in similar circumstances. The Investment Counsel does not, in any way, guarantee the performance of the Fund and shall not be responsible for any loss sustained, except where such loss arises out of its acts or omissions done or suffered in bad faith or through negligence, willful misconduct, willful neglect, default or failure to comply with applicable laws, and regulations, the Mandate, or written instructions from the Province.

5.5 **Registration Under Securities Legislation**

Investment Counsel shall, at all time, have and maintain registration as an investment advisor, or the relevant equivalent, under the securities legislation in Manitoba and other provinces of operation.
ARTICLE VI - TERMINATION

6.1 Termination With or Without Notice

(a) The Investment Counsel **** resign at any time upon sixty (60) days prior written notice to the Province;

(b) The Province **** remove the Investment Counsel at any time upon giving thirty (30) days prior written notice to the Investment Counsel;

(c) The Province **** terminate the Agreement without any notice, should Investment Counsel be in substantial breach of any term of the Agreement or on the dissolution, winding-up, bankruptcy or insolvency of Investment Counsel.

6.2 Return of Property on Termination

In the event of termination, the Investment Counsel shall, on or before the effective date of termination, return to the Province, all information, records, reports, documents and other property of the Province and the Corporation in the possession of the Investment Counsel as **** be reasonably requested.

6.3 Completion of Services on Termination

Investment Counsel shall complete all of the services which are normal for the period up to the termination date specified in any notice herein and complete any documents, forms, or other reports necessary and incidental to the termination of its duties under the Agreement.

ARTICLE VII - GENERAL PROVISIONS

7.1 Notice

(a) All notices shall be in writing, including changes to the Mandate and termination or amendment to this Agreement, between the parties hereto will be delivered, faxed or sent by prepaid registered mail to the addresses specified below:

For the Province:

Province of Manitoba
(b) And such communication, if delivered or faxed, will be deemed to have been received on the day on which it was delivered or transmitted and, if mailed, will be deemed to have been received on the second business day following the day on which it is so mailed;

(c) Either party ****, from time to time, change its address for the purposes of the Agreement by notice, in accordance with this paragraph.

7.2 **Assignment**

The rights and obligations of the Investment Counsel hereunder are not assignable.

7.3 **Amendment**

This Agreement **** be amended only by mutual agreement of the parties hereto in writing.

7.4 **Time of Essence**

Time shall be of the essence of this Agreement and every part thereof.

7.5 **Waiver**
No waiver, on behalf of any party or breach of any of the covenants, conditions and provisions herein contained, shall be effective or binding upon such party unless the same shall be expressed in writing and any waiver so expressed shall not limit or affect such party’s rights with respect to any other future breach.

7.6 **Severability**

In the event that any article or subparagraph of this Agreement is held to be invalid or unenforceable by any Court of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of the provisions hereof, but such part shall be fully severable, and this Agreement shall be construed and enforced as if such invalid or unenforceable part had never been inserted herein, and the parties do hereby agree that they would have signed this Agreement without such invalid or unenforceable part included herein.

7.7 **Applicable Law**

This Agreement will be construed in accordance with and governed by the laws of the Province of Manitoba.

7.8 **Headings**

All headings herein are for ease of reference only and shall not be deemed to form part of this Agreement.

7.9 **Interpretation - Gender - Number**

Wherever the singular and/or masculine and/or neuter is used throughout this Agreement, the same shall be construed as meaning the plural and/or feminine or a body corporate where the context of the parties hereto requires.

7.10 **Enurement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

**ARTICLE VIII - Indemnification**
8.1 Indemnification of Investment Counsel

Investment Counsel agrees to indemnify and save harmless the Province and its respective employees and agents from and against any and all claims, demands, liabilities, losses, costs, damages and expenses that it or they **** at any time sustain or incur as a result of or arising out of Investment Counsel’s failure to observe or perform its obligations hereunder, or as a result of the negligence of Investment Counsel in the performance of its duties hereunder, or as a result of any fraudulent or wrongful act on the part of Investment Counsel or on the part of any director, officer, employee or agent of Investment Counsel. The obligations of Investment Counsel pursuant to Section 8.1 shall survive the termination of this Agreement.

8.2 Indemnification of the Province

The Province agrees to indemnify and save harmless Investment Counsel and its directors, officers, employees and agents from and against any and all claims, demands, liabilities, losses, costs, damages and expenses that it or they **** at any time sustain or incur as a result of or arising out of the Province’s failure to observe or perform its obligations hereunder, or as a result of the negligence of the Province in the performance of its duties hereunder, or as a result of any fraudulent or wrongful act on the part of the Province or on the part of any officer, employee or agent of the Province.
The obligations of the Province pursuant to section 8.2 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, as of the day and year first above written.

The Province of Manitoba

Per: __________________________

Per: __________________________

******* Investors Inc.

Per: __________________________

Per: __________________________
For services rendered pursuant to this Agreement, ******** Investors Inc. shall be paid the following investment management fees on the market value of the fund as defined in section 2.2 (c).

<table>
<thead>
<tr>
<th>Market Value of the Fund</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the first $50,000,000</td>
<td>0.45%</td>
</tr>
<tr>
<td>On the balance</td>
<td>0.35%</td>
</tr>
</tbody>
</table>

One-fourth of the above Annual Fee will be charged and payable quarterly.

Valuation of the Fund will be made no less frequently than the last business day of each month during the period that this Agreement is in force and effect.
SCHEDULE “B”
to the Investment Counsel Agreement
effective the 31st day of ****, ****

STATEMENT OF INVESTMENT MANDATE
(hereinafter called the “Mandate”)

HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF MANITOBA AS REPRESENTED BY
THE MINISTER OF FINANCE
(hereinafter called the “Province”)
AS AGENT FOR
THE MANITOBA PUBLIC INSURANCE CORPORATION
(hereinafter called the “Corporation”)
-and-
****** INVESTORS INC.
(hereinafter called the “Investment Counsel”)

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Section 1 Purpose/Definitions
Section 2 Roles and Responsibilities
Section 3 Investment Objective, Return and Risk Expectations
Section 4 Asset Mix Policy
Section 5 Investment Constraints
Section 6 Reporting Requirements
Section 7 Conflict of Interest Policy, Disclosure Procedures and Related Party Transactions
Section 8 Leverage
Section 9 Delegation of Voting Rights
Section 10 Valuation of Investments
Appendix I Pooled Fund Investment Policy Statements
Appendix II Date Statement Reviewed
This document outlines the investment mandate and objectives of the Province as they relate to domestic equity investments (the “Mandate”). This Mandate documents the following:

(i) the identities of the parties involved in the domestic equity management and outlines each party’s roles and responsibilities;

(ii) the parameters under which the Investment Counsel is to operate;

(iii) how the performance of the Investment Counsel is to be evaluated; and

(iv) reporting requirement of the Investment Counsel and what information the Province expects to receive from the Investment Counsel.

**DEFINITIONS**

**Investment Counsel:** The investment counsel appointed by the Province to invest certain funds of the Corporation in accordance with and subject to the terms of an agreement with the Province and this Mandate.

**Cash and Equivalents:**
Cash on hand, demand deposits, treasury bills issued by federal or provincial governments including their agencies. Financial instruments issued by financial institutions in Canada rated R-1 Mid or higher, and which are less than or equal to a one year term.

**Equity Assets:**
Common and preferred shares, trust units, warrants, rights and securities convertible into shares or trust units that are traded on the Toronto Stock Exchange.
**Actual Returns:**
The time-weighted return earned by the Fund managed by the Investment Counsel. It contains the combined impact of investment policy and active management.
In general, the duty of prudence governs all aspects of fiduciary performance for all the assets under management with the Investment Counsel.

**ROLE OF THE PROVINCE**

The role of the Province is to:

- appoint Investment Counsel and custodians as appropriate;
- at least annually review in consultation with the Corporation and modify as deemed appropriate this Mandate;
- advise Investment Counsel of the amount of the money to be invested in or withdrawn from the Fund;
- review at least semi-annually the performance of the capital markets;

**ROLE OF INVESTMENT COUNSEL**

The Investment Counsel, acting in accordance with and subject to the terms of the Agreement with the Province and this Mandate, shall:

- manage the assets entrusted to them and make security selections subject to any applicable legal restrictions, the constraints and directives contained in this policy statement and contained in any other supplementary communication related to these assets;
- invest cash received in a timely and efficient manner to earn interest at a competitive short term interest rate, all rates being earned must be provided to the Province upon request;
- provide periodic reports as required in Section 6 of this mandate;
- inform the Province or their designates of any element of this mandate that could prevent the attainment of the objectives set out in this mandate;
- inform the Province of any significant changes in personnel; and
- at the discretion of the Province participate in the review of this mandate.
**Investment Objectives:**
The primary objective for the Investment Counsel is to ensure the highest rates of return within the risk tolerance outlined in this policy statement. In essence, the long term objective is to obtain an investment return that will earn a real rate of return over time of at least 4.0% (i.e. exceed the rate of increase in the Consumer Price Index by 4.0%) after investment management fees.

**Return Expectations:**
The return expectations of the Investment Counsel as measured on a time weighted basis and the returns should exceed the return of the BMO Nesbitt Burns Small Cap (Unweighted) Index by 150 basis points (1.50%) per year.

**Risk Expectations:**
Risk is measured by the standard deviation of the quarterly returns about the mean value of moving 4-year time periods and by the Sharpe ratio, calculated over the same 4-year time period. The benchmark for comparison is the standard deviation of the quarterly returns about the mean value of moving 4-year time periods of the BMO Nesbitt Burns Small Cap (Unweighted) Index and the Sharpe ratio of the BMO Nesbitt Burns Small Cap (Unweighted) Index, calculated over the same 4-year period. It is anticipated that the level of risk should be consistent with the level of risk inherent in the BMO Nesbitt Burns Small Cap (Unweighted) Index
Asset Class Components:
Though the assets covered by this policy statement are to be invested in Equity Assets, it is anticipated that for at least short periods of time a cash and/or equivalents position **** be held. The position held should be limited to not more than 10% of the market value of assets under management without the prior approval of the Province. The cash should be invested to earn income at a competitive short-term rate.
1. **Assets**

*Must be placed in Equity Assets and/or cash and equivalents.*

2. **Vehicle**

The Investment Counsel *** use a pooled fund to manage any and all categories of investment at his discretion. If a pooled fund is used, however, it must be filed with the Province and attached to this mandate. The Investment Counsel must determine if the pooled fund statement conflicts with this mandate and get written confirmation that this is acceptable prior to any allocation of funds to the pool. The Investment Counsel is to manage the Fund in accordance with all applicable legislation and regulations including the limitations and restrictions in this section.

3. **Quality Constraints**

The purchase of cash equivalents issued by financial institutions in Canada is restricted to those which have a minimum rating of R-1 Mid by the Dominion Bond Rating Service (DBRS) at the time of purchase. An investment in a lower rated security shall only be made after obtaining the prior written approval of the Province for making the investment. If an investment meets the above quality requirement at the time of investment but is downgraded at a subsequent date, the decrease in the rating below the above requirement should not result in the automatic sale of the security unless in the judgement of the Investment Counsel that action is appropriate.

4. **Diversification**

**Equity:**
- The market value of any single Equity Asset investment as a percentage of the total market value of all equity investments held shall not exceed index plus 7.0%.

- An investment in the equity of any single company should not exceed 10% of the market value of the assets under management. The Investment Counsel shall not own more than 30% of the voting shares of any one corporation.

- The maximum proportion of the total market value under management in a single industry sector of the BMO Nesbitt Burns Small Cap (Unweighted) Index shall be the lesser of four times that Industry Sector's weight, not to exceed 150% of the largest sector, as defined by the Global Industrial Classification Standard (GICS).

- In order to achieve a reasonable degree of diversification, there should be at least 20 equity holdings in the portfolio.

- All investment holdings must be listed on the Toronto Stock Exchange prior to purchase.
• The Investment Counsel **** participate in initial public offerings (IPO’s), if desired.

• The Investment Counsel **** purchase private placements, but only if the Equity Assets are already listed for trading on the Toronto Stock Exchange.

• At least ninety percent of the market value of the Fund shall be invested in securities with a market capitalization of $1 billion or less; one hundred percent of the market value of the Fund shall be invested in securities with a market capitalization of $2 billion or less.

5. Investments Outside of Prescribed Limits

If any occasion should arise where an investment or group of investments does not conform with the limitations stipulated in this mandate, the Investment Counsel shall consult the Province and should then exercise its best judgement concerning the action required. If it is apparent that the situation can be corrected within a short period of time, the Investment Counsel **** elect not to liquidate the temporarily non-conforming equity investments. Irrespective of the above, the Province must be informed in a timely fashion of any deviations from the above guidelines and the actions that are being taken by the Investment Counsel.

6. Other Limitations

• All investments will be made in accordance with all applicable laws or supplementary constraints that **** be imposed by the Province.

• All investments will be made in accordance with the Code of Ethics and the Standards of Professional Conduct of the CFA Institute. These standards require that Investment Counsel, when taking an investment action for a specific portfolio or client, consider its appropriateness and suitability for that portfolio.
MEETINGS AND ANNUAL REPORTS

Meetings
The Investment Counsel, in accordance with and subject to the Agreement with the Province, must meet with the Province and with the Corporation at least twice a year and shall provide a written report to the Province (and to such other persons as the Province **** direct) quarterly. The meeting and report should contain:

- a brief review of the current portfolio structure;
- the rates of return obtained and the sources of added value over the past period;
- a brief review of the economic environment during the past period;
- the economic outlook and factors which could alter outlook;
- the Investment Counsel’s view of the markets and positioning of the portfolio;
- a confirmation that all actions taken are in compliance with the Standards of Practice Handbook of the CFA Institute as amended from time to time;
- a list of transactions for the reporting period;
- portfolio listing;
- statement of Investment Counsel certifying that all investments made by Investment Counsel comply with the requirements of article 4.6 of the Investment Counsel Agreement with the Province;
- to report on the risk of the portfolio.

Continuity in personnel is vitally important to a successful investment management program. Any changes in "key" personnel, investment management philosophy, style or approach must be communicated, in writing, to the Province as soon as possible.
**Annual Report**
The Investment Counsel will, within forty-five (45) calendar days following the close of each fiscal year of the Corporation (February 28th), provide the Province, and such other persons as the Province **** direct, with a written annual statement, including information provided in quarterly statements and also a performance analysis of the assets under management for the said fiscal year, and such other information as the Province **** reasonably require.
PROVINCE

Conflict of Interest:
The Province, including its senior government officials, employees of the Department of Finance and agents, must disclose any direct or indirect association, material interest, or involvement in aspects related to their role with regard to an investment that would result in any potential, actual or perceived conflict of interest.

Without limiting the generality of the above, a conflict of interest arises when the Province, including its senior government officials, employees of the Department of Finance and agents, receives or will receive a direct or indirect benefit on account of any transaction made on behalf of assets managed by Investment Counsel pursuant to the Agreement with the Province, or a benefit from any actual or proposed contracts with the issuer of any securities which are or **** be included in the investments, or if the individual is a member of the board of directors of any corporation or has significant holdings in the securities issued by any corporation in which these assets **** be invested.

INVESTMENT COUNSEL

Conflict of Interest:
The Investment Counsel, including its directors, officers, employees, and agents must disclose any direct or indirect association, material interest, or involvement in aspects related to their role with regard to an investment that would result in any potential, actual or perceived conflict of interest.

Without limiting the generality of the above, a conflict of interest arises when the Investment Counsel, including its directors, officers, employees, and agents receives or will receive a direct or indirect benefit on account of any transaction made on behalf of assets managed by Investment Counsel pursuant to the Agreement with the Province, or a benefit from any actual or proposed contracts with the issuer of any securities which are or **** be included in the investments, or if the individual is a member of the board of directors of any corporation or has significant holdings in the securities issued by any corporation in which these assets **** be invested.

PROVINCE

Disclosure Procedures:
The Province, including its senior government officials, employees of the Department of Finance and agents, when it discovers a conflict of interest must disclose the nature and extent of the conflict to the Investment Counsel in writing, immediately upon becoming aware of the conflict.

If the person does not have the power to affect decisions relating to these assets, that person **** elect not to participate in the activities related to the issues in conflict, or **** participate in the activities with the written approval of the Investment Counsel. If the person disclosing the conflict does have the ability to affect investment decisions, that person **** continue to participate in the activities with respect to the issue in conflict only with the written approval of the Investment Counsel. In this situation the person **** elect not to participate with respect to the issue in conflict. The notification made **** be considered a continuing disclosure on the issue, subject to any future notification, for the purpose of obligations outlined by these guidelines.

INVESTMENT COUNSEL
Disclosure Procedures:
The Investment Counsel, including its directors, officers, employees, and agents when it
discovers a conflict of interest must disclose the nature and extent of the conflict to the
Province in writing, immediately upon becoming aware of the conflict.
If the person does not have the power to affect decisions relating to these assets, that person
**** elect not to participate in the activities related to the issues in conflict, or ****
participate in the activities with the written approval of the Province.
If the person disclosing the conflict does have the ability to affect investment decisions, that
person **** continue to participate in the activities with respect to the issue in conflict only
with the written approval of the Province. In this situation the person **** elect not to
participate with respect to the issue in conflict. The notification made **** be considered a
continuing disclosure on the issue, subject to any future notification, for the purpose of
obligations outlined by these guidelines.
The Investment Counsel shall not borrow money, pledge or otherwise encumber any of the assets under management without prior written approval of the Province. Except for rights, warrants and instalment receipts, which **** be held pursuant to purchases and holding of stocks, no derivative instruments, will be held in the Fund without prior written approval of the Province.
The Investment Counsel is delegated the responsibility of exercising all voting rights acquired through these investments. The Investment Counsel will exercise acquired voting rights with the intent of fulfilling the investment policies and objectives of the policy statement. The Investment Counsel is expected to act in good faith and to exercise the voting rights in a prudent manner that will maximize the returns on the investment, and to act against any proposal which will increase the risk level or reduce the investment value of any relevant equity security.

In case of doubt as to the best interests of the Fund, the Investment Counsel should request instructions from the Province and shall act in accordance with such instructions. The Investment Counsel shall maintain a record of how voting rights have been exercised. The Investment Counsel shall not delegate voting rights except by way of proxy to management of a corporation.
The Province expects that the securities selected by the Investment Counsel will have daily market valuations and therefore valuation of the securities held in the portfolio will be based on their market values. This **** not be the case for private placements.
The Custodian is responsible for obtaining the appropriate market values of all investments. It is anticipated that the market value placed on an equity security by the Custodian will be consistent with the market values placed on the securities by the Investment Counsel. If there is a difference between the market value placed on a security by the Investment Counsel and the Custodian, the Custodian's market value will be used unless the Investment Counsel can show just cause for changing the method of obtaining the market value and the procedure is acceptable to the Custodian. Every effort shall be made by the Investment Counsel and the Custodian to co-ordinate the financial reporting of information.
August 4, 2010       Information Requests – Round 1

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