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Mr. Ken Woods
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Mr. Gordon Fyfe
Chief Executive Officer
British Columbia Investment
Management Corporation
Sawmill Point, 3rd Floor
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Victoria, BC V8T 5K6

October 10, 2014

Dear Mr. Woods and Mr. Fyfe,

The purpose of this letter is to outline the terms of our engagement to audit the consolidated financial statements of British Columbia Investment Management Corporation (“bcIMC”) as at and for the year ending March 31, 2015, and the financial statements of bcIMC’s Pooled Investment Portfolios (“PIPs”), as at and for the years ending December 31, 2014, as applicable. The PIPs and bcIMC are collectively hereinafter referred to as the “Entities”.

This letter supersedes our previous letter to the Entities dated May 15, 2013. The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Terms and Conditions form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the “Engagement Letter”).

FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS

The annual consolidated financial statements of bcIMC and the annual financial statements of the PIPs will be prepared and presented in accordance with International Financial Reporting Standards (hereinafter referred to as the “financial reporting framework”).

Each set of financial statements will include an adequate description of the applicable financial reporting framework.



MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework referred to above.
- (b) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (c) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (d) providing us with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
- (e) providing us with additional information that we may request from management for the purpose of the audit.
- (f) providing us with unrestricted access to persons within bcIMC from whom we determine it necessary to obtain audit evidence.
- (g) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that professional standards require that we disclaim an audit opinion when management does not provide certain written representations required.

An audit does not relieve management or those charged with governance of their responsibilities.

AUDITORS' RESPONSIBILITIES REGARDING THE AUDIT OF THE FINANCIAL STATEMENTS

Our function as auditors of the Entities is:

- to express an opinion on whether the Entities' financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the applicable financial reporting framework referred to above.
- to report on the financial statements.

We will conduct the audit of the Entities' financial statements in accordance with Canadian generally accepted auditing and relevant ethical requirements, including those pertaining to independence. (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:



*Mr. Ken Woods & Mr. Gordon Fyfe
British Columbia Investment Management
FS Audit Engagement Letter
October 10, 2014*

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entities and their environment, including the Entities' internal control. In making those risk assessments, we consider internal control relevant to the Entities' preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entities' internal control.
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- form an opinion on the Entities' financial statements based on conclusions drawn from the audit evidence obtained.
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards.

AUDITORS' DELIVERABLES

The expected form and content of our audit reports is provided in Appendix - Expected Form of Report. However, there may be circumstances in which a report may differ from its expected form and content.

INCOME TAX COMPLIANCE AND ADVISORY SERVICES

Tax compliance and advisory services are outside the scope of this letter. These services will be subject to the terms and conditions of a separate engagement letter.

FEES

Our fees for the professional services outlined in this letter will be set forth and agreed separately.

We are available to assist the Entities, upon request, with a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.



*Mr. Ken Woods & Mr. Gordon Fyfe
British Columbia Investment Management
FS Audit Engagement Letter
October 10, 2014*

We are proud to serve the Entities and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements outlined are in accordance with the Entities' requirements and if the above terms are acceptable to the Entities, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

Nik Assanand
Partner responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body
604-691-3104

Enclosure

cc: Mr. David Woodward, Senior Vice President – Finance

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

The terms of the engagement set out are as agreed:

[s] Ken Woods

Mr. Ken Woods, Audit Committee Chair

3/27/15

Date

[s] Gordon Fyfe

Mr. Gordon Fyfe, Chief Executive Officer

3/27/15

Date



**Appendix – Expected Form of Report
bcIMC**

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated financial statements of British Columbia Investment Management Corporation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of comprehensive income, changes in equity and of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of British Columbia Investment Management Corporation as at March 31, 2015, and the results of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.



Appendix – Expected form of reports (continued)
PIPs

INDEPENDENT AUDITORS' REPORT

To the unitholders of the following funds managed by British Columbia Investment Management Corporation:

[Fund A]
[Fund B]
(collectively, the Funds)

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position of the Funds as at December 31, 2014, December 31, 2013 and January 1, 2013, and their statements of comprehensive income and changes in net assets attributable to redeemable units, and of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

The Funds' Manager is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Manager's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2014, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

The Terms and Conditions are an integral part of the accompanying engagement letter from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter.

1. SEVERABILITY.

If any of the provisions of this Engagement Letter are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and be binding on the parties to the fullest extent permitted by law.

2. GOVERNING LAW.

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law) and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of such province of Canada.

3. LLP STATUS.

KPMG LLP is a registered limited liability Partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or by any other person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the various Institutes/Ordre of Chartered Accountants. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.

4. DOCUMENTS AND INFORMATION.

Management's cooperation in providing us with documents and related information and agreed-upon assistance on a timely basis is an important factor in being able to issue our report. KPMG shall be entitled to share all information provided by the Entities with all other member firms of KPMG International Cooperative ("KPMG International") performing services hereunder, subject to the restriction that KPMG shall not share any such information with KPMG member firms outside Canada without bclMC's express prior consent. All work papers, files and other internal materials created or produced by KPMG during the engagement and all copyright and intellectual property rights in our work papers are the property of KPMG.

KPMG agrees not to communicate any of the Entities' documents subject to privilege (as defined in section 10 below) via email without bclMC's prior consent, except where such communication is required by law or where such request for consent is prohibited by law.

5. [INTENTIONALLY DELETED].

6. PERSONAL INFORMATION CONSENTS AND NOTICES.

Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at www.kpmg.ca. KPMG may be required to collect, use and disclose personal information about individuals during the course of this engagement.

The Entities represent and warrant that it will obtain any consents reasonably required to allow KPMG to collect, use and disclose personal information in the course of the engagement. KPMG's Privacy Officer noted in KPMG's Privacy Policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

The Entities consent to KPMG sending to the Entities, its officers, directors and employees, as applicable, electronic messages (including emails) relating to KPMG products and services and other matters of interest to the Entities. The Entities, their officers, directors or employees may withdraw such consent by contacting KPMG's National Office located at Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5, Attention: Unsubscribe; or info@kpmg.ca.

7. OFFERS OF EMPLOYMENT.

In order to allow issues of independence to be addressed, management agrees that prior to extending an offer of employment to any KPMG partner, employee or contractor, the matter is communicated to the engagement partner or associate partner.

8. OFFERING DOCUMENTS.

If the Entities wish to include or incorporate by reference the financial statements and our report thereon in an offering document, we will consider consenting to the use of our report and the terms thereof at that time. Prior to issuing any consent, comfort or advice letter, if any, we will be required to perform procedures as required by professional standards. Management agrees to provide us with adequate notice of the preparation of such documents.

9. FEE ARRANGEMENTS.

KPMG's estimated fee is based on the quality of the Entities' accounting records, the agreed-upon level of preparation and assistance from the Entities' personnel, and adherence to the agreed-upon timetable. KPMG's estimated fee also assumes that the Entities' financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues, or financial reporting, internal control over financial reporting or other reporting issues. KPMG will inform the Entities on a timely basis if these factors are not in place.

Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, the Entities and KPMG agree to revise the estimated fee. No significant additional work will proceed without management's concurrence, and, if applicable, without the concurrence of those charged with governance. Upon completion of these services KPMG will review with the Entities any fees and expenses incurred in excess of KPMG's estimate, following which KPMG will render the final billing. Routine administrative expenses such as long distance telephone calls, photocopies, fax charges, printing of statements and reports, postage and delivery and secretarial and report department assistance will be charged on the basis of a percentage of KPMG's professional costs. Other disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.

KPMG's invoices are due and payable upon receipt. Amounts overdue are subject to interest. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing the report and, if applicable, any consent.

Fees for any other services will be billed separately from the services described in this engagement letter and may be subject to written terms and conditions supplemental to those in this letter.

Canadian Public Accountability Board (CPAB) participation fees, when applicable, are charged to the Entities based on the annual fees levied by CPAB.

To the extent that KPMG partners and employees are on the Entities' premises, the Entities will take all reasonable precautions for the safety of KPMG partners and employees at the Entities' premises.

10. LEGAL PROCESSES.

The Entities on their own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to hereby acknowledge that KPMG may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory, judicial or governmental authorities to provide them with information and copies of documents in KPMG's files including working papers and other work-product relating to the affairs of the Entities, their subsidiaries and affiliates. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of KPMG's audit of the Entities,



TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS

KPMG will promptly advise the Entities of the request or order. The Entities hereby acknowledges that KPMG will provide these documents and information without further reference to, or authority from, the Entities, their subsidiaries and affiliates.

When such an authority requests access to KPMG's working papers and other work-product relating to the Entities' affairs, KPMG will, on a reasonable efforts basis, refuse access to any document over which the Entities have expressly informed KPMG at the time of delivery that the Entities assert privilege, except where disclosure of documents is required by law. The Entities must mark any document over which it asserts privilege as "privileged".

Where privileged Entities documents are disclosed, KPMG is directed to advise the authority that the Entities are permitting disclosure only to the extent required by law and for the limited purpose of the authority's exercise of statutory authority. KPMG is directed to advise the authority that the Entities do not intend to waive privilege for any other purpose and that the Entities expect its documents to be held by the authority as privileged and confidential material (held securely, limited distribution, etc.). For greater certainty, the Entities and KPMG hereby agree that this acknowledgement (and, if required, consent) does not negate or constitute a waiver of privilege for any purpose and the Entities expressly rely upon the privilege protections afforded under statute and otherwise under law.

The Entities agree to reimburse KPMG, upon request, at standard billing rates for KPMG's professional time and expenses, including reasonable legal fees, incurred in dealing with the matters described above.

11. KPMG INTERNATIONAL MEMBER FIRMS.

The Entities agree that any claims that may arise out of this engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International Cooperative ("KPMG International") member firms participating in this engagement.

12. CONNECTING TO THE ENTITIES' IT NETWORK.

KPMG personnel are authorized to connect their computers to the Entities' IT Network, subject to any restrictions communicated to KPMG from time to time. Connection to the Entities' IT Network or the Internet via the Network, while at the Entities' premises, will be for the express purpose of conducting normal business activities, primarily relating to facilitating the completion of work referred to in this letter.

13. DELIVERABLES OR COMMUNICATIONS.

KPMG may issue other deliverables or communications as part of the services described in this Engagement Letter. Such deliverables or communications may not be included in, summarized in, quoted from or otherwise used or referred to, in whole or in part, in any documents or public oral statement.

KPMG expressly does not consent to the use of any communication, report, statement or opinion prepared by us on the interim financial statements and such communication, report, statement or opinion may not be included in, summarized in, quoted from or otherwise used in any document or public oral statement.

14. ALTERNATIVE DISPUTE RESOLUTION.

The parties hereby agree that they will first attempt to settle any dispute arising out of or relating to the Engagement Letters or the services provided hereunder through good faith negotiations in the spirit of mutual cooperation between representatives of each of the parties with authority to resolve the dispute. In the event that the parties are unable to settle or resolve their dispute through negotiation within 30 days of the dispute first arising or such longer period as the parties may mutually agree upon, such dispute shall, as promptly as is reasonably practicable, be subject to mediation pursuant to the National Mediation Rules of the ADR Institute of Canada, Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties may mutually agree upon shall, as promptly as is reasonably practicable, be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. (the "Arbitration Rules"). Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any

such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the Arbitration Rules. The place of mediation and arbitration shall be the city in Canada in which the principal KPMG office that performed the engagement is located

