

## **BOARD COMPOSITION AND SUCCESSION PLANNING PROCESS**

### **CLIMATE CHANGE AND EMISSIONS MANAGEMENT (CCEMC) CORPORATION**

**DATE OF APPROVAL: JUNE 24, 2009**

#### **A. BACKGROUND**

The Bylaws (the “Bylaws”) of the Climate Change and Emissions Management (CCEMC) Corporation (“CCEMC”) provide for the composition and appointment of Board members. The Board retains the responsibility for ensuring productive working relationships and smooth and orderly transitions of directors. Article 7 of CCEMC’s Bylaws generally allows the Board to manage, oversee and direct the affairs of CCEMC, and, subject to the *Canada Corporations Act* and the Bylaws themselves, the Board has the authority to exercise all powers of CCEMC. Subject to the requirements of the Bylaws set out in Appendix “A”, the Board may set criteria for the selection and appointment or nomination of directors.

#### **B. CRITERIA FOR DIRECTORS OF CCEMC**

1. In addition to the requirements of the Bylaws relating to the nomination or appointment of directors, CCEMC will benefit from a diverse group of directors who at a minimum, possess the background, skills, expertise and time to make a significant contribution to the Board, to CCEMC and its stakeholders.
2. CCEMC will make these criteria known to the group industry sectors which appoint directors in accordance with the Bylaws.
3. The following are specific criteria against which candidates and potential candidates will be assessed:

#### **C. PERSONAL ATTRIBUTES**

1. Board members should have significant connection to Alberta, demonstrate an understanding of Alberta industry and policies and be available to meet at or in Alberta on short notice as may be required;
2. Board members should demonstrate an appreciation of fiduciary duties and responsibilities;
3. Preference will be given to individuals where, as a group, their diversity of viewpoints and experience on the Board adds strength and depth to Board decisions;

4. While it is recognized that conflicts may arise from time to time, Board members should be free from direct or indirect financial, structural or inherent conflicts of interest;
5. Board members should have a willingness to act on, and remain accountable for, their boardroom decisions; and
6. Board members should provide references who are able to recommend the Board member and who have personal knowledge of the Board member's skills and qualities.

**D. HIGH PERFORMANCE STANDARDS**

1. Board members should have a personal history of achievements that reflect high standards for themselves and others.

**E. EDUCATION AND EXPERIENCE**

1. Board members should have demonstrated education, experience or understanding of climate change issues, energy conservation and efficiency and technologies related to greenhouse gas emissions;
2. Board members should have demonstrated experience and understanding on issues of governance and accountability;
3. Preference should be given to members whose experience and background demonstrates a connection to, or understanding of, Government and business in Alberta;
4. Board members should demonstrate leadership experience;
5. Board members should have experience at the policy-making and decision-making levels in business, government, education or technology;
6. Previous board governance experience would be an asset and favourably considered;
7. Financial accounting and management literacy would be an asset and favourably considered; and
8. Board member should possess the following attributes:
  - (a) agency governance;
  - (b) political and business acumen;
  - (c) concepts and conceptual thinking;

- (d) change and change management;
- (e) risk management;
- (f) relationship building , partnership building and teamwork;
- (g) conflict resolution and consensus building;
- (h) professional awareness, such as:
  - (i) technological innovation and development; and
  - (ii) financial management, control and accountability experience;
- (i) strategic foresight;
- (j) results-based management; and
- (k) demonstrated understanding of Alberta's environment and economy.

**F. COMMITMENT AND CAPACITY TO CONTRIBUTE**

- 1. In addition to possessing personal attributes and education and experience, directors are expected to:
  - (a) commit the time that is required to fulfill his or her responsibilities;
  - (b) maintain an excellent attendance record at scheduled Board and Committee meetings, attend occasional special meetings and be adequately prepared for all meetings;
  - (c) travel, as required, to participate in Board and Committee meetings;
  - (d) demonstrate a willingness to serve in the best interests of CCEMC and objectively appraise management performance; and
  - (e) perform his or her duties consistent with CCEMC's mandate, objects, bylaws, terms of reference and policies.

**G. SUCCESSION**

- 1. Regular and controlled turnover of directors will allow for:
  - (a) smooth transitions;
  - (b) fresh perspectives from new directors; and
  - (c) consistency and long-term vision.

2. CCEMC's Bylaws provide for rotating terms for directors:

The term of each director shall be three (3) years provided that one-third of directors are serving an initial term of one (1) year, one-third serving an initial term of two (2) years and the balance of the directors serving an initial term of three (3) years. Directors may remain as directors for a maximum of two (2) consecutive terms, regardless of whether the first term was one, two or three years.

3. Where a vacancy occurs on the Board, the directors shall exercise their replacement and selection powers consistent with the Bylaws and these policies and processes.

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