

## Diligence and Governance

1. The Board maintains a Board Skills Matrix and set of competencies deemed necessary for a Board member. Competencies include:
  - a. highly sophisticated risk management and related decision making experience;
  - b. highly sophisticated investment decision making experience;
  - c. direct investment or operating experience in large capital-intensive infrastructure, real estate or private equity investments or assets; and/or
  - d. significant executive leadership, including experience developing vision and strategy, achieving operational effectiveness and fostering an ethical and performance based culture.
2. AIMCo's Governance Committee is responsible for continually searching for and maintaining an Evergreen list of Director candidates having the above described qualifications. The assessment of qualifications of an individual candidate and his or her respective fit relative to AIMCo's needs rests with AIMCo's Chair and Governance Committee.
3. The Governance Committee reviews the matrix and competencies at least annually, ensuring they reflect the current and emerging skills required on the Board.
4. The Committee will also monitor the status of Board composition relative to its Gender Diversity Policy.
5. The Governance Committee tracks Board member reappointment and expiry dates and assesses recruiting needs at least one year prior to a Board member term expiry.
6. The Board undertakes formal and annual Board assessment reviews using a varied approach, ensuring the ongoing effectiveness of the Board, its Committees and members.

## Recruitment Process

1. At least one year prior to a pending vacancy the Board will assess the skills and competencies required on the Board at that particular time, and review the Evergreen list for appropriate candidates.
2. When required, external search firms will be retained by AIMCo's Governance Committee. Firms engaged will have deep experience recruiting professional Board members and be well versed in recruitment within the investment management industry. In some cases, more than one firm will be retained.

## **AIMCo Director Recruitment & Reappointment Process – Specific Steps & Practices**

3. Treasury Board & Finance will post the role on the Public Agency website, ensuring the posting:
  - a. aligns to government requirements;
  - b. clearly outlines the competencies required; and
  - c. describes the nature of the role.
4. The Governance Committee will identify candidates who appear to initially meet the qualifications of the Board role. Every applicant who applies via the Public Agency website will be thoroughly reviewed and assessed against the required skills and competencies, as will all other applicants, including those on the Evergreen List.
5. AIMCo's Governance Committee, in collaboration with the AIMCo Board of Directors, will propose a shortlist of appropriately skilled candidates who meet the competency criteria and will communicate to Treasury Board & Finance the criteria underlying the process for determining the list.
6. The shortlist of candidates will then be interviewed by a Nominating Committee comprised of the Chair, AIMCo's Governance Committee Chair and the President of Treasury Board, Minister of Finance (or a delegate of the Minister on an exception basis only). In preparing for interviews, the Governance Committee will prepare a list of interview questions meant to assess the specific skills and experience required of an AIMCo Board member.
7. The Nominating Committee shall then select applicants to be recommended to the Minister for appointment as a Director. Applicant recommendations will be selected to satisfy the policy commitment to gender parity.
8. Critical to the recruitment process is background checks. Following the interviews, more extensive background checks (detailed references, social media, etc.) will be conducted on the candidate(s) who are being considered for a Board position.
9. AIMCo will work with Treasury Board & Finance to prepare the appointment package and submits this package to the Minister or his designate. The package will include the background checks as mentioned in step 8.
10. The Minister and Cabinet shall decide whether to approve the appointment of any individual recommended by the Nominating Committee.
11. AIMCo, the Minister and Treasury Board & Finance will work collaboratively to ensure that appointments are made and announced in a timely manner and well in advance of director term expiry dates, to ensure legislative requirements are met and to limit any disruption to AIMCo's operations.
12. AIMCo will prepare a media announcement following the signed Order in Council.

### Reappointment

1. At least one year prior to the reappointment date of a Board member, the Board will determine the individual's interest in reappointment.
2. The process for approving reappointment Directors will not be automatic. The Governance Committee will confirm the individual's appropriateness for reappointment, including end of term assessments. Reappointment considerations are those Board members who demonstrate the ability to contribute on a current or future basis in Board leadership roles (e.g. Chair, Vice-Chair, Committee Chair) or have demonstrated a distinctive depth of relevant skills and knowledge necessary to lead AIMCo in achieving its objectives.
3. Following the assessment in Step 2, and assuming individual interest for reappointment, a meeting with the reappointment candidate will take place with the Nominating Committee.
4. The Nominating Committee shall approve recommendations of incumbent Directors for reappointment.
5. The Governance Committee will prepare a submission to the Minister outlining the recommendation for reappointment and rationale, including how the incumbent is contributing to the effectiveness and decision making of the Board. The process for Board assessments (as referenced in Diligence & Governance) will be provided with the submission, including a summary of the assessments for reappointment candidates. Only the reappointment candidate's name will be submitted.
6. AIMCo will work with Treasury Board & Finance to prepare the appointment package and submit this package to the Minister or his/her designate.
7. The Minister and Cabinet shall decide whether to approve the reappointment of any individual recommended by the Nominating Committee.
8. AIMCo, the Minister and Treasury Board & Finance will work collaboratively to ensure that reappointments are made and announced in a timely manner and well in advance of director term expiry dates, to ensure legislative requirements are met and to limit any disruption to AIMCo's operations.
9. AIMCo will prepare a media announcement following the signed Order in Council.
10. Should the renewing Board member choose to not let his/her name stand for reappointment, or if the Governance Committee deem the individual not subject to reappointment, the Board will commence the process outlined earlier, "Recruitment Process".