

SUCCESSION PLANNING PROCESS

1. PURPOSE

- (1) The development and execution of the management succession and development plans involves the Board of Directors (the “Board”), the Governance & Human Resources Committee (the “Committee”) and the President and Chief Executive Officer (the "CEO").
- (2) The management succession planning process is designed to assure the Board that, when necessary, the Authority’s key management positions can be filled by competent people. The process is designed to ensure there is a range of options available to the Board and a broad diverse base of skills at the top and middle levels of the organization from which the Authority can choose its future leaders.
- (3) The Board considers succession planning to be an ongoing process providing longevity of the Authority through the continual development, encouragement and assessment of leadership talent at all levels of the organization.

2. DUTIES AND RESPONSIBILITIES

The duties and responsibilities in the succession planning process are shared among the Board, the Committee and the CEO.

- (1) The Board has the responsibility to:
 - (a) approve the succession plan for the CEO;
 - (b) ensure plans are in place for management succession and development in the case of other senior managers;
 - (c) ensure that criteria and processes for recognition, promotion, development and appointment of senior management are consistent with the future leadership requirements of the Authority; and
 - (d) ensure it receives appropriate briefings and acquires sufficient knowledge on potential successors to make an informed decision on future appointments.
- (2) The Committee has the responsibility to:
 - (a) review the CEO's management succession plan;
 - (b) receive periodic updates as well as an annual report on the plan and forwards it to the Board with appropriate comment;
 - (c) review and discuss with the CEO, the processes and outcomes associated with the recognition, promotion, appointment and development of the senior management team; and

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- (d) ensure the succession plan includes a process that would respond to an emergency situation which required an immediate replacement of the incumbent CEO.
- (3) The CEO has the responsibility to:
 - (a) take the lead in establishing the internal processes for identifying and developing the Authority's leaders and for keeping the Board informed and involved;
 - (b) work with the Senior Executive Team and Human Resources to design the Authority's leadership development processes;
 - (c) evaluate the leading candidates for promotion;
 - (d) provide periodic updates to the Committee and the Board on the mechanisms that build leadership talent and succession capability in the Authority, including leadership competency frameworks; management development training; job changes; as well an assessment of the most likely successors for the top positions in the Authority;
 - (e) ensure the Authority has appropriate criteria and processes in place to hire, promote, transfer, and retain and that such policies and processes are consistent with the policies of the Authority;
 - (f) ensure there is a clear understanding of the management succession and development plan by all management and staff in the Authority; and
 - (g) review the plan each year with the Committee and the Board.
- (4) The processes for management succession and development that require approval or special briefing are included in the Board and Committee timetable of activities.