
2.7 LAPP Corporation Board of Directors Recruitment Framework

EFFECTIVE DATE AND REVISION DATES:

The following framework sets out a process for use by sponsor organizations when recruiting appointees to the LAPP Corporation Board of Directors.

2.7.1 DIRECTOR RESPONSIBILITIES

Board members must be able to meet the high standards required to oversee a complex pension plan and must fully accept their fiduciary responsibility to the Corporation. Directors' skills and experience should include:

- Experience analyzing complex financial and rule issues;
- Ability to make decisions based on sound judgment;
- Ability to separate governance issues from day-to-day management issues;
- Broad investment knowledge (e.g. securities and financial markets);
- An understanding of the financial and legal complexities of pension plans;
- Knowledge of current and emerging pension issues.

2.7.2 BOARD DIVERSITY

Diversity in gender, culture, perspective and age are important for any board to be fully effective. As approximately 2/3 of the active LAPP membership is female, sponsors are encouraged to consider gender diversity in choosing appointees to the Board of Directors.

2.7.4 BOARD MEMBER CHARACTERISTICS

Board members must demonstrate:

- Integrity, high ethical standards;
- Sound judgment;
- Analytical, problem-solving and decision-making skills;
- A genuine interest in and dedication to LAPP;
- Experience in pension plan governance, or alternatively, the capacity and willingness to quickly become familiar with specific concepts relevant to pension plan governance and to keep up-to-date with those concepts;
- Adaptability, including the ability to work co-operatively with others (as demonstrated by previous work on a board, association or committee);
- High motivation, with the time and dedication required to prepare for and attend Board meetings.

2.7.5 OTHER CONSIDERATIONS

- As the Chair and Vice-Chair of the Board are selected from among the Board of Directors, candidates should also possess leadership skills, possibly having served in a senior or professional capacity.
- Consideration should be given to the need for regional representation on the Board.
- Consideration should also be given to the need to limit the potential for conflicts of interest with the Plan.
- Consideration should be given to succession planning, to allow for the smooth transition from one appointment to the next.
- The Board may choose to identify other desired specific skill sets to assist sponsor organizations in making an appointment.

2.7.6 EXPERIENCE/COMPETENCY MATRIX

The matrix is provided to advise sponsor organizations of current skills desired on the Board.

Experience/Competency Matrix	Rating
Competency and Experience – Corporate Functions	
Directors Experience/Governance	
CEO Succession Planning	
Strategic Planning	
Executive Management	
Audit/Accounting	
Human Resources/ Compensation	
Competency and Experience – Pension Functions	
Pensions	
Investment Portfolio Management	
Legal	
Actuarial	
Communications/ Stakeholder Relations	
Risk Management	
Benefits Administration	
Service Provider Management	

2.7.7 TIME COMMITMENT

Directors should be able to make the necessary time commitment, 10 - 20 hours per month. Board meetings occur approximately every quarter and involve a full agenda that requires preparation time. There will also be committee meetings, and development opportunities.

2.7.8 TERMS OF APPOINTMENT

The terms of appointment are normally for three years. However, appointments for periods of less than three years may be made to provide for proper rotation and to assist with board renewal. The *Joint Governance for Public Sector Pension Plans Act* sets the maximum tenure at 10 years.

2.7.9 CONSULTATION PROCESS

At least six months prior to the expiry date of a Director's term, the Corporation shall give written notice to the Director's appointing sponsor organization, including the LAPP Corporation Board of Directors Recruitment Framework (with the most recent Experience/Competency Matrix inserted), and that sponsor organization will be asked to make the appointment of a successor Director, or re-appointment of the incumbent Director where permitted, on or before October 31 of the year in which the Director's term ends. Where two or more Directors' terms expire at the same date, an information meeting will be held within two months of delivery of such notices, at which the Chair, Vice-Chair and CEO of the Corporation will present information and answer questions the sponsor organizations might have regarding the appointments process. At such meeting, the applicable sponsor organizations will be asked to consider and coordinate the needs of the Board in light of the current experience/competency matrix of the Board, and the Board's current degree of diversity and gender balance, in making such appointments.