

## NBIMC – Guidelines for the Nomination of New Directors

### 1. Introduction and Purpose

Section 6 of the New Brunswick Investment Management Corporation Act (the “Act”) outlines the composition of the Board of Directors as follows:

6 The Board of Directors of the Corporation shall consist of:

- (a) the President of the Corporation
- (b) the Deputy Minister of Finance, who shall be a non-voting member
- (c) the Vice-President of Finance of the New Brunswick Power Holding Corporation; and
- (d) at least six other members who shall be appointed by the Lieutenant-Governor in Council,
  - (i) one of whom shall be the dean of a faculty of business administration or similar faculty, or the person who holds the equivalent position, at a university in the Province,
  - (ii) one of whom shall be a member of the public service superannuation plan in respect of which the Corporation acts as trustee of the pension fund referred to in section 27 of the Public Service Superannuation Act,
  - (iii) one of whom shall be a member of the teachers’ pension plan in respect of which the Corporation acts as trustee of the Teachers’ Pension Fund referred to in section 26 of the Teachers’ Pension Act, and
  - (iv) three of whom shall not be members of a pension plan described in subparagraph (ii) or (iii) but who shall, in the opinion of the Lieutenant-Governor in Council, have knowledge, experience and expertise relevant to the business and affairs of the Corporation.

These guidelines are intended to provide a framework for NBIMC’s role in the nomination of new directors. The goal of any board nomination process is to promote the appointment of highly qualified directors with a diverse range of knowledge, experience and expertise related to aspects of the board’s key governance responsibilities.

### 2. The Nominations Process

The Secretary to the NBIMC Board of Directors will develop and maintain a register of directors and their respective terms on the board. This information will be reviewed by the Governance Committee at least annually (at a time in the year that is 11-12 months prior to the end of directors’ terms).

The Governance Committee will identify the number and timing of upcoming vacancies on the board. It will share this information with the Board and will draft a letter to the responsible Minister (in our case, the Minister of Finance), for the Board Chair's signature, advising the Minister of the number and timing of upcoming vacancies on the NBIMC Board. The President will send a similar letter to the appropriate Deputy Minister.

The Governance Committee will also review the preferred selection criteria for directors (Appendix A of these guidelines) to ensure their ongoing relevance to the NBIMC Board. The Governance Committee has the authority to modify the preferred selection criteria, in consultation with the Board Chair.

The Governance Committee will evaluate the current composition and skills of "remaining board members" against the preferred criteria using a "Competency Matrix" (Appendix B). This exercise will help to identify potential gaps in knowledge, experience, expertise and diversity (e.g. demographic and geographic) that could usefully be filled by new appointments to the board.

The Governance Committee will then prepare a draft preferred candidate profile(s) for review and discussion by the board. Once finalized, the preferred candidate profile(s) will be forwarded to the responsible Minister by the Board Chair (with similar correspondence from the President to the Deputy Minister). This communication will also emphasize the number, timing and nature of the upcoming vacancies on the board.

The Board Chair will provide such additional advice regarding potential appointments as may be sought by the responsible Minister.

## Appendix A – Preferred Selection Criteria

Potential nominees to the Board of Directors of the New Brunswick Investment Management Corporation (NBIMC) should be evaluated in terms of the following preferred selection criteria:

### Personal Attributes:

- ▶ Demonstration of prior exposure to investment issues at a strategic level
- ▶ A track record of being able to work co-operatively with others and to provide leadership in a group setting
- ▶ An ability to exercise sound judgment and to problem-solve in the execution of their fiduciary responsibilities
- ▶ Capacity to exercise independent judgment in the best interests of the Funds (versus individual view points)
- ▶ Display a strategic perspective/orientation (vs. detail/micro orientation)
- ▶ A high standard of personal values and ethics and an ability to respect the confidentiality of the Board's deliberations
- ▶ Appreciation of public policy considerations
- ▶ An ability to effectively communicate orally and use current forms of electronic communications
- ▶ Ability and willingness to raise potentially controversial issues in a manner that encourages dialogue
- ▶ Ability to be flexible, responsive and willing to consider others' opinions
- ▶ Commitment to devoting the time and being available to attend to the duties required of a director, and
- ▶ Commitment to personal development and to participation in training and continuing education required to be an effective director
- ▶ A track record of demonstrated prudence, discretion and intelligence (requirements under the *Trustees Act*)
- ▶ No direct or indirect conflict of interest with the director's responsibility to the organization
- ▶ Prior experience on a board or a committee operating in a complex and demanding board and committee environment

### Specific Competencies

The following areas of knowledge, experience and expertise should be represented within the collective board competencies:

- Institutional investment practices
- Financial
- Accounting
- An aptitude for statistics, mathematics and probabilities
- Internal controls/audit and risk management processes
- Legal and regulatory
- Information technology
- Human resources
- Government functioning and public policy
- Governance trends and best practices
- Previous leadership/management experience

### Appendix B – Competency Matrix – NBIMC

COMPETENCY	Desired #	D1	D2	D3	D4	D5	Current #
<b>Personal Attributes</b>							
Exposure to strategic institutional investment							
Collaboration and group leadership skills							
Sound judgment and problem-solving							
Independent judgment							
Strategic mind-set							
High standards – values and ethics (incl. confidentiality)							
Appreciation of public policy							
Oral and electronic communications							
Ability to raise controversial matters and promote dialogue							
Flexible, responsive and willing to listen to others							
Commitment – time and availability							
Demonstrated prudence, discretion and intelligence							
No conflict							
Prior board or committee experience in complex demanding environment							

<b>Knowledge, Experience or Expertise</b>	<b>Desired #</b>	<b>D1</b>	<b>D2</b>	<b>D3</b>	<b>D4</b>	<b>D5</b>	<b>Current #</b>
Institutional Investment Practices							
Financial							
Accounting							
Aptitude for statistics, mathematics and probabilities							
Internal controls/audit and risk management processes							
Legal and regulatory							
Information technology							
Human resources							
Government functioning and public policy							
Governance trends and best practices							
Previous leadership/management experience							
Other:							
<b>Diversity</b>							
Demographic							
Geographic							