

Management Succession Planning

1. Introduction

The development and execution of the management succession and development plans involves the Board, the Governance and Human Resources Committee and the CEO.

The management succession planning process is designed to assure the Board that, when necessary, CLBC's key management positions can be filled by competent people. The process is designed to ensure there are a range of options available to the Board and a broad, diverse base of skills within the organization from which CLBC can choose its future leaders.

The Board considers succession planning to be an ongoing process providing longevity for CLBC 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 Governance and Human Resources Committee and the CEO.

2.1. Board

The Board is responsible for:

- a) approving the succession plan for the CEO;
- b) in the case of other senior managers, ensuring plans are in place for management succession and development;
- c) ensuring that criteria and processes for recognition, promotion, development and appointment of senior management are consistent with the future leadership requirements of CLBC; and
- d) ensuring it receives appropriate briefings and acquires sufficient knowledge on potential successors to make an informed decision on future appointments.

2.2. Governance and Human Resources Committee

The Governance and Human Resources Committee:

- a) reviews the CEO's management succession plan;
- b) receives periodic updates as well as an annual report on the plan and forwards it to the Board with appropriate comment;
- c) reviews and discusses with the CEO, the processes and outcomes associated with the recognition, promotion, appointment and development of the senior management team;

- d) ensures the succession plan includes a process that would respond to an unplanned situation which required an immediate replacement of the incumbent CEO; and
- e) the board is responsible for succession planning of Internal Auditor and this may be delegated to the Finance & Audit Committee

2.3. CEO

The CEO:

- a) takes the lead in establishing the internal processes for identifying and developing CLBC's leaders and keeping the Board informed and involved;
- b) works with the Board, the Governance and Human Resources Committee and management to design CLBC's leadership development processes;
- c) evaluates the leading candidates for promotion;
- d) provides periodic updates to the Governance and Human Resources Committee and the Board on the mechanisms that build leadership talent and succession capability in CLBC, including leadership competency frameworks, management development training and job changes; as well an assessment of the most likely successors for the top positions in CLBC;
- e) ensures CLBC has appropriate criteria and processes in place to hire, promote, transfer, and retain;
- f) ensures there is a clear understanding of the management succession and development plan by all management and staff; and
- g) reviews the plan each year with the Governance and Human Resources Committee and the Board.

3. Process

The processes for management succession and development that require approval or special briefing are determined by the Board on the recommendation of the Governance and Human Resources Committee.