



Subsidiary Crown Corporation Chief Executive Officer Appointment Policy

Issue Date: April 3, 2000

Revised Date: March 27, 2013

Authority

The Crown Corporations Act, 1993, sections 6 and 25
CIC Board Minute # 57a/2013

Purpose

This Policy outlines the process to recruit, select and appoint the Chief Executive Officer (CEO) of a CIC subsidiary Crown corporation.

Application

This Policy applies to the appointment of an individual to serve as the Chief Executive Officer (CEO) of a CIC subsidiary Crown corporation.

Principles

The following principles will guide the CEO appointment process:

- **Competency-based:** selection will be based on merit, guided by an objective assessment of the fit between the skills and qualifications of the prospective candidate, the competencies required to effectively manage the Crown corporation and the candidate's ability to function effectively within a public sector environment.
- **Shared Responsibility:** the selection of a CEO will be a shared responsibility exercised by the Crown corporation board and the shareholder.
- **Premier's Prerogative:** the Premier retains the right to confirm the Crown board's recommendation of an individual to serve as the CEO of a Crown corporation, ask for another recommendation, or confirm the appointment of an alternate individual.

Policy

Major Steps in the CEO Appointment Process

The major steps in the appointment process are:

- **Set up the search process** - the subsidiary Crown corporation board will appoint a Search Committee, comprised of the Chair of the Crown Board or designate, Committee Chairs or other members of the Crown board, the President & CEO of CIC as an *ex officio* member and, where desired, a senior representative of Executive Council, to recruit and recommend candidates for the position.
- **Develop a position description** - after consulting the Minister of CIC, and where different the Minister responsible, regarding the competencies, characteristics and experience of the preferred candidate, the Search Committee agrees on a position description and a recruitment process.

- **Recruit/identify qualified candidates** - the recruitment process may involve engaging an executive search firm to assist the Committee to search for suitable candidates for the position, inviting senior government officials or the Crown CEO to suggest names of qualified applicants, directly contacting specific individuals or advertising the position through various media.
- **Select/interview candidates** - the Committee will screen the applicants against the criteria in the position description and will interview the most qualified candidates.
- **Short-list candidates** - following the interviews, the Committee will identify the top three (3) candidates and agree on the preferred candidate for the position.
- **Seek consensus** - the President & CEO of CIC will **informally** vet the short-list of candidates (with the preferred candidate clearly identified) with the Minister of CIC, where different than the Minister responsible for the Crown corporation, the CIC Board and the Premier to come to a consensus on the best fit with the needs of the Crown corporation and the shareholder.
- **Consult** - once consensus is achieved, the President & CEO of CIC will discuss the outcome with the Minister of CIC, and where different the Minister responsible for the Crown corporation, to present the rationale for the recommended candidate.
- **Confirm appointment** - the Minister responsible for CIC will discuss the outcome with the Premier to confirm the appointment is likely to receive favourable consideration by Cabinet.
- **Obtain approvals** - if the Premier confirms the appointment:
 - the Chair of the Crown board presents the short-listed candidates and the recommended candidate to the Crown board of directors for consideration;
 - the Crown board considers the recommendation and forwards its recommendation to the CIC Board for consideration; and
 - the CIC Board forwards its decision to Cabinet for review.
- **Offer to successful candidate** - once Cabinet has reviewed the decision; the Chair of the Crown board will offer the position to the successful candidate, taking care to ensure that any compensation package discussed and agreed to with the candidate has been vetted by CIC and is consistent with CIC's executive compensation framework.
- **Fill position/CEO contract** - once the candidate has accepted the position, CIC will make all necessary contractual arrangements to finalize the appointment, ensuring that the contract contains all key terms and condition of employment related to the position.
- **Appointment announced** - CIC will prepare, in consultation with the Communications Unit of Executive Council, a press release to be issued by the Minister or Crown board announcing the appointment.

Other Considerations

General Rule: Premier's Prerogative to Make Final Appointment Decisions

Governing legislation gives the Crown corporation board of directors the authority to make and terminate the appointment of the President & CEO of the Crown corporation. However, by convention the final recommendation to appoint an individual as the President & CEO of a Crown corporation must be confirmed by the Premier before the appointment is made. Although the Minister responsible for a Crown corporation will be consulted at various stages in the appointment process, he or she does not have the authority to veto an appointment.



Alternate Approaches to Appointments

Although the above process is the preferred approach to appointment of CEOs in the Crown sector, there may be extenuating circumstances where the President & CEO of CIC may deem it more timely or appropriate to initiate an alternate process. Alternate processes may include reassignment of an internal candidate, or appointment of an internal candidate without a formal competition.

Effective Date

The Policy is effective on March 27, 2013.

Administrative Information

Contact: Director, Corporate Secretariat, CIC, 306-787-5907.

Reviewed: June 15, 2015