



*As approved by the CDIC Board of Directors, June 9, 2021*

## ACCOUNTABILITY PROFILE

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<b>JOB TITLE:</b>	Board and Directors
<b>ORGANIZATION:</b>	Canada Deposit Insurance Corporation
<b>LOCATION:</b>	Flexible
<b>PROFILE DATE:</b>	June 9, 2021

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### CANADA DEPOSIT INSURANCE CORPORATION ("CDIC") BOARD AND DIRECTORS' PROFILE

#### 1. Corporation Mandate

The Canada Deposit Insurance Corporation (CDIC) is the federal Crown corporation that contributes to the stability of the financial system by:

1. providing insurance against the loss of eligible deposits at member institutions in the event of failure, in a manner that minimizes CDIC's loss exposure; and
2. serving as Canada's resolution authority, taking the lead when any of CDIC's members reaches the point when they are no longer viable.

CDIC works with federal financial stability architecture in enacting its powers to resolve any of CDIC's member institutions including the largest and most complex of Canada's banks. In pursuing its mandate, CDIC seeks to earn the trust of Canadians as the global leader in deposit insurance and resolution.

CDIC was established in 1967 under the *Canada Deposit Insurance Corporation Act* (CDIC Act). CDIC functions within the legislative framework established by the *Financial Administration Act* (FAA), and is a Crown corporation named in Part I of Schedule III of the FAA. As such CDIC is subject to a number of other statutory obligations imposed on federal Crown corporations. The Corporation is accountable to Parliament, through the Minister of Finance, for the conduct of its affairs.

#### 2. Roles, Responsibilities and Membership

##### *a. Board of Directors Roles and Responsibilities*

CDIC's Board of Directors is responsible for administering the affairs of CDIC. The Board aims to be diverse and inclusive, and makes decisions that are in the best interests of the Corporation, including any intervening actions that CDIC chooses to take with regards to deposit insurance or in resolving a member, which meet CDIC's objects and protect insured deposits.

CDIC's Board of Directors is responsible for:

1. Tone at the Top –Setting and reflecting CDIC's culture and values through words and actions, promoting trust and transparency throughout the Corporation, and providing informed, fearless, and impartial advice to the Minister and Parliament to guide decisions, while always acting honestly and in good faith.
2. Strategy and Major Policies– Guiding and approving CDIC's strategy and objectives, monitoring its progress towards those objectives, and forming part of, and approving any major policies.
3. Enterprise Risk Management – Ensuring there is a clear framework in place for the Corporation to manage risks in accordance with its Risk Appetite Statement.

4. Financial Reporting – Accountable for ensuring that reporting is timely and accurate, and in line with CDIC’s mandate. Ensuring that internal control systems and practices are in place and working to safeguard the Corporation’s resources.
5. Leadership Development and Succession Planning – Assisting in the process to identify the right people to enable CDIC to meet its strategic plans and objects. Taking an active role in their development and evaluation.
6. Corporate Governance – Communicating the needs and expectations of the Board widely, to ensure candidates have the appropriate skills, experience, information, and confidence to act decisively both in the normal course of business and in times of crisis. Seeking ongoing feedback to ensure that governance practices exceed industry standards. Engaging in education and development opportunities to make sure directors’ skills remain sharp and that they are cognizant of the impact of emerging trends.

The Board of Directors has approved a Board Charter that further details the Board’s governance responsibilities in these areas, and how these are fulfilled.

All directors are subject to strict rules governing conflicts of interest and must produce an annual report on their activities that may present a perceived or actual conflict. Directors must abide by CDIC’s *Code of Business Conduct and Ethical Behaviour for Directors*, CDIC’s *Conflicts of Interest Code*, as well as the *Conflict of Interest Act* and related government guidelines.

#### *b. Membership*

The Board consists of:

1. The Chairperson, appointed to hold office during good behaviour for a term fixed by the Governor-in-Council (GIC);
2. Five *ex officio* directors: The Governor of the Bank of Canada, the Deputy Minister of Finance, the Superintendent of Financial Institutions, the Commissioner of the Financial Consumer Agency of Canada (each of whom may appoint an alternate to attend in his/her absence any meeting of the Board), and a Deputy Superintendent of Financial Institutions, or an officer of the Office of the Superintendent of Financial Institutions, appointed by the Minister; and
3. Five private sector directors who are also appointed by the GIC to serve at pleasure for a term not exceeding four years.

The Board is distinctive in its structure, with independent private sector directors who bring practical experience from the business world to the table, and public sector directors who provide knowledge of the financial, supervisory, and regulatory environment.

As outlined in the CDIC Act, individuals are not eligible to be appointed to the Board if they are employed in the public service or hold an office or position for which any salary or remuneration is payable out of public monies; be a member of the Senate or House of Commons or a provincial legislature; or be a director, officer or employee of a CDIC member institution. In addition, directors cannot serve on the board of directors or an advisory committee of a bank, trust company, life insurance company, credit union or similar business, and must be free from any involvement with such entities which could be perceived to interfere with the director’s ability to act independently with a view to the best interests of CDIC.

### **3. Expectations of the Board and Directors**

The expectations of the Board of Directors are based upon CDIC’s mandate, the powers and the responsibilities of its Board, and the nature and complexity of the matters that come before the Board for analysis, judgement, and decision.

The Board is expected to:

1. Work together to earn the trust of Canadians, the Minister and Parliament, by using their combined skills and experiences to make careful, rational, and well thought out strategic decisions and oversee Management's execution thereof, that fulfil the Corporation's mandate;
2. Provide an open and welcoming environment for directors to be candid with one another and with Management;
3. Make critical and timely decisions with important ramifications on the Canadian economy, often with imperfect information and few precedents, over the course of both normal business and in crisis situations;
4. Establish, review, and continually update processes and procedures to ensure the Board is carrying out their role at CDIC to the highest standards, both individually and collectively;
5. Aim to have practices exceed industry standards and consistently benchmark against peers to ensure governance excellence; and
6. Ensure that CDIC communicates clearly and consistently to Canadians and is transparent in demonstrating how the Corporation governs itself.

Directors are expected to:

1. Bring a genuine passion for public service to Canadians;
2. Commit substantial time and energy to fulfilling the role's duties and responsibilities;
3. Keep abreast of CDIC's public policy objectives and their impact on the Corporation, as well as CDIC's operating environment;
4. Understand and contribute to the establishment, achievement, and evaluation of CDIC's strategy;
5. Demonstrate strategic and innovative thinking, with the courage to challenge and to manage conflict with strong personalities in expressing viewpoints;
6. Prepare diligently for meetings and participate in rigorous analysis and debate, contributing knowledge, experience, and perspective to discussion;
7. Promote trust, transparency, and open dialogue with other directors and with Management and foster a productive relationship with Management via the Board leadership to ensure clear communication and accountability;
8. Demonstrate independent judgement in deliberations and decision-making, acting with integrity, honesty and ethical conviction, and above personal interests;
9. Actively participate in the voting (abstaining when required, however not as a common practice), while respecting and supporting Board decisions once made, recognizing the Board speaks only with one voice as CDIC's highest decision-making body; and
10. Commit to on-going learning and development and remain up-to-date on the business, industry, economy, regulatory environment, and stakeholder expectations.

#### **4. Selection and Evaluation Criteria**

##### *a. Technical Experience*

Directors bring extensive technical experience commensurate with the complexity of CDIC's mandate and needs, in both of the following categories:

1. Experience as a director or a senior executive in organizations of meaningful size and complexity; and
2. Extensive experience and accredited education in one or more of the following
  - a. disciplines or sectors:
  - b. Accounting / Finance / Law / Corporate Governance
  - c. Financial services sector (e.g., deposit taking, capital markets, insurance, asset management)
  - d. Information technology / Fintech / Cybersecurity
  - e. Regulation / Compliance crisis management / Logistics
  - f. Risk management / Enterprise risk management
  - g. Mergers & Acquisitions / Corporate restructuring / Insolvency

- h. Talent management / Organizational culture
- i. Communications / Public or investor relations / Advertising, marketing or social media

*b. Business experience and acumen*

Directors are expected to bring to CDIC's deliberations and decision-making high caliber business acumen developed within their professional experience. As such, directors have a proven track record of business insight and sound judgement, as evidenced by their ability to:

1. Appreciate the risks, and implications of such, present or emerging in CDIC's environment;
2. Understand multi-faceted problems from different viewpoints, sometimes with limited information or precedents and under tight timeframes;
3. Evaluate complex strategic options – both financial and operational – with multiple potential outcomes to various stakeholders;
4. Discern optimal solutions when objectives are in conflict and trade-offs are required; and
5. Make timely decisions with less than optimal information, few precedents and rapidly changing circumstances.

*c. Demographic diversity*

CDIC values diversity among its Board members in promoting its effective functioning. The Board aims to be representative of Canada's demographic diversity.

## **5. Remuneration**

Remuneration for private sector directors is fixed by the GIC.

## **6. Working Conditions**

The Board meets between ten to twelve times annually, in addition to Committee meetings. Directors may be asked to engage in additional activities in between meetings to support the work of the Board.

## **7. Gap Analysis**

The Corporation's priorities will change from time to time, depending on the state of the country's economy and, more particularly, of its financial services sector. The Board will conduct a gap analysis on a regular basis to determine what skills are available on the Board and those, if any, that may be needed.