



## Director Skills Matrix

To ensure The Co-operators board of directors is comprised of individuals that collectively possess a healthy balance of skills, expertise and perspectives to contribute to the governance of the Company, the board has adopted a Director Skills Matrix. In 2019 the Matrix was revised to define the optimal characteristics of the board reflective of the board's current and future needs in consideration of the company's strategy, risk profile, regulatory requirements, board responsibilities, commitment to diversity in governance and board leadership succession.

Annually, directors complete self-assessments of their perceived level of skill and experience against the matrix to produce a director skills heat map. The Corporate Governance and Conduct Review Committee in consultation with the Chairperson of the Board then assesses the skills and experience, personal attributes and board leadership potential of continuing directors to highlight areas of strength and identify gaps to be sought through the election of new directors or supported through continuing education.

The Director Skills Matrix proactively defines the needed skills of the board and its directors for communication to the membership and consideration in the director nomination and election process. The Matrix is also considered by the Chairperson of the Board and Board Chairpersons to inform the annual Populating Committees process and individual director Board Committee involvement.





# GOVERNANCE



		Skills and Experience														
<i>Directors</i>	Election Date/Term	Co-operative Expertise	Corporate Development	Client Experience, Relations and Services	Finances, Financial Accounting and Audit*	Governance	Information Technology and Cybersecurity	Innovation	Insurance/Financial Services	Leadership	Regulatory	Risk Management/Oversight	Stakeholder Relations	Strategy	Sustainability	Talent Management, Culture and Compensation
20.	'22															
21.	'22															
22.	'20															
<b>TARGET</b>																
<b>CURRENT</b>																
<b>NEEDS (Gaps)</b>																

\*Finances, Financial Accounting and Audit – all directors must be financially literate or become financially literate within a reasonable period of time following his/her election to the board. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised in The Co-operators financial statements.

# GOVERNANCE



## PART 2: SKILLS AND EXPERIENCE

<b>Co-operative Expertise</b>	Deep understanding of, and experience working with, co-operative principles and the co-operative business philosophy. Breadth of knowledge of co-operative systems and contexts. Current and historical knowledge of the co-operative movement.
<b>Corporate Development</b>	Experience in analyzing, identifying and evaluating corporate development opportunities in a financial/insurance institution, including mergers, acquisitions, partnerships, joint ventures and product development.
<b>Client Experience, Relations and Services</b>	Experience developing or overseeing client services including client engagement, experience and communications strategies. Brand development and positioning, along with the use of data analytics and e-commerce to achieve client service goals.
<b>Finances, Financial Accounting and Audit*</b>	Experience managing the financial activities of a public, private, non-profit organization or co-operative, including financial planning, forecasting, sustainability, risk management and internal controls. Demonstrated understanding of financial reporting and regulatory requirements regarding financial performance and disclosure, including IFRS.
<b>Governance</b>	Understanding of the Board's duties and responsibilities and leading co-operative, regulatory, and/or governance principles and practices, including subsidiary governance, gained as a senior executive and/or Board member of an organization with solid co-operative and/or corporate governance practices.
<b>Information Technology and Cybersecurity</b>	Experience with the design and implementation, or oversight of the design and implementation, of enterprise-wide information technology systems, client-based digital infrastructures, data analytics, privacy and cybersecurity strategy and policies. Displays technological literacy.
<b>Innovation</b>	Experience at the executive and/or board level developing and leading forward-thinking innovation, or change initiatives including those that produce new solutions or efficiencies in business models, products, or operational excellence.
<b>Insurance/Financial Services</b>	Experience in a regulated financial services industry, with knowledge of insurance industry business fundamentals (e.g., products, distribution, actuarial concepts, risk) and asset management.
<b>Leadership</b>	Experience leading an organization similar in complexity to The Co-operators as a senior leader in the organization (e.g. director, CEO, senior executive) with a track record of success and value creation.

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# GOVERNANCE



CATEGORY	CRITERIA
<b>Regulatory</b>	Experience with identifying, managing and overseeing compliance issues in a regulated industry, preferably in the financial services industry. Understanding of OSFI guidelines.
<b>Risk Management/ Oversight</b>	Experience evaluating the broad range of risks faced by an insurance company similar in complexity to The Co-operators.
<b>Stakeholder Relations</b>	Experience with stakeholder engagement and communications relevant to members, employees, government and/or other stakeholders. Understanding of The Co-operators key stakeholders, member-organizations and co-operative sector.
<b>Strategy</b>	Experience at the executive and/or Board level developing and leading strategy.
<b>Sustainability</b>	Experience with sustainability, showcasing a high degree of sustainability literacy, especially on the most material environmental, social, and governance (ESG) trends, risks and opportunities for the organization including climate change. Experience overseeing an organization's transformation and disclosures resulting from those risks and opportunities.
<b>Talent Management, Culture and Compensation</b>	Experience with talent management (including performance management systems, CEO and executive succession planning), overseeing or setting the tone for organizational culture and CEO/executive compensation.

# GOVERNANCE



## SKILLS AND EXPERIENCE (PART 2) ASSESSMENT SCALE

<p><b>Developing</b> 0 – 1 year</p>	<ul style="list-style-type: none"> <li>&gt; new director and/or new skill area for the director</li> <li>&gt; has little to no understanding and/or previous exposure</li> <li>&gt; new involvement therefore challenged to contribute to discussion</li> <li>&gt; has received no formal training and/or informal guidance</li> <li>&gt; will need concentrated development to begin to contribute</li> </ul>
<p><b>Basic</b> 2 – 3 years</p>	<ul style="list-style-type: none"> <li>&gt; director has foundational level of skill/knowledge/experience</li> <li>&gt; demonstrates basic understanding and/or previous exposure</li> <li>&gt; able to contribute to discussion focused on fundamentals</li> <li>&gt; has received formal training and/or informal guidance</li> <li>&gt; requires additional development to consistently make a valuable contribution</li> </ul>
<p><b>Advanced</b> 3 – 5 years</p>	<ul style="list-style-type: none"> <li>&gt; director has significant skill/knowledge/experience</li> <li>&gt; demonstrates advanced understanding and/or previous exposure</li> <li>&gt; actively contributes to discussion with confidence and competence; comfortable advancing ideas</li> <li>&gt; has received considerable formal training and/or guidance</li> <li>&gt; makes a strong contribution; opinions are valued and asks key questions</li> </ul>
<p><b>Expert</b> 5+ years</p>	<ul style="list-style-type: none"> <li>&gt; director possesses extensive skill/knowledge/experience</li> <li>&gt; has achieved expert level of understanding and/or previous exposure</li> <li>&gt; superior contributor; advances ideas with a high degree of confidence and competence, leading as needed</li> <li>&gt; has received significant formal training and guidance and is able to provide same to colleagues</li> <li>&gt; consistently makes a value-add contribution; opinions are sought and asks insightful questions</li> </ul>