

## **Terms of Reference for the Board**

### **Purpose**

The board is responsible for the overall stewardship of the commission. The board

- sets the strategic priorities of the commission
- oversees the commission's management, operations, and financial affairs.

### **Committees of the board**

The board may delegate any of its duties and responsibilities to a standing or ad hoc committee of the board. On establishing a committee, the board specifies its terms of reference and appoints a chair of the committee. If the committee is an ad hoc committee, the board also specifies the committee's termination date.

The board has established, and will maintain, the following three standing committees to assist in discharging the board's oversight and governance duties: a governance committee, an audit committee, and a human resources committee. The responsibilities of these committees, described in their terms of reference, include making recommendations to the board on various matters within the board's mandate.

### **Duties and responsibilities**

The board has the following specific responsibilities.

#### ***Decisions on matters referred by board committees***

Consider, review, and take the appropriate action in respect of all matters the governance committee, the audit committee, the human resources committee, or any ad hoc committee, refers to the board under the committee's terms of reference. The board has ultimate responsibility for all matters delegated to board committees.

#### ***Strategic planning***

On an annual basis review and approve the commission's three-year service plan and one-year operating plan and capital budget.

As part of the strategic planning process:

- Provide input to management on trends and risks the board believes management should consider when developing the service plan.
- Ensure the service plan adequately addresses risks to the stakeholders of the regulatory system, to the system itself, and to the commission.
- Ensure systems are in place for timely and meaningful reporting of the commission's performance against its service plan, and for developing responses to changing circumstances.

#### ***Delegation of authority***

Oversee the delegation of authority within the commission. When requested by the governance committee, the chair, or the executive director, consider and if appropriate approve

- the delegation of the commission's authority, under section 7 of the *Securities Act*, to the chair, a vice chair, a commissioner, or the executive director
- any changes to the commission's Delegation of Authority

### ***Government relations***

Oversee the chair's management of the commission's relationship with the minister. Consider and, if appropriate, approve actions recommended by the chair to ensure the commission fulfills its mandate and discharges its responsibilities under the shareholder's letter of expectations.

### ***Communications and disclosure***

Oversee management of the commission's communications and disclosure policies and practices. Consider and, if appropriate, approve actions recommended by the chair or the executive director to ensure the commission's communications strategy meets public sector requirements for transparency and accountability.

### **Reporting to the board**

The board makes appropriate enquiries of its committees or management about the following reports and other matters material to the commission's mandate and operations.

#### ***Committee reporting***

The chair of each board committee, after each committee meeting, provides a summary report to the board of the significant items discussed or actions taken.

#### ***Operational and executive reporting***

The chair provides the board with a monthly report about matters for which the chair has primary responsibility. The executive director provides the board with a monthly operating report and a quarterly exception report on the service plan.

#### ***Reporting on performance***

The human resources committee reports at least annually to the independent commissioners regarding the performance of the chair.

The chair reports annually to the board regarding the performance of the executives other than the vice chair. The chair reports at least annually to the independent commissioners regarding the performance of the vice chair.

The executive director reports to the board at least annually regarding the performance of the senior managers.

### **Board meetings**

#### ***Frequency***

The board meets monthly. The chair, in consultation with the board, sets the monthly meeting dates. The chair calls *ad hoc* meetings of the board as necessary. The independent commissioners meet separately as required.

#### ***Notice***

Normally the chair gives at least ten business days' advance notice of a meeting. In an urgent situation, the chair will give as much notice as is practicable in the circumstances. In all cases, the commissioners may unanimously waive notice.

#### ***Quorum and voting***

A majority of commissioners constitutes a quorum. A simple majority of commissioners present and voting at a meeting is sufficient to pass a resolution of the board.

### ***Telephone meetings***

Board meetings may take place by telephone or other communications facilities that permit all participants in the meeting to communicate with each other. A commissioner who participates in the meeting by such means is counted as present at the meeting.

### ***Agendas and materials***

The chair prepares an annual forward agenda, and sets the agenda for each board meeting. A commissioner may ask the chair to add an item to an agenda. Commissioners receive meeting materials in sufficient time for the commissioners to adequately prepare for the meeting.

### ***Meeting without management***

At each monthly meeting, the board meets for a portion of the meeting without management present. There is also time set aside at each monthly meeting for the independent commissioners to meet without the chair and vice-chair present.

### ***Outside advisors***

Any commissioner, with the approval of the governance committee, may retain outside advisors at the expense of the commission.

### ***Chair***

The chair or, in the chair's absence, the vice chair, presides at each meeting. The chair's role is to

- ensure that the board deals with the matters described in the board's terms of reference
- conduct board meetings effectively and efficiently and ensure timely follow-up and resolution of issues
- maintain a collegial and constructive relationship between the board and management
- consult as necessary with management on board matters
- communicate on behalf of the board with management
- ensure that the board meets as required

### ***Secretary***

The commission secretary (or alternate designated by the chair) acts as secretary of each board meeting. The secretary's role is to

- give notice of regular meetings to the commissioners and, when directed by the chair, notice of ad hoc meetings
- distribute the agenda and all related materials to the commissioners
- record attendance and prepare minutes for review and approval by the board
- maintain records of approved minutes signed by the chair and secretary