

Ontario Securities Commission

Lead Director

Mandate

Establishment of the Position of Lead Director

The Commission has adopted the Charter of Governance: Roles and Responsibilities (the "Charter") to delineate its role and responsibilities and to ensure transparency in its governance structure. Members of the Commission, either directly or through Committees of the Board, are responsible for performing the duties set out in the Charter, and have established the position of Lead Director to assist the Members in fulfilling their governance responsibilities.

The position of Lead Director has been created by the Board of Directors of the Commission and is governed by the Charter in the conduct of his or her duties. The Lead Director's purpose is to assist the Board in ensuring that:

- (i) the responsibilities of the Board and its committees are well understood by the Members and management of the Commission;
- (ii) the Board works as a cohesive team;
- (iii) adequate resources and timely and relevant information are available to the Board and its committees to enable them to fulfil their mandates;
- (iv) the effectiveness of the Board and its committees is assessed on a regular basis;
- (v) the Board's committee structure and mandates are appropriate and adequate for the proper discharge of the Board's responsibilities; and
- (vi) the scheduling, organization and procedures of Board and committee meetings provide adequate time for due consideration and meaningful discussion of relevant issues.

Appointment of the Lead Director

The Lead Director is a Part-time Member of the Commission and is appointed by the Part-Time Members only at the first Board meeting immediately following March 31 of each year upon the recommendation of the Governance and Nominating Committee of the Board. The Lead Director shall be appointed for one year and may be reappointed, although is not expected to serve longer than three years, absent exceptional circumstances. The Board may appoint a Part-time Member to fill a vacancy occurring in the position as may be required.

Board Reporting and Recommendations

The Lead Director meets at least annually with the Chairs of each of the Committees of the Board to review each Committee's agenda for the following year and any other matters that the Committee Chairs consider appropriate. In so doing the Lead Director annually reviews and assesses the adequacy of the Committee Mandates, and recommends any amendments to such Mandates to the Governance and Nominating Committee.

The *Securities Act* provides that the Chair of the Commission shall preside as chair at all meetings of the Board and, in his or her absence, a Vice-Chair shall do so. In the absence of the Chair and Vice-Chairs, the Lead Director presides as chair of the meetings of the Board.

The Part-time Members alone meet in the absence of the Chair and Vice-Chairs of the Commission immediately following each regularly scheduled meeting of the Board. Additional such meetings of Part-time Members may be held as determined by the Lead Director or upon request of a Part-time Member. The Lead Director presides as chair of all meetings of Part-time Members the Board.

The Lead Director shall be given notice of and the agenda materials for all Committee meetings and may attend any Committee meeting, but does not have authority to vote on any matter before any Committee other than as a member of that Committee.

The Lead Director has the authority to make recommendations to the Board, but does not have decision-making authority, unless such authority is specifically provided by resolution of the Board. In carrying out his or her duties, the Lead Director may retain any outside advisor without Board approval at the expense of the Commission at any time, and has the authority to determine any such advisor's fees and other retention terms.

Duties and Responsibilities

The Lead Director is responsible for the oversight of the exercise of the governance obligations of the Board and its committees as set out in the Charter and the Committee Mandates and making recommendations thereon to the Board.

In making recommendations to the Board, the Lead Director is responsible for the following:

Board and Committee Agenda

- To review with the Secretary the draft annual agenda and each meeting agenda for the meetings of the Board and the draft annual agenda for each Committee to ensure that all matters required to be considered by the Board and each Committee as set out in the Charter and the Committee Mandates, or are otherwise required for sound governance, are scheduled for consideration;
- To recommend to the Chair of the Commission matters to be placed on the agenda for meetings of the Board;
- To recommend to the Chairs of each Committee matters to be placed on the agenda for meetings of each Committee.
- To ensure that meetings of Part-time Members alone are held on a regular basis and to determine the agenda for such meetings.
- In consultation with the Secretary, to ensure that there is an appropriate system in place for identifying and scheduling carry-forward matters for consideration by the Board and each Committee;
- To report annually to the Board on the status of its consideration of matters required to be considered as set out in the Charter.

Appointment of Committee Chairs and Members

- To recommend to the Chair the appointment of Committee Chairs and members of Committees.

Nominations for Appointment of the Vice-Chair(s)

- Together with the Chair of the Governance and Nominating Committee, to recommend to the Chair the nomination for appointment of the Vice-Chair(s).

Appointment of the Secretary to the Commission

- Together with the Chair, to recommend to the Board the appointment of the Secretary.

Board and Committee Effectiveness

- To meet individually with each member annually to discuss the Member's assessment of the effectiveness of the Board and its committees and to report thereon to the Board.
- To recommend to the Board amendments to the practices and procedures of the Board and its Committees to enhance their effectiveness.