

## Ontario Securities Commission Mandate of the Lead Director

### 1. Establishment of the Position of Lead Director

#### (a) Charter

The Ontario Securities Commission (the “Commission”) has adopted the *Commission Charter of Governance, Roles and Responsibilities* (the “Charter”) to delineate its role and responsibilities and to ensure the transparency of its governance structure. The Members of the Commission<sup>1</sup>, either directly or through committees of the Board of Directors (the “Board”), are responsible for performing the duties set out in the Charter and will perform such further duties as may be necessary or appropriate for them to fulfill their governance and regulatory responsibilities.

#### (b) Governance Structure

The Board has established the position of Lead Director whose responsibilities and duties are governed by the Charter and are intended to assist the Board in ensuring that:

- (i) an orientation process is in place for new Part-time Members and that programs are available for the continuing development of all Part-time Members;
- (ii) the responsibilities of the Board and its committees are well understood by the Part-time Members and management of the Commission;
- (iii) the members of the Board work together in a spirit of cooperation;
- (iv) adequate resources and timely and relevant information are available to the Board and its committees to enable them to fulfil their mandates;
- (v) the effectiveness of the Board and its committees is assessed on a regular basis;

---

<sup>1</sup> Persons appointed to the Commission by the Lieutenant Governor in Council pursuant to the *Securities Act* (Ontario) who also serve as directors of the Commission. The Chair and Vice-Chairs of the Commission are Full-time Members; the remaining Members are Part-time Members.

(vi) the Board's committee structure and the mandates of its committees are appropriate for the proper discharge of the Board's responsibilities; and

(vii) the scheduling, organization and procedures of Board and committee meetings provide adequate time for consideration and meaningful discussion of relevant issues.

(c) Appointment

The Lead Director is a Part-time Member who is elected by the other Part-time Members, meeting *in camera*. The Lead Director is appointed for a term having the same duration as the balance of his or her term of office as a Part-time Member provided, however, that the incumbent is not expected to serve for a period longer than three years in the absence of exceptional circumstances. The Part-time Members may elect another Part-time Member to fill a vacancy occurring in the position.

(d) Board Role

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.

The Chair of the Commission (the "Chair") shall preside at all meetings of the Board and, in his or her absence, a Vice-Chair of the Commission shall do so. In the absence of the Chair and the Vice-Chairs of the Commission, the Lead Director shall chair 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 the Part-time Members may be held as determined by the Lead Director or at the request of a Part-time Member. The Lead Director, or his or her designate, shall preside at all meetings of Part-time Members.

The Lead Director shall be given notice of and the agenda and materials for all meetings of Board committees and may attend any such meeting as a non-voting member unless the Lead Director is a member of that committee.

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

## **2. Duties and Responsibilities**

The Lead Director is responsible for overseeing the exercise of the governance obligations of the Board and its committees as set out in the Charter and the mandates of the committees, including the following:

### **(a) Board and Committee Agenda**

- (i) Reviewing with the Secretary of the Commission (the “Secretary”) the draft annual agenda and the agenda for each meeting 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 mandates of the committee, or are otherwise required for sound governance, are scheduled for consideration.
- (ii) Recommending to the Chair matters to be placed on the agenda for meetings of the Board.
- (iii) Recommending to the chairs of each committee, matters to be placed on the agenda for meetings of each committee.
- (iv) Ensuring that meetings of Part-time Members alone are held on a regular basis and determining the agenda for such meetings.
- (v) In consultation with the Secretary, ensuring that there is an appropriate system in place for identifying and scheduling carry-forward matters for consideration by the Board and its committees.
- (vi) Reporting annually to the Board on the status of its consideration of matters that it is required by the Charter to consider.

### **(b) Appointments and Re-appointment of Part-time Members**

- (i) Consulting with the Chair and the Governance and Nominating Committee with respect to the recommendation of suitable nominees for recommendation by the Chair for appointment as Part-time Members.
- (ii) Following consultation with each Part-time Member and the Chair of the Governance and Nominating Committee, recommending to the Chair of the Commission the re-appointment of Part-time Members.

### **(c) Appointment of Committee Chairs and Members**

Recommending to the Chair the appointment of committee chairs and members of committees having consulted the Governance and Nominating Committee.

(d) Nominations for Appointment of the Vice-Chair(s)

Consulting with the Chair and the Governance and Nominating Committee on the nomination for appointment of the Vice-Chair(s).

(e) Appointment of new Lead Director

Recommending to the Part-time Members the appointment of the Lead Director, following consultation with each Part-time Member.

(f) Appointment of the Secretary to the Commission

Together with the Chair, recommending the appointment of the Secretary to the Board.

(g) Board and Committee Effectiveness

(i) Meeting on an annual basis with each Part-time Member as appropriate to discuss the Part-time Member's assessment of the effectiveness of the Board and its committees and to report on the outcome of his or her inquiries to the Board.

(ii) Recommending to the Board amendments to the procedures of the Board and its committees to enhance their effectiveness.