

Ontario Securities Commission Adjudicative Committee Mandate

Establishment of the Committee

The Adjudicative Committee (the "Committee") of the Ontario Securities Commission (the "Commission") having been established by resolution of the Commission on May 14, 2002, shall, subject to the provisions of the by-laws of the Commission and to the applicable provisions of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), have the constitution, function and responsibilities herein set forth.

Mandate

The Committee shall review and periodically evaluate the Commission's adjudicative procedures and practices and recommend improvements thereto, as appropriate, to the Commission.

Committee Governance

Membership

The Committee shall consist of no fewer than three members (excluding any *ex-officio* members) each of whom shall be a member of the Commission and at least one of whom shall be a vice-chair of the Commission. The Secretary to the Commission shall be an *ex-officio* member of the Committee.

Appointment of Committee Chair and Members

At the first meeting of the Commission immediately following March 31 of each year, the chair of the Commission shall recommend nominees for the positions of the Chair and the members of the Committee for appointment by the Commission. The Chair of the Committee shall be a part-time Commissioner with significant expertise in adjudication. The Committee chair shall preside at all meetings of the Committee. The Commission may appoint a member to fill a vacancy that occurs in the Committee during the year.

If an appointment of new members of the Committee is not made as prescribed, the incumbent members shall continue as such until their successors are appointed.

A quorum of the Committee shall be a majority of its current members and no business shall be transacted by the Committee except at a meeting at which a quorum of the Committee is present. Notwithstanding the foregoing, the chair of the Committee may determine that any business to be transacted by the Committee may be so transacted by resolution in writing in lieu of a meeting of the members of the Committee, provided that: (i) no member of the Committee objects; and (ii) such resolution in writing, to be effective, shall be evidenced by the signatures of all of the members of the Committee.

Role of Secretary to the Commission and the Independent Adjudicative Counsel

The Secretary to the Commission shall be a member of the Committee.

The Independent Adjudicative Counsel of the Commission shall be the secretary of the Committee and shall record and maintain minutes of all proceedings of the Committee. The Independent Adjudicative

Counsel is also responsible for providing legal advice and for leading adjudicative projects directed by the Committee.

The Chair of the Committee, in consultation with the Secretary and the Independent Adjudicative Counsel, is responsible for identifying issues that should be considered by the Committee and for the development of the Committee meeting agendas.

Meetings

The Committee shall meet no less frequently than quarterly, at such time and in such place as the Chair of the Committee shall determine and the procedure in all things at such meetings shall be determined by the Committee. Additional meetings may be held from time to time as requested by any one of the Chair of the Commission, the Chair of the Committee, or a member of the Committee, and the time and place of such meetings shall be determined by the Chair of the Committee.

Duties and Responsibilities

Review of Commission's Adjudicative Processes

The Committee shall monitor and review the adjudicative system of the Commission and shall make such recommendations to the Commission as it may consider appropriate from time to time concerning the adjudicative system, including:

- i) periodically evaluating the effectiveness of the Commission's system of scheduling and conducting hearings and pre-hearing conferences and making recommendations to the Commission with respect thereto;
- ii) periodically evaluating the effectiveness of the Office of the Secretary, the Registrar, and the Independent Adjudicative Counsel and making recommendations to the Commission with respect thereto;
- iii) periodically evaluating the Commission's *Rules of Procedure* and other adjudicative policies and/or procedures and making recommendations to the Commission with respect thereto;
- iv) identifying, and conducting research projects in administrative and adjudicative law and making recommendations to the Commission with respect thereto;
- v) overseeing the adjudicative training program for Commissioners and the continuing adjudicative education program for all Commissioners and making recommendations to the Commission with respect thereto; and
- vi) reviewing annually, and recommending to the Commission for its approval, the form of disclosure of the Commission's adjudicative procedures and practices for publication.

The Committee may also, from time to time as it deems appropriate, recommend to the Commission that the Commission issue written policy statements with respect to any matter that has an impact on the Commission's adjudicative procedures and practices.

Decision-Making

The Committee shall have the authority to make recommendations to the Commission and to the Chair of the Commission but shall have no decision-making authority. However, the Chair of the Commission may authorize the Committee to make decisions regarding the Commission's *Rules of Procedure* and other adjudicative policies and/or procedures.

Consultation

The Committee may, from time to time, retain such consultants or advisors as it deems necessary or advisable and may invite other Commissioners, Staff of the Commission or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

The Committee may, from time to time, consult with members of the public, including members of the legal profession, to seek comment on adjudicative issues.

The Committee may also authorize, from time to time, that proposed amendments to the Commission's *Rules of Procedure* and other adjudicative policies and/or procedures be published for comment, although not required by statute. The Committee may also direct the Secretary and the Independent Adjudicative Counsel to prepare and publish notices, practice directives, and notices and requests for comment and other communications with the public in the Ontario Securities Commission Bulletin and in the Ontario Reports.

Reporting

The Chair of the Committee shall report orally to the Commission on the Committee's deliberations at each meeting of the Commission immediately following the meeting of the Committee to which such report refers.

These terms of reference shall be reviewed by the Committee at least once a year and, following such review, the Committee shall recommend to the Commission that it affirm, or if appropriate, amend, these terms of reference.

The activities of the Committee shall be reported annually in the Commission's governance statement accompanying its Annual Report.