

OSC ADVISORY COMMITTEES

TERMS OF REFERENCE

Registrant Advisory Committee

1. Introduction

The Ontario Securities Commission (OSC) is committed to an open, transparent and collaborative approach that involves stakeholders and ensures broad input and perspectives to inform its direction. Advisory committees are an important part of the OSC's stakeholder engagement process as it relates to the OSC's priorities, regulatory oversight and policy work.

These Terms of Reference relate to the OSC's role in regulating firms and individuals who are in the business of advising or trading in securities or commodity futures, and firms that manage investment funds in Ontario. These Terms of Reference are intended to inform the operation of the Registrant Advisory Committee (the Advisory Committee).

2. Mandate of the Advisory Committee

The Advisory Committee will serve as a consultative body to staff of the OSC. The Advisory Committee will:

- inform the OSC's priorities and annual business planning relating to regulating firms and individuals who are in the business of advising or trading in securities or commodity futures, and firms that manage investment funds in Ontario, and provide feedback on the progress made by the OSC on those priorities,
- provide feedback on OSC rule and policy making activity relating to registration and compliance related matters applicable to registrants,
- provide forward looking insights and trends, and
- provide a forum for input on issues and other initiatives relating to registration and compliance related matters applicable to registrants.

3. Nomination and appointment of Advisory Committee members

Open and transparent process

Appointments to the Advisory Committee will be made through an open nomination process posted online. The OSC will publish the names of the members of the Advisory Committee on its website.

Selection criteria

The OSC welcomes having diverse perspectives represented on all OSC advisory committees.

Selections will be made by staff of the OSC, based on the skills, knowledge, experience, competencies and attributes of the individuals who apply, their role in the sector they represent and other factors that OSC may determine are relevant. See Appendix 1 for specific experience that the OSC is seeking to have represented through the members of the Advisory Committee. To ensure the Advisory Committee has a cross section of views, the OSC welcomes members with retail investor protection experience or an investor protection outlook.

4. Membership

Members

Members of the Advisory Committee should have the skills, knowledge, experience, competencies and attributes to be able to actively contribute to discussions and the fulfillment of the Advisory Committee's mandate. Members will be expected to provide advice that will assist the OSC in fulfilling its mandate in the public interest.

Size of Advisory Committee

The Advisory Committee will have a target membership of no more than 15 members.

Chair of the Advisory Committee

The Chair of the Advisory Committee will be the Senior Vice President of the Registration, Inspections and Examinations Division.

5. Terms of Appointment

Terms of Advisory Committee members

Members will serve a two year term, with the option that a member's term may be renewed by the OSC for an additional term. The OSC may, at its discretion, choose to add or remove any member of the Advisory Committee at any time for any reason, and an Advisory Committee member may resign by giving a minimum two-week advanced written notice.

Replacement members

A person appointed to replace a member of the Advisory Committee before the member's term expires will hold office for the remainder of the term.

6. Responsibilities of Advisory Committee Members

By accepting an appointment to the Advisory Committee, it is the responsibility of all members to abide by the Advisory Committee's Terms of Reference and to participate in all Advisory Committee activities in good faith to ensure the effective discharge of the Advisory Committee's mandate.

Responsibilities of Advisory Committee members include:

- reviewing background material in preparation for meetings,
- attending meetings (delegation is not permitted if a member is unavailable, but the OSC may appoint another Advisory Committee member on an interim basis if a member is unavailable due to incapacity or other justifiable temporary cause as determined by the OSC),
- providing advice, information and feedback to staff of the OSC on the issues consulted on, and
- providing feedback to the OSC on the functioning of the Advisory Committee.

7. Meetings

Meeting frequency

It is expected that the Advisory Committee members will participate in the following meetings: eight meetings throughout the two year term, 90 minutes in duration, scheduled quarterly on a calendar basis. The Advisory Committee may hold additional meetings as often as may be necessary to discharge its mandate.

Location of meeting

Advisory Committee meetings will be held in person at the offices of the OSC, in hybrid mode, or virtually.

Notice of meetings

Notice of the time and place of meetings will be communicated at least one month before the meeting is to take place.

Agenda and materials

The OSC will endeavor to provide meeting agendas and related materials at least one week in advance of each regular meeting of the Advisory Committee.

Engagement with OSC Investor Advisory Panel

To support its role as the advisory committee to the OSC that provides the primary retail investor protection perspective on the OSC's policy and rule making initiatives, a member of the OSC's Investor Advisory Panel may, at the Chair's invitation, attend a meeting of the advisory committee to contribute to the retail investor perspective on staff-led discussions relating to OSC policy and rule-making initiatives.

8. Consultation and confidentiality

Consultation

Staff of the OSC recognize that the members of the Advisory Committee may wish to draw on the expertise of their colleagues to provide appropriate input to the Advisory Committee. Such targeted consultations should be limited and shall not extend beyond the member's organization.

Confidentiality

Advisory Committee members agree to hold in confidence the contents of the Advisory Committee meetings and any information or documents that come to their knowledge or possession by reason of being a committee member (to the extent not already public). Advisory Committee members must use such information or documents solely for the purpose of fulfilling their responsibilities as a committee

member and must not use the information or documents to benefit them directly or indirectly or anyone else, or in their profession or other activities beyond their role as a committee member.

While Advisory Committee members may consult on a targeted basis with colleagues whose expertise may be helpful to the Advisory Committee, those individuals who are consulted are subject to the same confidentiality obligations to which the Advisory Committee member has agreed.

9. Compensation

The OSC will not be providing any remuneration to Advisory Committee members.

10. Freedom of Information and Protection of Privacy Act

The *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31 (FIPPA), as amended, will generally apply to information and material provided to and prepared by or for the Advisory Committee. FIPPA provides all persons with legal rights of access to information subject to a limited set of exemptions.

11. Periodic review by the OSC

Review of the Advisory Committee

The OSC will review the activities and mandate of the Advisory Committee periodically and may amend, affirm, or rescind the mandate following its review.

Amendments to the Terms of Reference

The OSC may, at any time, amend the Advisory Committee's Terms of Reference. Subject to the following exception, amendments will take effect on a specified date that is 60 days after notice of the amendment is given to Advisory Committee members and posted on the OSC's website. An amendment that is procedural in nature or would make no material substantive change to the Terms of Reference takes effect immediately.

Appendix 1:

Advisory Committee member qualifications

The OSC is seeking members that have direct experience in one or more of the following functional areas within the securities industry:

- Senior industry compliance experience
- Compliance consulting
- Current or previous employment with a firm directly regulated by the OSC including in a Chief Compliance Officer or Ultimate Designated Person capacity
- Current or previous representative experience with an industry association that acts as a forum for membership for firms directly regulated by the OSC
- Retail investor protection experience

Members will be selected with an emphasis on ensuring adequate diversity by ensuring representation across the various registration categories overseen by the Registration, Inspections and Examinations Division, organization size, depth and breadth of industry related experience.

In addition, the OSC will be seeking representatives from industry associations and a compliance consulting firm.