

SCHEDULE “F” – BOARD CHARTER, CODE OF CONDUCT AND COMPOSITION

Board Charter

Technical Standards and Safety Authority (TSSA's) Board of Directors (Board) has adopted this Charter as part of its commitment to high standards of corporate governance. This Charter describes the Board's mandate, accountability and composition, and sets out a Board-Specific Code of Conduct.

More detailed information about TSSA's corporate governance is set out in the by-laws and in corporate policies, notably the Terms of Reference for a Director, the Board Competency Criteria and the Delegation of Authorities. The Board's activities are outlined in an annual governance work plan and recorded in minutes of meetings.

Mandate

The Board is responsible for stewardship, including oversight of the organization and taking a leadership role in the development of the organization's strategic direction. More specifically, the Board's mandate includes:

- regularly reviewing with management the strategic environment, the emergence of new risks and opportunities and the implications for TSSA's strategic direction;
- approving strategic plans that take into account TSSA's major risks and opportunities and overseeing the management of those risks;
- appointing, coaching, monitoring and assessing the performance of the Chief Executive Officer (CEO);
- charging the CEO of the organization with the general management and direction of the business and affairs of the organization;
- appointing the CSRO of the Corporation upon the consent of the Minister and directing the CSRO to prepare reports pursuant to the MOU;
- overseeing the appointment, training, monitoring and succession planning for senior management;
- monitoring the external communications, including public disclosures, of the organization;
- monitoring the integrity of the organization's internal control and management information systems; and
- approving the business plan and budget, and ensuring the integrity of the organization's reported financial performance.

The Board oversees the performance of the CEO and management team in discharging the management and direction of TSSA's business as delegated to them by the *Technical Standards and Safety Act, 2000*. The Board recognizes that it shall not interfere with the independent decision-making of employees exercising statutory functions.

Accountability

The Chair is directly accountable to the Minister for the performance of the corporation and the Board acknowledges that accountability to the Minister is through the Chair.

The Board is committed to TSSA complying with both the letter and the intent of oversight processes established in support of the Minister's accountability to the Ontario public and to demonstrating excellence in corporate governance.

Board Composition

Composition of the Board is governed by the Act. TSSA is governed by a 13-member Board of Directors (unless changed in accordance with the Act). The Board consists of:

- seven elected directors; and
- six directors appointed by the Minister.

The CEO of TSSA shall not be a Director.

At least three directors shall have work experience from any of the following sectors: amusement devices, boilers and pressure vessels, elevating devices, natural gas, operating engineers, petroleum, propane, ski lifts or upholstered and stuffed articles. At least three elected directors will be not directly related to the sectors identified above.

Except in the case of a Director who is appointed as Chair by the Minister, all elected directors may serve a maximum of five consecutive two-year terms, and retire in rotation so that some directors are elected every year. In the case of the Director appointed as Chair, the Director may serve an additional two-year term.

The Minister and the Board approve Board Competency Criteria and the Governance, Safety and Human Resources Committee (GSHRC) broadly seeks nominations of qualified individuals from a number of sources, including from the Industry and Consumer Advisory Councils. (See Schedule E for Board Competency Criteria). The Board Competency Criteria will be reviewed at least every five years to ensure that it reflects the current needs of the Board. In nominating individuals for election, the GSHRC seeks to ensure that the Board has a mix of skills and experience to provide appropriate leadership and strategic direction to TSSA. In addition, all new directors receive an orientation session prior to attending their first meeting and are supported by an ongoing development program.

All directors participate in Board member evaluations no later than once every two years in accordance with best practices. The review is facilitated by an independent third party under the supervision of the GSHRC and a copy of the review is provided to the Chair. The evaluation determines compliance with this Charter, other Board policies, and the effectiveness of the Board, Board Chair,

Committee Chairs and individual directors and is considered in making nominations.

Board Specific Code of Conduct

The purpose of the Board Specific Code of Conduct is to establish a standard of conduct applicable to the Board members of TSSA. This standard of conduct is required for public confidence, to ensure the maintenance of the integrity of TSSA and the promotion of its strategic objectives.

Expectations of a Director

Every director is expected to:

- Diligently fulfil the legal requirements and obligations of a director;
- Comply with this Board Charter;
- enhance public confidence in TSSA's ability to act in the public interest and for long term public good;
- perform their official duties and arrange their private affairs in a manner that will bear the closest public scrutiny;
- devote sufficient time to Board affairs;
- assist TSSA in the achievement of corporate strategic objectives;
- ensure that he or she and the Board as a whole act in the best interests of TSSA rather than in the interests of an individual director or any other interests; and
- monitor his or her continued ability to meet these expectations.

Any director who believes that his or her ability to meet these expectations is at risk, or may appear to be at risk, shall advise the Board Chair and together they will consider whether the director should offer to resign or to take a leave of absence.

The need to take such action may arise in the following circumstances:

- a change in affiliation or employment;
- accepting membership in a TSSA advisory council;
- adopting an adversarial position towards TSSA;
- being appointed a spokesperson for a regulated industry sector;
- being appointed to any other position that creates or appears to create inherently conflicting responsibilities;
- seeking an elected office; and
- being unable to attend meetings consistent with the established standard or participate in Board and committee meeting.

Specific Conduct as a Director

To enable the Board to discharge its collective responsibilities for stewardship, including oversight and strategic leadership, each director shall:

- maintain independence and objectivity;
- conduct himself or herself fairly, ethically and with integrity;

- contribute views based on his or her unique skills and experience;
- bring to the attention of the Board the perspective of a sector (if any) that he or she reflects, while continuing to act in the best interests of TSSA;
- act consistently with TSSA's statutory and contractual obligations related to the organization's delegated responsibilities;
- encourage disclosure of wrongdoing in the workplace (whistleblowing) in the context of ensuring that all TSSA's employees and those of all other individuals acting on behalf of TSSA exhibit TSSA's values;
- exercise authority as a Board member only at meetings of the Board or its committees or as specifically delegated by the Board;
- not step out of their official roles to assist private entities or persons in their dealings with TSSA where this would result in preferential treatment to any person or organization;
- not solicit or accept transfer of economic benefit, other than incidental gifts, customary hospitality, or other benefits as are reasonable in the circumstances from persons, groups or organizations having, or likely to have, dealings with TSSA;
- direct all external inquiries to the Board Chair and/or President and CEO; and
- address any requests of TSSA management to the CEO or to the Corporate Secretary.

To supplement and clarify provisions in its By-laws regarding the avoidance of conflicts of interest, members of TSSA's Board will not place themselves in any situations where they may be perceived to be in conflict of interest. A conflict of interest exists when there is the potential for a Board member's interests to be at odds with the best interests of the organization. The Board member's interests may be:

- Direct: a narrow legal conflict of interest exists when the individual or immediate family member has a personal or professional interest or obligation in a matter requiring a decision before TSSA;
- Indirect: when the financial gain is one step removed from the individual, (e.g. through potential benefit from participation in a sector); or
- Perceived: when someone outside of the organization perceives that an individual used their influence to get TSSA to make a decision that favoured someone or a group with whom the Board member has affinity.

Members of TSSA's Board will monitor potential conflicts of interest he or she may have regarding any matters before the Board and declare any potential conflicts promptly to the Board and abstain from discussion and voting on any related matter.

Every director is expected to maintain confidential all TSSA or third party information of a proprietary, confidential or sensitive nature which is communicated or disclosed to him or her or to which he or she has access in his or her capacity as a director.

Compliance

A director who has concerns about his or her own conduct or the conduct of another director regarding compliance with this Charter and Code should raise those concerns with the Board Chair. The Board Chair may seek the advice of the GSHRC and will communicate his or her decision directly to the director whose conduct is at issue.

If a director does not accept the decision of the Board Chair, he or she may request that the Board address the matter. In that event, the matter will be reviewed by the GSHRC, which will recommend to the Board a motion to approve, amend or replace the decision of the Board Chair.

TSSA's by-laws provide that a director may be removed by a special resolution of the members. With respect to Minister-appointed directors, this power is subject to the receipt of notice from the Minister.

Annual Affirmation and Review

Directors sign annually an affirmation that they have read and understood and will comply with this Charter and Code. The GSHRC reviews this Charter and Code annually and may recommend changes to enhance its effectiveness in ensuring achievement of the level of conduct expected of all Board members.

Requests for Clarification

Requests for clarification of this Charter and Code or of any other aspect of a TSSA Board Director's responsibilities should be directed to the Board Chair.

[As originally signed by George Irwin](#)

Chair of the Board
Technical Standards and Safety Authority

[June 24, 2012](#)

Date

[As originally signed by Margaret R. Best](#)

The Honourable Minister Margaret R. Best
Ministry of Consumer Services

[July 23, 2012](#)

Date