

CHARTER BOARD OF DIRECTORS

I. INTRODUCTION

The Electrical Safety Authority (“ESA”) is a not-for-profit corporation operating as a designated administrative authority on behalf of the provincial government in accordance with the *Safety and Consumer Statutes Administration Act*. The ESA is responsible for:

- Enhancing public electrical safety in Ontario
- Advising industry, government and the public on electrical safety matters
- Promoting and undertaking activities that encourage the harmonization of electrical safety standards and compliance practices
- Encouraging industry to responsibly enhance public electrical safety
- Administering Part VIII of the *Electricity Act* and its corresponding Regulations:
 - (1) Electrical Safety Code (164/99)
 - (2) Electrical Distribution Safety (22/04)
 - (3) Licensing of Electrical Contractors and Master Electricians (570/05)
 - (4) Product Safety (438/07)
- Advising the Province on amendments to Acts and Regulations contributing to the purpose of the *Safety Consumers Statutes Administration Act* or *Electricity Act*
- Informing and advising the province on matters of an urgent or critical nature related to the designated legislation

In addition, the ESA is also required to administer the appeal process provided under the *Safety and Consumer Statutes Administration Act* for statutory decisions on licenses (122/06) and orders issued by the ESA (3/05).

II. COMPOSITION

The composition of the Board is governed by the Letters Patent, Supplementary Letters Patent and ESA By-Law No. 4. Any change to the composition of the Board requires consent of the provincial minister designated responsibility for the ESA.

The ESA Board consists of 12 directors as follows:

- 3 directors are appointed by the Minister
- 9 directors are reflective of the following sectors:
 - 1 – professional engineering
 - 1 – electrical manufacturing
 - 2 – electrical utilities
 - 3 – electrical contractors
 - 1 - representing the interests of consumers
 - 1 – other than above sectors

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III. CODE OF CONDUCT

A. Accountability

ESA's delegated responsibility makes the Board accountable to the public for its electrical safety mandate. This mandate is the cornerstone upon which the Board's actions are found. A director's duty is owed first and foremost to the corporation. A Director must act honestly in good faith and avoid conflicts of interest in accordance with section 71 of the *Corporations Act*.

B. Conduct

In recognition of the Board's accountability to the public and statutory obligations, Board members are expected to:

- maintain independence and objectivity;
- act ethically, fairly and with personal integrity;
- adhere to the ESA's Code of Conduct and ensure their conduct is consistent with the standard of conduct governing employees of ESA; and
- disclose any actual or potential conflict of interest to the Board in a timely fashion.

C. Collective Responsibility

Board members are expected to act in the best interests of ESA as a whole rather than the interests of particular stakeholders. In recognition of this commitment, Board members are not eligible to serve on any industry or consumer advisory council providing advice to the ESA.

The Board governs collectively, not individually. No individual Board member, unless by delegation of power by the Board, has authority to bind the ESA, its officers or employees.

Board members:

- will not exercise or purport to exercise any authority as a Board member except at a meeting of the Board or a Board Committee or as specifically delegated by the Board;
- will direct requests of ESA management, other than requests for information only, through the CEO;
- may express an alternative position to other Board members, but will not establish themselves in an adversarial position with the Board or ESA employees.

D. Confidentiality

In the course of their duties Board members may become aware of information which is private, privileged, confidential or proprietary in nature. Board members shall not disclose any such information either during or after their term of office.

E. Differing Views

A healthy exchange of views among Board members regarding ESA's strategy, business plans, policies, procedures or practices is encouraged and contributes to effective decision making. Substantive disagreements among Board members are to be discussed only at formally constituted Board meetings.

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IV. AUTHORITY & RESPONSIBILITIES

The Board of Directors has the authority to direct the ESA. In accordance with Schedule “C” of the Administrative Agreement, the Board is responsible for supervising the management of ESA’s business and affairs, including oversight of ESA, and is expected to take a leadership role in the development of the ESA’s strategic direction, including:

- regularly reviewing with Management the state of electrical safety, the strategic environment, the emergence of new risks and opportunities including the implications for strategic direction, and the operation of ESA;
- approving strategic plans that take into account the ESA’s major risks and opportunities and overseeing the management of those risk;
- appointing, coaching, monitoring and assessing the performance of the CEO;
- charging the CEO with the general management and direction of the business and affairs of the corporation;
- overseeing the appointment, training, monitoring and succession planning for Senior Management; and
- approving the annual budget of the ESA and monitoring its financial performance to ensure the financial viability of the ESA and the efficient and effective use of its resources.

The Board oversees the performance of the CEO and Senior Management in discharging the management and direction of the ESA’s business including:

- (a) any decision that will result in a material deviation from Board-approved strategic, business or operational plans or policies;
- (b) the establishment of effective procedures for monitoring corporate performance;
- (c) any decisions required to be made by the Board of Directors under the terms of the applicable legislation and regulations governing the Corporation.

A. CHAIR

The Chair of the Board is delegated the authority and responsibilities set out in the corporations by-laws. This delegation shall include responsibility for the management, development and effective performance of the directors, and providing leadership to the directors in carrying out their collective responsibility for supervision of management of the business and affairs of the company.

The Chair will be responsible for taking a leadership role in regard to: maintaining and communicating with the Minister responsible for the ESA; ensuring the responsibilities of the Board are understood by the directors and management; ensuring the boundaries between the Board and Management are respected; fostering an effective relationship between the Board and Management.

The duties of the Chair are set out in Appendix A.

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B. BOARD COMMITTEES

The Audit & Investment, Regulatory Affairs and People and Culture & Governance Committees are delegated the authority and responsibilities set out in the terms of reference appended as Appendix B, C, and D respectively as approved by the Board. Any matter not explicitly delegated to the foregoing Committees remains within the exclusive domain of the Board. The Chair and membership of each Committee is selected by the Chair of the Board.

C. CHIEF EXECUTIVE OFFICER

The CEO is delegated the authority to supervise the business and affairs of the Corporation, subject to the direction of the Board of Directors and the execution limitations established by the Board as set out in the Organizational Authority Register. This delegation shall include the authority to make all decisions on behalf of the Corporation that do not require Member approval or have not been reserved by the Board of Directors to itself, the Chair or to a Committee of the Board under the terms of this Charter.

All Board authority delegated to management is delegated through the CEO, so that all authority and accountability of management, unless otherwise stated in this Charter, is considered to be the authority and accountability of the CEO.

The CEO is delegated authority to sub-delegate operational decision making as necessary and appropriate for the effective operation of the business.

The CEO, subject to the respective Chair's discretion, shall have a standing invitation to all Committee, Board and Members meetings.

The duties of the CEO are set out in Appendix E.

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