

ALBERTA SECURITIES COMMISSION

GOVERNANCE POLICY

Amended December 10, 2014

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I. INTRODUCTION

Although structured as a corporation, the Commission is a regulatory body created by statute. The Commission is unlike a business corporation in that it does not have shareholders to whom the board of directors reports. Instead, the Commission is accountable to the Minister and through him or her to the Alberta Legislature.

The purpose of this document is to outline the governance policy of the Commission. While based, in part, on governance policies for corporations, the policy reflects the fact that important differences exist between the Commission, as an agency of the Crown in right of Alberta, and a private sector corporation. The objective of the policy is to provide a flexible and practical framework for effective management of, and decision making by, the Commission. The policy is expected to change and evolve in response to the periodic review of its effectiveness by the Members.

II. INTERPRETATION

In this Policy:

"**Act**" means the *Securities Act*, R.S.A. 2000, c. S-4, as amended;

"**Audit Committee**" means a committee of Members established to be directly responsible for overseeing the work of the external auditor, to assist the Members in reviewing the financial information that will be provided to the Alberta Minister of Finance and Enterprise and to the public, to review the systems of financial internal controls that management has implemented and to review financial risk management;

"**Business Plan and Operating Budget**" means the document created by the Commission's Senior Management and approved of by the Members that outlines in reasonable detail the Commission's proposed operations for the next fiscal year and the means by which the Commission will conduct such proposed operations, including projected financial performance;

"**Chair**" means the individual who is the Chair and the Chief Executive Officer of the Commission;

"**Commission**" means the Alberta Securities Commission;

"**Decision**" means a decision of the Commission made under a power or right conferred by the Legislation or Rules;

"**Deputy Minister**" means the deputy of the minister of the Government responsible for securities regulation in Alberta;

"**Governance Committee**" means a committee of Members established to assist the Members in the development of the Commission's policies, practices and processes for good governance, in the selection and succession of Members of the Commission and its

committees, and in the evaluation and compensation of Independent Members of the Commission and its committees;

"**Government**" means the Government of Alberta;

"**Human Resources Committee**" means a committee of Members established to, *inter alia*, assist the Members in the evaluation and compensation of Members who are officers and employees of the Commission and to oversee the creation and maintenance of an effective organizational structure, human resources policies, and compensation and benefits plans for the Commission;

"**Independent Member**" means a Member who is neither an officer nor employee of the Commission;

"**Lead Independent Member**" means an Independent Member appointed pursuant to the Act with powers, duties and functions that are specified by the Lieutenant Governor in Council;

"**Legislation**" means the Act and the regulations made under the Act;

"**Mandate and Roles Document**" means the Mandate and Roles Document for the Commission created pursuant to the provisions of the *Alberta Public Agencies Governance Act*;

"**Member**" means a member of the Commission appointed pursuant to the Act;

"**Minister**" means the minister of the Government responsible for securities regulation in Alberta;

"**Policy Instruments**" means policy statements, blanket orders and notices issued by the Commission;

"**Rules**" means the rules made by the Commission under section 224 or 211.6(2) of the Act;

"**Senior Management**" means those employees of the Commission holding the following positions: Chair, Vice-Chair, Executive Director, General Counsel, Chief Accountant, Chief Financial Officer, and Director; and

"**Strategic Plan**" means the document created by the Commission's Senior Management and approved of by the Members that outlines the Commission's broad objectives and priorities for the following three fiscal years.

III. ROLE OF THE COMMISSION AND ITS MEMBERS

A. Role of the Members

The Members' responsibility for the administration of the Act includes management oversight, Rule making and adjudication. To meet their responsibilities in each of these functions, the Members require the nature and degree of objectivity appropriate to the exercise of each function.

Accordingly, the Members adopt the principles of objectivity and accountability. Senior Management is accountable to the Members and in addition, in the case of the Chair, to the Government. The Members are accountable to the Government, and by extension, to the public, for the proper administration of the Act and the effective governance of the Commission.

In their role as *de facto* directors of the Commission, the Members are responsible for overseeing the management of the business and affairs of the Commission, including approval of the Commission's Strategic Plan and annual Business Plan and Operating Budget. In particular, the Members are responsible for the following:

- (a) identifying appropriate governance processes to assist in fulfilling the Commission's mandate, including the development of bylaws and determining the frequency of meetings;
- (b) establishing a Governance Committee, Human Resources Committee and Audit Committee and other such committees as it deems necessary to carry out its duties and ensuring that a written mandate of each committee is reviewed and approved annually;
- (c) overseeing compliance with all relevant policies, procedures and standards by which the Commission operates and ensuring that the Commission operates at all times in compliance with all applicable laws and regulations and to the highest ethical standards;
- (d) approving all matters which require the Commission's approval as prescribed by applicable legislation and regulations; and
- (e) ensuring that an Annual Report is prepared and provided to the Minister, as set out in the Act.

In their Rule making role, the Members meet regularly to approve new Rules and amendments to existing Rules.

In their role as adjudicators, panels of Members hear enforcement proceedings, consider applications for exemptive relief from the requirements of the Legislation or Rules and hear appeals from decisions of the Executive Director and self regulatory organizations. The Members may, from time to time, adopt guidelines governing the preparation and release of decisions of panels of Members.

B. Terms of Reference for a Member

- (1) This section describes the responsibilities and guidelines for the conduct of Members. Each Member has the responsibility, in respect of the discharge of his or her duties under the Act to:
 - (a) act honestly and in good faith;

- (b) have an appropriate level of knowledge of the Legislation, Rules, Policy Instruments and Decisions;
 - (c) keep informed of current policy issues and initiatives;
 - (d) maintain a reasonable attendance record at meetings of the Commission and committees of which he or she is a member;
 - (e) prepare for meetings by reading the materials provided;
 - (f) ensure that he or she has the information necessary to make decisions;
 - (g) participate fully and frankly in the deliberations and discussions of the Commission;
 - (h) be available to a reasonable extent to sit on hearing panels;
 - (i) discharge his or her quasi judicial responsibilities fairly, expeditiously and in accordance with the public interest and administrative law principles generally;
 - (j) act objectively; and
 - (k) maintain confidentiality respecting the Commission's activities and affairs.
- (2) Each Member is expected to:
- (a) participate in the review and approval of Commission policies and strategies and in monitoring their implementation;
 - (b) be an available resource to Senior Management and the Commission;
 - (c) advise the Chair before introducing significant or previously unknown information or material at a Commission meeting;
 - (d) understand the difference between governing and managing and not encroach on Senior Management's areas of responsibility;
 - (e) communicate with the Chair or Lead Independent Member between meetings, when appropriate;
 - (f) encourage free and open discussion of the affairs of the Commission by its Members;
 - (g) ask appropriate and relevant questions of Senior Management respecting the activities and affairs of the Commission;
 - (h) become acquainted with Senior Management and question them appropriately and at proper times on strategy, implementation and results;

- (i) demonstrate interest in the long term success of the Commission;
- (j) establish effective and collegial relationships with other Members;
- (k) participate on committees when asked and become knowledgeable about the purposes and terms of reference of any such committee;
- (l) be an effective ambassador for and representative of the Commission; and
- (m) conduct his or her business and personal affairs in such a manner that no embarrassment to the Commission could reasonably result therefrom.

C. Terms of Reference for the Chair

- (1) Under the Act, the roles of the Chair and the CEO are combined. The Chair is entitled to expect the Members to provide support, advice and constructive criticism, all as appropriate from time to time. The following are the Terms of Reference for the Chair, distinguishing the responsibilities of Chair from those of CEO.
- (2) The Chair, in his or her capacity as Chair, shall:
 - (a) ensure that Senior Management is aware of, and responsive to, the concerns of the Members, the Government and other stakeholders;
 - (b) provide strong leadership to the Members in their roles of management oversight, Rule making and adjudication;
 - (c) provide strong leadership in identifying emerging issues in securities regulation;
 - (d) advise the Members when it is appropriate to establish additional committees of the Members;
 - (e) conduct Commission meetings in an effective, efficient and focused manner;
 - (f) appoint hearing panels and generally oversee the Commission's hearing procedures;
 - (g) ensure that the Commission is appropriately represented at functions and on occasions where it is in the Commission's interest to be so represented;
 - (h) communicate effectively and persuasively the Commission's recommendations to the Minister as contemplated by this policy.
 - (i) ensure that the Commission, and its committees, have opportunities to meet independently of management;

- (j) ensure that the Commission conducts an annual evaluation of its performance and the performance of Members who are officers and employees of the Commission; and
 - (k) administer the Code of Conduct in relation to the Commission and ensure that conflict of interest matters are addressed by the Commission.
- (3) The Chair, in his or her capacity as CEO, shall:
- (a) lead and manage the Commission;
 - (b) report to the Minister and the Members;
 - (c) keep the Members current on major developments, ensuring that the Members have sufficient information to permit them to fully discuss potential issues and to make decisions;
 - (d) direct and monitor the activities of the Commission so that the Commission's objectives are achieved;
 - (e) develop and recommend to the Members the overall structure and staffing of the Commission;
 - (f) oversee the interactions among the Members;
 - (g) oversee the relationship between the Commission and the public, including the industry it regulates;
 - (h) oversee the development and implementation of the Commission's Strategic Plan and Business Plan and Operating Budget;
 - (i) ensure that programs and services are being delivered within the standards and policies of the Commission and the Government;
 - (j) establish appropriate systems for the general administration and financial management and control of the Commission;
 - (k) monitor performance and take corrective action when problems are identified;
 - (l) ensure the proper management of the Commission's risk in providing services and care of the organization's assets;
 - (m) provide support to the Commission to allow it to carry out its governance responsibilities; and
 - (n) maintain effective communications with the Deputy Minister, senior staff in the Ministry, other Ministries as required, stakeholders and other business partners.

D. Terms of Reference for a Vice-Chair

- (1) In addition to his or her duties and responsibilities as a Member, the primary responsibility of a Vice-Chair of the Commission shall be:
 - (a) at the direction of the Chair, to participate as a member of panels of the Commission, including acting as chair of same; and
 - (b) as directed by the Members of a panel, to ensure the preparation as promptly as practicable and in accordance with such decision release guidelines as may be approved by the Members from time to time, of written decisions of such panel in respect of any hearing, review, inquiry, investigation or other proceeding conducted by such panel.
- (2) In addition to the foregoing, a Vice-Chair shall have the following duties and responsibilities:
 - (a) to be responsible for and direct such special projects and policy matters as may be delegated to such Vice-Chair from time to time by the Chair;
 - (b) to conduct meetings of the Commission in the absence of the Chair; and
 - (c) to represent the Chair and the Commission at various meetings, conferences and events as requested from time to time by the Chair.

E. Terms of Reference for the Lead Independent Member

- (1) The duties of the Lead Independent Member shall be:
 - (a) to call meetings of the Independent Members at least quarterly in each fiscal year; and
 - (b) to chair the meetings of the Independent Members and determine the agendas for and procedures of those meetings.
- (2) In addition, the Lead Independent Member may:
 - (a) in consultation with the Chair, review and make recommendations with respect to the agenda for full meetings of the Commission;
 - (b) in consultation with the chairs of each of the committees of the Commission, review and make recommendations with respect to the agenda for any of the meetings of the committees of the Commission;
 - (c) attend any committee meeting, but with no authority to vote on any matter before the committee except in his or her capacity as a member of the committee;

- (d) at any time during a meeting of the Commission request an adjournment of the meeting so that the Independent Members can meet;
- (e) advise the Chair of any issues regarding the governance system of the Commission; and
- (f) assist in the communication amongst the Members.

IV. APPOINTMENT PROCESS

A. Appointment of Members (other than the Chair and Vice-Chair)

- (1) The Lieutenant Governor in Council is ultimately responsible for appointing Members to the Commission. Nevertheless, it is important that the Members play a central role in the selection of candidates to be recommended to the Minister for appointment to the Commission. Accordingly, with respect to Members other than the Chair and each Vice-Chair:
 - (a) the Governance Committee shall review periodically the Commission's requirements for Members as a result of changing circumstances or pending retirements. At least six months in advance of the expiry of the term of a Member, the Governance Committee shall review the Member so as to determine whether to seek to renew his or her term or begin the search for a candidate to be appointed as a new Member;
 - (b) if one or more new Members are being sought, the Governance Committee shall prepare a "position profile" for each position on the Commission that needs to be filled outlining the needs of the Commission, the skill set and other qualifications required of candidates for nomination as new Members. This profile shall be presented by the Chair to the Deputy Minister for consideration and comment. The Governance Committee shall commence the search process for nominees for appointment as new Members having regard to the position profiles;
 - (c) the Chair and the Governance Committee will be responsible for selecting those candidates to be nominated for appointment as new Members of the Commission. The Deputy Minister will be invited to participate in all meetings, discussions and interviews conducted by the Chair and the Governance Committee;
 - (d) the qualifications of each candidate for appointment as a new Member shall be reviewed by the Chair and the Governance Committee, and the review of each candidate will include screening for conflicts of interest. The Chair and the Governance Committee will determine those candidates who will be interviewed. The Chair and those members of the Governance Committee who are available shall interview each of those candidates;

- (e) the Chair and the Governance Committee, in consultation with the Deputy Minister, shall, having due regard to the position profile referred to in Part IV, Section A, clause (1)(b) above, determine which of those candidates will be nominated for appointment as new Members, the number of which shall be not less than one and one-half times the total number of new Members to be appointed;
- (f) not later than 60 days prior to the date of expiry of the relevant terms, the Chair will advise the Minister of the names of the candidates recommended for appointment and, after consultation with the Governance Committee, those current members recommended for reappointment. With respect to those candidates recommended for appointment as new Members, the Chair will advise the Minister of their relative ranking by the Chair and the Governance Committee, made in consultation with the Deputy Minister. In addition, the Chair shall provide the Minister with any other relevant information the Minister may request with respect to those candidates; and
- (g) the Commission shall not seek an appointment or reappointment of a Member for a period longer than three years, and the Commission shall not seek the reappointment of a Member who will have served as a Member for six or more years upon the expiration of that Member's term.

B. Appointment of Chair

- (1) The Chair is appointed by Order in Council issued by the Lieutenant Governor in Council. Nevertheless, it is important that the Governance Committee play a central role in the selection of the candidate recommended to the Minister for appointment as Chair.
- (2) The Governance Committee shall:
 - (a) at least nine months in advance of the expiry of the term of the Chair, review the performance and circumstances of the Chair and the needs of the Commission to determine whether to recommend a renewal of his or her term or the appointment of a new Chair;
 - (b) the Governance Committee shall forward its recommendation to the Minister at least six months in advance of the expiry of the term of the Chair;
 - (c) if the Minister determines that a new Chair should be appointed:
 - (i) the Governance Committee shall prepare a "position profile" outlining the needs of the Commission, the skill set and other qualifications required of candidates. This profile shall be presented by the Governance Committee to the Deputy Minister for consideration and comment. The Governance Committee shall commence a process to identify candidates for the position of Chair, having regard to the

- approved position profile. The Governance Committee may engage an independent consultant to assist in identifying prospective candidates;
- (ii) the Deputy Minister and the Governance Committee will comprise the “CEO Selection Panel,” and the Deputy Minister will be the chair of the CEO Selection Panel. The CEO Selection Panel will be responsible for selecting the candidate to be recommended to the Minister for appointment as the new Chair;
 - (iii) the qualifications of each candidate shall be reviewed by the CEO Selection Panel, and the CEO Selection Panel will determine those candidates who will be interviewed. The Deputy Minister and other members of the CEO Selection Panel who are available shall interview each prospective candidate; and
 - (iv) the CEO Selection Panel shall, having due regard to the position profile referred to in Part IV, Section B, clause (2)(c)(i) above, determine the candidate to be recommended to the Minister for appointment as the new Chair.
- (3) Contemporaneously with his or her appointment, the Chair shall enter into an employment contract with the Commission on such terms as have been agreed to by the Commission. The remuneration for the Chair shall be set by the Commission, based on the recommendation of the Human Resources Committee and subject to any applicable provincial enactment. The Governance Committee, in consultation with the Human Resources Committee, may engage an independent consultant to assist it in determining the appropriate remuneration to be included in the employment contract.
- (4) In the event that the Chair unexpectedly resigns from, or becomes incapable of continuing in, that role, the Governance Committee will commence the process as outlined above to appoint a new Chair.

C. Appointment of Vice-Chair

- (1) A Vice-Chair is appointed by Order in Council issued by the Lieutenant Governor in Council. Nevertheless, it is important that the Chair and the Governance Committee play a central role in the selection of candidates to recommend to the Minister for appointment and designation as a Vice-Chair. Accordingly:
- (a) the Chair may, from time to time, advise the Governance Committee of the desire to have one or more individuals designated as a Vice-Chair. The Chair shall prepare a “position profile” outlining the needs of the Commission, the skill set and other qualifications required of candidates for nomination as a Vice-Chair. This profile shall be presented by the Chair to the Deputy Minister and the Governance Committee for consideration and comment. The Chair and the Governance Committee shall commence the search process for nominees for appointment and designation as a Vice-Chair having regard to the position profile;

- (b) the Chair and the Governance Committee will be responsible for selecting those candidates to be nominated for appointment and designation as a Vice-Chair of the Commission. The Deputy Minister will be invited to participate in all meetings, discussions and interviews conducted by the Chair and the Governance Committee;
 - (c) the qualifications of each candidate for appointment and designation as a Vice-Chair shall be reviewed by the Chair and the Governance Committee, and the review of each candidate will include screening for conflicts of interest. The Chair and the Governance Committee will determine those candidates who will be interviewed. The Chair and those members of the Governance Committee who are available shall interview each of those candidates;
 - (d) the Chair and the Governance Committee, in consultation with the Deputy Minister, shall, having due regard to the position profile referred to in Part IV, Section C, clause (1)(a) above, determine which of those candidates will be recommended to the Minister for appointment and designation as a Vice-Chair; and
 - (e) the Chair shall provide the Minister with any other relevant information the Minister may request with respect to the candidate recommended to the Minister for appointment and designation as a Vice-Chair.
- (2) Contemporaneously with his or her appointment, a Vice-Chair shall enter into an employment contract with the Commission on such terms as have been agreed to by the Commission. The remuneration for a Vice-Chair shall be set by the Commission, based on the recommendation of the Human Resources Committee and subject to any applicable provincial enactment. The Chair or the Governance Committee, in consultation with the Human Resources Committee, may engage an independent consultant to assist it in determining the appropriate remuneration to be included in the employment contract.

D. Appointment of Lead Independent Member

- (1) The Lead Independent Member is appointed by Order in Council issued by the Lieutenant Governor in Council. Nevertheless, it is important that the Chair, the Governance Committee and the Independent Members play a central role in the selection of the Independent Member who will be recommended to the Minister for appointment as the Lead Independent Member.
- (2) The Governance Committee shall, in consultation with the Chair and the Independent Members, recommend to the Minister not later than 60 days prior to the end of each fiscal year of the ASC an Independent Member to be appointed by the Minister as Lead Independent Member for the immediately following fiscal year of the ASC provided that the Governance Committee shall not recommend a nominee for more than three successive terms, including the initial term and any renewals thereof.

E. Orientation Program for new Members

- (1) As soon as practicable following the appointment of a new Member, the Chair shall ensure that the new Member receives such information covering the operation of the Commission and the duties and responsibilities of Members of the Commission as is necessary and as may be reasonably requested by the new Member. Such information shall include, at a minimum, copies of relevant excerpts from the Act, the Act, the Mandate and Roles Document, bylaws of the Commission, this policy, minutes of the previous two meetings of the Members, Commission organization chart, all relevant policies of the Commission, any decision release guidelines and the Members' compensation policy. In addition, the Chair will arrange for the new Member to meet with Senior Management for the purpose of receiving a briefing on the areas for which such individuals are responsible at the Commission.
- (2) Members are encouraged to attend, with the prior approval of the Chair, appropriate courses or programs offered by educational or other qualified institutions, and obtain educational materials which are relevant to their duties and responsibilities as Members. The cost of attending such courses or programs and obtaining such educational materials shall be borne by the Commission.

V. EVALUATION PROCESS

A. Evaluation of Chair

- (1) At the commencement of the Chair's first term, the Chair shall provide the Human Resources Committee with his or her objectives, that are aligned with the Strategic Plan, for the remaining part of the current fiscal year. No later than March of each subsequent fiscal year, the Chair shall provide the Human Resources Committee with:
 - (a) a written self evaluation of his or her performance as Chair measured against both the previous fiscal year's objectives and the "Terms of Reference for the Chair" contained in this Policy; and
 - (b) his or her objectives, that are aligned with the then current Strategic Plan, for the upcoming fiscal year.
- (2) In the Chair's first year, the Human Resources Committee will discuss the Chair's objectives for the remaining part of the current fiscal year at its first meeting that occurs after receiving the objectives from the Chair. No later than May of each subsequent fiscal year, the Human Resources Committee will discuss with the Chair his or her performance having regard to the self-evaluation of the Chair and the "Terms of Reference for the Chair" contained in this Policy, as well as his or her objectives for the upcoming fiscal year.
- (3) In the Chair's first year, the Human Resources Committee will report to the Members on its assessment of the Chair's objectives for the remaining part of the current fiscal year at the first meeting of the Commission held after the Human Resources Committee has discussed those objectives. No later than May of each subsequent

fiscal year, the Human Resources Committee will report to the Members at a meeting of the Commission on its assessment of the performance of the Chair and his or her objectives for the upcoming fiscal year.

- (4) No later than May of each year, the Human Resources Committee will present to the Members at a meeting of the Commission its recommendation respecting the compensation package of the Chair for the upcoming fiscal year, subject to the terms of the Chair's employment contract and any applicable provincial enactment.

B. Evaluation of Vice-Chair

- (1) At the commencement of a Vice-Chair's first term, that Vice-Chair shall provide the Chair with his or her objectives for the remaining part of the current fiscal year. No later than March of each subsequent fiscal year, that Vice-Chair shall provide the Chair with:
 - (a) a written self evaluation of his or her performance measured against both the previous fiscal year's objectives and the "Terms of Reference for a Vice-Chair" contained in this Policy; and
 - (b) his or her proposed objectives for the upcoming fiscal year.
- (2) In a Vice-Chair's first year, the Human Resources Committee will discuss with the Chair that Vice-Chair's objectives for the remaining part of the current fiscal year at its first meeting that occurs after the Chair has received the objectives from that Vice-Chair. No later than May of each subsequent fiscal year, the Human Resources Committee will discuss with the Chair the performance of each Vice-Chair having regard to the respective self-evaluations of each Vice-Chair and the "Terms of Reference for a Vice-Chair" contained in this Policy, as well the respective objectives of each Vice-Chair for the upcoming fiscal year. At this meeting, the Chair shall provide the Human Resources Committee his or her assessment of, and recommendation respecting the compensation package for, each Vice-Chair for the upcoming fiscal year.
- (3) No later than May of each fiscal year subsequent to that Vice-Chair's first year, the Human Resources Committee will report to the Members at a meeting of the Commission on its assessment of the performance of that Vice-Chair and its recommendation respecting the compensation package of that Vice-Chair for the upcoming fiscal year, subject to the terms of that Vice-Chair's employment contract and any applicable provincial enactment.

C. Evaluation of Members

- (1) In December of each year, the chair of the Governance Committee will ask all Members to make comments to assist in the annual evaluation of the performance of the Commission, the Independent Members, committees of Members and this policy using the questionnaire prepared by the Governance Committee.

- (2) The chair of the Governance Committee will arrange to summarize the input of all Independent Members on an anonymous basis and report to the Governance Committee no later than March of each fiscal year. No later than March of each fiscal year, the Governance Committee will report to the Members at a meeting of the Commission on the Governance Committee's assessment of the performance of the Commission, the Independent Members, committees of Members and this policy in the previous fiscal year. The Governance Committee will also present its recommendations respecting the compensation package for the Members for the upcoming fiscal year.

VI. COMMITTEES OF THE MEMBERS

The Members may, from time to time, establish committees of Members and shall determine the terms of reference for any such committee established.

The terms of reference for the Audit Committee, the Human Resources Committee and the Governance Committee are attached as Appendix "A", Appendix "B" and Appendix "C" respectively.

VII. STANDARD OF CONDUCT

As noted in the Commission's Mandate and Roles Document, the Commission will maintain a code of conduct designed to ensure that the Commission conducts itself in accordance with good governance principles and the highest ethical standards. The code of conduct will detail the process by which it is administered.

The Members, all Senior Management, and staff are expected to comply with the terms of the Commission's code of conduct that are applicable.

VIII. STRATEGIC PLAN, ANNUAL BUSINESS PLAN AND OPERATING BUDGET

A. Strategic Plan

- (1) Senior Management has the responsibility to develop for the Members' consideration and approval a Strategic Plan on a timely basis each year.
- (2) In developing the Strategic Plan, Senior Management shall give the Members the opportunity to give substantive input at the development stage of the Strategic Plan. Accordingly, Senior Management will present to the Members, for their approval, not later than the last day of June each year, a reasonable time line and process for development of the Strategic Plan.

B. Business Plan and Operating Budget

- (1) Senior Management has the responsibility to develop for the Members' consideration and approval an annual Business Plan and Operating Budget which is based on the Strategic Plan.

- (2) The Business Plan and Operating Budget shall be presented to the Members for their consideration and approval not later than the last day of February each year.
- (3) Not later than the last day of May each year, the Chair shall report to the Members on the operational performance of the Commission in the previous fiscal year with specific reference to the Business Plan and Operating Budget of the Commission for such fiscal year.