

## IIROC DISTRICT COUNCIL PROCEDURES

### 1. **Composition of District Councils**

- 1.1. Each District Council shall be composed of four to twenty members as may be determined by the District Council provided no more than twenty-five percent of the District Council is comprised of members from the same firm.
- 1.2. Ex officio members appointed by the IIROC Board under IIROC By-law No. 1 have the same rights and privileges of any other District Council member.
- 1.3. Each member of the District Council must be an officer or employee of a Dealer Member.
- 1.4. Each District Council shall be governed by a Chair, and Vice-Chair who are voting members of such District Council.
- 1.5. The Chair and Vice-Chair are elected at the Annual General Meeting of the District.

### 2. **Election of Members to District Councils**

- 2.1. Each District Council shall appoint a Nomination Sub-Committee.
- 2.2. The mandate of the Nomination Sub-Committee is to solicit nominations from Dealer Members with offices in the District, review the nominations received for election and recommend to the District Council nominations for election to the District Council.
- 2.3. The Nomination Sub-Committee shall seek to ensure a proper balance of District Council members who will, collectively, provide effective representation of the membership, having regard to each nominee's disciplinary history, if any, skills, experience and expertise necessary to discharge his or her obligations as a District Council member, including regulatory responsibilities pursuant to IIROC Rules and Delegation Orders issued by the provincial and territorial securities regulatory authorities.
- 2.4. The District Council will determine the slate of nominees presented to the Dealer Members for election to the District Council at the Annual General Meeting of the District.
- 2.5. A Dealer Member shall have one vote only in the election of District Council members.
- 2.6. Dealer Members must be notified that they are entitled to send a representative to represent them and vote at the Annual General Meeting in accordance with section

10.4 of IIROC By-law No. 1.

- 2.7. Any vacancy, including the Chair or the Vice-Chair, on the District Council arising from a resignation, removal or inability to serve may be filled by a resolution of the District Council, until the Annual General Meeting immediately following the filling of the vacancy.

### 3. **District Council Meetings**

- 3.1. Each District Council shall meet at least once a month, unless the Chair determines otherwise.
- 3.2. The Chair or any two members of a District Council may call a special meeting of the District Council at any time.
- 3.3. At least twenty-four hours written notice of any District Council meeting shall be given to all District Council members.
- 3.4. At least fifty percent of District Council members shall be a quorum for any meeting of a District Council.
- 3.5. Meetings may be held in person, by telephone or by any other means of communication that permit all persons participating in the meeting to communicate with each other.
- 3.6. Decisions shall be made by a majority of the votes cast and, in the event of a tie vote, the Chair of the District Council meeting, during which the vote is being held, shall cast the tie breaking vote.
- 3.7. Each District Council member shall be entitled to one vote in respect of each matter requiring a vote of the members of the District Council.
- 3.8. Approval of a resolution by District Council via email or other written means, not in a duly constituted meeting, requires no less than 80% approval of those members of the District Council eligible to vote on the matter under consideration.
- 3.9. Each District Council will maintain and approve, on a timely basis, minutes of District Council meetings.

### 4. **Term**

- 4.1. A District Council Chair and Vice-Chair shall be elected to hold such positions for up to a maximum of four consecutive years.
- 4.2. Members of a District Council are elected for two-year terms.

### 5. **Sub-Committees of the District Council**

- 5.1. Each District Council shall annually, and from time to time, appoint by resolution three to five of its members to the Registration Sub-Committee. In some instances,

the District Council may appoint, by resolution, alternate members to the Registration Sub-Committee to fill in for an absentee member or for a member who has a conflict which prevents them from considering a matter.

- 5.2. All submissions requiring a Registration Sub-Committee decision must be submitted to all members of the Sub-Committee. If one of the members of the Sub-Committee is unavailable, the Chair of the District Council or an alternate will fill in for the missing member.
- 5.3. A quorum for a decision of a Registration Sub-Committee is three members entitled to consider the matter. Decisions of the Registration Sub-Committee are by majority vote and members may consult among themselves before they decide on a matter. The Registration Sub-Committee may not communicate with one party in the absence of the other.
- 5.4. Registration Sub-Committee members communicate their decision to IIROC Registration staff and the applicant at the same time either in writing through email or at meetings held in person or by teleconference.
- 5.5. Decisions of a Registration Sub-Committee are reported to the District Council for information.
- 5.6. A District Council may appoint at any time other Sub-Committees for the District.
- 5.7. Each District Council Sub-Committee shall have a written mandate approved by the District Council setting out the responsibilities and procedures to be followed by the Sub-Committee except the Registration Sub-Committee mandate, which shall be approved by the IIROC Board.

## **6. Code of Conduct for Members of the District Councils**

- 6.1. Members of the District Councils shall acknowledge in writing and agree to be bound by the Code of Conduct and Conflicts of Interest Policy upon election to the District Council and annually thereafter.
- 6.2. The District Council Chair shall deal with potential or actual conflicts of interest involving District Council members in accordance with the Code of Conduct and Conflicts of Interest Policy.
- 6.3. District Council members may, by resolution, remove a District Council member
  - who misses three District Council meetings without a valid reason; or
  - for a material breach of the Code of Conduct and Conflicts of Interest Policy.
- 6.4. Where IIROC or a securities regulatory authority has issued a notice of hearing naming a District Council member personally, the District Council member must withdraw from District Council proceedings until the matter is finally resolved.

