



Travel Industry Council of Ontario **Governance Model**

BOARD COMPOSITION

Representative, Competency Based, Decision Board

Board members are selected to represent various stakeholder groups. The individuals are chosen for their competencies, knowledge, experience, passion and commitment to serve the mission of the corporation.

Rationale:

- TICO is committed to constituency representation for consumers, business and government.
- The board is a vehicle to hear various stakeholder perspectives.
- Board members provide input on specific stakeholder interests and concerns and serve to keep the organization connected to the stakeholder groups.
- Board members have broad based understanding of the industry and consumer protection issues for making decisions.
- The knowledge and expertise of board members enhance the strategies of the organization, which are the focus of the board's work.
- The input and perspective of board members help ensure the mission of the organization is met.
- Periodically, the board reviews the competencies needed in board members to move the organization forward and effectively address the challenges of a changing marketplace.
- Over time, as the needs of the organization change, the composition of the board will change to respond to the growing complexities of governing corporations.
- All expertise does not necessarily reside in the board, but the board knows how to get the specialized or required knowledge necessary to enable it to make the best possible decisions for the corporation.

CEO FUNCTION

The CEO is the only employee of the TICO Board

Rationale:

- The board is responsible for recruiting, selecting, evaluating and terminating the CEO.
- The focus of the board is on the large strategic issues on which they provide input and perspective to the CEO.
- The complexity of the business issues, available time to commit as a board member and the skills, knowledge and experience required, precludes members from day to day involvement in operations.
- The CEO is a non-voting ex-officio member of the board and is the operational leader.
- The CEO is ultimately responsible for all operational issues and with achieving the mission of the organization.
- The board recognizes the right of management to manage.
- The CEO sets the criteria for operational standards with the approval of the board.
- The CEO and his staff use the board expertise to improve planning and operational excellence.
- The CEO is evaluated on the ability to lead the operations and provide vision and strategic thinking for future directions.
- The CEO, with the approval of the board, designates and develops alliances and partnerships beneficial to the organization.

REGISTRAR FUNCTION

The Registrar under the Act and any Deputy Registrar exercise statutory duties which require independent decision-making and the Board shall not interfere with the independent exercise of these statutory functions

Rationale:

- The TICO Board of Directors appoints a Registrar to carry out its administrative and regulatory functions.
- The Board of Directors may appoint up to a maximum of two Deputy Registrars.
- A Deputy Registrar shall perform such duties as are assigned by the Registrar and shall act as the Registrar in the Registrar's absence.

- The Registrar and Deputy Registrar(s) shall be employees of TICO.
- The Registrar and Deputy Registrar(s) shall not be:
 - a member of the Board
 - a Director or Deputy Director
 - an employee of a trade association representing the interests of the regulated industry
 - a registrant under the Act
- Under the Act, the powers of the Registrar include:
 - performing the duties conferred or imposed by the Act
 - registering qualified persons as travel agents and/or wholesalers
 - serving notice of proposals to refuse to register applicants, refuse to renew applicants, to suspend or revoke registrations
 - issuing immediate suspension orders
 - ordering the cessation of false, misleading or non-compliant advertising
 - conducting inspections of business premises of registrants and business premises of suspected unregistered agents or wholesalers
 - requiring registrants to provide information regarding complaints and conducting inspections related to complaints
- Under the Regulation, the powers of the Registrar include:
 - receiving registration fees
 - receiving and returning security
 - registering only those persons who meet the requirements
 - receiving required information from registrants
 - recording qualified supervisor/managers
 - receiving financial statements
 - requiring audited financial statements or statements verified by affidavit where additional information is necessary
 - providing consent to maintain more than one trust account
 - approving locations where books and records are maintained, if other than the principal place of business
- While, the Board of Directors shall not interfere with the independent exercise of these statutory functions, the Board reserves the right to review the manner in which the Registrar functions are carried out, for example, statistics and outcomes, consistent with its duty to supervise the management of the business affairs of TICO.

STATUTORY DIRECTOR FUNCTION

The Statutory Director under the Act and any Deputy Director exercise statutory duties which require independent decision-making and the Board shall not interfere with the independent exercise of these statutory functions

Rationale:

- The TICO Board of Directors appoints a Statutory Director and may appoint up to a maximum of two Deputy Directors.
- A Deputy Director shall perform such duties as are assigned by the Director and shall act as the Director in the Director's absence.
- The Director or Deputy Director(s) shall not be:
 - a member of the Board unless the Board has approved guidelines for the independent exercise of the Director's statutory duties
 - a Registrar or Deputy Registrar
 - hold a position at TICO that is subordinate to the Registrar or Deputy Registrar
 - an employee of a trade association representing the interests of the regulated industry
 - a registrant under the Act
- Under the Act, the powers of the Director include:
 - ordering investigations
 - applying to a judge for the appointment of a receiver and manager
 - issuing freeze orders
 - where a person fails to comply with an order made under the Act, applying to a judge for an order directing the person to comply
- Under the Regulation, the powers of the Director include:
 - designating one or more events as a major event
 - approving immediate departure payments
 - directing TICO to make trip completion payments
 - requiring the affairs of TICO to be audited
- While, the Board of Directors shall not interfere with the independent exercise of these statutory functions, the Board reserves the right to review the manner in which the Director functions are carried out, consistent with its duty to supervise the management of the business affairs of TICO.

BOARD FUNCTION

Board members are fiduciary stewards and leaders in service to the organization

Rationale:

- The board has the fiduciary responsibility to oversee, monitor and ensure quality, fiscal effectiveness, legal compliance, etc. This includes ensuring compliance with the legislation, Administrative Agreement and TICO's By-law.
- Pursuant to the constating documents, the powers of the board include:

- managing the affairs of the Corporation
- setting policy for the Corporation
- administering the Corporation's affairs according to the law
- appointing the Statutory Director and any Deputy Directors
- appointing the Registrar and any Deputy Registrars
- appointment and oversight of the Chief Executive Officer
- buying or leasing office space and equipment
- raising, investing and expending the Corporation's funds
- representing the Corporation in its dealings with government; government or regulatory agencies; Registrant Members; other companies, associations or Persons; the media, and the public
- establishing, amending, rescinding and enforcing a Code of Conduct or rules regarding conflicts of interest, or both, from time to time
- appointing such individuals or committees as it deems appropriate in order to realize the Corporation's objects
- borrow money on the credit of the Corporation
- issue, sell or pledge debt obligations (including bonds, debentures, debenture stock, notes or other like liabilities whether secured or unsecured) of the Corporation
- charge, mortgage, hypothecate or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertakings to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation
- delegate the powers conferred on the Board of Directors to such officer or officers of the Corporation and to such extent and in such manner as the directors shall determine
- determining whether a claim, or a part of one, is eligible for reimbursement and the eligible amount of the claim
- The CEO, with the board, is responsible to identify the principal risks impacting TICO's operations and to develop risk mitigation strategies that Management can implement to control those risks.
- The board has the responsibility to ensure that its stakeholder issues are addressed effectively.
- The board members are champions and advocates for the organization.
- Board members are prepared for meetings, act in good faith with undivided loyalty to the organization, respect confidentiality and avoid actual and perceived conflicts of interest as required under the Board Code of Conduct.

BOARD ACCOUNTABILITY

The Board is responsible and accountable for itself and the organization

Rationale:

- The board exists to support the mandate of the organization acknowledging the needs of all stakeholder groups.
- The board applies the core commitments of this Governance Model to its own functioning to further the integrity of the organization.
- The board needs to set goals for itself that forward the mission of the organization.
- The board must structure and organize itself to meet its goals, which are aligned with the goals of the organization.
- The board leads and manages its own activities based on its role and responsibilities to the organization.
- The board is responsible to evaluate the performance of itself as a whole and that of its individual members against its articulated goals.
- The board is accountable to the Minister of Government and Consumer Services.
- The board is responsible to develop its expertise, knowledge and skills to enable it to serve the organization.

STRATEGIC LEADERSHIP

The strategy and future directions are initially developed and drafted by the CEO and operational team, enhanced by board expertise and approved by the board

Rationale:

- The CEO and operational team are acknowledged for their expertise in their sector and business.
- Expertise throughout the organization provides valuable input and depth of content to the planning process.
- The CEO is hired for strategic leadership ability as well as operational skills.
- Board expertise is used strategically to hone initial planning.
- Strategy and future directions are initially drafted by the CEO and operational team to provide a template for board discussions on the key strategic issues, drawing from their expertise.

- Strategic input from the board provides a broader perspective and addresses risk management issues in initial planning.
- The CEO as the operational head and the board are co-creators and co-leaders of the strategic process.
- The board can more effectively fulfill its strategic role and responsibilities by deeper comprehension of issues and risk management.
- To fulfill its obligations, the board approves the strategies and future directions of the organization.
- It is the role of the board to lead and monitor the strategic process vs. creating the strategy or plan.
- The board is responsible for the development of the strategy and is accountable for the strategy.
- The diversity of the people on the board tests the validity of the strategy and future directions of the organization.
- Knowledge needs to be brought to the perspectives required in co-creation.

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