



December 7, 2017

DESIGNATION ETHICS COMMITTEE

Terms of Reference

1. OVERVIEW

The Designation Ethics Committee protects the integrity of The Canadian Securities Institute (CSI) designations and the investing public by reviewing allegations of professional misconduct and complaints against designation holders. Upon a finding of professional misconduct or a violation of the FCSI[®], PFP[®], CIWM, CIM[®] or MTI[®] *Code of Ethics*, the committee will determine the appropriate penalty or sanction to be imposed. The committee reports to the Advisory Councils for each of the above noted designations. The role of the committee will be reviewed every 3 years or as required.

2. AUTHORITY AND RESPONSIBILITIES

- Assess and adjudicate all complaints against designation holders.
- Determine whether there has been a violation of the *Code of Ethics*.
- Recommend appropriate penalties or sanctions for violations of the *Code of Ethics*.
- Ensure that all cases are heard promptly, fairly, and are assessed objectively.
- The CSI Case Coordinator (normally a CSI employee) will provide each member of the Ethics Committee with a copy of the case files. The CSI Case Coordinator presents the cases and answers questions at the meeting.
- All members must be familiar with the Codes of Ethics for all CSI designations and the Ethical Misconduct Process (all available on the designation websites)
- Members will declare any conflicts of interest and recuse themselves from files where a conflict may exist or may be perceived to exist.

3. MEMBERSHIP

The Ethics Committee consists of five to eight members. The Chairperson is appointed by the members of the committee. Each member sits for a three-year term, with the potential to renew for another three-year term thereafter. Exceptions may be allowed by the appointing Advisory Council.

Membership is restricted to individuals who also have sat or currently sit on a Designation Advisory Council.

A minimum of 60% of members of the Ethics Committee must be present to adjudicate a complaint. A holder of the specific designation being considered must be present to deal with a complaints against a holder of that specific designation (e.g. a holder of the PFP[®] designation must be present if a PFP[®] designation holder is being considered for ethical misconduct).

No person may sit on both the Ethics Committee and the Appeals Committee. Appeals Committees are set up on an ad hoc basis to hear appeals with regard to decisions made by the Ethics Committee.

4. QUALIFICATIONS OF MEMBERS

Members must meet the qualification requirements of the appropriate Advisory Council as related to council membership.