

ONTARIO SECURITIES COMMISSION
INVESTOR ADVISORY PANEL
TERMS OF REFERENCE

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ARTICLE 1 - MANDATE OF THE PANEL

1.1 Advisory Panel. The Investor Advisory Panel (“Panel”) is an advisory panel to the Commission.

1.2 Mandate. The Panel’s mandate is to solicit and represent the views of investors on the Commission’s policy and rule making initiatives. In order to fulfil its mandate, the Panel will:

Advise and comment in writing on proposed rules, policies, concept papers and discussion drafts, including the Commission’s annual Statement of Priorities;

Consider views representative of a broad range of investors through consultation with and input from investors and organizations representing investors in formulating its advice and written submissions to the Commission;

Bring forward for the Commission’s consideration policy issues that may emerge as a result of the Panel’s investor consultation activities and comment on the potential implications for investors posed by those issues;

Advise and comment in writing on the effectiveness of the investor protection initiatives implemented by the Commission.

1.3 Research. To assist the Panel in soliciting investor views on the Commission’s policy and rule making initiatives, the Commission may provide the Panel with background and research information conducted by the Commission on specific policy and rule making initiatives.

ARTICLE 2 – MEMBERSHIP

2.1 Appointment of Members. The Panel will consist of a minimum of five and a maximum of nine members appointed by the Chair of the Commission on the advice of a selection committee composed of a Vice-Chair of the Commission and two Commissioners selected by the Chair of the Commission (“Selection Committee”).

2.2 Chair of the Panel. The Chair of the Commission will select one member of the Panel to act as the Panel’s Chair.

2.3 Vacancies. Vacancies on the Panel, howsoever caused, shall be filled by the Chair of the Commission on the advice of a Selection Committee.

ARTICLE 3 - TERM OF APPOINTMENT

- 3.1 Term.** Members of the Panel, including the Chair of the Panel, shall be appointed for terms of up to two years.
- 3.2 Replacement members.** A person appointed to replace a member of the Panel before the member's term expires shall hold office for the remainder of the term.
- 3.3 Reappointments.** Members of the Panel, including the Chair of the Panel, are eligible for reappointment by the Chair of the Commission on the advice of a Selection Committee for one additional term.
- 3.4 Exception.** In exceptional circumstances, the Chair of the Commission may, on the advice of the Selection Committee, appoint a member of the Panel to an additional one-year term on the expiry of two terms of office, provided that membership on the Panel shall not exceed five years.

ARTICLE 4 - ROLES AND RESPONSIBILITIES OF ALL PANEL MEMBERS

- 4.1 Responsibilities of members.** By accepting an appointment to the Panel, it is the responsibility of all members to abide by the Panel's Terms of Reference and to participate in all Panel activities in good faith to ensure the effective discharge of the Panel's mandate.

ARTICLE 5 - ROLES AND RESPONSIBILITIES OF THE PANEL CHAIR

- 5.1 Responsibilities of the Chair of the Panel.** In addition to the responsibilities described in Article 4.1, the responsibilities of the Chair of the Panel are to:
- (a) Lead and manage the Panel in its activities.
 - (b) Oversee the Panel's development of an annual work plan, including objectives and develop performance measures, to promote the Panel's fulfilment of its mandate.
 - (c) Co-ordinate, prepare the agenda for and chair meetings of the Panel.
 - (d) Ensure that the scheduling, organization and procedures of Panel meetings provide adequate time for due consideration and meaningful discussion of relevant issues.

- (e) Ensure that the Panel works as a cohesive team.
- (f) Evaluate proposals by the Panel to conduct consultations with investors or procure professional services that require funding from the Panel's budget and authorize, where appropriate, any such funding, having regard for the funding limits established by the Commission and the process described in Article 12.
- (g) Ensure that the Panel operates within its budget.
- (h) Oversee the preparation of comment letters and reports for approval by the Panel.
- (i) Act as the Panel's primary contact with the Investor Office and the Commission.
- (j) Monitor the performance of the Panel in fulfilling its mandate and facilitate, on behalf of the Panel, any periodic review of the Panel's activities that may be directed by the Commission.
- (k) Manage the accountabilities and deliverables established under these Terms of Reference.
- (l) Act as the Panel's spokesperson.

5.2 Incapacity. In the event the Chair of the Panel is unable to act due to incapacity or otherwise, the Chair of the Commission shall appoint an acting Chair.

ARTICLE 6 – ROLE OF THE INVESTOR OFFICE

- 6.1 General.** The Investor Office shall serve as the general liaison between the Panel and the Commission and will serve as the Secretary to the Panel.
- 6.2 Administrative support and meetings.** The Investor Office will provide administrative support to the Panel and will arrange facilities within downtown Toronto for meetings of the Panel.
- 6.3 Referral of matters to the Panel.** Matters may be referred to the Panel by Commission staff or the Commission through the Investor Office.
- 6.4 Requests for information.** Any requests from the Panel for information from the Commission must be made through the Investor Office.

ARTICLE 7 - PANEL MEETINGS

- 7.1 Meetings.** The Panel will meet at least quarterly and may, at the discretion of the Panel's Chair, hold additional meetings as often as may be necessary to discharge its mandate, having regard for the remuneration and funding limits fixed by the Commission from time to time and attached as Schedule A to these Terms of Reference.
- 7.2 Notice of Panel meetings.** Notice of the time and place of meetings shall be telephoned or sent by electronic means by the Investor Office to each member not less than 10 days before the meeting is to take place. Panel meetings shall take place in downtown Toronto at a location arranged by the Investor Office.
- 7.3 Attendance at meetings.** Panel members are expected to attend meetings in person and must maintain a good attendance record.
- 7.4 Quorum.** The presence of a majority of the members shall be necessary to constitute a quorum for the transaction of business at any meeting of the Panel.
- 7.5 Acting Chair.** The Chair of the Panel may designate a member to act as Chair in his or her absence. In the event the Chair of the Panel has not made such a designation, the members present shall choose one of their members to chair the meeting.
- 7.6 Voting.** Any questions arising at any meeting of the Panel that the Chair of the Panel determines is required to be decided by a vote shall be decided by a majority of votes. Each Panel member is entitled to exercise one vote. In the case of an equality of votes, the Chair of the meeting shall not have a second or casting vote. All votes at any such meeting shall be taken by a show of hands.

ARTICLE 8 – CONSULTATION AND CONFIDENTIALITY

- 8.1 Consultation.** The Commission recognizes that the members of the Panel will not be expert in all issues considered by the Panel. Subject to the exceptions in Articles 8.2 and 8.3, the Panel is expected to draw on the expertise and experience of others to provide appropriate input into its deliberations and is encouraged to consult outside of its membership.
- 8.2 Confidentiality – Information or documents.** In some cases, the Commission may provide information or documents to the Panel that are confidential in nature and will expressly identify them as such. In accepting an appointment to the Panel, members agree that they will not disclose or give to any person any confidential information or document that comes to their knowledge or possession by reason of being a member of the Panel.

- 8.3 Confidentiality – Panel deliberations.** Panel members shall respect the confidentiality of Panel deliberations.

ARTICLE 9 – REPORTING

- 9.1 Responses to public notices and requests for comment.** The Panel’s written responses to notices and requests for comment published by the Commission will be publicly posted and considered in the same manner as comment letters received in the normal course of a request for comment.
- 9.2 Annual report.** The Panel will report annually to the Commission on its activities for the preceding year, which shall include a written report and presentation by the Chair of the Panel to the Commission. Such report shall include an assessment of the Panel’s performance against its mandate, and shall be published on the Commission’s website.
- 9.3 Additional reporting at the request of the Commission.** At the request of the Commission, the Chair of the Panel shall appear before the Commission to report on matters specified by the Commission.

ARTICLE 10 - PERIODIC REVIEW BY THE COMMISSION

- 10.1 Review of the Panel.** The Commission will review the activities and mandate of the Panel periodically and may amend, affirm or rescind the mandate following its review.
- 10.2 Amendments – Terms of Reference.** The Commission may, at any time, amend the Panel’s Terms of Reference. Subject to Article 10.3, such amendment shall take effect on a date specified by the Commission not less than sixty (60) days after notice of the amendment is given to Panel members and posted on the Commission’s website.
- 10.3 Exception.** An amendment that is procedural in nature or would make no material substantive change to the Terms of Reference takes effect immediately.

ARTICLE 11 - REMUNERATION AND EXPENSES

- 11.1 Compensation.** Panel members will be compensated for their time and effort in meeting the Panel’s mandate according to a remuneration schedule to be fixed by

the Commission from time to time and attached as Schedule A to these Terms of Reference.

11.2 Process. Panel members shall keep records of their meeting attendance and preparation activities and submit invoices for approval (up to the maximum identified in Schedule A) to the Investor Office for reimbursement. All remuneration shall be paid to members personally.

11.3 Other expenses. Any other expenses not specifically identified (including meals associated with meetings) may be reimbursed if incurred in connection with activities undertaken at the request of the Commission and by prior approval by the Investor Office. These expenses shall be reimbursed according to Part XIII: Expense Reimbursement of the Commission's Financial Policies in effect from time to time.

ARTICLE 12 – PROCUREMENT

12.1 Procurement. The Panel will be provided with a yearly budget, to be fixed by the Commission from time to time and attached as Schedule A to these Terms of Reference, to carry out its mandate through consultations with investors or the procurement of professional services to assist in drafting comment letters. Expenditures may be made only by the Chair of the Panel through a procurement process approved by the Investor Office.

ARTICLE 13 - CONFLICT OF INTEREST

13.1 General. Panel members must conduct themselves in a manner consistent with their role as advisors to the Commission.

13.2 Conflicts of interest generally. A conflict of interest arises where a Panel member has a personal interest which conflicts, might conflict or may be perceived to conflict with the interests of the Panel. A conflict of interest exists if employment, business, financial or other personal considerations may interfere with a Panel member's ability to objectively express his or her opinions regarding what Ontario investors need, want or should be provided or protected from ("investor interests"). A conflict of interest does not exist simply because different Panel members have different views about investor interests, or have views which reflect differences between different types of investors (e.g., individuals vs. institutions).

13.3 Conflict of interest (other than Panel Chair). If a conflict arises between the private interests of a Panel member and the responsibilities of that individual as a Panel member, the member shall declare the conflict by submitting a letter to the

Chair of the Panel outlining the nature of the conflict. The Chair of the Panel and the member shall resolve the conflict in favour of the public interest.

13.4 Conflict of interest – Panel Chair. If a conflict arises between the private interests of the Panel Chair and his or her responsibilities as a Panel member, the Panel Chair shall declare the conflict by submitting a letter to the Chair of the Commission. The Chair of the Commission and the Panel Chair shall resolve the conflict in favour of the public interest.

13.5 Voting. A Panel member shall refrain from voting on matters that the member believes may pose a conflict of interest in relation to the member’s employment, business, or other personal concerns.

ARTICLE 14 – REMOVAL OF MEMBERS

14.1 Removal of members (other than the Panel Chair). If a Panel member is no longer able to meet his or her responsibilities, that member shall so advise the Investor Office and shall resign from the Panel. If the Chair of the Panel forms the view that a Panel member is not meeting his or her responsibilities, the Chair of the Panel shall advise both the member and the Chair of the Commission. After due consideration of the matter, the Chair of the Commission may request and the Panel member shall tender his or her resignation from the Panel.

14.2 Removal of Panel Chair. If the Chair of the Panel is no longer able to meet his or her responsibilities, the Chair of the Panel shall so advise the Investor Office and shall resign from the Panel. If the Commission forms the view that the Chair of the Panel is not meeting his or her responsibilities, the Commission shall advise the Panel Chair. After due consideration of the matter, the Commission may request and the Chair of the Panel shall tender his or her resignation from the Panel.

Adopted by the Commission
on September 20, 2016

Schedule A
Investor Advisory Panel
Remuneration and Budget

Members of the Investor Advisory Panel will be compensated for their time and effort in meeting the Panel's mandate as follows:

- (a) For attending at meetings of the Panel, \$275 per meeting for members; \$550 per meeting for the Chair of the Panel; up to a maximum of 12 meetings per year.
- (b) For meeting preparation or post meeting follow up work, \$275 per day for members; \$550 per day for the Chair of the Panel; up to a maximum of 3 days of such work per meeting for members and up to a maximum of 5 days for the Chair.
- (c) Travel expenses (mileage etc excluding time for the members) will be covered to an estimated maximum of \$30,000 for the Panel per year, as it is anticipated that some members may have to travel to attend meetings.

The Panel will be provided with a yearly budget to facilitate its ability to carry out its mandate through consultations with investors or the procurement of professional services to assist in drafting comment letters.

Schedule B
Investor Advisory Panel
Annual Certification

I, _____, the undersigned, a member of the Investor Advisory Panel to the Ontario Securities Commission, hereby:

1. Acknowledge that I have received, read, and understand the provisions of the Panel's Terms of Reference.
2. Agree to abide by the Panel's Terms of Reference.

Dated this _____ day of _____, 201__.

Signature: _____