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June 27, 2016

BY E-MAIL

Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2

Attention: Ms. Catherine De Giusti, Legal Counsel

Re: Proposed Amendments to Parts IV and VI of the Toronto Stock Exchange Company Manual (May 26, 2016)

Dear Ms. De Giusti:

Below are comments with respect to the proposed amendments to Parts IV and VI of the Toronto Stock Exchange Company Manual (the "Manual") published by the Toronto Stock Exchange ("TSX") on May 26, 2016 (together with proposed TSX Form 15 – Disclosure of Security Based Compensation Arrangements, the "Amendments"). Capitalized terms used in this letter that are not otherwise defined herein shall have the meaning ascribed to such terms in the Amendments. The comments described below are those of the undersigned in his personal capacity and do not necessarily represent the comments of Stikeman Elliott LLP.

A. Burn Rates – Form 15

The proposed "burn rate" disclosure under Form 15 should be limited to the actual (historic) burn rate for the most recently completed fiscal year or the three most recently completed fiscal years, as applicable, based on the number of Awards that are actually exercised in a given fiscal year. Burn rate information that is calculated based on the number of Awards granted in a fiscal year would not appear as meaningful to investors as a burn rate measured on the basis of the number of Awards that were actually exercised and therefore actually resulted in dilution for shareholders. In fact, the proposed "burn rate" disclosure has the potential of confusing investors since the term "burn rate" is implicitly if not explicitly meant to refer to actual consumption whereas the proposal would have the burn rate include historical and potential, future consumption. Prior to any exercise of outstanding Awards, the Awards represent only potential dilution, which in any case, will already be sufficiently disclosed in an issuer's management information circular based on the existing disclosure requirements of NI 51-102F5 and NI 51-102F6 of National Instrument 51-102. The use of actual burn rates

would also eliminate the need to apply "multipliers" to the calculation of burn rates. In any case, multipliers are in most cases tied to performance goals that are considered "stretch", in other words the very top of the spectrum of performance targets. Many issuers set stretch goals knowing that the stretch goals will be very difficult to achieve, but such targets allow the issuer to reward performance towards the stretch goal on a straight-line basis with the stretch goal being the top of the performance and reward scale. It's designed as an incentive measure to promote and incentivize the highest levels of performance. Given such context, it would not be appropriate to calculate a burn rate assuming that the multiplier linked to the stretch performance target will always be achieved because in most cases such multiplier will not be, and by its very design may not be expected to be, achieved.

B. Section 473

In section 473, the description of the documents required to be posted by an issuer on its website should be sufficiently specific so that issuers do not need to interpret the requirement or conduct undue levels of due diligence to determine what other documents, if any, may exist that could potentially (or arguably) be covered by the broad descriptions used even though such documents would not be of the type or nature intended to be covered by the TSX requirement. The undersigned invites the TSX to reconsider the descriptions used in clauses (b) and (e) of section 473. The expression "corporate policies that may impact meetings of security holders and voting" and "corporate governance documents" appear as unnecessarily broad considering the list of items that then follows each of these expressions in clauses (b) and (e) respectively, as well as the other items enumerated in the other clauses of section 473. One proposal would be to delete the broad expressions noted above and to use instead the expression "or other documents of a similar nature" following the list of items already included in each of clauses (b) and (e), and, if necessary, add other specific items to the lists in order to provide clear and unambiguous boundaries to such clauses of section 473.

In clause (e) of section 473, the reference to "social policies" in the expression "and other environmental and social policies" should be deleted or clarified.

In the last paragraph of section 473, the requirement that the webpage(s) containing the required documents should be "easily identifiable and accessible" should be clarified. For example, if an issuer's investor relations web page contains a link or links to the documents or other pages where the required documents can be accessed, would that be viewed as sufficent to meet the "easily identifiable" standard or is something more required. One proposal would be to delete the expression "easily identifiable" and simply retain the "easily accessible" standard which is clear and, arguably, should achieve the goal of making sure that the access is "identifiable". Retaining both expressions without clarifying further the added meaning of "easily identifiable" risks creating confusion for issuers.

In section 473, issuers should be entitled to redact any competitively sensitive or personal or other confidential information contained in the documents required to be posted on an issuer's website. The ability for an issuer to redact information can be made subject to the TSX approval. This would be consistent with the ability of an issuer

to redact certain information in materials required to be filed on SEDAR under Part 12 of National Instrument 51-102 that, if disclosed, would be viewed by management as seriously prejudicial to the interests of the issuer or would violate confidentiality provisions. One specific application of the ability to redact confidential information could apply, for example, to an Award that is contained in an executive's employment agreement, often included in an executive's initial employment agreement with an issuer.

In clause (a) of section 473, "Constating documents" should be replaced with "Constating documents of the listed issuer".

C. Section 613

In section 613, the expression "issuance or potential issuance of securities" used in clauses (v) and (vi) should be revised to read as "issuance or potential issuance of securities from treasury" which is how this expression is otherwise used though-out the remainder of section 613.

Regards,

(signed) Robert Carelli

Robert Carelli

c.c. Susan Greenglass, *Director Market Regulations, Ontario Securities Commission*