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Dear Ms. De Giusti

**Comments Re: Proposed Amendments to the TSX Company Manual, Part IV (listed issuers' website content) and Part VI (security based compensation arrangements)**

The Canadian Investor Relations Institute (CIRI), a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community, is pleased to comment on the proposed Amendments to the TSX Company Manual, Parts IV and VI regarding new disclosure requirements. CIRI consistently supports initiatives for full, fair and complete disclosure for its members and recognizes that appropriate disclosure of key security holder documents is a contributing factor in establishing and maintaining the integrity and efficiency of capital markets. CIRI membership represents over 200 publicly listed issuers with a combined market capitalization of just over \$1.5 trillion. More information about CIRI is noted in Appendix 1.

**General Comments – TSX Company Manual, Part IV (Listed Issuers' Website Content)**

CIRI generally agrees with the concept that listed issuers should be required to develop and maintain a publicly accessible website as a means to provide ready access to appropriate key security holder documents. The vast majority of listed issuers already maintain such a website and disclose the information required under proposed Section 473 in some form that is already available to the investing public. Therefore, the introduction of Section 473 as a requirement for continued listing seems to be unnecessarily repetitive and duplicative of existing disclosure documents.

## Questions – Listed Issuers’ Website Content

### **1. Is it appropriate for TSX to introduce the requirements set out in Section 473?**

CIRI believes that the corporate governance elements in the proposed changes to Part IV are mostly (see Question 3) appropriate disclosure documents and should be made readily available to security holders and the investing public. In fact, the vast majority of issuers in Canada already disclose these key security holder documents, which are either posted on the issuer’s website, incorporated into existing disclosure vehicles (such as the Management Information Circular and the Annual Information Form) or are available to the general public via SEDAR.

Since these disclosure vehicles already exist, CIRI questions the value in introducing additional regulatory requirements to extract them from existing sources and disclose them separately. In addition, having the same information located in multiple places runs the risk of introducing errors and inconsistencies.

If indeed the issue is difficulty with finding documents on SEDAR, then the preferred approach should be to improve SEDAR navigation and/or document definitions.

### **2. Are there any additional documents that should be included under Section 473?**

CIRI believes there are no additional documents that should be included under Section 473.

### **3. Are there any documents that should not be included?**

CIRI believes that most of the documents proposed are appropriate. However, based on feedback from some issuers there are concerns about the broad nature of constating documents and so further guidance would be required. There is also concern about disclosing awards documents and other corporate governance documents, particularly those pertaining to anti-corruption policies or social and environmental policies. These should not be required under Section 473.

### **4. Are there any additional material costs or efforts required to comply with the proposed requirements?**

CIRI believes there will be some costs and efforts associated with implementing and maintaining the disclosures, particularly in larger more complex organizations, involving for example expenditures for legal reviews, internal business reviews, language translation, IT and communications support, and coordination between departments.

### **5. Are there concerns that security holders may rely on the website disclosure which may not be kept current?**

CIRI realizes that populating and maintaining a corporate website and ensuring the information is kept current is now standard business practice so CIRI is not overly concerned with this issue. We do wish to point out, however, that the capital markets and the investing public have come to look to SEDAR as a primary source of official disclosure so there is a question as to the practical value of proposed Section 473.

**6. How long should issuers have after Section 473 comes into effect to establish or update their website with the required documents? Is 60 days from the date the rule comes into effect sufficient time to comply with the requirements?**

CIRI believes that a 60-day period to implement the changes proposed for Part IV, while reasonable, may be too short for some listed issuers. Some of the proposed changes may require the input of several internal departments (see Question 4), which means time-consuming coordination and cross reviews. In addition, given the corporate governance and finance implications of some of the disclosure documents, a review and approval by the Board of Directors or various Board committees as well as consultation with internal and external counsel (i.e. legal, auditors) may be appropriate. Such processes can take considerably longer than 60 days so a period closer to 120 days seems to be more reasonable.

**General Comments - TSX Company Manual, Part VI (Security Based Compensation Arrangements)**

CIRI will not address the specific questions regarding the proposed amendments to Part VI. However, in a fashion similar to our comments above in Question 1 under Part IV proposed changes, the majority of the proposed Disclosure Elements are already fully disclosed in either the company website, the proxy circular, the AIF or via SEDAR. This raises the question of the need for the proposed Amendments and potential introduction of duplicative disclosure documents occurring on the website and the risk of inconsistent disclosure.

Looking at the proposed disclosures, there are several of these disclosures that issuers feel are inappropriate, including the burn rate, which can be impacted by an abnormal year. CIRI further believes that the change in date for Form 15 disclosures is less appropriate given that it is further away in proximity to when shareholders will be voting on such items.

CIRI agrees with the proposal to remove certain Disclosure Elements for Arrangements that are duplicative under Canadian securities law, particularly given that the new section 473 will require disclosure of each Arrangement on an issuer's publicly accessible website.

CIRI has been pleased to provide the TSX with its comments and answers to questions posed on the TSX Company Manual, Part IV and Part VI. I would be pleased to answer any questions that may arise from these comments.

Yours truly,



Yvette Lokker  
President & CEO

## APPENDIX A

### **The Canadian Investor Relations Institute**

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital market by advancing the practice of investor relations, the professional competency of its members and the stature of the profession.

### **Investor Relations Defined**

*Investor relations is the strategic management responsibility that integrates the disciplines of finance, communications and marketing to achieve an effective two-way flow of information between a public company and the investment community, in order to enable fair and efficient capital markets.*

The practice of investor relations involves identifying, as accurately and completely as possible, current shareholders as well as potential investors and key stakeholders and providing them with publicly available information that facilitates knowledgeable investment decisions. The foundation of effective investor relations is built on the highest degree of transparency in order to enable reporting issuers to achieve prices in the marketplace that accurately and fully reflect the fundamental value of their securities.

CIRI is led by an elected Board of Directors of senior IR practitioners, supported by a staff of experienced professionals. The senior staff person, the President and CEO, serves as a continuing member of the Board. Committees reporting directly to the Board include Nominating; Audit; Membership; Issues; Editorial Board; Resource and Education; and Certification.

CIRI Chapters are located across Canada in Ontario, Quebec, Alberta and British Columbia. Membership is close to 500 professionals serving as corporate investor relations officers in over 200 reporting issuer companies, consultants to issuers or service providers to the investor relations profession.

CIRI is a founding member of the Global Investor Relations Network (GIRN), which provides an international perspective on the issues and concerns of investors and shareholders in capital markets outside of North America. The President and CEO of CIRI has been a member of the Continuous Disclosure Advisory Committee (CDAC) of the Ontario Securities Commission. In addition, several members, including the President and CEO of CIRI, are members of the National Investor Relations Institute (NIRI), the corresponding professional organization in the United States.