

Canadian Securities Administrators

Investor Advisory Panel

Terms of Reference

PREAMBLE

Considering that the mission of the Canadian Securities Administrators (“CSA”) is to deliver a harmonized securities regulatory system that protects investors from unfair, improper or fraudulent practices and fosters fair and efficient capital markets, its members decided to establish a pan-Canadian Investor Advisory Panel whose objective is to inform rule development within Canadian provinces and territories. As such, this document is a framework for the Investor Advisory Panel.

ARTICLE 1 – MANDATE OF THE PANEL

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

The Panel’s mandate is to represent the interests of retail investors across Canada on the CSA’s policy and rule making initiatives to promote coordination and enhancement of pan-Canadian investor-related issues.

To fulfill its mandate, when appropriate, the Panel will:

Advise and comment in writing on existing and proposed national and multilateral instruments and policies;

Advise and comment in writing on proposed concept papers and discussion drafts;

In formulating its advice and written submissions to the CSA, consider views representative of a broad range of retail investors across Canada through consultation with and input from investors and organizations representing investors;

Raise to the CSA policy issues the Panel identifies based on consultations or Panel members’ opinions as experts in the subject matter of the issue, and comment on the potential implications for investors posed by those issues;

Solicit background and research information conducted by the CSA on specific policy and rule-making initiatives and engage in research projects as needed.

ARTICLE 2 – MEMBERSHIP

The Panel will be composed of 5 to 9 members. At least one of these members will be selected by the Ontario Securities Commission from the membership of its own Investor Advisory Panel.

Other members will be appointed by the CSA Chairs on the advice of a Selection Committee composed of CSA members' executives. The CSA Chairs will also appoint one member of the Panel to act as its Chair. The CSA Chairs may revise the number of panel members from time to time, as necessary.

Vacancies on the Panel shall be filled by the CSA Chairs on the advice of the Selection Committee.

The Selection Committee will make recommendations of qualified candidates taking into consideration diversity and geographic location to ensure broad and diverse representation of investors' views. The Selection Committee will conduct a public selection process through a call for applications, followed by the publication of appointees.

ARTICLE 3 – TERM OF APPOINTMENT

Members of the Panel, including its Chair, shall be appointed for terms of up to 3 years and are eligible for reappointment for one additional term. However, in exceptional circumstances the CSA Chairs may, on the advice of the Selection Committee, appoint a member of the Panel to an additional one-year term on the expiry of 2 terms of office. The maximum duration of the terms may be changed by the CSA as appropriate. The duration of the terms of Panel members may vary to allow for staggered terms.

A person appointed to replace a member of the Panel before that member's term expires shall hold office for the remainder of the term. Such replacement term will not count towards the term limits described.

ARTICLE 4 – ROLES AND RESPONSIBILITIES OF

ALL PANEL MEMBERS AND PANEL CHAIR

All members must work collaboratively and in good faith to ensure the fulfillment of the Panel's mandate and must, above all, abide by the Panel's Terms of Reference.

In addition to ensuring the fulfillment of the Panel's mandate and compliance with the Panel's Terms of Reference, the Chair of the Panel will be responsible for managing the Panel's activities, co-ordinating and chairing meetings, overseeing the work produced by the Panel, and ensuring an efficient use of resources.

The Panel's written responses to notices and requests for comment published by the CSA will be publicly posted and considered in the same manner as comment letters received in the normal course of a request for comment.

Any views expressed by the Panel shall be identified as those of the Panel and not the CSA.

ARTICLE 5 – ROLE OF THE CSA SECRETARIAT

The CSA Secretariat shall serve as the liaison between the Panel and the CSA. All communications between Panel members and the CSA are handled by the CSA Secretariat. The CSA will ensure its members resources are available to engage with the Panel for the different CSA projects.

The CSA Secretariat will serve as the Secretary to the Panel and will provide administrative support including the organisation of Panel meetings, sharing policy documents and managing budget requests.

ARTICLE 6 – PANEL MEETINGS

The Panel will meet at least quarterly. The Chair of the Panel may schedule up to 6 additional meetings to fulfill the Panel's mandate without requiring CSA's approval. The Chair of the Panel must request the CSA Chairs' approval for any additional meetings.

Panel meetings shall be held via electronic means. In-person meetings require the prior approval of the CSA Chairs.

Panel members are expected to attend most meetings and must maintain a good attendance record as 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. The Chair of the Panel may designate a member to act as Chair in case of absence. In the event the Chair of the Panel has not made such a designation prior to the meeting, the members present shall choose one of their members to chair the meeting.

The CSA encourages the Panel to represent the various points of view of retail investors across Canada. 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.

ARTICLE 7 – CONSULTATION AND CONFIDENTIALITY

The Panel is expected to draw on the expertise and experience of its members during deliberations. However, since members of the Panel will not be experts in all issues considered, subject to confidentiality restrictions identified below, the Panel is also encouraged to consult outside of its membership.

In the course of performing the Panel's duties and obligations, the CSA may provide information or documents to the Panel that are confidential in nature and should not be shared outside of the Panel, except with an express permission of the CSA Secretariat. The same confidentiality standards apply to all Panel deliberations.

If Panel members are required by law or court order to disclose any information they received in the course of performing their duties, they shall immediately and if possible before any required

disclosure, provide written notice of the matter to the CSA Secretariat and shall permit the CSA to take all reasonable actions as required.

ARTICLE 8 – REPORTING

The Panel will report annually to the CSA on its activities for the preceding calendar year. The report shall include a written report and an oral presentation by the Chair of the Panel to the CSA Chairs.

ARTICLE 9 – REMUNERATION AND COMPENSATION

The CSA will remunerate the members of the Panel for their time and effort and will compensate pre-approved expenses. The CSA will decide on the Panel members' remuneration and covered expenses.

ARTICLE 10 - PROCUREMENT

To carry out its mandate, the Panel may make funding requests to the CSA for consultations with investors or to procure professional services. For any approved funding request, procurement will be conducted by a CSA member on behalf of the Panel.

ARTICLE 11 – CONFLICT OF INTEREST

Panel members must conduct themselves in a manner consistent with their role as advisors to the CSA. 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 disclose the conflict by submitting a letter to the Panel outlining the nature of the conflict. The Panel shall resolve the conflict in favour of the public interest. The Chair of the Panel shall escalate any unresolved conflicts to the CSA Secretariat without delay, who will bring it to the attention of the CSA Chairs for resolution.

Panel members may be in a conflict of interest if any employment, business, financial or other personal considerations could interfere with their ability to express opinions on investor issues being considered by the Panel.

ARTICLE 12 – REMOVAL OF MEMBERS

If a Panel member is no longer able to meet the specified responsibilities, that member shall so advise the CSA and shall resign from the Panel. If the Panel forms the view that a Panel member is not meeting the specified responsibilities or has breached expected ethical and professional standards of conduct, the Panel shall be free to remove the member from the Panel.

ARTICLE 13 – THE RESPONSIBILITIES OF THE CSA

The CSA will provide guidance to the Panel on relevant processes and will assist the Panel in its duties as appropriate. The CSA will also respond to all official communications from the Panel.

ARTICLE 14 – REVIEW BY THE CSA

The CSA may review the activities of the Panel as often as it deems necessary. The CSA may, at any time, revise or rescind the Panel's mandate or these Terms of Reference.

ARTICLE 15 – CROSS-REFERENCE

The Terms of Reference should be read and interpreted in conjunction with CSA Staff Notice and Request for comment 11-343 *Proposal to Establish a CSA Investor Advisory Panel*.