

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 the advisory committee to the Ontario Securities Commission (the “Commission”) that provides the primary retail investor protection perspective on the Commission’s policy and rule making initiatives.
- 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 fulfill its mandate, the Panel will:
- (a) Advise and comment in writing on proposed rules, policies, concept papers and discussion drafts, including the Commission’s annual Statement of Priorities;
 - (b) 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;
 - (c) 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;
 - (d) Advise and comment in writing on the effectiveness of the investor protection initiatives implemented by the Commission; and
 - (e) Engage with other advisory committees to the Commission, as necessary, to contribute to the retail investor perspective on matters before those committees.
- 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 Open and transparent process.** An open application process for membership on the Panel will be posted online. The OSC will publish the names and biographical highlights of members of Panel on its website.

- 2.2 Member qualifications and selection criteria.** Members should have the skills, knowledge, experience, competencies and attributes to be able to actively contribute to discussions and the fulfilment of the Panel’s mandate. Emphasis in the selection of members will be placed on direct experience with respect to matters affecting retail investors and enhancing retail investor protection and financial well-being; educational background and professional qualifications and designations; a demonstrated investor protection perspective; and such other factors that the Commission may determine are relevant from time to time.
- 2.3 Appointment of members.** The Panel will consist of a minimum of five and a maximum of nine members appointed by a selection committee composed of the Chief Executive Officer and two Executive Directors of the Commission (“Selection Committee”).
- 2.4 Chair and Vice Chair of the Panel.** The Selection Committee will select one member of the Panel to act as the Panel’s Chair and may select one member of the Panel to act as the Panel’s Vice Chair.
- 2.5 Vacancies.** Vacancies on the Panel, howsoever caused, will be filled by the Selection Committee.

ARTICLE 3 – TERM OF APPOINTMENT

- 3.1 Term.** Members of the Panel, including the Chair of the Panel, will 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 will 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 Selection Committee for one additional term.
- 3.4 Exception.** In exceptional circumstances, the Selection Committee may appoint a member of the Panel to an additional one-year term on the expiry of two consecutive terms, provided that membership on the Panel does not exceed five consecutive 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) Determine whether to engage with other advisory committees to the Commission, and the scope and methods of such engagement;
- (j) Act as the Panel's primary contact with the Investor Office and the Commission;
- (k) 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;
- (l) Manage the accountabilities and deliverables established under these Terms of Reference; and
- (m) Act as the Panel's spokesperson.

5.2 Vice Chair. The Chair of the Panel may, from time to time but not permanently, delegate any of the duties in Article 5.1 to the Vice Chair.

- 5.3 Incapacity.** In the event the Chair of the Panel is unable to act due to incapacity or otherwise, the Selection Committee will appoint the Vice Chair, or another member of the Panel if a Vice Chair has not been selected, as acting Chair.

ARTICLE 6 – ROLE OF THE INVESTOR OFFICE

- 6.1 General.** The Investor Office will 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 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 Board of Directors of the Commission ("Board") 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 will 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.
- 7.2 Format and location of meetings.** Panel meetings will take place by electronic means, by telephone, and/or in person in downtown Toronto at a location arranged by the Investor Office.
- 7.3 Attendance at meetings.** Panel members must maintain a good attendance record.
- 7.4 Quorum.** The presence of a majority of the members is 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 will 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 will 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 will not have a second or casting vote. All votes at any such meeting will 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 must 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 Board on its activities for the preceding year, which will include a written report and presentation led by the Chair of the Panel. Such report will include an assessment of the Panel's performance against its mandate, and will 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 will appear before the Board to report on matters specified by the Commission.

ARTICLE 10 – PERIODIC REVIEW BY THE BOARD

- 10.1 Review of the Panel.** The Board 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 Board may, at any time, amend the Panel’s Terms of Reference. Subject to Article 10.3, such amendment will take effect on a date specified by the Board 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 Board from time to time and attached as Schedule A to these Terms of Reference.
- 11.2 Process.** Panel members will 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 will 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 will be reimbursed according to Part XIII: Expense Reimbursement of the Commission’s Financial Policies & Procedures as amended from time to time.

ARTICLE 12 – PROCUREMENT

- 12.1 Procurement.** The Panel will be provided with a yearly budget, to be fixed by the Board 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 must 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 will 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 must declare the conflict by submitting a letter to the Chief Executive Officer of the Commission. The Chief Executive Officer of the Commission and the Panel Chair will resolve the conflict in favour of the public interest.
- 13.5 Voting.** A Panel member must 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 must so advise the Investor Office and will 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 must advise both the member and the Selection Committee. After due consideration of the matter, the Selection Committee may request that the Panel member resign, in which case the Panel member must 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 must so advise the Investor Office and will 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 will advise the Panel Chair. After due consideration of the matter, the Commission may request that the Chair of the Panel resign, in which case the Chair of the Panel must tender his or her resignation from the Panel.

ARTICLE 15 – CSA INVESTOR ADVISORY PANEL

15.1 Cross-appointment. The Selection Committee will select at least one Panel member to be a member of the CSA Investor Advisory Panel (the “CSA Panel Cross-Appointee”) for a term or terms consistent with the member’s remaining term on the Panel in accordance with Article 3.

15.2 Meeting attendance. A CSA Panel Cross-Appointee will normally attend meetings of the CSA Investor Advisory Panel virtually, but may attend meetings in person by prior approval of the Investor Office.

15.3 Compensation. A CSA Panel Cross-Appointee will be compensated for their time and effort in meeting the mandate of the CSA Investor Advisory Panel according to a remuneration schedule to be fixed by the Board from time to time and attached as Schedule A to these Terms of Reference.

ARTICLE 16 – FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

16.1 Freedom of Information and Protection of Privacy Act - The *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c.F.31 (“FIPPA”), as amended, will generally apply to information and material provided to and prepared by or for the Panel. FIPPA provides all persons with legal rights of access to information subject to a limited set of exemptions.

Adopted by the Board of Directors
on December 5, 2023

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, \$325 per meeting for members, including the Vice Chair; \$650 per meeting for the Chair of the Panel; up to a maximum of 12 meetings per year.
- (b) For attending at other meetings at the request of the Commission or the Canadian Securities Administrators, up to a maximum of \$325 per full-day meeting for members, including the Vice Chair, and up to a maximum of \$650 per full-day meeting for the Chair of the Panel, prorated based on the length of the meeting; up to a maximum of 12 meetings per year.
- (c) For meeting preparation or post meeting follow up work, \$325 per day for members, including the Vice Chair; \$650 per day for the Chair of the Panel; up to a maximum of 3 days of such work per month for members and up to a maximum of 5 days per month for the Chair.
- (d) For responsibilities delegated to the Vice Chair under Article 5.2, \$650 per day up to a maximum of 2 additional days of preparation or post meeting follow up work per meeting of the Panel, and \$650 to chair a meeting of the Panel in the Chair's absence, up to a maximum of a third of the meetings per year.
- (e) For comment letter drafting and research and writing agreed to by the Panel in advance, \$325 per day for members, including the Vice Chair; \$650 per day for the Chair of the Panel, up to a maximum of 5 additional days per year.
- (f) Travel expenses (including mileage, etc. and excluding travel 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.

CSA Panel Cross-Appointees will be compensated for their time and effort in meeting the mandate of the CSA Investor Advisory Panel as follows:

- (a) For attending meetings of the CSA Investor Advisory Panel, \$325 per meeting.
- (b) For meeting preparation or post meeting follow up work, \$325 per day, up to the maximum number of days for such work as determined by the CSA from time to time.
- (c) Travel expenses (excluding travel time) will be covered where the Investor Office provides prior approval for a CSA Panel Cross-Appointee to attend a meeting of the CSA Investor Advisory Panel in person.

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 _____, 20 ____ .

Signature: _____