

13.1.2 CIPF – Notice of Commission Approval – Amendments to Section 4.2 and 4.3 of CIPF By-law No. 1

CANADIAN INVESTOR PROTECTION FUND (CIPF)

**AMENDMENTS TO SECTION 4.2 and 4.3 OF CIPF BY-LAW NO. 1
NO ACTIONS AGAINST THE CORPORATION**

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to Section 4.2 and 4.3 of CIPF By-law No. 1 relating to the change in the terms of office for Directors, Chair, and Vice-Chair of the Board. The Alberta Securities Commission, the Autorité des marchés financiers, the British Columbia Securities Commission, the New Brunswick Securities Commission, the Nova Scotia Securities Commission, the Financial Services Regulation Division of the Department of Government Services for Newfoundland and Labrador, and the Saskatchewan Financial Services Commission have all approved the amendments. The amendments to Section 4.2 of By-law No. 1 amend the current terms of office for Directors from two three-year terms to four two-year terms. They also limit the maximum periods of office served by the Directors to eight years. The amendments to Section 4.3 introduce a provision to limit the terms of office for the Chair and Vice Chair in aggregate as a Director, the Chair, or Vice-Chair to a maximum period of ten years, inclusive of any full year term of office served. The amendments also eliminate the provisions for the terms of office for an SRO appointed Industry Director, so as to align CIPF length and maximum number of terms with IIROC terms.

The amendments are contained in the Appendix to this Notice.

Appendix

Canadian Investor Protection Fund/
Fonds Canadian de Protection des Épargnants

BY-LAW AMENDMENT

Terms of Office for Directors, Chair and Vice-Chair

1. Section 4.2 of By-law Number 1 of the Corporation is hereby amended as follows (changes are marked):

4.2 Election and Term:

4.2.1 **Industry Directors.** Industry Directors shall be nominated by the Governance and Nominating Committee for election by the Members at an annual meeting of Members, provided that: (i) each Industry Director shall satisfy the criteria in the definition of "Industry Director"; (ii) one Industry Director shall have been recommended by each SRO for nomination by the Governance and Nominating Committee; and (iii) a majority of the Industry Directors satisfy the criteria in subparagraph (b)(i) of the definition of "Industry Director". An Industry Director shall hold office for a term of ~~3~~2 years and shall be eligible for re-appointment for ~~one~~three additional 3-year term; ~~provided that an Industry Director who has been appointed by an SRO shall be eligible to serve such number of terms as determined by the SRO and such terms shall not be taken into account in determining the eligibility of the Industry Director other than as an SRO appointed Director~~2-year terms. Notwithstanding the foregoing, Industry Directors may be appointed or elected for a term of less than ~~3~~2 years in order to accommodate staggered terms of office among all Industry Directors.

4.2.2. **Public Directors.** Public Directors shall be nominated by the Governance and Nominating Committee for election by the Members at an annual meeting of Members and shall hold office for a term of ~~3~~2 years and be eligible for re-appointment for ~~one~~three additional ~~3~~2-year ~~term~~terms. Notwithstanding the foregoing, Public Directors may be elected for a term of less than ~~3~~2 years in order to accommodate staggered terms of office among all Public Directors.

4.2.3 Transition. The terms of office of Directors holding office at the time this Section 4.2.3 becomes effective shall continue according to the length of such terms in accordance with their election or appointment and, on the expiration of the term of office of any such Director, he or she shall be eligible for re-election or re-appointment for a further 2 year term or terms to a maximum of 4 terms; provided that in no event shall any such Director (other than the Chair or Vice-Chair in accordance with Section 4.3) be eligible to serve in aggregate for more than 8 years inclusive of any years served prior to this Section 4.2.3 becoming effective but exclusive of any partial years served.

2. Section 4.3 of By-law Number 1 of the Corporation is hereby amended as follows (changes are marked):

4.3 Chair and Vice-Chair of the Board

4.3.1. Chair of the Board. The Chair of the Board shall be nominated by the Governance and Nominating Committee for appointment by the Board from time to time. The person nominated as Chair ~~may~~shall be a person who qualifies as either an Industry Director or a Public Director. The term of office of the Chair shall be as determined by the Board provided that the Chair shall not serve for a term longer than 4 consecutive years (calculated without reference to any terms served as a director); provided that in no event shall the Chair be eligible to serve in aggregate as a Director, the Chair or Vice-Chair for more than 10 years inclusive of any years served prior to this provision of Section 4.3.1 becoming effective but exclusive of any partial years served.

4.3.2 Vice-Chair of the Board. The Governance and Nominating Committee may also nominate from time to time one of the directors then in office for appointment by the Board as the ~~a~~a Vice-Chair of the Board. The person nominated as Vice-Chair shall be a person who qualifies as either an Industry Director or a Public Director. The term of office of the Vice-Chair shall be as determined by the Board and the Vice-Chair shall be eligible to be appointed for a further term or terms, ~~provided that the term of office of a Vice-Chair shall cease if he or she ceases to be a director;~~ provided that in no event shall the Vice-Chair be eligible to serve in aggregate as a Director, the Chair or the Vice-Chair for more than 10 years inclusive of any years served prior to this provision of Section 4.3.2 becoming effective but exclusive of any partial years served.