

SME

Ontario Securities Commission

OSC SME Institute

Continuous Disclosure Special Topics II

Corporate Finance Branch

May 28, 2013

OSC

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Welcome and Introduction to the OSC SME Institute

OSC SME Institute - Objectives

Our goal is to:

- Help SMEs navigate the regulatory waters
- Demystify disclosure requirements so companies can focus on building their business
- Reduce SMEs' cost of compliance so that this money can be better spent on strategic initiatives
- Provide an opportunity for informal dialogue with OSC staff

Disclosure requirements, including those for financial reporting, are a cornerstone of investor confidence

Securities Regulation 101

Securities Regulation 101 Disclosure Requirements

- Periodic Disclosure
 - Financial statements, MD&A, CEO and CFO certifications, annual information form, information circular, executive compensation, corporate governance, oil and gas annual filing
- Timely Disclosure
 - Material change news release and report (Securities Act)
 - Material information (Exchanges)
- Event-Based Disclosure
 - Business acquisition reports, material contracts, insider reporting, mining technical reports

Securities Regulation 101

Periodic Requirements

Document	Venture	Non-venture
Audited annual financial statements accompanied with: <ul style="list-style-type: none"> • Annual MD&A • Annual CEO and CFO Certificates 	120 days after year-end	90 days after year-end
Interim financial report accompanied with <ul style="list-style-type: none"> • Interim MD&A • Interim CEO and CFO Certificates 	60 days after quarter end	45 days after quarter end
Annual Information Form (AIF)	N/A - but may elect to file	Usually 90 days after year-end
Information Circular	Generally mail 21 days before meeting and file promptly	
Executive Compensation	File with related document (usually with Information Circular or AIF)	
Corporate Governance (i.e. Board information)		

Securities Regulation 101

Timely Disclosure

Document	Timing
Material change news release and report	<ul style="list-style-type: none">Immediately issue and file news releaseFile material change report within 10 days

Material change – a change in the business, operations or capital of the company that would reasonably be expected to have a significant effect on market price or value of any of the securities of the company (or a decision to implement such a change)

Under stock exchange timely disclosure policies, a listed company is required to disclose material information including any material fact immediately upon the information becoming known to management

Securities Regulation 101

Event-Based Disclosure

Document	Timing
Business Acquisition Report	Within 75 days following acquisition
News Release with Financial Information	File news release immediately
Documents Affecting the Rights of Securityholders	Earlier of filing of material change report or AIF or 120 days after year end
Material Contracts	
Initial Insider Report	Within 10 days of becoming a reporting insider
Subsequent Insider Report	Within 5 days of any change in holdings

For more information, see OSC website for presentation slides from OSC SME Institute seminar on "Continuous Disclosure Obligations" held on October 17, 2012

Impairment

Impairment

Observation

Companies are not writing down assets to reflect a decline in value even though indicators of impairment are present

Why Important

Assessing for indicators of impairment and performing impairment tests ensures that assets are not overstated

Companies must assess for indicators of impairment not only at year end, but at the end of each reporting period, including quarters

Observation from Reviews

- Entities should assess for indicators of impairment at each reporting period, including:
 - Every quarter end; and
 - Every year end
- IAS 36 highlights several impairment indicators
 - Issuer should consider all external and internal sources of information in its assessment
 - If the company triggers one of the indicators, the issuer should estimate the recoverable amount of the asset
- Indicators present but no write-down taken, and no explanation to say why this is ok

Observation from Reviews (cont'd)

- Area of judgement and estimation uncertainty
 - MD&A disclosure requirements
 - Assumptions and factors used in assessment

- Even when impairment is taken, disclosure to explain events and circumstances leading to the impairment are:
 - Vague, broad;
 - Lack substance;
 - Not specific to the entity's circumstances; or
 - Not disclosed at all.

Timing of Impairment Measurement

Goodwill or
Indefinite life intangibles



Each reporting period (including interim periods) only if indicator exists
AND
At least once a year at a fixed date – does not need to be balance sheet year end date

All other assets
(subject to IAS 36)



Each reporting period (including interim periods) only if indicator exists

Indicators of Impairment

- IAS 36 includes examples of both external and internal indicators of impairment
- External indicators:
 - Significant decline in market value
 - Significant changes in technology, market, economic or legal environment for entity
 - Increase in market interest rates impacting discount rate
 - Carrying amount greater than market capitalization
- Internal indicators:
 - Obsolescence or physical damage of asset
 - Changes relating to the assets and its intended use
 - Lower economic performance compare to expectations

Examples of Potential Indicators

- Scenarios that would likely be an indicator of impairment:
 - Company decision to no longer market a product due to the company's release of an upgraded product
 - A plan by management to dispose an asset
 - Slower than anticipated consumer demand for product offered by the company or shifting consumer preferences
 - Introduction of competing product in the market
 - Declining sales per square footage
 - Net book value exceeds total company market capitalization

Impairment – Financial Statement Disclosure

- When an impairment is taken, disclose for each asset or CGU separately, if material:
 - The events and circumstances that led to the write-down;
 - Amount of the impairment loss; and
 - Other information regarding measurement method used.
- The above disclosures also apply to an impairment of goodwill
- Segment disclosures

Impairment – MD&A Disclosure

- Indicators of impairment present
 - No corresponding write-down to explain factors leading to this conclusion
- Discussion of trends impacting the company in the current period and in future periods
- Critical accounting estimates (CAE)
 - Impairment is often identified by issuer as CAE
 - Discussion of relevant indicators – entity specific

Examples of Boilerplate Disclosures

- The recoverable amounts of the CGUs declined due to:
 - “lower than expected profitability”
 - “the weakening of industry expectations”
 - “reduced expectations”
 - “decreasing revenues”
 - “weaker than expected performance”
 - “changes in the market conditions”
 - “market capitalization compared to net assets was lower”

Examples of Entity Specific Disclosures – Indicators of Impairment

- *“An impairment loss was recognized due to increases in industry-wide capital an operating costs, and a decline in demand for the entity’s product over the next 3 years, due to growth in demand for competing products.”*
- *“Industry is undergoing dramatic change, as consumers are showing a preference to online products. This has significantly decreased sales for our in-store products and resulted in a write-down of manufacturing assets.”*
- *“Increased competition, higher churn and lower revenues per user for cable and wireless led to the impairment loss of the CGU.”*

Impairment of Goodwill

- All goodwill is allocated to CGU, or groups of CGUs
 - How goodwill is allocated in operations is often unclear
- Allocate based on expected synergies at date of acquisition
- At a minimum, goodwill must be tested for impairment annually, at the same time every year
 - Consider indicators of impairment at each reporting period
- Allocate to goodwill before other assets in the CGU

Examples of Potential Indicators - Goodwill

- Examples of goodwill impairment indicator:
 - Restructuring occurs and the entity does not achieve the savings that were expected from the restructuring
 - Regulatory restrictions that were unforeseen in a certain market and acquirer now learns not able to achieve the planned sales level
 - Competitor introduces a new product and the acquirer will not be able to achieve the planned sales level at acquisition
 - Market capitalization less than carrying value

Impairment and the Audit Committee

- Audit Committee is an important gatekeeper for investors
- Valuation of Goodwill and intangibles represent a significant area of judgment and estimates:
 - Management should keep the Audit Committee abreast of those significant judgements and estimates, even if the conclusion is that there is no change and impairment is not necessary
 - Assessment of impairment, along with all significant judgements and assumptions should be included in audit committee materials

Impairment Hot Buttons

Areas	Considerations
Indicators	<ul style="list-style-type: none"> ■ Has the intended future use of an asset changed? ■ How will a competitor's announcement impact the company? ■ Has consumer demand changed? ■ Has share price dropped significantly so that net book value of assets exceeds market capitalization?
Value	<ul style="list-style-type: none"> ■ Are the assumptions used in the impairment assessment consistent with overall operations?
Disclosure	<ul style="list-style-type: none"> ■ Will an investor be able to understand the events leading to the impairment? ■ Are the key assumptions used in the impairment assessment disclosed?

The Importance of Cash Flows in Financial Reporting

Why Cash Flow Information Is Important

- A company's ability to generate cash impacts its liquidity and long term viability
- Cash flow is often a better measure of financial performance since it overcomes many limitations associated with accrual accounting
- Investors use cash flow information to:
 - Evaluate the company's ability to generate cash
 - Assess the company's risk profile
 - Determine the company's valuation

Simply put, cash flow is the fuel of any business

Sources of Cash Flow Information

- Cash flow information is communicated to investors through:
 - Financial Statements
 - MD&As
 - Non-GAAP financial measures

Cash Flow Information in Financial Statements

Financial Statement Requirements

- IAS 7 contains the standards required for the preparation of statements of cash flows and related disclosures
- Most important:
 - Appropriate classification of cash flows according to operating, investing and financing activities

Classification - What does it Mean?

Cash inflows and outflows are separated into three categories:

Category	Description	Examples
Operating Activities	Cash flows derived from the principal revenue producing activities	Cash receipts from customers, cash payments to suppliers
Investing Activities	Cash flows relating to resources intended to generate future income and cash flows	Purchase of machinery, investment in securities not for trading purposes
Financing Activities	Cash flows used for funding future operations	Issuing shares, acquiring a bank loan, or repaying amounts borrowed

Classification - Why is it Important?

- Each of the categories is intended to measure different aspects of entity's performance and financial condition
- Analysts and investors often base company valuations on operating cash flow metrics
- Misstating cash flows from operations may:
 - Misrepresent the business' ability to generate cash internally
 - Affect an investor's determination of a company's overall value
 - Be misleading to investors

A material misclassification may be misleading to investors

Example of Potentially Misleading Classification

- Company A's sole business is the buying and selling of highly specialized scientific equipment
- The turnover of each piece of equipment is generally 12 to 18 months
- It classifies cash flows from the buying of the equipment as investing activities
- It classifies cash flows from the selling of the equipment as revenue – i.e., operating activities
- Potentially misleading – outflows of cash all under investing activities, and inflows of cash all under operating activities

Cash Flow Disclosure in MD&A

Cash Flow – MD&A Disclosure

- Areas where Staff often find deficiencies:
 - Disclosure to highlight existing or potential liquidity concerns and risks
 - Explanation of fluctuations in non-cash working capital
 - Disclosure of terms and conditions stipulated by credit facilities and debt covenants
 - Discussion of contractual obligations, commitments for capital expenditures, and capital resources
 - Discussion of cash flow information by segments

It is important that MD&A provide a robust discussion and not just repeat the information in the financial statements. MD&A should address the “why”

Example of Boilerplate Disclosure

Repetition of information from financial statements

During the period from January 1, 2011 to December 31, 2012, the Company's cash flow from operating activities increased from \$3,746 to \$4,641. The increase was primarily a result of an increase in net profit from \$6,557 to \$8,998, as well as an increase in accounts payable of \$566 and an increase in deferred revenue of \$98, partially offset by an increase in accounts receivable of \$1,290, an increase in inventory of \$924, and an increase in royalty receivable of \$14.

Underlying reasons for the changes absent

Cash flow from investing activities increased year over year from negative \$446 in fiscal 2011 to positive \$817 in fiscal 2012. The primary reason for the increase was the sale of the company's 15% investment in ABC Company during 2011, and the sale of the Company's property in Brampton, Ontario, which generated total cash of \$877, partially offset by the purchase of plant and equipment of \$324, and increase in investment in marketable securities of \$8.

Cash flow from financing activities increased year over year from negative \$689 to negative \$517, primarily because of a reduction in capital lease payments of \$253, partially offset by an increase in share buy-backs of \$976. The Company also made debt repayment of \$65 in the year, and interest repayment of \$8, both of which were lower than the year before.

Example of Entity-Specific Disclosure

Reasons behind operating cash flows changes

How would management deal with issue

Impact on future investing cash flows

Impact on future financing cash flows

The increase in net profit during the year did not generate an equivalent increase in cash flows from operating activities. This was mainly due to the increases in accounts receivables and inventory as mentioned above, which placed a burden on the Company's liquidity. As mentioned, the increase in accounts receivable was expected to be non-recurring, and we have improved our inventory management system which is expected to lower the inventory level. The sale of the Company's investment in ABC Company and the property in Brampton, Ontario, which generated significant cash from investing activities this year, were strategic moves by the Company to reduce redundant assets. The study on efficient use of long term assets is now completed, and all non-performing assets have been identified and sold. Increase in share buy-backs reduced the increase in cash flow from financing activities year over year. This trend is expected to continue, as management believes the Company's shares are trading below their real value.

More effective disclosure can be achieved with fewer words when financial statements information is analyzed rather than repeated

Non-GAAP Financial Measures - Cash Flow Metrics

Non-GAAP Financial Measures – What Are They?

- “Non-GAAP measures” are those that exclude or include certain items as determined by the company, rather than amounts that can be found in, or derived from, financial statements
 - In other words, non-GAAP measures are not based on generally accepted accounting principles (GAAP)
 - Examples commonly include:
 - EBITDA
 - Free Cash Flow
 - Cash cost per ounce
- Companies often report some form of non-GAAP measures in addition to financial statement information in order to better analyze their results and report performance

Non-GAAP Financial Measures – Why The Need for Caution

- The types of non-GAAP measures used vary extensively
- Many companies report non-GAAP measures that are calculated differently from their typical methods of calculation
- Because of the above, these measures need to be accompanied by appropriate disclosures to provide meaningful information to investors

Issuers should ensure that investors are not confused or misled by non-GAAP measures that are used inappropriately

Types of Potential Non-GAAP Financial Measure Deficiencies

Potential Deficiencies Presented by Non-GAAP Financial Measures	Example
<ul style="list-style-type: none"> Measures that are presented with greater prominence than GAAP measures 	<ul style="list-style-type: none"> Disclose non-GAAP measure in press releases without providing the most directly comparable GAAP measure in the press release.
<ul style="list-style-type: none"> Measures that spotlight the good and play down the bad 	<ul style="list-style-type: none"> Disclose positive <i>adjusted working capital</i>, calculated by excluding a negative net non-financial assets/liabilities amount, when the company has a working capital deficit. Disclose more positive <i>adjusted operating cash flow</i>, by excluding certain negative amounts.
<ul style="list-style-type: none"> Measures that are not used consistently from year to year 	<ul style="list-style-type: none"> Include impairment in the year when it is an expense, but exclude in the year when it is a reversal.

Non-GAAP Financial Measures Example

	2012	2011
Net earnings	\$3,453	\$2,768
Interest expense	335	326
Current and deferred taxes	522	468
Depreciation and amortization	45	48
Impairment charge	-	520
EBITDA	\$4,355	\$4,130

- In 2012, the Company recorded a reversal of impairment charge of \$346 in P&L which was not subtracted in the EBITDA calculation
- Concerns:
 - Is this really “EBITDA” as it includes adjustments other than “ITDA”?
 - Includes the positive but omits the negative?
 - Are adjustments made consistently year to year?

Non-GAAP Financial Measures

Example of Boilerplate Disclosure

Non-standard
definition of
EBITDA

No explanation
of why it is
helpful

No explicit
language noting
no standardized
meaning

EBITDA is a non-GAAP financial measure, which is defined as earnings before income tax expense, financing costs, depreciation and amortization, and impairment charges.

EBITDA is to provide additional useful information to investors and analysts. Other companies may calculate EBITDA differently.

Non-GAAP Financial Measures

Example of Entity-Specific Disclosure

Identifies the non-GAAP measure as Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure, which is defined as earnings before income tax expense, financing costs, depreciation and amortization, and impairment charges.

Explanation of why it is helpful

Management believes that **Adjusted EBITDA** is an important indicator of the Company's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt, and fund future capital expenditures and uses the metric for this purpose. The exclusion of impairment charges eliminates the non-cash impact. **Adjusted EBITDA** is also used by investors and analysts for the purpose of valuing a company.

No standardized meaning

The intent of **Adjusted EBITDA** is to provide additional useful information to investors and analysts and does not have any standardized meaning under IFRS. **Adjusted EBITDA** should therefore not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate **Adjusted EBITDA** differently.

Assuming consistent disclosure from year to year

Cash Circumstances Warranting Disclosure

Cash Circumstances Warranting Disclosure

1. Potential liquidity concerns
2. Mismatch between revenue growth and cash inflows
3. Significant decline in operating cash flows
4. Change in non-cash working capital as primary source of operating cash flows
5. Disinvestment activities
6. Unusual non-cash transactions
7. Significant future cash requirements

1. Potential Liquidity Concerns

Cash Circumstance

=

*Negative cash flows from operating activities
+ negative working capital*

Disclosure:

- Should highlight this condition and the associated risks
- Discuss mitigating factors and plans that will be used by management to alleviate the situation
- Disclosure of plans should be entity specific and detailed, rather than just pointing out all possible sources of financing

2. Mismatch Between Revenue Growth and Cash Inflows

Cash Circumstance

=

*Negative cash flows from operating activities
+ significant revenue growth*

Disclosure:

- Explain the reasons for the condition as well as implications on the company's business model
- Discuss expected trends related to this circumstance
- Provide balanced disclosure that highlights risks resulting from negative cash flows from operating activities in addition to discussing revenue growth

3. Sudden Drop in Operating Cash Flows

Cash Circumstance

=

Significant drop in cash flows from operating activities in a certain period

Disclosure:

- Disclose the reasons for the drop in a comprehensive and plain language manner to provide meaningful information
- Discuss management's strategy for overcoming the situation

4. Change in Non-Cash Working Capital as Primary Source of Operating Cash Flows

Cash Circumstance
=
Significant fluctuations in cash flows related to non-cash working capital items
OR
Increase in current liabilities as the main contributor to operating cash flows

Disclosure:

- Explain reasons for changes in components of non-cash working capital
- Discuss expected trends related to the fluctuations in non-cash working capital

5. Disinvestment Activities

Cash Circumstance

=

*Significant and/or continuous cash inflow
from investing activities*

Disclosure:

- Disclose rationale behind the transactions that resulted in the cash inflows
- Discuss how the dispositions reflect management's strategies
- Explain how the dispositions would impact the company in the long run

6. Unusual Non-Cash Transactions

Cash Circumstance

=

*Sale or purchase of inventory or assets in exchange for
non-monetary consideration*

Disclosure:

- Disclose the business reasons for such transactions, and why non-monetary consideration was used
- Disclose the parties involved in the transaction. If they are related parties, the fact should be highlighted
- Explain the way the company determines the value of the non-monetary assets

7. Significant Future Cash Requirements

Cash Circumstance

=

Significant long term provisions in the statement of financial position

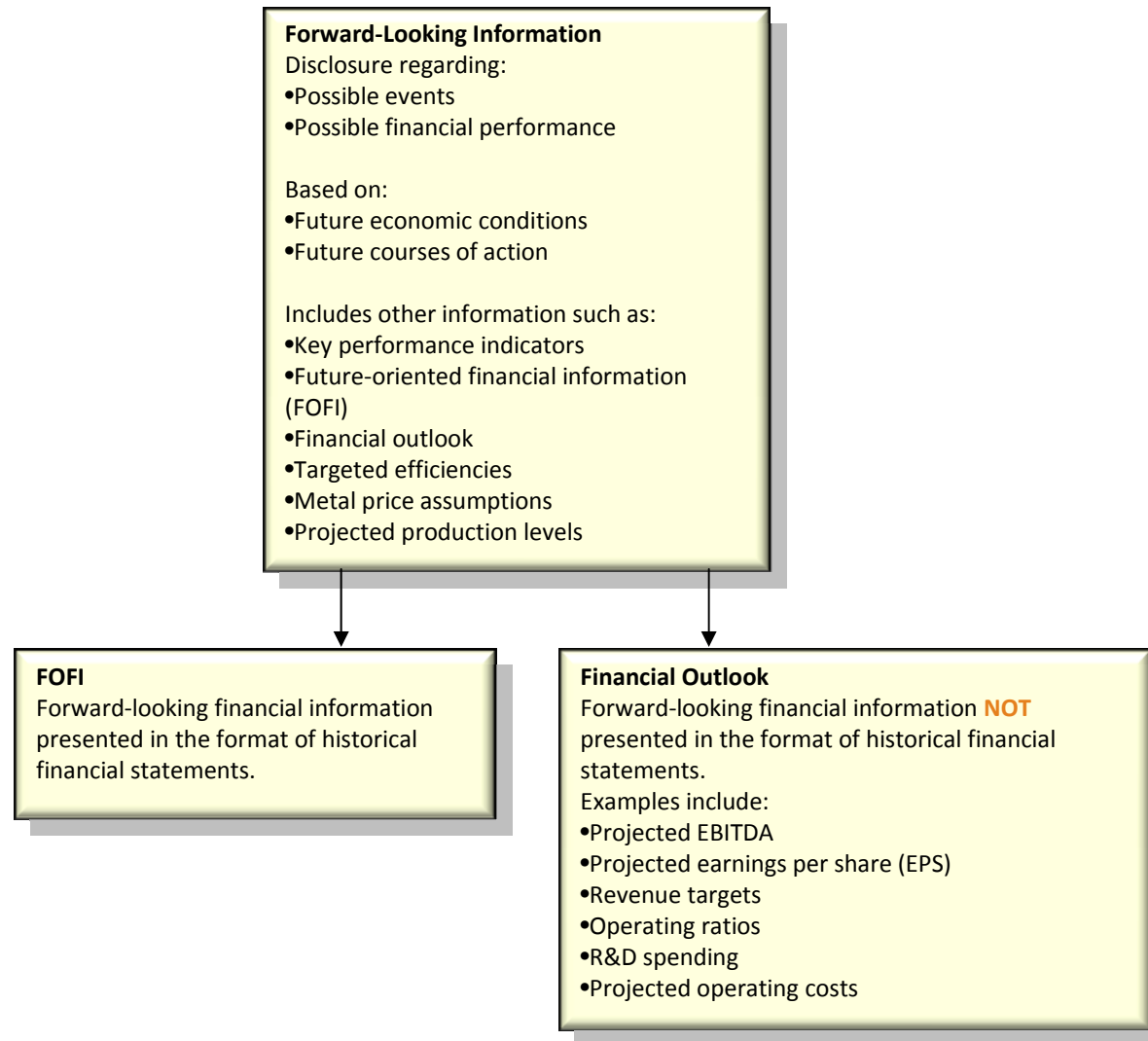
Disclosure:

- Provide the related note disclosures required under IFRS for provisions
- Provide the disclosures required under contractual obligations and commitments in the MD&A, including qualitative analysis of impact of obligations on future cash requirements
- Disclose financing plans and sources of capital

Forward-Looking Information



What is Forward-Looking Information (FLI)?



Forward-Looking Information

Observations

Companies that choose to disclose FLI often fail to label it as such. They generally provide non-specific disclosure instead of disclosing specific factors and assumptions supporting FLI. Companies also often do not update previously disclosed FLI when events and circumstances are reasonably likely to cause actual results to differ materially from previously disclosed material FLI.

Why Important

Investors want transparent and clear disclosure about present and future corporate operations and performance. When prepared properly, FLI can be used to enhance transparency and provide opportunities to increase an investor's understanding of a reporting issuer's business and future prospects.

FLI should provide valuable insight about the reporting issuer's business and how that reporting issuer intends to attain its corporate objectives and targets

Forward-Looking Information Hot Buttons

Areas	Considerations
General	<ul style="list-style-type: none">■ Is FLI identified?■ Is there a reasonable basis for the disclosed FLI?■ Are assumptions supporting financial outlook and FOFI reasonable and entity-specific?■ Is the FLI presented for a reasonable period?
Disclosure	<ul style="list-style-type: none">■ Are the material assumptions used to develop FLI disclosed?■ Have users been cautioned that actual results may vary from FLI?■ Have the risk factors that could cause actual results to vary been identified?

Forward-Looking Information Hot Buttons (cont'd)

Areas	Considerations
Disclosure	<ul style="list-style-type: none">Has previously disclosed FLI been updated if actual results likely to differ materially?Have material differences between actual results and previously disclosed financial outlook and FOFI been disclosed?

Identifying FLI

Example 1a - Boilerplate Disclosure

FLI not clearly
identified

This document may contain forward-looking statements. Forward-looking statements are often but not always, identified by words such as “believes”, “may”, “likely”, “plans” or similar words.

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Identifying FLI

Example 1a - Entity-Specific Disclosure

Entity-specific
FLI

This document contains forward-looking statements about expected future events and financial and operating performance of Company ABC.... Annual targets for fiscal 2013 and related assumptions are described in Part 5 “Performance scorecard for fiscal 2012” and Part 6 “Operating and Financial targets for fiscal 2013” of this MD&A.

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Identifying FLI

Example 1b -Boilerplate Disclosure

FLI not clearly
identified

All statements, other than statements of historical fact, that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements.

Identifying FLI

Example 1b - Entity-Specific Disclosure

Entity-specific
FLI

This MD&A includes, but is not limited to, forward-looking statements regarding: the potential of the Company's properties to contain economic precious and base metals deposits; the Company's ability to meet its working capital needs for the twelve-month period ending December 31, 2013; the plans, costs, timing and capital for future exploration and development of the Company's property interests in Zimbabwe and South Africa, including the costs and potential impact of complying with existing and proposed laws and regulations.

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Material Factors and Assumptions Example 2a - Boilerplate Disclosure

No assumptions
provided

In fiscal 2013, the Company anticipates meeting the following target:

- *Total sales to increase by 5.0% to 6.0%*

Material Factors and Assumptions

Example 2a - Entity-Specific Disclosure

Specific assumptions

In fiscal 2013, the Company expects total sales to increase by 5.0% to 6.0%. This expectation is based on same-store sales growth of between 3.0% and 4.0% and the introduction of new brands to our city centre stores. It is expected that new brands will contribute to the increase in sales and will be offset by increased competition from U.S. retailers. Key performance indicator for the Company includes retail sales per square foot; this target assumes an average sale per square foot of \$45. An increase of 25 basis points in interest rates may cause the sales target to decrease by 1-2%.

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Material Factors and Assumptions

Example 2b - Boilerplate Disclosure

No assumptions
provided

The entity expects EBITDA for segment #1 to reach \$125 million by 2014. We expect synergies from the acquisition of EFG Corp.

Material Factors and Assumptions

Example 2b - Entity-Specific Disclosure

Identification of
FLI

Specific
assumptions

Material risk
factors
provided

Certain statements and other information included in this MD&A constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking statements are typically identified by the words “believe”, “expect”, “anticipate”, “project”, “intend”, “estimate”, “outlook”, “focus”, “potential”, “will”, “should”, “would”, “could” and other similar expressions. ... *The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward looking statements.*

<i>FLI statements</i>	<i>Assumptions</i>	<i>Risk Factors</i>
Synergies to be achieved on the EFG acquisition	ABC’s ability to successfully integrate the business of EFG as planned within expected time frames and costs.	ABC’s ability to achieve enhanced purchasing efficiencies, expansion in product offerings and a reduction in overhead expenses.
Segment #1 EBITDA to reach \$125 million by 2014	Retail business conditions are assumed to be within normal parameters with respect to prices, margins, product availability, and supplier agreements for our major products. ABC’s ability to identify suitable candidates for acquisitions and negotiate acceptable terms. ABC’s ability to implement its standards, controls, procedures and policies at the acquired business to realize the expected synergies.	Retail business conditions are assumed to be within normal parameters with respect to prices, margins, product availability, and supplier agreements for our major products. ABC’s ability to integrate acquisitions, including its ability to achieve efficiencies as planned.

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Updating FLI

Example 3a - Boilerplate Disclosure

No events or
circumstances
discussed

*Gold production target for 2013 has been
increased to 70,000 to 80,000 gold ounces.*

Updating FLI

Example 3a - Entity-Specific Disclosure

Updated FLI

Events and
circumstances
discussed

Updated
assumptions

Gold production was originally anticipated to be in the range of 40,000 to 50,000 gold ounces for 2013. Given the recent developments in Q2, the target for 2013 has increased to 70,000 to 80,000 gold ounces. The expansion and development of ABC mine was completed at the end of Q2 and will be contributing to the increased production. It is expected that weekly production will increase by approximately 1,400 ounces. The Company is in the process of hiring additional engineering staff to support the increased production. If we are unable to hire qualified personnel, the target may only increase to 60,000 to 70,000 gold ounces.

Updating FLI

Example 3b - Entity-Specific Disclosure

Identification of
FLI

2013 Second-Quarter Guidance Update

The discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements found in section 1 of the MD&A.

The Company's 2013 targets and assumptions were originally announced on February 28, 2013, in the Company's annual 2012 financial results news release and accompanying investor conference call and webcast. The Company has revised its guidance for the full year as follows:

	Revised guidance for 2013 and expected change from 2012 results	Original targets for 2013 and expected change from 2012 results	Guidance change
Consolidated			
Revenues	\$5.4 to \$5.55 billion 2 to 5%	\$5.35 to \$5.5 billion 2 to 5%	Increase top and bottom of range by \$50 million
EBITDA	\$1.95 to \$2.03 billion 2 to 6%	\$1.9 to \$2.0 billion 1 to 6%	Increase top of range by \$30 million and bottom
EPS – basic	\$2.75 to \$3.20 0 to 8%	\$2.75 to \$3.20 0 to 8%	No change
Capital expenditures	Approx. \$900 million 5%	Approx. \$800 million —	Increase of \$100 million
Segment A			
Revenue	\$2.9 to \$3.0 billion 4 to 7%	\$2.9 to \$3.0 billion 4 to 7%	No change
EBITDA	\$1.2 to \$1.25 billion 9 to 13%	\$1.15 to \$1.2 billion 4 to 9%	Increase top and bottom of range by \$50 million
Segment B			
Revenue	\$2. to \$2.550 billion 0 to 3%	\$2.45 to \$2.5 billion 0 to 3%	Increase top and bottom of range by \$50 million
EBITDA	\$0.75 to \$0.78 billion (5) to (2)%	\$0.78 to \$0.8 billion (6) to 1%	Decrease top of range by \$20 million

FLI updated

Updating FLI

Example 3b - Entity-Specific Disclosure (cont'd)

Updated
assumptions

Assumptions for 2013 original targets	Result to date or expectation for full year
Segment B revenue growth greater than product #1 revenue declines due to continued retail expansion and upgrades supporting our distribution network. Product #1 revenue declines reflect continued erosion in our main market in Central Canada as increased competition arrives.	Confirmed by results in the first six months of 2013. Segment B revenue increased by 9% year over year, which exceeded the aggregate 6% year-over-year decline in product #1 revenues.
Continued decline in pricing of product #1	Product #1 revenues continued to decline due to retail price competition and unfavourable weather during the quarter. Product #1 revenues decreased year over year by 6.0% in the first half of 2013.
Between \$20 and \$30 million in restructuring costs to support several operating and capital efficiency initiatives.	Different initiatives expected to impact restructuring costs are currently estimated at approximately \$40 million for the full year. Restructuring costs of \$15 million were recorded in the first half of 2013, of which \$10 million was for employee-related initiatives and \$5 million was related to sale of real estate.
.....

Updating FLI

Example 3c - Entity-Specific Disclosure

Previously
disclosed
assumptions

Updated
assumptions

2013 Financial Assumptions

In the 2012 annual MD&A, the Company previously provided assumptions for 2013 which included capital expenditures estimated to range from \$525 million to \$550 million (discussed further in Section 3.5, Liquidity and Capital Resources). The Company expects its tax rate to be in the 23% to 28% range (discussed further in Section 2.9, Other Income Items). The 2013 pension contributions were estimated to be between \$55 million and \$70 million (discussed further in Section 3.9, Commitments and Future Trends). Undue reliance should not be placed on these assumptions and other forward-looking information.

2013 Third-Quarter Guidance

The Company has updated the following assumptions: Capital expenditures are currently estimated to be \$605 million in 2013. This increase includes the purchase of additional vehicles and our ability to complete our planned capital program. We estimate our aggregate defined benefit pension contributions to equal approximately \$55 million in 2013, and in the range of \$70 million to \$85 million in each of the subsequent three or four years.

SME

Ontario Securities Commission

OSC SME Institute

OSC

Comparison to Actual Example 4a - Boilerplate Disclosure

No comparison of
actual results to
financial outlook

ABC Company achieved sales growth of 10.5% in 2012 and maintained capital expenditures at \$15 million.

Comparison to Actual

Example 4a - Entity-Specific Disclosure

Comparison

Explanation of
material
differences

2012 objectives	Accomplishments in 2012
<ul style="list-style-type: none"> Sales growth of 3-4% 	<ul style="list-style-type: none"> Sales growth of 10.5% <p>The increase in sales growth achieved during fiscal 2012 was due to the introduction of product XX in Q4 which resulted in a growth of 6% of sales, reduction of the selling price of product Y, which resulted in an increase in sales volume of 75%, and the increase in sales volume of product R.</p>
<ul style="list-style-type: none"> Capital expenditure \$25-35 million 	<ul style="list-style-type: none"> Capital expenditure of \$15 million. <p>Spending was substantially lower than anticipated due to lower information technology enhancement requirements (\$8 million) and less equipment replacements (\$7 million).</p>

Forward-Looking Information – Practice Points

- Quality of assumptions
- Timely updating of ongoing progress
- Key performance indicators
- Separate presentation

Conclusion

Example of Entity-Specific Disclosure

Scorecard	What we targeted	How we did	Commentary	What we are targeting to do in 2013
Same store sales growth	3%-5%	6.30%	Our same-store sales growth was driven mainly by changes to our clothing lines with quality products introduced at targeted price points which contributed to positive product mix, and combined with pricing, resulted in a higher average sale per consumer. Additional advertising targeted at our core growth markets in Eastern U.S. also contributed favourably, and we believe was a significant factor in the strong performance during the period.	4%-6%
EPS (fully diluted)	\$2.30 - \$2.40	\$2.35	A combination of operating income growth driven primarily by continued strength in corporate sales in the Americas, a lower effective tax rate, and our share repurchase program contributed to our EPS performance in fiscal 2012.	\$2.35 - \$2.45

Segment Disclosure

What is Financial Statement Segment Disclosure?

- View of company's performance and condition through eyes of management
 - Highlight areas of importance
- Detailed operational information that supplement MD&A discussions
- Gives detailed information to investors regarding financial results and position of operating units of a company
 - Basis of investment decisions

Segment Disclosure

Observation

Reporting issuers generally provide incomplete segment information.

Why Important

Assists investors in analyzing reporting issuers with diverse businesses. Segment disclosure gives a view of the business as seen through the eyes of management.

Segment disclosure is fundamental to investors' understanding of a reporting issuer's performance and prospects

Segment Disclosure Hot Buttons

Areas	Considerations
General	<ul style="list-style-type: none"><li data-bbox="758 431 1898 532">■ Has the chief operating decision maker been identified at the correct level?<li data-bbox="758 578 1787 678">■ Have the operating segments been appropriately identified?<li data-bbox="758 724 1766 824">■ Have the reportable segments been determined correctly?

Segment Disclosure Hot Buttons (cont'd)

Areas	Considerations
Disclosure	<ul style="list-style-type: none"><li data-bbox="764 412 1520 461">■ Have the following been disclosed?<ul style="list-style-type: none"><li data-bbox="861 506 1339 548">• Products and services<li data-bbox="861 594 1570 636">• Factors used to identify segments<li data-bbox="861 682 1394 724">• Measure of profit or loss<li data-bbox="861 769 1146 812">• Total assets<li data-bbox="861 857 1390 899">• Required reconciliations<li data-bbox="861 945 1365 987">• Entity-wide disclosures

Segment Disclosure

Example of Boilerplate Disclosure

Inconsistent disclosure

Financial Statement note disclosure:

SEGMENTED INFORMATION

The Company has one reportable segment: ABC

Through its ABC segment, the Company enters into a variety of business in the media industry. It derives its revenues from advertising, marketing, circulation, distribution, printing and other.

Segment profit or loss has been defined as operating profit which corresponds to operating profit as presented in the consolidated statement of income.

MD&A disclosure:

Segment results

ABC includes publications and other media "hard copy" operations under the name AAA, BBB and CCC.

XYZ comprises of the online media business including commercial and non-commercial.

Segment Operating Results

The following table sets out operating earnings for the years ended December 31, 2011 and 2010.

	2011			2010		
	ABC	XYZ	Total	ABC	XYZ	Total
In millions						
Operating revenue	53	47	100	51	49	100

Consistent disclosure

Segment Disclosure

Example of Entity Specific Disclosure

Financial Statement note disclosure:

SEGMENTED INFORMATION

The Company has two reportable segment: ABC Group and XYZ Group

Through its ABC segment, the Company enters into a variety of business in the media industry. It derives its revenues from advertising, marketing, circulation, distribution, printing and from other public relations and "media" hard copy.

Through its XYZ segment, the company provides on-line media services.

Segment profit or loss has been defined as operating profit which corresponds to operating profit as presented in the consolidated statement of income.

MD&A disclosure:

Segment results

ABC includes publications and other media "hard copy" operations under the name AAA, BBB and CCC.

XYZ comprises of the online media business including commercial and non-commercial.

Segment Operating Results

The following table sets out operating earnings for the years ended December 31, 2011 and 2010.

	2011			2010		
In millions	ABC	XYZ	Total	ABC	XYZ	Total
Operating revenue	53	47	100	51	49	100

Unclear disclosure

Segment Disclosure

Example of Boilerplate Disclosure

Operating Segment Note

The Company's segments consist of the geographical regions in which the Company operates. In determining the Company's segment structure, the Company considered the basis on which management, including the chief operating decision maker, reviews the financial performance of the Company.

The Company has three segments which are:

- South America*
- USA and*
- a development stage mine*

'Corporate and other' consists of the Company's corporate offices and exploration properties and other unallocated costs.

Clear disclosure

Segment Disclosure

Example of Entity-Specific Disclosure

Operating Segment Note

The Company's reportable segments are components of the Company's operating segments after aggregation and consist of the geographical regions in which the Company operates. In determining the Company's segment structure, the Company considered the basis on which management, including the chief operating decision maker, reviews the financial and operational performance of the Company, and whether any of the Company's mining operations share similar economic, operational and regulatory characteristics.

The Company has three reportable segments, as follow (where each mine has been identified as an operating segment):

- *Brazil: Mine 1, Mine 2, and Mine 3*
- *USA: Mine 5 and Mine 6*
- *Canada: Mine 4 – a development stage.*

'Corporate and other' consists of the Company's corporate offices and exploration properties and other unallocated costs.



Incomplete disclosure

Segment Disclosure

Example of Boilerplate Disclosure

The following is included in the consolidated financial statements for the year ended December 31, 2011 and 2010:

Segment disclosure relating to year ended December 31, 2011:

	Mining	Exploration & Development	Corporate and Other	Total Consolidated
Revenues	80,000	-	-	80,000
Earnings from mining operations	15,000	-	-	15,000
<i>Expenses and other:</i>				
G&A	-	-	(3,300)	(3,300)
Exploration	-	(11,100)	-	(11,100)
Other income	-	-	2,000	2,000
Income (loss) before interest and taxes	15,000	(11,100)	(1,300)	2,600
Interest expense	-	-	300	300
Net (loss) income	15,000	(11,100)	(1,600)	2,300

Segment disclosure relating to year ended December 31, 2010:

	Mining	Exploration & Development	Corporate and Other	Total Consolidated
Revenues	-	-	-	-
Earnings from mining operations	-	-	-	-
<i>Expenses and other:</i>				
G&A	-	-	(3,000)	(3,000)
Exploration	-	-	(10,000)	(10,000)
Other income	-	-	3,800	3,800
Income (loss) before interest and taxes	-	-	(9,200)	(9,200)
Interest expense	-	-	250	250
Net (loss) income	-	-	(9,450)	(9,450)

The following is included in the consolidated financial statements for the year ended December 31, 2010 and 2009:

Segment disclosure relating to the year ended December 31, 2010:

		Total Consolidated
Revenues		-
Earnings from mining operations		-
<i>Expenses and other:</i>		
G&A		(3,000)
Exploration		(10,000)
Other income		3,800
Income (loss) before interest and taxes		(9,200)
Interest expense		250
Net (loss) income		(9,450)



Complete disclosure

Segment Disclosure

Example of Entity-Specific Disclosure

The following is included in the consolidated financial statements for the year ended December 31, 2011 and 2010:

Segment disclosure relating to year ended December 31, 2011:

	Mining	Exploration & Development	Corporate and Other	Total Consolidated
Revenues	80,000	-	-	80,000
Earnings from mining operations	15,000	-	-	15,000
<i>Expenses and other:</i>				
G&A	-	-	(3,300)	(3,300)
Exploration	-	(11,100)	-	(11,100)
Other income	-	-	2,000	2,000
Income (loss) before interest and taxes	15,000	(11,100)	(1,300)	2,600
Interest expense	-	-	300	300
Net (loss) income	15,000	(11,100)	(1,600)	2,300

Segment disclosure relating to year ended December 31, 2010:

	Mining	Exploration & Development	Corporate and Other	Total Consolidated
Revenues	-	-	-	-
Earnings from mining operations	-	-	-	-
<i>Expenses and other:</i>				
G&A	-	(2,000)	(1,000)	(3,000)
Exploration	-	(10,000)	-	(10,000)
Other income	-	-	3,800	3,800
Income (loss) before interest and taxes	-	(12,000)	2,800	(9,200)
Interest expense	-	100	150	250
Net (loss) income	-	(11,900)	(2,650)	(9,450)

The following is included in the consolidated financial statements for the year ended December 31, 2010 and 2009:

Segment disclosure relating to the year ended December 31, 2010:

		Total Consolidated
Revenues		-
Earnings from mining operations		-
<i>Expenses and other:</i>		
G&A		(3,000)
Exploration		(10,000)
Other income		3,800
Income (loss) before interest and taxes		(9,200)
Interest expense		250
Net (loss) income		(9,450)

SME

Ontario Securities Commission

OSC SME Institute

OSC

Unclear disclosure

Segment Disclosure

Example of Boilerplate Disclosure

<i>Revenue</i>	<i>December 31, 2011</i>	<i>December 31, 2010</i>
Canada	6	5
United States	20	40
New Zealand	10	10
<u>Other</u>	<u>64</u>	<u>45</u>
TOTAL	100	100

Segment Disclosure

Example of Entity-Specific Disclosure

Clear
disclosure

<i>Revenue</i>	<i>December 31, 2011</i>	<i>December 31, 2010</i>
Canada	6	5
United States	21	40
New Zealand	10	10
China	26	24
Japan	15	9
Germany	13	10
Other	9	2
TOTAL	100	100

The revenue has been attributed to the geographic regions based on the location of the customer.. In the above table, the revenues attributed to these countries are grouped in "Other" along with other countries with less than 10% of total revenues attributed.

OSC Staff Notice 51-720
Issuer Guide for Companies Operating
in Emerging Markets

Emerging Markets

“If the assets are in [an emerging market,] you’re not going to be able to sit in your [home country] and do a conference call four times a year and discharge your duty of loyalty. That won’t cut it. That there will be special challenges that deal with linguistic, cultural and others in terms of the efforts that you have to put in to discharge your duty of loyalty.” (pp. 21 of transcript, Oral Argument and The Court’s Ruling, In re Puda Coal, Inc. Stockholders Litigation, Del. Ch. C.A. 6476-CS (February 6, 2013))

“That if you’re going to have a company domiciled for purpose of its relations with investors in [the home country] and the assets and operations of the company are situated in [an emerging market] that, in order for you to meet your obligation of good faith, you better have your physical body in [the emerging market] an awful lot. You better have in place a system of controls to make sure that you know that you actually own the assets. You better have the language skills to navigate the environment in which the company is operating. You better have retained accountants and lawyers who are fit to the task of maintaining a system of controls over a public company.” (pp. 17-9 of transcript)

Emerging Market Review – Background

- In mid-2011, OSC performed review of EM issuers due to:
 - Notable concerns involving some EM issuers
 - Recognition of increasingly globalized marketplace
- Review of selected EM issuers
 - 24 out of the 46 EM issuers in Ontario were reviewed
- Published results of review in **OSC Staff Notice 51-719** *Emerging Markets Issuer Review* dated March 20, 2012
- Published guidance for companies operating in emerging markets in **OSC Staff Notice 51-720** *Issuer Guide for Companies Operating in Emerging Markets* dated November 9, 2012

“Definition” of EM Issuers

- Focused on issuers with the following characteristics:
 - Issuers whose mind and management are largely outside of Canada; and
 - Issuers whose principal active operations are outside of Canada
 - Regions such as Asia, Africa, South America and Eastern Europe

OSC Staff Notice 51-720 – Issuer Guide

- Directed primarily at EM issuers and their directors and management
- Objectives of the Issuer Guide:
 - To highlight areas of risk or red flags warranting further scrutiny
 - To provide questions for consideration when addressing risks of doing business in EM
 - To outline staff's expectations regarding compliance with existing disclosure requirements
- Non-EM issuers, especially SMEs, will find many aspects covered by the Issuer Guide equally applicable

*The Issuer Guide can be found on the OSC website following this link:
http://www.osc.gov.on.ca/en/SecuritiesLaw_51-720.htm*

Eight Areas To Consider

1. Business and operating environment
2. Language and cultural differences
3. Corporate structure
4. Related parties
5. Risk management and disclosure
6. Internal controls
7. Use of and reliance on experts
8. Oversight of the external auditor

1. Business and Operating Environment

Observation

Geographical and language challenges often lead to a lack of knowledge and experience in the foreign operating environment

Why Important

Thorough understanding of the political, cultural, legal and business environments of a company is fundamental to corporate governance and management

Canadian reporting issuers must adhere to Canadian regulatory requirements regardless of the location of the company's operations

Examples of Matters to Consider

- What role does the foreign government have?
- What is the legal environment of the foreign jurisdiction?
- Are there any restrictions on the company's ability to transfer and/or verify the existence of funds in bank accounts located in the foreign country?
- How frequently do Canadian directors/management visit the foreign operations?
- Where are the company's books and records located and are there any access restrictions?

Disclosure

- AIF requires disclosure of principal markets, competitive conditions, economic dependence
- MD&A requires disclosure of company's uncertainties and economic factors affecting the company
- The disclosure should allow investors to understand the business model of the company and its unique characteristics

2. Language and Cultural Differences

Observation

Management and directors of EM issuers often face challenges resulting from language and cultural differences generated by the foreign operations

Why Important

Language and cultural barriers hinder effective communication and the proper identification of risks associated with the foreign operations

Boards of EM issuers should include members that have appropriate experience (including language and cultural) in the emerging market

Examples of Matters to Consider

- Does the composition of the board provide the appropriate level of knowledge and expertise in the language and cultural practices of the emerging market?
- Are important documents properly translated?
- Does the Company have access to resources, beyond management located in the foreign operations who are not independent, that can help overcome language and cultural issues?

3. Corporate Structure

Observation

EM issuers often use complex corporate structures to enable them to do business in the foreign markets, but disclosure is not often transparent to allow investors to understand the risks associated with such structures and how they are managed

Why Important

A thorough understanding by the board of an EM issuer of the risks associated with complex structures is needed in order for them to be managed, and clear disclosure provides investors with pertinent information for making investment decisions

Have measures in place to manage the potential risks associated with complex corporate structures

Complex Corporate Structures

Two common types of complex corporate structures used by EM issuers:

- Structures with multiple layers and numerous subsidiaries
 - Communication among various levels of the corporate hierarchy may be challenging
- Special purpose entity (a.k.a. variable interest entities)
 - Control through contractual arrangements rather than voting rights
 - Often used to gain access to markets where foreign investment is restricted or prohibited
 - Risks: (1) foreign government not accepting this structure (2) enforceability of the contracts used to establish the structure

Examples of Matters to Consider

- Can a simpler structure achieve the same objectives?
- How does the board ensure that information is communicated within the structure effectively and timely?
- Has the Company fully evaluated the implications of an SPE structure on the effective control and ownership over the foreign operating entities?
- Can the Canadian parent company effectively change the board and management of the foreign operating entity?

Disclosure

- Describe the corporate structure, and explain the reasons for using complex structures
- Describe the risks associated with the structure and how those risks are managed

See Issuer Guide for disclosure example

4. Related Parties

Observation

Due to business and cultural differences, related party transactions are common among EM issuers, and tend to represent a heightened risk

Why Important

Related party transactions that benefit related parties at the expense of the company often damage investors' trust in management, which ultimately harms shareholder returns

EM issuers should ensure that proper controls are in place to identify and independently evaluate and approve related party transactions

Examples of Matters to Consider

- Does the company have policies in place to require independent board approval for related party transactions?
- Is the transaction subject to minority shareholder approval and valuation requirements under MI 61-101 *Protection of Minority Security Holders in Special Transactions*?
- What are the merits and risks of the related party transaction?

Disclosure

- The key to related party transaction disclosure is transparency
- Ensure investors understand the business purpose and economic substance of a related party transaction
- Determination of materiality of related party transactions:

“The materiality of the interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to securityholders.”

– See instructions for Item 13, Interest of Management and Others in Material Transactions, of Form 51-102F2 Annual Information Form

See Issuer Guide for disclosure example

5. Risk Management and Disclosure

Observation

Risks of EM issuers are sometimes evaluated and managed through a North American lens, without sufficient regard to the uniqueness of the emerging market in which they operate

Why Important

Without a thorough understanding of the risks involved in operating in an emerging market, risk management strategies may not be effective

Risk management strategies will only be effective when the business and operating environment is thoroughly understood

Examples of Matters to Consider

- Does the board regularly engage with management to review and update the risk identification and management strategy?
- What steps are being taken to stay informed of key developments that could increase the company's risk exposure?
- Has the company considered macro risk factors such as political, legal and cultural factors in the market in which the company operates in?

Disclosure

- Disclosure of risks should be entity specific and relevant to the company
- Disclose mitigating factors and risk management strategies
- Update risks disclosure from period to period

See Issuer Guide for disclosure example

6. Internal Controls

Observation

Effective internal controls are often lacking in EM issuers, and maintaining effective controls is often more challenging with EM issuers due to geographical, time zone, language and cultural differences

Why Important

A lack of or a circumvention of internal controls may lead to a breakdown of the integrity of financial reporting

Issuers should endeavour to remediate deficiencies and weaknesses in internal controls

Examples of Matters to Consider

- Has the audit committee reviewed what management has done in relation to maintaining proper internal controls?
- What potential risks flow from identified deficiencies and weaknesses in internal controls, and what is the remediation plan?
- Has the audit committee monitored the progress of remediation plans put together by management?

Disclosure

- Non-venture companies are required to certify that they have established and evaluated the effectiveness of the issuer's internal controls
- Material weaknesses identified must be disclosed in the MD&A
- Disclosure should be clear and not vague, and should explain the nature and implications of the weaknesses
- Don't forget to conclude on the effectiveness of internal controls over financial reporting and disclosure controls and procedures
- Further guidance can be found in CSA Staff Notices 52-325 and 52-327 which summarize the results of review of issuers' certification filings

See Issuer Guide for disclosure example

7. Use of and Reliance on Experts

Observation

It is sometimes harder to assess the quality of the professional advice provided by experts that operate in emerging markets as they may not be subject to the equivalent rules of professional conduct and standards of care as in Canada

Why Important

High quality professional advice is important to issuers as they often rely on the experts for specialized or complex knowledge

Credentials of expert advisors should be carefully evaluated before they are retained

Examples of Matters to Consider

- What procedures can the company take to evaluate the expert's credentials?
- Has the company evaluated the level of due diligence exercised by the expert? Was the expert's opinion fully substantiated by accurate facts and thorough analysis?
- Is a corroborating opinion (provided by Canadian experts, for example) necessary or desirable?

Disclosure

- An expert's interests in the company are required to be disclosed (subject to specified exceptions)

See Issuer Guide for disclosure example

8. Oversight of the External Auditor

Observation

Oversight of the external auditor by the audit committee is sometimes insufficient, which could potentially result in poor audit quality

Why Important

The external auditor is an important gatekeeper that investors rely on to ensure that a company's financial statements are fairly presented

It would be beneficial for the audit committee to maintain frequent communication with the external auditor

Examples of Matters to Consider

- Does the auditor have the relevant competence, experience and qualifications to perform the audit effectively?
- Has the audit committee evaluated the auditor's approach in auditing the areas that pose high risks to the company?
- How and how often should the audit committee meet with the auditor?

Helpful Information about the OSC

Useful Links for Companies

http://www.osc.gov.on.ca/en/SecuritiesLaw_irps_index.htm

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OSC ONTARIO SECURITIES COMMISSION

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OSC ► Securities Law & Instruments ► Instruments, Rules & Policies

Legislation
Instruments, Rules & Policies
Proposed Instruments, Rules & Policies
Orders, Rulings & Decisions
OSC Bulletin
Frequently Used Forms

Securities Law & Instruments

Instruments, Rules & Policies

This section contains proposed and final instruments, rules, policies, and other regulatory documents. They are grouped by subject according to the Canadian Securities Administrators (CSA) numbering system.

- 1 - Procedure and Related Matters
- 2 - Certain Capital Market Participants
- 3 - Registration Requirements and Related Matters
- 4 - Distribution Requirements
- 5 - Ongoing Requirements for Issuers and Insiders**
- 6 - Take-Over Bids and Special Transactions
- 7 - Securities Transactions Outside the Jurisdiction
- 8 - Mutual Funds

RELATED INFORMATION

- Backgrounder on Rule Making
- CSA Numbering System
- Table of Concordance

Useful Links for Companies

OSC | Companies - Information for Small and Medium Enterprises - Windows Internet Explorer

http://www.osc.gov.on.ca/en/Companies_smaller-companies_index.htm

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OSC > Companies > Information for Small and Medium Enterprises

Information for: Companies

Information for Small and Medium Enterprises

This web page is dedicated to providing Small and Medium Enterprises (SMEs) with useful information relevant to their market. SMEs and their advisors are encouraged to frequently visit this page and its contents to learn more about OSC rules and requirements, and capital market information that impact them.

Table of Contents

- Small and Medium Enterprises in Ontario
- The OSC SME Institute
- The OSC SME Community
- The Small and Medium Enterprises Committee
- Topical Information for SMEs
 - How To Raise Capital
 - Ongoing Requirements
 - Other Information
- SME Alerts
- Contact Us

Small and Medium Enterprises in Ontario

The OSC recognizes the important role the small business sector plays in Ontario's capital market. Approximately 36 per cent of Canadian SMEs were recorded as Ontario-based, representing 97 per cent of Ontario-based businesses (*Industry Canada, SME Financing Data Initiative, 2007*). Additionally, a significant proportion of TSX-Venture listed issuers are also based in Ontario.

The OSC's role as securities regulator is to uphold confidence and integrity in Ontario's capital markets. Given the importance of SMEs to Ontario's market, the OSC works to foster easier access to capital raising for SMEs, while adequately protecting the needs of investors in those companies. The OSC strives to support Ontario-based SMEs in all industries by facilitating cost-effective compliance through appropriate regulation and targeted programs of issuer education and outreach.

SPOTLIGHT ON:

SME Institute Calendar

Filing Due Dates Calendar for Annual & Interim Filings by Reporting Issuers

RELATED INFORMATION:

- Reporting Issuers List
- OSC Staff Notice 41-702: PIFs
- OSC Staff Notice 41-703: Relief evidenced by receipt

Questions?

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