



Canadian Oil Sands

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**VIA EMAIL**

June 9, 2015

British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
Manitoba Securities Commission  
Ontario Securities Commission  
Autorité des marchés financiers  
Superintendent of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Financial and Consumer Services Commission (New Brunswick)  
Securities Commission of Newfoundland and Labrador  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

**Attention: The Secretary**

Ontario Securities Commission  
20 Queen Street West  
22<sup>nd</sup> Floor, Box 55  
Toronto, ON M5H 2S8  
Fax: (416) 593-2318  
E-mail: [comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

**Attention: Me Anne-Marie Beaudoin, Corporate Secretary**

Autorité des marchés financiers  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montreal, QC H4Z 1G3  
Fax: (514) 864-6381  
E-mail: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

**Re: Proposed amendments to Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids and changes to National Policy 62-203 Take-Over Bids and Issuer Bids (collectively, the “Proposed Amendments”)**

Canadian Oil Sands Limited (“COS”) appreciates the efforts of the Canadian Securities Administrators (the “CSA”) to regulate take-over bids in a way that provides boards with sufficient time to properly assess an offer and to respond in a way that allows directors to ensure that they have carefully considered the optimal result for the corporation. COS also appreciates the opportunity to be a part of the CSA’s regulatory reform process.

COS holds a 36.74% working interest in the Syncrude joint venture, providing a pure investment opportunity in Syncrude’s crude oil producing assets. Located near Fort McMurray, Alberta, Syncrude operates large oil-sands mines and an upgrading facility that produces a light, sweet crude oil on behalf of its joint venture owners. COS’ primary business is its ownership in Syncrude and the marketing and sale of crude oil derived from such ownership.

COS has the following comments on the Proposed Amendments:

### **120 Day Requirement**

We believe that 120 days will give a board sufficient time to effectively respond to a take-over bid and ensure that shareholders have sufficient information to make a fully informed decision. Provincial securities commissions will generally intervene to “cease trade” a shareholder rights plan within 45 to 60 days after the launch of an unsolicited take-over bid. This is beyond the 35 day minimum tender period for a take-over bid, but in many situations may not be enough time for a board of directors to satisfy its fiduciary duty and duty of care and to properly communicate with shareholders.

### **50% Minimum Tender Requirement and 10 Day Extension Requirement**

As discussed in the CSA consultation paper, under the current regulatory regime shareholders will often feel pressured to tender to an unsolicited take-over bid that they do not support. We agree with the CSA that the 50% minimum tender and 10 day extension requirements will help mitigate this problematic aspect of the current regulatory regime. Standard shareholder rights plans already include provisions equivalent to the 50% minimum tender and 10 day extension requirements.

### **Directors’ Response**

We are of the view that boards of directors should be allowed 30 days to respond to a take-over bid, especially given the requirement in the Proposed Amendments that a take-over bid must be open for a minimum of 120 days. Boards currently have 15 days after the launch of a take-over bid to make their recommendation regarding the bid to shareholders. In many situations, we do not believe that 15 days is a sufficient amount of time for directors to properly discharge their fiduciary duty and duty of care. In order to fulfill its statutory duties and properly respond to shareholders, a board must review and evaluate complex information, put together a multidisciplinary team of advisors, potentially identify and negotiate competing offers or pursue value maximizing alternatives, formulate a response to shareholders and communicate that response to shareholders and other stakeholders.

### **Shareholder Rights Plans**

The Proposed Amendments are silent on the treatment of shareholder rights plans. The Proposed Amendments should provide more guidance to issuers regarding the treatment of shareholder rights plans after the expiry of the 120 day period, as well as with respect to exempt take-over bids. Provincial securities commissions have had conflicting views regarding the treatment of shareholder rights plans in the past and further guidance from the CSA may help to provide greater market clarity.

Thank you for the opportunity to comment on the Proposed Amendments.

Yours truly,

**CANADIAN OIL SANDS LIMITED**

*“Shaun Wrubell”*

Shaun Wrubell  
Assistant Corporate Secretary and Senior Legal Counsel  
SMW/ss

- c. Trudy M. Curran, Senior Vice President, General Counsel & Corporate Secretary  
Robert P. Dawson, Chief Financial Officer  
Donald J. Lowry, Chairman of the Board  
Wesley R. Twiss, Chairman of the Audit Committee  
Sarah E. Raiss, Chairman of the Corporate Governance and Compensation Committee  
Arthur N. Korpach, Director