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June 16, 2015

Dear Sir/Madame:

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

The Investment Industry Association of Canada (“IIAC” or “the Association”) appreciates the ability to comment on the Proposed Amendments. The Association supports the CSA efforts to harmonize the Take-Over Bid regime, so that participants in the Canadian capital markets are subject to the same regulatory requirements, regardless of their geographic location.

The IIAC supports the intent of the Proposed Amendments. Although the introduction of the 50% Minimum Tender Requirement and the 10 Day Extension Requirement may,

in some cases create additional time and cost burdens for offerors, the additional protection provided to existing shareholders of the offeree offsets this concern. We do, however, have a few concerns with the 120 day minimum deposit period. Although the existing minimum deposit period is arguably too short to allow companies subject to an unsolicited bid to properly evaluate and entertain competing proposals, extending the period to 120 days may provide a deterrent to offerors, in that it introduces a significant element of risk and cost, particularly for fully funded bids. We believe that 90 days should be a sufficient period of time for offerees to evaluate and invite additional bids if appropriate, and would not provide a disincentive for potential transactions that may enhance shareholder value.

IIAC response to CSA Questions

1. The Proposed Bid Amendments contemplate the reduction of the minimum deposit period for take-over bids in the event that the offeree board issues a deposit period news release. Do you anticipate any difficulties with the application of the Proposed Bid Amendments as they relate to a deposit period news release and the ability of an offeror to reduce the initial deposit period for its bid as a result of the issuance of a deposit period news release?

We believe the offeree board should have the discretion to reduce the initial deposit period where it deems appropriate, and where a news release is issued. This provision facilitates a more efficient process where the board has determined that a longer bid period is not necessary for the offeree board to respond to the bid, such as in the event of a “friendly” take-over bid. The 35 day minimum period ensures that any other offerors are not unduly prejudiced, and that shareholders have adequate time to consider and respond to the bid.

2. The Proposed Bid Amendments provide that the minimum deposit period for an outstanding or future take-over bid for an issuer must be at least 35 days if the issuer announces that it has agreed to enter into, or determined to effect, an “alternative transaction”. The Proposed Bid Amendments include a definition of “alternative transaction” that is intended to encompass transactions generally involving the acquisition of an issuer or its business. Do you agree with the scope of the definition of “alternative transaction”? If not, please explain why you disagree with the scope and what changes to the definition you would propose.

The scope of the definition of “alternative transaction” appropriately captures the stated intent to encompass transactions generally involving the acquisition of an issuer or its business.

3. Do you anticipate any difficulties with the application of the Proposed Bid Amendments as they relate to alternative transactions? Does the proposed policy guidance in sections 2.13 and 2.14 of NP 62-203 assist with interpretation of the alternative transaction provisions?

The guidance provided in sections 2.13 and 2.14 of NP 62-203 provides additional clarity in respect of the interpretation of the alternative transaction provisions.

4. The Proposed Bid Amendments include a number of provisions that are specific to partial take-over bids. In particular, the Proposed Bid Amendments contemplate that an offeror making a partial take-over bid is only obligated to take up, at the expiry of the initial deposit period and assuming all pre-conditions to the bid are met, the maximum number of securities it can without contravening the pro rata take up requirement (s. 2.32.1(6)). Then, at the expiry of the mandatory 10 day extension period, the offeror must complete the pro rata take up obligation in respect of securities previously deposited (but not taken up) and securities deposited during the mandatory 10 day extension period (s.2.32.1(7)). Would policy guidance concerning the interpretation or application of the Proposed Bid Amendments as they relate to partial take-over bids be useful? If so, please explain.

The existing provisions appear to be clear, however, it might be helpful to include a numerical example in the provisions to ensure they are interpreted in the manner that is intended.

5. The Proposed Bid Amendments include revisions to the take up and payment and withdrawal right provisions in the take-over bid regime. Do you agree with these proposed changes or foresee any unintended consequences as a result of these changes? In particular, do you agree that there should not be withdrawal rights for securities deposited to a partial take-over bid prior to the expiry of the initial deposit period for so long as they are not taken up until the end of the mandatory 10 day extension period?

The requirement that withdrawal rights on a partial take-over bid be suspended until the expiry of the 10 day extension mandatory is consistent with, and an acceptable consequence of, the intent to provide shareholders with information about the success of the bid, and to mitigate any pressure to tender.

6. Are the current time limits set out in subsections 2.17(1) and (3) sufficient to enable directors to properly evaluate an unsolicited take-over bid and formulate a meaningful recommendation to security holders with respect to such bid?

The proposed timeline of 15 days from the time of the bid to prepare and distribute a directors circular, and to communicate its recommendation or lack of ability to make a

recommendation is reasonable. Where the circular does not contain a recommendation, the requirement to communicate a recommendation to accept or reject the bid or the decision that it is unable to make, or is not making, a recommendation, together with the reasons for the recommendation or decision, at least 7 days before the scheduled expiry of the initial deposit period is also reasonable. Extension of such timelines may unnecessarily extend the process.

7. Do you anticipate any changes to market activity or the trading of offeree issuer securities during a take-over bid as a result of the Proposed Bid Amendments? If so, please explain.

We do not anticipate any significant changes to market activity or the trading of the offeree's securities as a result of the Proposed Amendments, however the extended timeframe to bid completion resulting from the proposed 120 day minimum period could result in a widening of the arbitrage discount on bids, particularly in situations where the market believes there is a relatively low probability of a competing bid.

Thank you for considering our comments. If you have any questions please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Copland', with a stylized flourish at the end.

Susan Copland