

January 12, 2016

ONTARIO SECURITIES COMMISSION
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Attention: Josée Turcotte, Secretary

**Re: Proposed OSC Policy 15-601 Whistleblower Program, published October 28, 2015
(the "Proposed Policy")**

Overview

Staff has requested comments on the Proposed Policy and we welcome the opportunity to comment. We support the OSC's initiative to protect investors and agree that the Proposed Policy represents an improvement from the OSC Staff Consultation Paper 15-401 in respect of the whistleblower program. However, certain sections of the Proposed Policy will have the effect of potentially undermining the internal compliance procedures of reporting issuers. This letter identifies two such shortcomings and proposes amendments that we believe would reinforce rather than weaken internal compliance procedures and thus further the goal of protecting investors.

Background

We are making this submission on behalf of George Weston Limited and its controlled entity, Loblaw Companies Limited, both of which are publicly-traded companies. Mr. W. Galen Weston controls, directly and indirectly through private companies which he controls, approximately 63% of the outstanding common shares of George Weston Limited. In turn, George Weston Limited owns approximately 46% of the outstanding common shares of Loblaw Companies Limited.

Discussion

The focus of our submission is to recommend two amendments to the Proposed Policy in order to discourage individuals from circumventing an issuer's internal compliance procedures in favour of an opportunity to receive a financial reward. This is important because internal reporting gives senior management the opportunity to identify a problem in a timely manner, fix it and improve internal systems to prevent such noncompliance in the future.

To this end, we recommend the following two amendments to the Proposed Policy:

1. Lack of internal reporting should decrease the whistleblower reward

Pursuant to subsection 24(2)(f) of the Proposed Policy, the fact that a whistleblower reports noncompliance internally is a factor that may increase the amount of a whistleblower reward. However, there is no corresponding provision that would permit a decrease in reward for failure to report noncompliance using internal compliance procedures. As currently drafted, a reward may be reduced only for active interference with internal compliance procedures, such as taking action to hinder detection of violations. We appreciate reporting directly to the OSC would be warranted if a whistleblower had concerns with the efficacy of an internal reporting system or where an individual fears retaliation as a result of raising concerns with their organization. Therefore, we recommend that failure to participate in internal reporting mechanisms should also decrease the potential reward under section 24(3) of the Proposed Policy, unless the whistleblower can demonstrate that the whistleblower had a defensible reason not to utilize internal compliance procedures.

2. Internal reporting after a whistleblower report is made to the OSC should be an exception to the confidentiality obligation

Under section 9 of the Proposed Policy, all information submitted by a whistleblower to the OSC must be kept confidential by the whistleblower. Therefore, once the whistleblower reports to the OSC, there is a positive obligation on the whistleblower not to report noncompliance to his/her employer. The downside to this obligation is that an issuer might not receive timely access to critical information about noncompliance, preventing the issuer from responding quickly to minimize the impact on investors and take preventative measures to avoid further violations. We propose that an exception to the confidentiality obligations be added to allow whistleblowers to report noncompliance to their employer, even if a report has been submitted to the OSC.

In summary, we ask the Commission to carefully consider our recommendations to ensure that internal compliance procedures remain paramount. The recommended amendments would advance the goal of protecting investors by encouraging whistleblowers to comply with internal compliance procedures and enabling issuers to play a critical role in investor protection.

Thank you again for the opportunity to comment on this important issue.

Yours Truly,



Robert Balcom
SVP, General Counsel & Secretary of George Weston Limited