

Corporate Securities Law

May 27, 2016

TSX Proposes Amendments to Disclosure Requirements Related to Issuer Websites and Security Based Compensation Arrangements

The Toronto Stock Exchange (TSX) has published for comment proposed amendments to the TSX Company Manual that would, among other things, (a) require TSX-listed issuers to maintain a website for posting certain key security holder documents (the “**Website Amendments**”) and (b) simplify the disclosure requirements related to security based compensation arrangements (the “**Disclosure Amendments**”). The TSX has requested comments on the Website Amendments and Disclosure Amendments by June 27, 2016.

Website Amendments

The Website Amendments are intended to provide participants in the Canadian capital markets with ready access to key security holder documents. Issuers would be required to maintain a publicly accessible website posting current copies of:

- constating documents;
- corporate policies that impact meetings of security holders and voting;
- security holder rights plans;
- security based compensation arrangements; and
- certain corporate governance documents.

The Website Amendments also would permit an issuer who has adopted a majority voting policy to post a copy of such policy on its website, instead of describing the policy in its annual materials sent to security holders.

Disclosure Amendments

The Disclosure Amendments are intended to simplify and enhance disclosure requirements for security based compensation arrangements (“**Arrangements**”) by introducing a new form with a user-friendly table and:

- eliminating certain disclosure that is duplicative of Canadian securities law requirements or that security holders may not find meaningful (at the same time, as described above, current copies of all Arrangements would be required to be posted on an issuer’s website);
- streamlining the disclosure for annual meetings at which security holder approval of the Arrangement is not being sought;
- requiring disclosure of an Arrangement’s “burn rate” (i.e., the rate at which the issuer grants awards under the Arrangement) for up to the previous three years; and
- requiring enhanced disclosure regarding the number of awards outstanding (including giving effect to the maximum potential “multiplier” applicable to an award) and vesting conditions (including default provisions and whether vesting is time and/or performance based).

The Disclosure Amendments would not affect any requirements regarding when and how security holder approval is sought with respect to Arrangements or the requirement to pre-clear disclosure where security holder approval would be sought for an Arrangement.

Observations

Both the Website Amendments and the Disclosure Amendments would benefit investors without subjecting listed issuers to material incremental costs. In particular, the Website Amendments would simplify what has historically been an unduly

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cumbersome process for trying to locate key corporate documents on the System for Electronic Document Analysis and Retrieval (SEDAR), while the Disclosure Amendments would help to focus public disclosure regarding Arrangements on the information that is most important to investors without meaningfully increasing (and possibly reducing) the regulatory compliance burden for issuers.

Please contact any member of our Corporate Securities Group to discuss these developments or the implications of the proposed amendments.