February 25, 2016

Introduction

The Canadian Securities Administrators (the CSA or we) are adopting amendments and making changes, as applicable, to certain provisions forming part of the early warning system in the following:

- Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids (MI 62-104),
- National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues (NI 62-103), and
- National Policy 62-203 Take-Over Bids and Issuer Bids (NP 62-203) (collectively, the Amendments).

We are publishing the text of the Amendments concurrently with this notice.

Currently, the regime governing early warning reporting is contained within MI 62-104, NI 62-103 and NP 62-203 in all jurisdictions of Canada, except Ontario. In Ontario, substantively harmonized requirements for early warning reporting are set out in Part XX of the Securities Act (Ontario) (the Ontario Act), Ontario Securities Commission Rule 62-504 Take-Over Bids and Issuer Bids (the Ontario Rule), as well as NI 62-103.

In Ontario, legislative amendments were made to the Ontario Act to accommodate the adoption of MI 62-104 in Ontario, as amended by the Amendments and the Bid Amendments (as defined below), such amended instrument, NI 62-104. These legislative amendments will come into effect upon proclamation by the Lieutenant Governor of Ontario. The repeal of the Ontario Rule and the related consequential amendments and changes necessary to facilitate the adoption of NI 62-104 in Ontario are referred to as the Harmonization.

In addition, we are also concurrently adopting amendments and changes to the regime governing the conduct of take-over bids (collectively, the Bid Amendments), which amendments and changes are set out in the CSA Notice of Amendments to Take-Over Bid Regime dated February 25, 2016 (the Bid Amendments Notice).

In some jurisdictions, Ministerial approval is required for these amendments and changes. Except in Ontario, provided all necessary approvals are obtained, the Amendments and Bid Amendments will come into force on May 9, 2016. In Ontario, NI 62-104, and amendments and changes related to the Harmonization will come into force on the later of (a) May 9, 2016, and (b)
the day on which certain sections of Schedule 18 of the Budget Measures Act, 2015 (Ontario) are proclaimed into force. Please refer to Annex N to the version of the Bid Amendments Notice published in Ontario for more information.

Substance and Purpose

The Amendments will provide greater transparency about significant holdings of reporting issuers’ securities under the early warning system. They are intended to enhance the quality and integrity of the early warning system in a manner that is suitable for the Canadian public capital markets.

The Amendments will:

• require disclosure of decreases in ownership, control or direction of 2% or more;
• require disclosure when a securityholder’s ownership, control or direction falls below the early warning reporting threshold;
• exempt lenders from including securities lent or transferred for the purposes of determining the early warning reporting threshold trigger if they lend securities pursuant to a specified securities lending arrangement;
• exempt borrowers under securities lending arrangements from including securities borrowed for the purposes of determining the early warning reporting threshold trigger in certain circumstances;
• make the alternative monthly reporting (AMR) system unavailable to eligible institutional investors (EIIs) who solicit proxies from securityholders in certain circumstances;
• require disclosure in the early warning report of an interest in a related financial instrument, a securities lending arrangement and other agreement, arrangement or understanding in respect of a security of the class of securities for which disclosure is required;
• enhance the disclosure in the early warning report by requiring more detailed information regarding the intentions of the acquiror and the purpose of the transaction;
• require the early warning report to be certified and signed;
• clarify the timeframe to issue and file a news release and an early warning report; and
• further streamline the information required in a news release filed in connection with the early warning reporting requirements.

The Amendments will also clarify the current application of early warning reporting requirements to certain derivative arrangements and to securities lending arrangements.

Background

On March 13, 2013, the CSA published for comment proposed changes to the early warning system in Canada by publishing proposed amendments and changes to MI 62-104, NI 62-103 and NP 62-203 (the Proposed Amendments).

The purpose of the Proposed Amendments was to address concerns raised by a number of market participants regarding the level of transparency of significant holdings of reporting issuers’ securities. In particular, the Proposed Amendments responded to concerns that the reporting threshold of 10% was too high and that disclosure in early warning reports filed in Canada was inadequate.

The Proposed Amendments contemplated a lower early warning reporting threshold of 5%, disclosure of decreases in ownership of 2% or more, disclosure if a securityholder’s ownership percentage fell below the reporting threshold and enhanced disclosure in early warning news releases and reports. We also proposed changes in relation to the disclosure of certain hidden ownership1 and empty voting2 arrangements. Furthermore, we proposed that EIIs that solicit proxies on matters relating to the election of directors or certain corporate actions involving an issuer’s securities be disqualified from the AMR system.

1 This refers to the strategy by which an investor can accumulate a substantial economic position in an issuer without public disclosure and then potentially convert such position into voting securities in time to exercise a vote.
2 This refers to the situation by which an investor, through derivatives or securities lending arrangements, holds voting rights in an issuer and can possibly influence the outcome of a shareholder vote, although the investor may not have an equivalent economic stake in the issuer.
Summary of Written Comments Received by the CSA

During the comment period, the CSA received 71 comment letters from various market participants. We have considered the comments received and thank all of the commenters for their input.

The names of commenters are contained in Annex A of this notice and a summary of their comments, together with our responses, are contained in Annex B of this notice.

Summary of Changes since Publication for Comment

On October 10, 2014, we published an update on the Proposed Amendments in CSA Notice 62-307 Update on Proposed Amendments to Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids, National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues and National Policy 62-203 Take-Over Bids and Issuer Bids. As indicated in that notice, after considering the comments received and following further reflection and analysis, the CSA have determined not to proceed with certain of the Proposed Amendments. We have also made revisions to certain of the Proposed Amendments.

As these changes are not material, we are not republishing the Amendments for a further comment period.

The following is a summary of the key changes that were made to the Proposed Amendments.

(a) Reporting Threshold

We originally proposed to reduce the early warning reporting threshold from 10% to 5%. We considered this lower reporting threshold to be appropriate because information regarding the accumulation of significant blocks of securities can be relevant for a number of reasons in addition to signaling a potential take-over bid for the issuer.

However, a majority of commenters raised various concerns about potential unintended consequences of reducing the early warning reporting threshold from 10% to 5% in light of the unique features of the Canadian public capital markets, including the large number of smaller issuers as well as limited liquidity. These commenters noted the potential risks of reducing access to capital for smaller issuers, hindering investors’ ability to rapidly accumulate or reduce large ownership positions in the normal course of their investment activities, decreased market liquidity, and increased compliance costs. Taking into account these concerns, we have concluded that it is not appropriate at this time to proceed with this proposal. We are of the view that the intended benefits of the enhanced transparency are outweighed by the potential negative impacts of implementing the lower reporting threshold.

A number of commenters also suggested that the lower reporting threshold should not apply to certain issuers or certain investors. As a result, the CSA explored alternatives for creating a reduced early warning reporting threshold for only a sub-group of issuers or investors. In considering the policy rationale for the early warning system, the complexity of applying a lower threshold to only certain issuers or investors and the associated compliance burden, we concluded that the reporting threshold should remain at 10% for all issuers and investors.

(b) AMR Regime

We originally proposed to make the AMR regime unavailable for an EII who solicits, or intends to solicit, proxies from securityholders of a reporting issuer on matters relating to the election of directors or a reorganization, amalgamation, merger, arrangement or similar corporate action involving the securities of the reporting issuer. We considered that an EII actively engaging with the securityholders of a reporting issuer on such matters should not be eligible to use the AMR regime.

A number of commenters requested that we clarify the scope of the new disqualification criteria. In response, we have specified in the Amendments that the term “solicit” has the same meaning as defined in National Instrument 51-102 Continuous Disclosure Obligations. That definition identifies certain activities as constituting “solicitation” activities but also specifically excludes other activities from the scope of the definition, including, subject to conditions, a public announcement of how a securityholder intends to vote and communications to other securityholders concerning the business and affairs of the issuer where no form of proxy is sent. We have also removed the concept of “intends to solicit” to avoid uncertainty as to the application of the disqualification criteria.

We have further revised the Proposed Amendments to more specifically state that the AMR regime is unavailable for an EII who solicits proxies from securityholders so as to contest director elections or a reorganization, amalgamation, merger, arrangement or similar corporate actions involving the securities of the reporting issuer. The disqualification criteria in the original proposal more generally encompassed solicitations “in relation to” director elections and those types of corporate actions. As a result of the Amendments, in a board-related contest, if the EII solicits proxies in support of a director nominee other than the persons proposed by management, then the AMR regime is unavailable for that EII. Similarly, in a transaction-related contest, if the EII is
soliciting proxies in support of a corporate action not supported by management or in opposition to a corporate action recommended by management, the AMR regime will be unavailable for that EII.

(c) Derivatives

We originally proposed to include “equity equivalent derivatives” for the purposes of determining whether an early warning reporting obligation is triggered. The “equity equivalent derivative” concept would have captured derivatives that substantially replicate the economic consequences of ownership. We believed that it was appropriate to change the scope of the early warning system in this way to ensure proper transparency of securities ownership interests in light of the increased use of derivatives by investors.

However, a number of commenters submitted that there is no clear evidence to suggest that derivatives are used in Canada as a means to accumulate substantial economic positions in issuers without public disclosure to exert influence over the issuers or voting outcomes. Instead, these commenters contended that investors use derivatives for risk management purposes or as part of a trading strategy. Some commenters also expressed concern that the inclusion of “equity equivalent derivatives” within the early warning threshold calculation would create a significant compliance burden. The commenters cautioned that this change may render the early warning threshold calculation unduly complex and onerous for investors and, moreover, would not provide relevant information to the market.

In light of the CSA’s consideration of these concerns, we have concluded that it is not appropriate at this time to proceed with this proposal. Instead, we have provided new guidance regarding certain derivative arrangements that may be captured under the early warning system.

Specifically, we have added guidance in NP 62-203 regarding the circumstances under which an investor may have to include in the early warning threshold calculation an equity swap or similar derivative arrangement. This could occur when the investor has the ability, formally or informally, to obtain the voting or equity securities or to direct the voting of voting securities held by any counterparties to the transaction.

(d) Securities Lending

The Amendments provide an exemption for lenders from the early warning reporting trigger for securities transferred or lent pursuant to a “specified securities lending arrangement”.

We did not, however, originally propose an exemption for persons that borrow securities under a securities lending arrangement. We believed that securities borrowing could give rise to “empty voting” situations and that it was appropriate to include such positions within the early warning calculation when determining if the disclosure requirements are triggered.

A number of commenters suggested that an exemption from including borrowed securities for the purposes of determining the early warning reporting threshold trigger should be available for borrowers in the context of short selling. We acknowledge that generally persons borrowing securities in the ordinary course of short selling activities are doing so for commercial or investment purposes and not with a view of influencing voting or intending to vote the borrowed securities and, as such, these short selling activities ought to not give rise to empty voting concerns. Therefore, we have introduced a new exemption for borrowers from the early warning reporting threshold trigger. The exemption is subject to certain conditions, including that the borrowed securities are disposed of by the borrower within 3 business days and that the borrower does not intend to vote and does not vote the securities. We have also provided guidance to clarify the application of this new exemption.

We have not changed the Proposed Amendments to remove the carve-out from disclosure of lending arrangements in early warning reports. As a result, securities lending arrangements in effect at the time of a reportable transaction must be disclosed in the report even if the triggering transaction did not involve a securities lending arrangement.

(e) Enhanced Disclosure

The Amendments require detailed disclosure in the early warning report in relation to the class of securities in respect of which the report is required to be filed. The Amendments also require disclosure about the material terms of related financial instruments, any securities lending arrangement and other agreements, arrangements or understandings involving the securities. We have clarified that disclosure of the material terms of such agreements, arrangements or understandings are not intended to capture proprietary or commercially-sensitive information as such information is not relevant to the ownership of, control or direction over, voting or equity securities. We believe that the enhanced scope of the disclosure requirements will result in more comprehensive disclosure about the acquiror’s economic and voting interests in the class of securities of the reporting issuer for which the report is filed and address the transparency concerns associated with these types of agreements, arrangements and understandings.
(f) Other Changes

The Amendments clarify that an early warning news release must be issued and filed no later than the opening of trading on the next business day (rather than simply “promptly”). In addition, the Amendments provide for further streamlining of the news release content by permitting the news release to make reference to the early warning report for specified further details. This change is intended to reduce the compliance burden for investors.

We originally proposed to repeal the accelerated early warning reporting provisions during a take-over bid which require disclosure of acquisitions by a party other than the offeror at the 5% level. Since we are not reducing the early warning reporting threshold from 10% to 5%, we are retaining this requirement.

Local Matters

Annex F is being published in any local jurisdiction that is making related changes to local securities laws, including local notices or other policy instruments in that jurisdiction. It also includes any additional information that is relevant to that jurisdiction only.

Contents of Annexes

The following annexes form part of this notice:

- Annex A – Names of Commenters
- Annex B – Summary of Comments and CSA Responses
- Annex C – Amendments to MI 62-104
- Annex D – Changes to NP 62-203
- Annex E – Amendments to NI 62-103
- Annex F – Local Matters

Questions

Please refer your questions to any of the following:

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ANNEX A

NAMES OF COMMENTERS

Addenda Capital Inc.
AGF Investments Inc.
Agrium Inc.
Aimia Inc.
Alberta Investment Management Corporation (AIMCo)
Baytex Energy Corp.
BC Investment Management Corporation (bcIMC)
BluMont Capital Corporation
Bombardier Inc.
Borden Ladner Gervais LLP
Boughton Law
Bridgehouse Asset Managers
Cadman Resources Inc.
Caisse de dépôt et placement du Québec
 Cameco Corporation
Canadian Bankers Association
Canadian Coalition for Good Governance (CCGG)
Canadian Investor Relations Institute (CIRI)
Canadian Oil Sands Limited
Canadian Securities Lending Association (CASLA)
Carlisle Goldfields Limited
CI Investments
CIBC
CNSX Markets Inc.
Colossus Minerals Inc.
Council of Institutional Investors (CII)
Crescent Point Energy Corp
Dentons Canada LLP
Fasken Martineau DuMoulin LLP
Fiore Management & Advisory Corp.
Fonds de solidarité FTQ
Grand Peak Capital Corp.
Grenville Gold Corp.
Independent Accountants’ Investment Counsel Inc. (IAIC)
Investment Funds Institute of Canada (IFIC)
Investment Industry Association of Canada (IIAC)
Innovative Properties Inc.
Institute of Corporate Directors
International Swaps and Derivatives Association, Inc. (ISDA)
Invesco Canada Ltd.
Lucky Minerals Inc.
Mackie Research Capital Corporation
Managed Funds Association (MFA) and Alternative Investment Management Association Limited (AIMA)
McCarthy Tétrault LLP
Mercator Minerals Ltd.
Metro Inc.
Noranda Income Fund
Nordion Inc.
Norton Rose Fulbright Canada LLP
Ontario Teachers’ Pension Plan (Teachers’)
Osler, Hoskin & Harcourt LLP
Pension Investment Association of Canada (PIAC)
Periscope Capital Inc.
Phoenix Strategies
Portfolio Management Association of Canada (PMAC)
Prospectors & Developers Association of Canada (PDAC)
PSP Investments
RBC Global Asset Management
Rainy River Resources Ltd.
Rules and Policies

Rene Sorell
Scavo Resource Corp.
Smoothwater Capital Corporation
SNC Lavalin Group Inc.
Stikeman Elliott LLP
Telus Corporation
The Canadian Advocacy Council for Canadian CFA Institute Societies
The Churchill Corporation
The Descartes Systems Group Inc.
TMX Group Limited
Veresen Inc.
ANNEX B
SUMMARY OF COMMENTS AND CSA RESPONSES

The CSA received 71 comment letters in response to the Proposed Amendments to the early warning system that were published for comment on March 13, 2013 (the “2013 CSA Notice”). This Summary of Comments and CSA Responses (the “Summary”) is structured to reflect the fact that commenters provided general comments on the Proposed Amendments and/or responses to the specific questions in the 2013 CSA Notice. General comments on the Proposed Amendments are summarized in “Part A – General Comments”. Comments in response to the specific questions in the 2013 CSA Notice are summarized in “Part B – Specific Questions”. In some cases, the substance of the comments in “Part A – General Comments” and “Part B – Specific Questions” overlap with each other. In those instances, we have provided a cross-reference to the related group of comments.

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<thead>
<tr>
<th>Subject Summarized Comments</th>
<th>CSA Responses</th>
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<tr>
<td>Part A – General Comments</td>
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<tr>
<td>(1) General Comments on Proposed Amendments</td>
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<tr>
<td>Support for the Proposed Amendments</td>
<td>Thirty-three commenters generally supported the Proposed Amendments to enhance market transparency.</td>
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| Opposition to the Proposed Amendments | Seventeen commenters raised various concerns about potential unintended consequences of certain Proposed Amendments. Their concerns included the following:  
- material reduction of the capital available to smaller issuers;  
- negative impact on capital markets in general, passive investors and other market participants;  
- substantial change in reporting practices;  
- benefits from greater transparency would be outweighed by the costs associated with the Proposed Amendments. | We acknowledge these comments of opposition. Although we anticipated that the Proposed Amendments would result in increased compliance costs and other impacts, the comment process has raised significant concerns as to whether the benefits to be gained by increased transparency would indeed outweigh the potential costs. As a result, and also considering various concerns raised by commenters about potential unintended consequences of certain of the Proposed Amendments, the CSA have determined not to proceed with certain of the Proposed Amendments. |
| (2) Reduction of Early Warning Reporting Threshold from 10% to 5% |               |
| Support for the reduced reporting threshold | Twenty commenters indicated their general support for a lower beneficial ownership reporting threshold of 5%.  
Three commenters noted, in particular, that their support for the 5% reporting threshold was based on a need for modernization of the regime and the | We thank the commenters for their input. The purpose of the proposal to reduce the reporting threshold from 10% to 5% was to provide greater transparency about significant |
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<tr>
<td>ability of issuers to have more visibility into the shareholder base.</td>
<td>holdings of reporting issuers’ securities under the early warning system. However, the lack of overall support for the proposal and the various concerns raised by a majority of commenters about potential unintended consequences of the lower reporting threshold has led the CSA to re-consider this proposal. Some factors that we considered were the:</td>
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<td>• unique features of the Canadian market, including the large number of smaller issuers and the limited liquidity; • risk of reducing access to capital for smaller issuers; • potential of hindering an investor’s ability to rapidly accumulate or reduce a large position; • possibility of signalling investment strategies to the market; and • potential benefits of the greater transparency being outweighed by the potential negative impacts of implementing the lower reporting threshold.</td>
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<td></td>
<td>In light of the CSA’s consideration of these factors, we have concluded that it is not appropriate at this time to reduce the reporting threshold. We consider that the enhanced disclosure requirements provided in the Amendments, combined with the standards of the current early warning regime, will improve the quality and integrity of the regime in a manner that is suitable for the Canadian market.</td>
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<tr>
<td>Opposition to the reduced reporting threshold</td>
<td>Twenty four commenters were opposed to the proposed reduced reporting threshold of 5%. These commenters expressed various concerns, including:</td>
<td>We acknowledge these comments of opposition. As noted above, the CSA have concluded that it is not appropriate at this time to reduce the reporting threshold.</td>
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<td>• negative impact on cost and access to capital for smaller issuers; • reduced market and trading liquidity; • increased compliance costs; • inhibition of investment in smaller companies because low levels of investment would trigger disclosure obligations;</td>
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<td>Subject</td>
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<td>• that the potential benefits of the reduced reporting threshold would be outweighed by the potential costs;</td>
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<td>We thank the commenters for their input.</td>
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<td>• questionable relevance of the disclosure regarding 5% holders for the market;</td>
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<td>In light of the comments received from market participants, we explored various alternatives for creating a reduced early warning reporting threshold for only a sub-group of issuers or investors.</td>
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<td>• potentially negative impact on the efficiency of the Canadian market.</td>
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<td>The factors considered by the CSA included the following:</td>
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<td>Three commenters submitted that a 5% reporting threshold would force them to divulge proprietary investment information to the market, making it more difficult and costly to meet their investment objectives.</td>
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<td>• the complexity and difficulty of applying a lower reporting threshold only to certain issuers or to certain investors; and</td>
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<td>Seven commenters were concerned that the proposal does not take into account the unique characteristics of the Canadian market.</td>
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<td>• the potential administrative and compliance burden associated with implementing different reporting thresholds within the early warning system.</td>
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<td>Two commenters submitted that the lower reporting threshold should not apply to annual redemption funds and preferred shares.</td>
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<td>In light of the CSA’s consideration of these factors, we have concluded that the reporting threshold should remain at 10% for all issuers and investors.</td>
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<td>Alternatives proposed</td>
<td>Twelve commenters suggested that the reduced reporting threshold should not apply to smaller issuers and rather apply based on a market capitalization threshold or depending on the listing of the issuer.</td>
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<td>Ten commenters suggested that the reduced reporting threshold should not apply to EIIs or passive investors since those investors have no intention of influencing control of a reporting issuer.</td>
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<td>Three commenters suggested that the CSA adopt a disclosure regime similar to the one available in the U.S.</td>
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<td>Five commenters believed that mutual funds should continue to be subject to a 10% threshold which is aligned with their 10% control restriction.</td>
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<td>Two commenters recommended that mutual funds be exempted from the early warning reporting and that all of their reporting be conducted in aggregate fashion through their managers under the AMR applying a 10% threshold.</td>
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February 25, 2016

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### Rules and Policies

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<tr>
<th>Subject</th>
<th>Summarized Comments</th>
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<tbody>
<tr>
<td>(3) Timing of filing of News Release and Early Warning Report</td>
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<tr>
<td>Support for proposed clarification that filing be made promptly but not later than opening of trading on next business day</td>
<td>Sixteen commenters expressed their support for an explicit requirement that disclosure be made, not only promptly, before trading hours commence on the business day following the applicable acquisition.</td>
<td>We acknowledge these comments of support.</td>
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<tr>
<td>Opposition to proposed clarification that filing be made promptly but not later than opening of trading on next business day</td>
<td>While noting the existence of the moratorium, two commenters mentioned that a specific requirement to issue the press release by the opening of business the following trading day is unnecessary and may not be practical since it also requires disclosure of joint actors' holdings. One commenter submitted that the early warning requirements to promptly issue and file a news release and to file on SEDAR an additional report containing substantially the same information are redundant and suggested easing the formal reporting requirements.</td>
<td>We consider that this is important to ensure that the market is promptly advised of accumulations of significant blocks of securities that may influence control of a reporting issuer and that the disclosure should be made in accordance with an objective timing standard. We acknowledge that the stricter timing requirement for issuing and filing a news release with comprehensive information may present challenges for filers in certain circumstances. As a result, we have revised the requirements for the news release so that an acquiror may issue and file a streamlined news release containing more limited information and which refers to the early warning report for further details.</td>
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<tr>
<td>Alternatives proposed</td>
<td>One commenter suggested that the disclosure in the news release be streamlined to require a statement that an early warning report has been filed. One commenter submitted that a longer filing period should be adopted to minimize the chilling effect on engaged investing.</td>
<td>As noted above, the Amendments allow an acquiror to issue and file a streamlined news release no later than the opening of trading on the next business day. We do not believe that the filing requirements of the early warning reporting regime unduly discourage engaged investing.</td>
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<td>(4) Disclosure of Decreases in Ownership of at least 2%</td>
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<td>Support for requirement to disclose 2% decreases in ownership</td>
<td>Two commenters specifically supported disclosure of decreases in ownership at the 2% level, while the other supporting commenter suggested disclosure at the 1% level.</td>
<td>We thank the commenters for their input.</td>
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<td>Subject</td>
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<td><strong>Opposition to requirement to disclose 2% decreases in ownership</strong></td>
<td>One commenter disagreed with the proposed requirement to report a reduction of 2% ownership in any circumstances. One commenter disagreed with the proposed requirement to report a reduction of 2% ownership in respect of smaller issuers. One commenter believed that the requirement to disclose a 2% decrease in ownership should not apply to passive investors. While noting that a decrease in ownership may be relevant, one commenter submitted that the current ‘material fact’ test is a better standard to apply. See also comments under Part B (1) of this Summary.</td>
<td>We believe that, in all cases, significant decreases in ownership of securities in an issuer are as relevant to the market as significant increases in ownership and therefore should be disclosed. We think that a “bright line” disclosure requirement for 2% decreases in ownership is appropriate and will ensure there is timely disclosure to the market as to significant downward changes to an acquiror’s ownership position. The existing requirement to provide an updated report if there is a change in a material fact contained in an earlier report will continue to apply.</td>
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<td><strong>Alternatives proposed</strong></td>
<td>Seventeen commenters indicated that they support subsequent disclosure of both incremental increases and decreases of 1%. While supporting decrease reports at the 2% level, one commenter suggested that the CSA consider adopting fixed 2.5% thresholds similar to the AMR. See also comments under Part B (1) of this Summary.</td>
<td>We acknowledge these comments. However, in light of the CSA’s decision to maintain the reporting threshold at 10%, we consider it appropriate to require disclosure of increases and decreases of 2% or more once the initial threshold has been reached.</td>
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**(5) Disclosure when Ownership falls below the Reporting Threshold**

| Support for requirement to disclose decreases in ownership to below reporting threshold | Seventeen commenters supported the requirement to issue and file a news release and file a report if an acquiror’s ownership percentage falls below the early warning reporting threshold. | We agree that disclosure of share ownership when the ownership falls below the threshold is valuable information to the market. |
| Opposition to the requirement to disclose decreases in ownership to below reporting threshold | One commenter disagreed with the requirement to report when holdings decrease below early warning reporting threshold. | We acknowledge this comment of opposition. |

**(6) Enhanced disclosure**

<p>| Support for more detailed disclosure in the early warning report | One commenter who supported more detailed disclosure considered that it will provide useful information to the market. This commenter also considered that the related proposed officer certification requirement would facilitate such enhanced disclosure. One commenter expressed support for full and complete disclosure in early warning reports. The commenter further stated that such improved investor disclosure also serves to reduce the emphasis on short-term market perspectives in favour of actions to create value over a longer-term investment horizon. | We thank the commenters for their input. We consider that investors must be given sufficient information to properly assess the nature and circumstances of an acquiror’s investment. We agree with the commenters who support more detailed disclosure of the intentions of the person acquiring securities and of the purpose of the acquisition as this will enhance the substance and quality of the early warning system. |</p>
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<td><strong>Opposition to more detailed disclosure in the early warning report</strong></td>
<td>Seven commenters noted that the greater disclosure scope would likely result in early warning reports being prepared with the assistance of professional advisors. These commenters suggested that this will increase the costs of reporting and may discourage investment in small and mid-cap companies. Four commenters submitted that enhanced disclosure concerning an investor’s purpose and intentions is burdensome for investors and with little or no utility to the market. Some of these commenters were also concerned that the prescriptive nature of the disclosure would result in investors being required to disclose their investment thesis to the market.</td>
<td>We thank the commenters for their input. However, the CSA are of the view that the enhanced disclosure is appropriate and necessary for the reasons mentioned above.</td>
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### (7) Derivatives

<p>| Support for the amended early warning reporting trigger to include “equity equivalent derivatives” | Nineteen commenters supported including “equity equivalent derivatives” in the early warning system threshold calculation. One of these commenters expressed that this issue is not isolated to Canada and that other countries have introduced regulatory reforms that require the inclusion of synthetic financial instruments that effectively replicate the economic consequences of share ownership. Two commenters believed it is justified to include such derivatives in the calculation of the threshold if their inclusion would inform the market effectively of the total financial interest that an investor has in an issuer. But the commenters indicated that the proposal is ambiguous and that its application should be clarified. See also comments under Part B (6) and (7) of this Summary. | We thank the commenters for their input. The purpose of the proposal to include “equity equivalent derivatives” in the early warning reporting trigger was to ensure proper transparency of securities ownership in light of the increased use of derivatives by investors. However, the concerns raised by a number of commenters about the complexity and difficulty of applying this new trigger have led the CSA to re-consider this proposal. The factors considered by the CSA included the following: * a number of market participants indicated that the use of derivatives in Canada is not generally to facilitate hidden ownership or to influence voting outcomes; * the inclusion of “equity equivalent derivatives” could unduly complicate reporting and compliance obligations; * the application of the proposal could allow the market to deduce investment strategies and this could be detrimental to investors with certain derivative positions. In light of the CSA’s consideration of these factors, we have concluded that it is not appropriate at this time to include “equity equivalent derivatives” in the early warning reporting trigger. |</p>
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| **Opposition to the amended early warning reporting trigger to include “equity equivalent derivatives”** | Three commenters indicated that there is a lack of clarity around the inclusion of derivatives in the early warning calculation.  
Two commenters believed that only in exceptional cases are derivatives used for the purpose of engaging in behaviour that the early warning system is intended to address (i.e. alerting the market to a possible change of control transaction). These commenters suggested that, given the complexity of modern derivative instruments, it would be appropriate for the CSA to engage in a dialogue with investors before imposing significant reporting requirements to fully understand such products.  
One commenter questioned whether reporting of equity equivalent derivatives in the AMR system is necessary. The commenter also suggested that the test for defining an “equity equivalent derivative” should be based on whether the party has the right to vote the referenced securities.  
One commenter noted that within the current regime there is considerable duplication in reporting requirements under the insider and early warning reporting requirements, and that the proposed amendments will increase the extent of duplication.  
See also comments under Part B (6) and (7) of this Summary. | We acknowledge these comments of opposition.  
As noted above, the CSA have concluded that it is not appropriate at this time to include “equity equivalent derivatives” in the early warning reporting trigger. |
| **Opposition to the broader scope of disclosure of derivatives in the early warning report** | One commenter submitted that the proposed requirement to disclose the general nature and all material terms for all equity derivatives arrangements may impose a significant administrative burden.  
One commenter was concerned about the requirement to disclose transaction terms in derivative contracts (as this information may be of proprietary nature) and about the requirement to disclose any contracts or arrangements in relation to any security of the issuer (rather than in relation to the securities underlying the transaction subject to the reporting requirement). | We acknowledge these comments of opposition.  
The CSA have concluded that it is appropriate to enhance the disclosure requirements in the early warning report to encompass interests of an acquiror in related financial instruments as well as in any agreement, arrangement, commitments or understanding with respect to the securities of the issuer in order to ensure that the report provides complete disclosure about the acquiror’s interest in the reporting issuer.  
However, we have clarified that the scope of the enhanced disclosure in an early warning report is in relation |
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<td>Alternatives proposed</td>
<td>Four commenters believed that the test for requiring disclosure of an equity equivalent derivative should be primarily based on whether a party has a beneficial ownership interest (i.e. the right to vote any shares or the obligation to acquire the underlying securities). One commenter submitted that an exemption from reporting should be required when parties can objectively demonstrate a non-control intent in entering into equity equivalent derivative transactions. One commenter suggested amendments to the definition of &quot;equity equivalent derivative&quot; by adding the following words to the end of the proposed definition: &quot;where (i) the counterparty to the derivative has, directly or indirectly, hedged its position by acquiring voting securities of the issuer and (ii) the holder exerts or intends to exert influence on how the counterparty votes those securities&quot;. One commenter submitted that the proposed amendments respecting &quot;equity equivalent derivatives&quot; should not apply to derivatives referencing securities of annual redemption funds.</td>
<td>We thank the commenters for their input. The CSA have removed the concept of &quot;equity equivalent derivatives&quot; in the Amendments. As noted above, the CSA are providing guidance clarifying the current application of early warning reporting requirements to certain derivative arrangements.</td>
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(8) Securities lending

| Support for broader scope of disclosure and proposed exemption for specified securities lending arrangements | Five commenters supported the broader scope of disclosure and proposed exemption for specified securities lending arrangements. See also comments under Part B (12) of this Summary. | We thank the commenters for their input. |

<p>| Opposition to broader scope of disclosure of securities lending arrangements in the early warning report | One commenter believed that the obligation to report securities lending arrangements in effect at the time of the reportable transaction may prove to be a constraint for investors. One commenter submitted that the proposed requirement to disclose the general nature and all material terms for all securities lending transactions may impose a significant administrative burden. One commenter submitted that requiring lenders to provide additional and onerous disclosure about the terms of the securities lending | We acknowledge these comments of opposition. The CSA have concluded that it is appropriate to enhance the disclosure requirements in the early warning report to provide greater transparency about securities lending arrangements so that the report provides complete disclosure about the acquiror's interest in the class of securities of the issuer for which the report was filed. |</p>
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<td>arrangements does not provide valuable information to the market. &lt;br&gt; One commenter considered that the requirement to disclose the ‘material terms’ of any reportable securities lending arrangement is too broad and subjective. The commenter added that the requirement should be limited to information that is relevant to the control of the issuer. &lt;br&gt; See also comments under Part B (12) of this Summary.</td>
<td>However, in light of comments received, we have made changes in the Amendments to clarify that the concept of “material terms” is not intended to capture the identity of the counterparty or proprietary or commercially sensitive information.</td>
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<td>Opposition to proposed exemption for specified securities lending arrangements</td>
<td>One commenter indicated that there is a lack of clarity around the securities lending arrangements that would be caught under the early warning system. &lt;br&gt; See also comments under Part B (12) of this Summary.</td>
<td>We acknowledge this comment of opposition. &lt;br&gt; However, the CSA have provided definitions for “specified securities lending arrangements” and for “securities lending arrangements” in the Amendments. We are of the view that these definitions provide the parameters of which arrangements are captured by the early warning system.</td>
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<td>Alternatives proposed</td>
<td>Two commenters suggested that borrowing in the context of short selling should be exempted from the reporting obligations. &lt;br&gt; Three commenters suggested that an exemption similar to the one available for lenders should be provided for borrowers. &lt;br&gt; One commenter invited the CSA to consider recent studies on empty voting abuses. &lt;br&gt; Two commenters believed that the rule should focus on the concept of beneficial ownership and in particular on who has voting rights over the borrowed securities. The commenters further stated that the proposal should be clarified to indicate that borrowings and loans should be offset against one another in any calculation of total holdings to avoid over-reporting. &lt;br&gt; One commenter urged the CSA to consider which party (lender or borrower) is the most appropriate person to do the reporting. This commenter expressed that the reporting obligation should rest on the ultimate end-user or ‘holder’ of the securities. &lt;br&gt; One commenter suggested that borrowers should be explicitly required to disclose if the securities they have borrowed may be recalled by the lender. &lt;br&gt; One commenter submitted that it would be more effective to implement controls around borrowing securities before the record date simply for voting</td>
<td>We thank the commenters for their input. &lt;br&gt; We acknowledge the comments that persons borrowing securities in the ordinary course of short selling activities in Canada are doing so for commercial/investment purposes and not with a view of influencing voting or intending to vote the borrowed securities and, as such, these activities ought not to give rise to empty voting concerns. &lt;br&gt; In light of the comments received, the CSA have included in the Amendments an additional reporting exemption for borrowers under securities lending arrangements, subject to certain conditions. &lt;br&gt; The Amendments clarify that lenders and borrowers should consider securities lent (disposed) and borrowed (acquired) under securities lending arrangements in determining whether an early warning reporting obligation has been triggered. The parties to the securities lending arrangement may cross different early warning reporting thresholds: the lender will be subject to obligations to report decreases in ownership while the borrower will be subject to obligations to report</td>
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<td>purposes and to require fulsome disclosure on borrowers' holdings. While noting that borrowing securities to hold and vote them is regarded as inappropriate, one commenter noted that there is no reason to subject them to EWR requirements. See also comments under Part B (11) and (12) of this Summary.</td>
<td>increases in ownership, unless an exemption is available. The Amendments require the borrower to disclose in the early warning report the material terms of the securities lending arrangement, which could include the right by the lender to recall the securities.</td>
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### (9) Changes to Alternative Monthly Reporting Regime

**Support for the change to the criteria for disqualification from alternative monthly reporting regime**

Three commenters supported the proposal to make the AMR regime unavailable to persons who solicit proxies. Two commenters mentioned that it made sense that investors that exhibit 'active' behaviour should be required to adhere to the rules under early warning reporting rather than AMR. See also comments under Part B (8) of this Summary.

**Opposition to the change to the criteria for disqualification from alternative monthly reporting regime**

One commenter indicated that EII's soliciting or intending to solicit proxies should not be disqualified from the AMR system. One commenter indicated that the proposal would increase the compliance burden for passive investors and require reporting that is not practicable. One commenter expressed concern that the change in disqualifying criteria may be problematic for investors who tend not to take advantage of the AMR regime when investing in smaller issuers. Given the nature of investment in small cap companies, the commenter noted that it is not unusual for the investor to engage with these companies on governance or other corporate issues. See also comments under Part B (8) of this Summary.

**Alternatives proposed**

Nine commenters submitted that other types of investors (e.g. mutual funds that are reporting issuers, broker-dealers) should be included in the definition of EII and therefore able to follow the AMR regime. Two commenters believed that the proposed amendments should subject passive investors to reduced disclosure obligations and relax the formal requirements surrounding such obligations, as does the similar U.S. system. One commenter recommended that hedge funds and similar entities be excluded from the definition of EII as they are by and large activist.

We thank the commenters for their input. However, the CSA are of the view that the change to the disqualification criteria is appropriate for the reasons mentioned above.

We thank the commenters for their input. Upon further consideration and in light of comments received, the CSA have revised certain elements of the proposal to clarify the scope of the new disqualification criteria.

As noted above, we are not proposing at this time a reform to the AMR framework. We may consider more comprehensive changes to the AMR regime as part of a future review.
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<td>shareholders intending to influence the company. Four commenters indicated that the term &quot;solicit&quot; should be defined or clarified to preserve shareholder engagement.</td>
<td>We emphasize that mutual funds that are reporting issuers are not included in the definition of EII. The manager of a mutual fund that is a reporting issuer may be an EII, but not the mutual fund itself. Mutual funds are prevented by securities legislation from taking positions in excess of 10% of the outstanding voting or equity securities of an issuer, and so should not generally be subject to the early warning requirements.</td>
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<td>One commenter suggested that the disqualifying criteria be the following: &quot;directly solicits from securityholders of a reporting issuer in reliance on an information circular, its own proxies in opposition to management as to the election of directors of the reporting issuer or to a reorganization, amalgamation, merger, arrangement or similar corporate action involving the securities of the reporting issuer&quot;. One commenter submitted that the definition of EIIs should be expanded to include wholly-owned subsidiaries of EIIs. The commenter also suggested that the CSA clarify the qualification criteria under the AMR system and to specify that it is not available to hedge funds and other active funds. See also comments under Part B (8) of this Summary.</td>
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(10) Other comments

Sixteen commenters noted that they support a future review of the AMR. Three commenters suggested that the moratorium period should be eliminated. Another commenter suggested that the moratorium should not apply in the case of passive investors. Two commenters believed that the CSA should harmonize the dual calculation methodologies under the early warning system and the insider reporting regime. Another commenter suggested that the CSA link early warning reports with SEDI reports. One commenter submitted that annual redemption funds should be exempted from the early warning reporting requirements. Four commenters noted that a transition period or transitional guidance is needed if the CSA decides to proceed with the changes. We thank the commenters for their input. As noted above, we are not proposing at this time a reform to the AMR framework. We may consider more comprehensive changes to the AMR regime as part of a future review. We are of the view that the moratorium is appropriate because the market should be alerted of the acquisition and provided sufficient time to assess the significance of the information before the acquiror is permitted to make additional purchases. While there are similarities between the insider reporting regime and the early warning regime, the policy objectives of the regimes are distinct. The calculation methodologies reflect this distinction and therefore are not harmonized. Investment funds that are reporting issuers are prevented by securities legislation from taking positions in excess of 10% of the outstanding voting or equity securities of an issuer.
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<td>issuer, and so should not generally be subject to the early warning requirements.</td>
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<td>Given the more limited extent of the Amendments, the CSA have determined that a transition period is not necessary.</td>
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**Part B – Specific Questions**

(1) Do you agree with our proposal to maintain the requirement for further reporting at 2% or should we require further reporting at 1%? Please explain why or why not. (Disclosure of Decreases in Ownership of at least 2%)

| Yes | Nine commenters agreed with maintaining the requirement for further reporting at 2% in order to avoid further increasing the compliance burden or costs. Some of these commenters noted that this information would be largely irrelevant to the capital markets. While noting that there are strong arguments in favour of establishing a 1% further reporting threshold, three commenters were in favour of maintaining the 2% in order to avoid increasing the compliance burden even more. One commenter agreed with maintaining the requirement for further reporting at 2% because there does not appear to be empirical evidence supporting the lowering of the threshold. | We agree with the commenters that the requirement for further reporting at 2% is appropriate. |
| No | One commenter mentioned that once the reporting threshold of 5% was reached subsequent disclosure would be required for increases and decreases of 1% or more (i.e. one-fifth of the threshold). See also comments under Part A (4) of this Summary. | We acknowledge this comment. As noted above, the CSA have concluded that it is not appropriate at this time to reduce the reporting threshold. |

(2) A person cannot acquire further securities for a period beginning at the date of acquisition until one business day after the filing of the report. This trading moratorium is not applicable to acquisitions that result in the person acquiring beneficial ownership of, or control or direction over, 20% or more of the voting or equity securities on the basis that the take-over bid provisions are applicable at the 20% level.

The proposed decrease to the early warning reporting threshold would result in the moratorium applying at the 5% ownership threshold. We believe that the purpose of the moratorium is still valid at the 5% level because the market should be alerted of the acquisition before the acquiror is permitted to make additional purchases.

(a) Do you agree with our proposal to apply the moratorium provisions at the 5% level or do you believe that the moratorium should not be applicable between the 5% and 10% ownership levels? Please explain your views.

(b) The moratorium provisions apply to acquisitions of “equity equivalent derivatives”. Do you agree with this approach? Please explain why or why not.

(c) Do you think that a moratorium is effective? Is the exception at the 20% threshold justified? Please explain why or why not.

<p>| (a) | Nine commenters supported that the moratorium provisions should apply at the 5% level. One commenter suggested that the final rule should take into account the intent of the investor. | We thank the commenters for their input. |</p>
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<td>Another commenter was concerned about compliance costs for passive investors. While noting that an initial reporting threshold at the 5% level may be controversial for some investors, one commenter suggested that the impact of that may be softened by suspending the moratorium up to 10%. One commenter submitted that regardless of the threshold determination, rather than imposing a moratorium on an early warning system filer, greater fairness and efficiency in the capital markets can be achieved from requiring the disclosure of the information immediately following the close of the market. One commenter submitted that an EII does not have any intention to affect the control of the issuer and should not be subject to the one business day moratorium on trading securities until the 10% threshold has been reached. Three commenters disagreed with reducing the moratorium trigger threshold to 5%. One of these commenters considered that the market would not benefit from reducing the moratorium trigger to 5% in the case of passive investors. However, in light of the CSA’s decision to maintain the reporting threshold at 10%, we consider it appropriate that the moratorium provision remain at the same level as the disclosure threshold. The CSA are not proceeding with its proposal to apply the moratorium provisions at the 5% level.</td>
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(b) Nine commenters agreed with applying moratorium provisions to “equity equivalent derivatives”. One commenter submitted that to the extent “equity equivalent derivatives” are narrowly defined, the moratorium should apply to those as well. One commenter submitted that the moratorium provisions should not apply as the proposed definition is overly broad and would capture a number of transactions irrelevant to the objective of informing the capital markets of intended further activity. Only with respect to circumstances where the derivative actually entitles the holder to the voting rights attaching to the securities, should such securities be included in the early warning calculation. One commenter believed that the moratorium provisions should not apply to acquisitions of “equity equivalent derivatives”. Two commenters considered that the moratorium should not apply to investors with only a synthetic position in a security. We thank the commenters for their input. However, as noted above, the CSA has decided not to include “equity equivalent derivatives” in the early warning reporting trigger, and therefore this issue is moot. |

(c) Five commenters indicated that the moratorium is effective to make sure that the market has time to react. We agree with the commenters who indicated that the moratorium is effective as it provides market participants time to react to changes.
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<td>One commenter submitted that it would be sufficient if the moratorium extended only for a period of 24 hours following the filing of the report.</td>
<td>in significant holdings of issuers’ securities.</td>
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<td>One commenter considered that the application of the moratorium should take into account the intent of the purchaser.</td>
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<td>One commenter noted that the moratorium is an incentive to report so that an accumulation program can resume. However, in their view, the question of whether the ‘stop and report’ approach yields benefits is much less clear.</td>
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<td>One commenter submitted that regardless of the threshold determination, rather than imposing a moratorium on an early warning system filer, greater fairness and efficiency in the capital markets can be achieved from requiring disclosure of the information immediately following the close of the market.</td>
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<td>Two commenters indicated that the moratorium is not effective.</td>
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(3) We currently recognize that accelerated reporting is necessary if securities are acquired during a take-over bid by requiring a news release at the 5% threshold to be filed before the opening of trading on the next business day.

With the Proposed Amendments to the early warning reporting threshold, we do not propose to further accelerate early warning reporting during a take-over bid.

(a) Do you agree? Please explain why or why not.
(b) If you disagree, how should we accelerate reporting of transactions during a take-over bid? Should we decrease the threshold for reporting changes from 2% to 1%? Or do you think that requiring early warning reporting at the 3% level is a more appropriate manner to accelerate disclosure? Please explain your views.

(a) Twelve commenters agreed with maintaining a 5% reporting threshold in the context of a take-over bid. | In light the CSA’s decision not to reduce the early warning reporting threshold to 5%, we are maintaining the particular provisions for reporting during a take-over bid.

(4) The Proposed Amendments would apply to all acquirors including EIIs.

(a) Should the proposed early warning threshold of 5% apply to EIIs reporting under the AMR system provided in Part 4 of NI 62-103? Please explain why or why not.
(b) Please describe any significant burden for these investors or potential benefits for our capital markets if we require EIIs to report at the 5% level. (Reduction of Early Warning Reporting Threshold from 10% to 5%)

(a) Nine commenters considered that the 5% threshold should apply to all acquirors, including EIIs. | We thank the commenters for their input.

Three commenters submitted that reducing the threshold for EIIs reporting under AMR is unnecessary as the nature of the investments is passive. Also, reporting such investments will not provide any additional meaningful information to the capital markets. | As noted above, the CSA have concluded at this time that the reporting threshold should remain at 10% for all issuers and investors.
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<td>Three commenters were of the view that this requirement may incur an onerous compliance burden on institutional investors. Two commenters considered that reducing the reporting threshold for EIIs who qualify to use the AMR regime is not appropriate. One commenter stated that the 5% threshold will reduce the available capital for junior issuers.</td>
<td>We thank the commenters for their input. As noted above, the CSA have concluded at this time that the reporting threshold should remain at 10% for all issuers and investors.</td>
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<td>Three commenters expressed that imposing such reporting duty on EIIs would not impose an unreasonable burden on them. Two commenters indicated that potential benefits for our capital markets if we require EIIs to report at the 5% level include greater transparency which could lead to more informed investors and hence a more efficient market. One commenter suggested that the co-ordination of internal reporting to include derivatives and securities lending combined with stock ownership to compute overall ownership levels may ultimately prove to be a net benefit. One commenter considered that 5% threshold may discourage EIIs from coming to Canada in the first place. Two commenters indicated that the proposed reduction in the threshold will require significantly increased reporting and involve increased compliance costs. One commenter, while not agreeing with the 5% threshold applying to EIIs, suggested another approach to require EIIs to report at a 5% ownership threshold, but be permitted to maintain anonymity until the 10% threshold is reached.</td>
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<td>(5) Mutual funds that are reporting issuers are not EIIs as defined in NI 62-103 and are therefore subject to the general early warning requirements in MI 62-104. Are there any significant benefits to our capital markets in requiring mutual funds to comply with early warning requirements at the proposed threshold of 5% or does the burden of reporting at 5% outweigh the potential benefits? Please explain why or why not. (Reduction of Early Warning Reporting Threshold from 10% to 5%)</td>
<td>Yes Four commenters considered that mutual funds should comply with the 5% threshold. Two commenters noted that it may be more appropriate that mutual funds fall under the AMR regime rather than the general early warning requirements in MI 62-104.</td>
<td>We thank the commenters for their input. As noted above, the CSA have concluded at this time that the reporting threshold should remain at 10% for all issuers and investors.</td>
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<td>No Five commenters considered that there do not appear to be any significant benefits to our capital markets in obtaining this information. Some of these commenters considered that EIIs that manage the mutual funds are already subject to the early warning disclosure requirements.</td>
<td>We thank the commenters for their input. As noted above, the CSA have concluded at this time that the reporting threshold should remain at</td>
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<tr>
<td>Two commenters submitted that a passive mutual fund should be permitted to use the AMR system.</td>
<td>10% for all issuers and investors.</td>
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(6) As explained above, we propose to amend the calculation of the threshold for filing early warning reports so that an investor would need to include within the early warning calculation certain equity derivative positions that are substantially equivalent in economic terms to conventional equity holdings. These provisions would only capture derivatives that *substantially replicate* the economic consequences of ownership and would not capture partial-exposure instruments (e.g., options and collars that provide the investor with only limited exposure to the reference securities). Do you agree with this approach? If not, how should we deal with partial-exposure instruments? (Derivatives)

| Yes | Seven commenters agreed with this approach. See also comments under Part A (7) of this Summary. | We thank the commenters for their input. As noted above, the CSA are not proceeding with the proposal to include "equity equivalent derivatives" in the early warning reporting trigger. |
| No | One commenter disagreed with the exclusion of partial-exposure instruments from the calculation with regard to disclosure requirements because sophisticated investors may be able to use derivatives to accumulate substantial economic positions in public companies without public disclosure. One commenter submitted that the efficacy of the early warning system should rest in the view that the intention of the investor holding the position is what is most relevant to the capital markets. One commenter suggested that derivatives that immediately confer voting rights on an investor should be reported above the threshold. Also, the requisite disclosure should apply to actual ownership of securities, at or above a given threshold, in addition to any derivative holdings, rather than on a net exposure basis. One commenter considered that only derivatives that immediately confer voting rights on an investor should be reported. This commenter also suggested that the CSA consider the discussion papers on the regulation of over-the-counter derivatives. One commenter believed that certain types of derivatives are often used by investors as part of an investment strategy and should not be captured as so doing would unnecessarily complicate the compliance burden and would lead to over-reporting without meaningful benefit to the market. One commenter submitted that the purpose of informing the market about shareholder control does not apply to derivatives. One commenter submitted that further consideration should be given to the practical realities of how "equity equivalent derivatives" are |
| | We thank the commenters for their input. As noted above, the CSA are not proceeding with the proposal to include "equity equivalent derivatives" in the early warning reporting trigger. | |
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<tr>
<td>(7) We propose changes to NP 62-203 in relation to the definition of “equity equivalent derivative” to explain when we would consider a derivative to substantially replicate the economic consequences of ownership of the reference securities. Do you agree with the approach we propose? (Derivatives)</td>
<td>Yes</td>
<td>Six commenters agreed with the approach. Two commenters suggested that examples of “equity equivalent derivatives” should be provided for the sake of clarity and ease of compliance. We thank the commenters for their input. The CSA have removed the concept of “equity equivalent derivatives” in the Amendments.</td>
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<td></td>
<td>No</td>
<td>One commenter disagreed with the exclusion of partial-exposure instruments from the calculation with regard to disclosure requirements because sophisticated investors may be able to use derivatives to accumulate substantial economic positions in public companies without public disclosure. Three commenters disagreed with the inclusion of certain derivatives in the early warning calculation where the voting rights attaching to the securities are not available to the holder. One commenter submitted that the purpose of informing the market about shareholder control does not apply to derivatives. One commenter considered that the delta 90 test in itself is not adequate to address the complexities of how “equity equivalent derivatives” are structured. We thank the commenters for their input. The CSA have removed the concept of “equity equivalent derivatives” in the Amendments.</td>
</tr>
<tr>
<td>(8) Do you agree with the proposed disqualification from the AMR system for an EII who solicits or intends to solicit proxies from security holders on matters relating to the election of directors of the reporting issuer or to a reorganization or similar corporate action involving the securities of the reporting issuer? Are these the appropriate circumstances to disqualify an EII? Please explain, or if you disagree, please suggest alternative circumstances. (Changes to Alternative Monthly Reporting Regime)</td>
<td>Yes</td>
<td>Nine commenters agreed with the proposed disqualification of EII's from the AMR. While agreeing with the proposed disqualification from the AMR system for EII's involved in proxy solicitation, three commenters considered that the term “solicit” should be further specified. One commenter agreed with excluding the ability of an EII to use the AMR regime if they solicit proxies for a reorganization or similar corporate action involving the securities of an issuer. We thank the commenters for their input. The CSA are of the view that allowing an EII access to the AMR regime in circumstances where the EII solicits proxies from securityholders in opposition to management on specific matters is not consistent with the policy intent of the AMR regime. The CSA have clarified in the</td>
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February 25, 2016

(2016), 39 OSCB 1769
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<th>Subject</th>
<th>Summarized Comments</th>
<th>CSA Responses</th>
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<td>One commenter noted that if the disqualification criterion is retained, it should only apply at the moment when exemptions from the proxy solicitation rules are no longer applicable.</td>
<td>Amendments that the term 'solicit' has the same meaning as defined in NI 51-102 Continuous Disclosure Obligations. We consider that EIIs who solicit proxies in certain circumstances should not be eligible to use the AMR regime regardless of whether or not they are relying on an exemption from sending information circulars.</td>
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<td>See also comments under Part A (9) of this Summary.</td>
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<td>No</td>
<td>One commenter questioned the ability of a regulator to distinguish investor mal-intent and the definition of &quot;intends to solicit proxies&quot; which may manifest itself when engaging with the issuer.</td>
<td>We acknowledge these comments. As noted above, we have clarified in the Amendments that the term 'solicit' has the same meaning as defined in NI 51-102 Continuous Disclosure Obligations. We have removed the concept of &quot;intends to solicit&quot; to avoid uncertainty as to the application of the disqualification criteria.</td>
</tr>
<tr>
<td>One commenter disagreed with excluding the use of the AMR regime if an EII solicits proxies for less than a majority of the board of directors. Also, the commenter asked the CSA to remove the inability to use the AMR regime at such time an investor &quot;intends&quot; to solicit proxies and to clarify the meaning of the term &quot;solicit&quot;.</td>
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<td>See also comments under Part A (9) of this Summary.</td>
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<td>(9) We propose to exempt from early warning requirements acquirors that are lenders in securities lending arrangements and that meet certain conditions. Do you agree with this proposal? Please explain why or why not. (Securities lending)</td>
<td>Yes</td>
<td>Nine commenters agreed that the conditions required to meet the exemption were sensible.</td>
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<td>One commenter generally agreed with the exemption only in cases where the lending arrangement specifies that the lender has an unrestricted right to recall by the lender from the borrower in a timely manner.</td>
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<td>One commenter agreed with the reasoning for the need to consider certain conditions occurring under securities lending arrangements when determining the reporting obligation under the early warning system. However, there are many circumstances where the reporting requirement should not be triggered and the proposal should focus on the intent of the holder of the position.</td>
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<td>No</td>
<td>One commenter disagreed with this proposal because lenders would appear to be able to accumulate a total position in a security greater than 5% by buying the security and lending it while still retaining the right to recall the securities before a meeting of securityholders.</td>
<td>We acknowledge this comment of opposition.</td>
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<tr>
<td>Subject</td>
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| (10) Do you agree with the proposed definition of “specified securities lending arrangement”? If not, what changes would you suggest? (Securities lending) | Yes | Nine commenters supported the proposed definition of “specified securities lending arrangement”.
One commenter would prefer to see the definition address recall by the lender in ‘a timely manner’. The commenter considered that if voting is to be effective the timing of the recall should allow the lender to assess and properly consider the implications of any issues that are to be voted on. | We thank the commenters for their input. We agree with the commenters who supported the definition of “specified securities lending arrangement”. |
<p>| | No | One commenter suggested that the requirement to report any “material terms” of securities lending arrangements is overly broad, which terms may be commercially sensitive. | The CSA have clarified that the concept of ‘material terms’ excludes commercially-sensitive information that is irrelevant for early warning disclosure purposes. |
| (11) We are not proposing at this time an exemption for persons that borrow securities under securities lending arrangements as we believe securities borrowing may give rise to empty voting situations for which disclosure should be prescribed under our early warning disclosure regime. Do you agree with this view? If not, why not? (Securities lending) | Yes | Seven commenters considered that it was appropriate not to propose an exemption for borrowers as they are concerned with empty voting situations. One commenter noted that not all securities lending arrangements are the same and that each arrangement needs to be considered as to whether voting rights flow to the manager. See also comments under Part A (8) of this Summary. | We thank the commenters for their input. |
| | No | One commenter noted that borrowing of securities is not customarily done to vote the borrowed securities but rather to effect delivery in connection with short sales. One commenter suggested that borrowing in the context of short selling should be exempted from the reporting obligations. See also comments under Part A (8) of this Summary. | We thank the commenters for their input. The CSA have decided to introduce in the Amendments an additional reporting exemption for borrowers under securities lending arrangements, subject to certain conditions. |
| (12) Do the proposed changes to the early warning framework adequately address transparency concerns over securities lending transactions? If not, what other amendments should be made to address these concerns? (Securities lending) | Yes | Two commenters noted that the Proposed Amendments adequately address concerns over securities lending transactions. Their main concern is knowing the identity and the position of securities borrowers who hold voting rights without any corresponding economic interest. Two commenters considered that the proposed changes generally address transparency. |
| | | We thank the commenters for their input. We agree with the commenters who supported the proposed changes to address the transparency concerns over securities lending transactions. |</p>
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<td>concerns over securities lending transactions. Concerned by the little visibility of the shares lent, one commenter suggested that the entire process of share lending and its implications for empty voting and hidden voting may need to be the subject of a separate review by securities regulators. One commenter suggested that the framework regarding securities lending must respect the unique attributes of each lending arrangement. See also comments under Part A (8) of this Summary.</td>
<td>We thank the commenters for their input. The Amendments require disclosure of the material terms of a securities lending arrangement in effect at the time of the early warning reporting, including details of the recall provisions.</td>
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<td>Two commenters suggested that borrowers should be explicitly required to disclose if the securities they have borrowed may be recalled by the lender. See also comments under Part A (8) of this Summary.</td>
<td>We thank the commenters for their input.</td>
<td></td>
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<tr>
<td>No</td>
<td>Four commenters agreed that the Proposed Amendments should be applied to all reporting issuers, including venture issuers. Although these commenters would not be opposed to certain exemptions being applied with regard to small or mid-cap issuers, two commenters viewed that in principle the Proposed Amendments should apply to all reporting issuers.</td>
<td>We thank the commenters for their input. As noted above, the CSA have concluded at this time that the reporting threshold should remain at 10% for all issuers and investors.</td>
</tr>
<tr>
<td>Yes</td>
<td>We thank the commenters for their input. As noted above, the CSA have concluded at this time that the reporting threshold should remain at 10% for all issuers and investors.</td>
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<tr>
<td>No</td>
<td>Four commenters disagreed with applying the proposal to venture issuers. One commenter suggested additional study before making the Proposed Amendments applicable to venture issuers.</td>
<td>We thank the commenters for their input. As noted above, the CSA have concluded at this time that the reporting threshold should remain at 10% for all issuers and investors.</td>
</tr>
<tr>
<td>(13) Do you agree with our proposal to apply the Proposed Amendments to all reporting issuers including venture issuers? Please explain why or why not. Do you think that only some and not all of the Proposed Amendments should apply to venture issuers? If so, which ones and why? (Reduction of Early Warning Reporting Threshold from 10% to 5%)</td>
<td>Four commenters submitted that over-reporting will occur and contribute to confusion in the marketplace. One commenter expressed that if an investor seeks to maintain solely an economic equivalence</td>
<td></td>
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<tr>
<td>Yes</td>
<td>We thank the commenters for their input. The CSA have removed the concept of &quot;equity equivalent derivatives&quot; in the Amendments.</td>
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<tr>
<td>No</td>
<td>Three commenters submitted that over-reporting will occur and contribute to confusion in the marketplace. One commenter expressed that if an investor seeks to maintain solely an economic equivalence</td>
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<td>(14) Some parties to “equity equivalent derivatives” may have acquired such derivatives for reasons other than acquiring the referenced securities at a future date. For example, some parties to these derivatives may wish to maintain solely an economic equivalency to the securities without acquiring the referenced securities for tax purposes or other reasons. Would the proposed requirement lead to over-reporting of total return swaps and other “equity equivalent derivatives”? Or would the possible over-reporting be mitigated by the fact that it is likely that parties to “equity equivalent derivatives” would qualify under the AMR regime? (Derivatives)</td>
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| and does not intend to acquire the referenced securities, then they could be deemed as being passive and report under the AMR. 
One commenter submitted that where there is no transfer of the rights of the shareholder to the derivative holder, reporting the position would not be relevant or insightful disclosure to the capital markets. 
One commenter noted that if an investor does not intend to acquire the referenced security then they should not be required to report. | | |
| No | One commenter agreed that it seems likely that possible over-reporting would be mitigated by the fact that parties to “equity equivalent derivatives” would qualify under the AMR regime. | We thank the commenters for their input. 
The CSA have removed the concept of “equity equivalent derivatives” in the Amendments. |
| (15) If the proposed new requirement does lead to an over-reporting of these derivatives, is this rectified by the requirement in the early warning report for acquirors to explain the purpose of their acquisition and thereby clarify that they do not intend to acquire the referenced securities upon termination of the swap? (Derivatives) | Yes | One commenter agreed that it seems likely that if there is over-reporting of derivatives, it will be rectified by the requirement in the early warning report for acquirors to explain the purpose of their acquisition. | We thank the commenters for their input. 
The CSA have removed the concept of “equity equivalent derivatives” in the Amendments. |
| No | One commenter suggested that clarification of which parties retain voting control versus those that merely have an economic interest would benefit the market. 
One commenter submitted that the requirement puts too much extraneous information into the system and that, in turn, creates inappropriate investor reaction. 
One commenter noted that the explanation in the report will not solve the potentially confusing over-reporting. | We thank the commenters for their input. 
The CSA have removed the concept of “equity equivalent derivatives” in the Amendments. |
ANNEX C

AMENDMENTS TO
MULTILATERAL INSTRUMENT 62-104 TAKE-OVER BIDS AND ISSUER BIDS

1. **Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids is amended by this Instrument.**

2. **Subsection 1.8(1) is replaced with the following:**

   1.8 (1) In this Instrument, in determining the beneficial ownership of securities of an offeror, of an acquiror or of any person acting jointly or in concert with the offeror or the acquiror, at any given date, the offeror, the acquiror or the person is deemed to have acquired and to be the beneficial owner of a security, including an unissued security, if the offeror, the acquiror or the person

   (a) is the beneficial owner of a security convertible into the security within 60 days following that date, or

   (b) has a right or obligation permitting or requiring the offeror, the acquiror or the person, whether or not on conditions, to acquire beneficial ownership of the security within 60 days by a single transaction or a series of linked transactions.

3. **Subsection 1.9(1) is replaced with the following:**

   1.9 (1) In this Instrument, it is a question of fact as to whether a person is acting jointly or in concert with an offeror or an acquiror and, without limiting the generality of the foregoing,

   (a) the following are deemed to be acting jointly or in concert with an offeror or an acquiror:

      (i) a person that, as a result of any agreement, commitment or understanding with the offeror, the acquiror or with any other person acting jointly or in concert with the offeror or the acquiror, acquires or offers to acquire securities of the same class as those subject to the offer to acquire;

      (ii) an affiliate of the offeror or the acquiror;

   (b) the following are presumed to be acting jointly or in concert with an offeror or an acquiror:

      (i) a person that, as a result of any agreement, commitment or understanding with the offeror, the acquiror or with any other person acting jointly or in concert with the offeror or the acquiror, intends to exercise jointly or in concert with the offeror, the acquiror or with any person acting jointly or in concert with the offeror or the acquiror any voting rights attaching to any securities of the offeree issuer;

      (ii) an associate of the offeror or the acquiror.

4. **Part 5 is replaced with the following:**

   PART 5: REPORTS AND ANNOUNCEMENTS OF ACQUISITIONS

   Definitions and Interpretation

   5.1 (1) In this Part,

   “acquiror” means a person who acquires a security, other than by way of a take-over bid or an issuer bid made in compliance with Part 2;

   “acquiror’s securities” means securities of an issuer beneficially owned, or over which control or direction is exercised, on the date of the acquisition or disposition, by an acquiror or any person acting jointly or in concert with the acquiror;

   “specified securities lending arrangement” means a securities lending arrangement if all of the following apply:

   (a) the material terms of the securities lending arrangement are set out in a written agreement;
(b) the securities lending arrangement requires the borrower to pay to the lender amounts equal to all dividends or interest payments, if any, paid on the security that would have been received by the lender if the lender had held the security throughout the period beginning at the date of the transfer or loan and ending at the time the security or an identical security is transferred or returned to the lender;

(c) the lender has established policies and procedures that require the lender to maintain a record of all securities that it has transferred or lent under securities lending arrangements;

(d) the written agreement referred to in paragraph (a) provides for any of the following:

(i) the lender has an unrestricted right to recall all securities that it has transferred or lent under the securities lending arrangement, or an equal number of identical securities, before the record date for voting at any meeting of securityholders at which the securities may be voted;

(ii) the lender requires the borrower to vote the securities transferred or lent in accordance with the lender’s instructions;

“securities lending arrangement” means an arrangement between a lender and a borrower with respect to which both of the following apply:

(a) the lender transfers or lends a security to the borrower;

(b) at the time that the security is lent or transferred, the lender and the borrower reasonably expect that the borrower will, at a later date, transfer or return to the lender the security or an identical security.

(2) For the purposes of this Part, if an acquiror and one or more persons acting jointly or in concert with the acquiror acquire or dispose of securities, the securities are deemed to be acquired or disposed of, as applicable, by the acquiror.

Early warning

5.2 (1) An acquiror who acquires beneficial ownership of, or control or direction over, voting or equity securities of any class of a reporting issuer, or securities convertible into voting or equity securities of any class of a reporting issuer, that, together with the acquiror’s securities of that class, constitute 10% or more of the outstanding securities of that class, must

(a) promptly, and, in any event, no later than the opening of trading on the business day following the acquisition, issue and file a news release containing the information required by section 3.1 of National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues, and

(b) promptly, and, in any event, no later than 2 business days from the date of the acquisition, file a report containing the information required by section 3.1 of National Instrument 62-103 The Early Warning System and Related Take-Over Bid and Insider Reporting Issues.

(2) An acquiror who is required to make disclosure under subsection (1) must make further disclosure, in accordance with subsection (1), each time any of the following events occur:

(a) the acquiror or any person acting jointly or in concert with the acquiror, acquires or disposes beneficial ownership of, or acquires or ceases to have control or direction over, either of the following:

(i) securities in an amount equal to 2% or more of the outstanding securities of the class of securities that was the subject of the most recent report required to be filed by the acquiror under subsection (1) or under this subsection;

(ii) securities convertible into 2% or more of the outstanding securities referred to in subparagraph (i);
(b) there is a change in a material fact contained in the most recent report required to be filed under paragraph (1)(b) or under paragraph (a) of this subsection.

(3) An acquiror must issue and file a news release and file a report in accordance with subsection (1) if beneficial ownership of, or control or direction over, the outstanding securities of the class of securities that was the subject of the most recent report required to be filed by the acquirer under this section decreases to less than 10%.

(4) If an acquiror issues and files a news release and files a report under subsection (3), the requirements under subsection (2) do not apply unless subsection (1) applies in respect of a subsequent acquisition of beneficial ownership of, or control or direction over, voting or equity securities of any class of a reporting issuer, or securities convertible into voting or equity securities of any class of a reporting issuer, that, together with the acquiror’s securities of that class, constitute 10% or more of the outstanding securities of that class.

Moratorium provisions

5.3 (1) During the period beginning on the occurrence of an event in respect of which a report is required to be filed under section 5.2 and ending on the expiry of the first business day following the date that the report is filed, an acquiror, or any person acting jointly or in concert with the acquiror, must not acquire or offer to acquire beneficial ownership of, or control or direction over, any securities of the class in respect of which the report is required to be filed or any securities convertible into securities of that class.

(2) Subsection (1) does not apply to an acquiror that has beneficial ownership of, or control or direction over, securities that, together with the acquiror’s securities of that class, constitute 20% or more of the outstanding securities of that class.

Acquisitions during bid

5.4 (1) If, after a take-over bid or an issuer bid has been made under Part 2 for voting or equity securities of a reporting issuer and before the expiry of the bid, an acquiror acquires beneficial ownership of, or control or direction over, securities of the class subject to the bid which, when added to the acquiror’s securities of that class, constitute 5% or more of the outstanding securities of that class, the acquiror must, before the opening of trading on the next business day, issue and file a news release containing the information required by subsection (3).

(2) An acquiror must issue and file an additional news release in accordance with subsection (3) before the opening of trading on the next business day each time the acquiror, or any person acting jointly or in concert with the acquiror, acquires beneficial ownership of, or control or direction over, in aggregate, an additional 2% or more of the outstanding securities of the class of securities that was the subject of the most recent news release required to be filed by the acquiror under this section.

(3) A news release or further news release required under subsection (1) or (2) must set out

(a) the name of the acquiror,

(b) the number of securities of the offeree issuer that were beneficially acquired, or over which control or direction was acquired, in the transaction that gave rise to the requirement under subsection (1) or (2) to issue the news release,

(c) the number of securities and the percentage of outstanding securities of the offeree issuer that the acquiror and all persons acting jointly or in concert with the acquiror, have beneficial ownership of, or control or direction over, immediately after the acquisition described in paragraph (b),

(d) the number of securities of the offeree issuer that were beneficially acquired, or over which control or direction was acquired, by the acquiror and all persons acting jointly or in concert with the acquiror, since the commencement of the bid,

(e) the name of the market in which the acquisition described in paragraph (b) took place, and

(f) the purpose of the acquiror and all persons acting jointly or in concert with the acquiror in making the acquisition described in paragraph (b), including any intention of the acquiror and all persons acting jointly or in concert with the acquiror to increase the beneficial ownership of, or control or direction over, any of the securities of the offeree issuer.
Duplicate news release not required

5.5 If the facts in respect of which a news release is required to be filed under sections 5.2 and 5.4 are identical, a news release is required only under the provision requiring the earlier news release.

Copies of news release and report

5.6 An acquiror that files a news release or report under section 5.2 or 5.4 must promptly send a copy of each filing to the reporting issuer.

Exception

5.7 Sections 5.2, 5.3 and 5.4 do not apply to either of the following:

(a) an acquiror that is a lender in respect of securities transferred or lent pursuant to a specified securities lending arrangement;

(b) an acquiror that is a borrower in respect of securities or identical securities borrowed, disposed of or acquired in connection with a securities lending arrangement if all of the following apply:

(i) the borrowed securities are disposed of by the borrower no later than 3 business days from the date of the transfer or loan;

(ii) the borrower will at a later date acquire the securities or identical securities and transfer or return those securities to the lender;

(iii) the borrower does not intend to vote and does not vote the securities or identical securities during the period beginning on the date of the transfer or loan and ending at the time the securities or identical securities are transferred or returned to the lender.

5. Except in Ontario, this Instrument comes into force on May 9, 2016. In Ontario, this Instrument comes into force on the later of the following:

(a) May 9, 2016;

(b) the day on which sections 1, 2 and 3, subsections 4 (2) and (3), and sections 5, 7, 8 and 10 of Schedule 18 of the Budget Measures Act, 2015 (Ontario) are proclaimed into force.
ANNEX D

CHANGES TO
NATIONAL POLICY 62-203 TAKE-OVER BIDS AND ISSUER BIDS

1. National Policy 62-203 Take-Over Bids and Issuer Bids is changed by this document.

2. National Policy 62-203 Take-Over Bids and Issuer Bids is changed by adding the following Part after Part 2:

PART 3 TAKE-OVER BID AND EARLY WARNING REQUIREMENTS

3.1 Equity swap or similar derivative arrangement – An investor that is a party to an equity swap or similar derivative arrangement may under certain circumstances have deemed beneficial ownership, or control or direction, over the referenced voting or equity securities. This could occur where the investor has the ability, formally or informally, to obtain the voting or equity securities or to direct the voting of voting securities held by any counterparties to the transaction. This determination would be relevant for compliance with the early warning and take-over bid requirements under the Instrument.

3.2 Securities lending arrangements – Securities lending describes the market practice whereby securities are temporarily transferred from one party (the lender) to another party (the borrower) in return for a fee. As part of the lending arrangement, the borrower is obliged to redeliver to the lender the securities or identical securities to those that were transferred or lent, either on demand or at the end of the loan term.

Securities lending arrangements transfer title of securities from the lender to the borrower for the duration of the loan. During this period, the borrower has full ownership rights and may re-sell the securities as well as vote them. Securities lending arrangements between the lender and the borrower generally provide for payment to the lender of any economic benefits (for example, dividends) accruing to the securities while “on loan”. Therefore, securities lending separates the economic interest in the securities which remains with the lender from the ownership and voting rights which are transferred to the borrower. If the lender wants to vote the loaned securities it must, in accordance with the terms of the securities lending arrangement, either recall the securities or identical securities from the borrower or otherwise direct the voting of the loaned securities.

Since securities lending arrangements involve a disposition and acquisition of securities, lenders and borrowers should consider securities lent (disposed) and borrowed (acquired) under securities lending arrangements in determining whether an early warning reporting obligation has been triggered.

Paragraph 5.7(a) of the Instrument provides an exception for the lender of securities under a securities lending arrangement from the early warning requirements if the securities are transferred or lent pursuant to a securities lending arrangement that meets the criteria of a specified securities lending arrangement. If the securities lending arrangement is not a specified securities lending arrangement, then the early warning reporting requirements for dispositions of securities will apply to the disposition of securities by the lender under the securities lending arrangement.

Paragraph 5.7(b) of the Instrument provides an exception for the borrower of securities under a securities lending arrangement from the early warning requirements if the securities or identical securities are borrowed, disposed of or acquired in connection with a borrower’s short sale if certain conditions are met. Short selling is a trading strategy where the borrower uses securities borrowed under a securities lending arrangement to settle a sale (disposition) of the securities to another party with the objective of later repurchasing (acquiring) identical securities at a lower price on the market to return the securities to the lender. If all the conditions of paragraph 5.7(b) are not satisfied, then the early warning reporting requirements will apply to the borrower in respect of securities borrowed under the securities lending arrangement and the disposition of and acquisition of the securities or identical securities in the market in connection with the securities lending arrangement.

3. Except in Ontario, these changes become effective on May 9, 2016. In Ontario, these changes become effective on the later of the following:

(a) May 9, 2016;

(b) the day on which sections 1, 2 and 3, subsections 4 (2) and (3), and sections 5, 7, 8 and 10 of Schedule 18 of the Budget Measures Act, 2015 (Ontario) are proclaimed into force.
ANNEX E

AMENDMENTS TO
NATIONAL INSTRUMENT 62-103 THE EARLY WARNING SYSTEM AND RELATED TAKE-OVER BID AND INSIDER REPORTING ISSUES


2. Section 1.1 is amended by
   (a) adding the following definitions:
       “acquiror” has the meaning ascribed to that term in Part 5 of NI 62-104;
       “acquiror’s securities” has the meaning ascribed to that term in Part 5 of NI 62-104;
       “economic exposure” has the meaning ascribed to that term in NI 55-104;
       “securities lending arrangement” has the meaning ascribed to that term in Part 5 of NI 62-104;
   (b) replacing “offeror” with “acquiror” in the definition of “acquisition announcement provisions”;
   (c) replacing the definition of “early warning requirements” with the following:
       “early warning requirements” means the requirements set out in section 5.2 of NI 62-104;
   (d) replacing the definition of “moratorium provisions” with the following:
       “moratorium provisions” means the provisions set out in subsection 5.3(1) of NI 62-104, and
   (e) deleting the definitions of “offeror” and “offeror’s securities”.

3. Section 3.1 is replaced with the following:
   3.1 Contents of News Releases and Reports
   (1) A news release and report required under the early warning requirements shall contain the information required by Form 62-103F1 Required Disclosure under the Early Warning Requirements.
   (2) Despite subsection (1), a news release required under the early warning requirements may omit the information otherwise required by Items 2.3, 3.3, 3.5 through 3.8, 4.2, 4.3, 6 and 9, and Item 7 to the extent that the information relates to those sections and items, of Form 62-103F1 Required Disclosure under the Early Warning Requirements, if
       (a) the omitted information is included in the corresponding report required by the early warning requirements, and
       (b) the news release indicates the name and telephone number of an individual to contact to obtain a copy of the report.
   (3) The acquiror shall send a copy of the report referred to in paragraph (2)(a) promptly to any entity requesting it.

4. Section 3.2 is amended by replacing “offeror” with “acquiror” wherever it occurs.

5. Section 4.2 is amended by adding “(1) before “An”, by deleting “or” at the end of paragraph (a), by replacing “.” with “; or;” at the end of paragraph (b) and by adding the following paragraph and subsection:
   (c) solicits proxies from securityholders of the reporting issuer in any of the following circumstances:
       (i) in support of the election of one or more persons as directors of the reporting issuer other than the persons proposed to be nominated by management of the reporting issuer;
in support for a reorganization, amalgamation, merger, arrangement or other similar corporate action involving the securities of the reporting issuer if that action is not supported by management of the reporting issuer;

in opposition to a reorganization, amalgamation, merger, arrangement or other similar corporate action involving the securities of the reporting issuer if that action is proposed by management of the reporting issuer.

(2) For the purposes of this section, “solicit” has the meaning ascribed to that term in National Instrument 51-102 Continuous Disclosure Obligations.

6. Subsection 4.3(2) is amended by replacing “Appendix F” with “Form 62-103F2 Required Disclosure by an Eligible Institutional Investor under Section 4.3”.

7. Subsection 4.7(1) is amended by replacing “Appendix G” with “Form 62-103F3 Required Disclosure by an Eligible Institutional Investor under Part 4”.

8. Section 5.1 is amended by replacing “offeror” with “acquiror” in paragraph (b).

9. Section 8.2 is amended by deleting “(1)”.  

10. Part 9 and Section 9.1 is amended by deleting “; Early Warning Decrease Reports” in the titles of the Part and of the Section.

11. Section 9.1 is amended by deleting “(3),” in subsection (1) and by repealing subsection (3).

12. Appendix E is replaced with the following:

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

2.3 State the names of any joint actors.

INSTRUCTION

If the acquiror is a corporation, general partnership, limited partnership, syndicate or other group of persons, provide its name, the address of its head office, its jurisdiction of incorporation or organization, and its principal business.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.
3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

3.3 If the transaction involved a securities lending arrangement, state that fact.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror’s securityholdings.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror’s economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

INSTRUCTIONS

(i) “Related financial instrument” has the meaning ascribed to that term in NI 55-104. Item 3.6 encompasses disclosure of agreements, arrangements or understandings where the economic interest related to a security beneficially owned or controlled has been altered.

(ii) For the purposes of Items 3.6, 3.7 and 3.8, a material term of an agreement, arrangement or understanding does not include the identity of the counterparty or proprietary or commercially sensitive information.

(iii) For the purposes of Item 3.8, any agreements, arrangements or understandings that have been disclosed under other items in this Form do not have to be disclosed under this item.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.
Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
(e) a material change in the present capitalization or dividend policy of the reporting issuer;
(f) a material change in the reporting issuer’s business or corporate structure;
(g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
(h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
(i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
(j) a solicitation of proxies from securityholders;
(k) an action similar to any of those enumerated above.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

INSTRUCTIONS

(i) Agreements, arrangements or understandings that are described under Item 3 do not have to be disclosed under this item.

(ii) For the purposes of Item 6, the description of any agreements, arrangements, commitments or understandings does not include naming the persons with whom those agreements, arrangements, commitments or understandings have been entered into, or proprietary or commercially sensitive information.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.
Item 9 – Certification

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date

Signature

Name/Title.

13. Appendix F is replaced with the following:

Form 62-103F2
REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL INVESTOR UNDER SECTION 4.3

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Item 2 – Identity of the Eligible Institutional Investor

2.1 State the name and address of the eligible institutional investor.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

2.3 State that the eligible institutional investor is ceasing to file reports under Part 4 for the reporting issuer.

2.4 Disclose the reasons for doing so.

2.5 State the names of any joint actors.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities and the eligible institutional investor’s securityholding percentage in the class of securities immediately before and after the transaction or other occurrence that triggered the requirement to file this report.
3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

3.3 If the transaction involved a securities lending arrangement, state that fact.

3.4 State the designation and number or principal amount of securities and the eligible institutional investor’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report and over which

(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,

(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and

(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor’s securityholdings.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor’s economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

INSTRUCTIONS

(i) “Related financial instrument” has the meaning ascribed to that term in NI 55-104. Item 3.5 encompasses disclosure of agreements, arrangements or understandings where the economic interest related to a security beneficially owned or controlled has been altered.

(ii) For the purposes of Items 3.5, 3.6 and 3.7, a material term of an agreement, arrangement or understanding does not include the identity of the counterparty or proprietary or commercially sensitive information.

(iii) For the purposes of Item 3.7, any agreements, arrangements or understandings that have been disclosed under other items in this Form do not have to be disclosed under this item.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the eligible institutional investor.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.
Item 5 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
(b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
(c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
(d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
(e) a material change in the present capitalization or dividend policy of the reporting issuer;
(f) a material change in the reporting issuer’s business or corporate structure;
(g) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
(h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
(i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
(j) a solicitation of proxies from securityholders;
(k) an action similar to any of those enumerated above.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to any securities of the reporting issuer, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

INSTRUCTIONS
(i) Agreements, arrangements or understandings that are described under Item 3 do not have to be disclosed under this item.
(ii) For the purposes of Item 6, the description of any agreements, arrangements, commitments or understandings does not include naming the persons with whom those agreements, arrangements, commitments or understandings have been entered into, or proprietary or commercially sensitive information.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Item 8 – Exemption

If the eligible institutional investor relies on an exemption from the requirement in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.
Item 9 – Certification

The eligible institutional investor must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the eligible institutional investor, certify, or I, as the agent filing the report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date

Signature

Name/Title.

14. Appendix G is replaced with the following:

Form 62-103F3

REQUIRED DISCLOSURE BY AN ELIGIBLE INSTITUTIONAL INVESTOR UNDER PART 4

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Item 2 – Identity of the Eligible Institutional Investor

2.1 State the name and address of the eligible institutional investor.

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

2.3 State the name of any joint actors.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.
3.2 State the designation and number or principal amount of securities and the eligible institutional investor’s securityholding percentage in the class of securities at the end of the month for which the report is made.

3.3 If the transaction involved a securities lending arrangement, state that fact.

3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which

   (a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,

   (b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and

   (c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor’s securityholdings.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

   State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor’s economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

INSTRUCTIONS

(i) “Related financial instrument” has the meaning ascribed to that term in NI 55-104. Item 3.5 encompasses disclosure of agreements, arrangements or understandings where the economic interest related to a security beneficially owned or controlled has been altered.

(ii) An eligible institutional investor may omit the securityholding percentage from a report if the change in percentage is less than 1% of the class.

(iii) For the purposes of Item 3.5, 3.6 and 3.7, a material term of an agreement, arrangement or understanding does not include the identity of the counterparty or proprietary or commercially sensitive information.

(iv) For the purposes of Item 3.7, any agreements, arrangements or understandings that have been disclosed under other items in this Form do not have to be disclosed under this item.

Item 4 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

(a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;

(b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
(c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;

(d) a material change in the present capitalization or dividend policy of the reporting issuer;

(e) a material change in the reporting issuer’s business or corporate structure;

(f) a change in the reporting issuer’s charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;

(g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;

(h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

(i) a solicitation of proxies from securityholders;

(j) an action similar to any of those enumerated above.

Item 5 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

INSTRUCTIONS

(i) Agreements, arrangements or understandings that are described under Item 3 do not have to be disclosed under this item.

(ii) For the purposes of Item 5, the description of any agreements, arrangements, commitments or understandings does not include naming the persons with whom those agreements, arrangements, commitments or understandings have been entered into, or proprietary or commercially sensitive information.

Item 6 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Item 7 – Certification

The eligible institutional investor must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.
Certificate

The certificate must state the following:

I, as the eligible institutional investor, certify, or I, as the agent filing the report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

____________________________________________________
Date

____________________________________________________
Signature

____________________________________________________
Name/Title.

15. Except in Ontario, this Instrument comes into force on May 9, 2016. In Ontario, this Instrument comes into force on the later of the following:

(a) May 9, 2016;

(b) the day on which sections 1, 2 and 3, subsections 4 (2) and (3), and sections 5, 7, 8 and 10 of Schedule 18 of the Budget Measures Act, 2015 (Ontario) are proclaimed into force.
ANNEX F

LOCAL MATTERS

Please refer to Annex N of the version of the CSA Notice of Amendments to Take-Over Bid Regime dated February 25, 2016 published in Ontario.