



Canadian Investor
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CIRI.org

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Corporations Canada
Innovation, Science, and Economic Development Canada
235 Queen Street, Floor 7
Ottawa ON K1A 0H5
Email: ic.corporationscanada.ic@canada.ca

To Whom it May Concern,

Re: Innovation, Science, and Economic Development Canada's Consultation on Regulatory Proposals

The Canadian Investor Relations Institute (CIRI), a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community, is pleased to provide comments on Innovation, Science, and Economic Development Canada's Consultation on Regulatory Proposals (Consultation). CIRI membership represents more than 230 non-investment fund reporting issuers with a combined market capitalization of \$1.9 trillion. More information about CIRI is provided in Appendix A.

General Comments

CIRI supports an annual mandatory advisory vote on executive compensation practices (say-on-pay vote) for all TSX-listed issuers. These say-on-pay votes are becoming common practice among senior forward-thinking issuers and have proven to provide valuable feedback from shareholders. The adoption of mandatory advisory say-on-pay votes is a logical next step in the progression of shareholder engagement.

CIRI agrees that the vote should be non-binding on the reporting issuer and that final decisions regarding executive compensation plans should be left to the Board of Directors, so long as the Board does take into account the results of the say-on-pay vote by shareholders. Each issuer has specific and individual considerations, including industrial sector and peer considerations regarding compensation plans and the Board of Directors are most often in the best position to assess and evaluate the need to adopt an appropriate compensation plan for the best interest of the issuer and its stakeholders. If shareholders determine the adopted compensation plan is not in their best interest, they can take action through their ability to elect directors.

CONSULTATION QUESTIONS

While we have reviewed the entire Consultation, we have chosen to comment on those questions pertaining to *Issue C: prescribing the time and manner for disclosing the results of the say-on-pay vote*, which we are best equipped to answer based on our knowledge and interaction with issuers and their investor relations professionals.



1. *Do you agree with the proposed times and manner for providing the results of the say-on-pay vote? Please explain.*

CIRI agrees that issuers should provide results of their non-binding say-on-pay vote by:

1. Reporting the results at the meeting;
 2. Posting the results on the corporate website, no later than 30 days after the meeting; and
 3. Setting out the results in the next annual general meeting's management proxy circular.
2. *Do you have other suggestions for the time and manner of the disclosure of the results of the say-on-pay vote?*

CIRI feels disclosure of the say-on-pay vote could be further enhanced by tightening the timeframe and by requiring disclosure of the results in a news release. Currently, TSX-listed issuers are required to disclose information on the election of their directors forthwith (see *TSX Company Manual* excerpt below), typically the day of or after their AGM. CIRI recommends that the results from the say-on-pay vote be included in the same news release for TSX-listed issuers; however, smaller issuers not listed on the TSX should be given the 30-day period to make the same disclosure. This news release should also be made available on the issuer's website.

TSX Company Manual - Sec. 461.4.

Following each meeting of security holders at which there is a vote on the election of directors at an uncontested meeting, each listed issuer must forthwith issue a news release disclosing the detailed voting results for the election of each director,⁸ and must forthwith provide a copy of the news release to TSX by email to disclosure@tsx.com if one or more director is not elected by at least a majority of the votes cast with respect to his or her election.

CIRI is pleased to provide Innovation, Science, and Economic Development Canada with its comments regarding the non-binding say-on-pay vote. Should you wish to discuss this submission further, please let me know.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Yvette Lokker".

Yvette Lokker
President & Chief Executive Officer
Canadian Investor Relations Institute



The Canadian Investor Relations Institute

The Canadian Investor Relations Institute (CIRI) is a professional, not-for-profit association of executives responsible for communication between public corporations, investors and the financial community. CIRI contributes to the transparency and integrity of the Canadian capital market by advancing the practice of investor relations, the professional competency of its members and the stature of the profession.

Investor Relations Defined

Investor relations is the strategic management responsibility that integrates the disciplines of finance, communications, marketing, securities law compliance and sustainability to achieve an effective flow of information between a company, the investment community and other stakeholders, in order to support an informed valuation of the company's securities and enable fair and efficient capital markets.

The practice of investor relations involves identifying, as accurately and completely as possible, current shareholders as well as potential investors and key stakeholders and providing them with publicly available information that facilitates knowledgeable investment decisions. The foundation of effective investor relations is built on the highest degree of transparency in order to enable reporting issuers to achieve prices in the marketplace that accurately and fully reflect the fundamental value of their securities.

CIRI is led by an elected Board of Directors of senior IR practitioners, supported by a staff of experienced professionals. The senior staff person, the President and CEO, serves as a continuing member of the Board. Committees reporting directly to the Board include: Human Resource and Corporate Governance; Audit; Membership; and Issues.

CIRI Chapters are located across Canada in Ontario, Quebec, Alberta and British Columbia. Membership is close to 500 professionals serving as corporate investor relations officers in over 230 reporting issuer companies, consultants to issuers or service providers to the investor relations profession.

CIRI is a founding member of the Global Investor Relations Network (GIRN), which provides an international perspective on the issues and concerns of shareholders in capital markets beyond North America. The President and CEO of CIRI has been a member of the Continuous Disclosure Advisory Committee (CDAC) of the Ontario Securities Commission. In addition, several members, including the President and CEO of CIRI, are members of the National Investor Relations Institute (NIRI), the corresponding professional organization in the United States.