

INVESTOR ADVISORY PANEL

November 20, 2018

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Financial and Consumer Services Commission (New Brunswick)
Superintendent of Securities, Department of Justice and Public Safety, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon Territory
Superintendent of Securities, Nunavut

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Re: IAP Response to Proposed National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure

The Investor Advisory Panel (IAP) welcomes this opportunity to provide the Canadian Securities Administrators (CSA) with our response to *Proposed National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure* (the Proposed Rule). The IAP is an initiative by the Ontario Securities Commission to enable investor concerns and

voices to be represented in its rule development and policymaking process. Our mandate is to solicit and represent the views of investors on the Commission's policy and rule making initiatives.

The CSA currently provides guidance regarding the disclosure of non-GAAP financial measures in CSA Staff Notice 52-306 (SN 52-306). Introduced almost 15 years ago, SN 52-306 was intended to help ensure that non-GAAP financial measures disclosure did not mislead investors. While SN 52-306 has been updated several times since, issues relating to the consistency and comparability of non-GAAP financial measures in corporate disclosure materials have persisted.

The Proposed Rule represents a renewed effort by the CSA to promote more transparent and informative corporate disclosure. We support the Proposed Rule and its heightened focus on current disclosure practices surrounding non-GAAP financial measures.

We also note approvingly that the Proposed Rule, if adopted, will establish prescribed, mandatory disclosure requirements consistent with the regulatory expectations articulated in SN 52-306 but with the cogency necessary to ensure those expectations will be met.

It goes without saying that success of this initiative will depend on continued allocation of sufficient resources at the compliance review and enforcement levels. We commend the CSA for its commitment to the initiative, and we look forward to seeing that commitment translate into better outcomes for investors.

We thank you for this opportunity to comment on the Proposed Rule. Please feel free to contact us if you require any elaboration or follow-up on the contents of this letter.

Yours truly,

A solid black rectangular redaction box covering the signature of Neil Gross.

Neil Gross, Chair
Investor Advisory Panel