

March 5, 2020

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 of New Brunswick  
Superintendent of Securities, Prince Edward Island  
Nova Scotia Securities Commission  
Superintendent of Securities, Newfoundland and Labrador  
Superintendent of Securities, Yukon Territory  
Superintendent of Securities, Northwest Territories  
Superintendent of Securities, Nunavut

The Secretary  
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Toronto, Ontario, M5H 3S8  
[comments@osc.gov.on.ca](mailto:comments@osc.gov.on.ca)

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Dear Sir/Madam,

**Re: CSA Consultation Paper 51-405 – Consideration of an Access Equals Delivery Model for Non- Investment Fund Reporting Issuers**

We have reviewed the above referenced *CSA Consultation Paper 51-405- Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers* and we thank the Canadian Securities Administrators (CSA) for the opportunity to provide you with our comments.

CCGG's members are Canadian institutional investors that together manage approximately \$4 trillion in assets on behalf of pension funds, mutual fund unit holders, and other institutional and individual investors. CCGG promotes good governance practices in Canadian public companies in order to best align the interests of boards and management with those of their shareholders. We also seek to improve Canada's regulatory framework to strengthen the efficiency and effectiveness of the Canadian capital markets. A list of our members is attached to this submission.

CCGG supports the CSA's goal of reducing regulatory burden on issuers while ensuring that investor protection is not compromised. CCGG further supports the CSA's recognition that information is an important and useful tool in improving communication with investors and its commitment to facilitating electronic access to documents where appropriate. CCGG's focus is on ensuring that institutional investors have the information they need to make good investment decisions and to monitor those investments.

## **GENERAL COMMENTS**

As noted in its [July 2017](#) submission to the CSA in response to *Consultation Paper 51-404 Considerations for Reducing Regulatory Burden for Non-Investment Fund Reporting Issuers*, and its [February 2019](#) submission to the Ontario Securities Commission OSC *Staff Notice 11-784: Burden Reduction*, CCGG is supportive of enhancing electronic delivery of documents and movement toward a default electronic delivery of documents, provided investors retain a right to "opt in" to receive a paper copy. We were pleased to note that the access equals delivery model the CSA is contemplating is not intended to remove the option of having paper copies of documents delivered for those who prefer this option and the CSA expressly acknowledges that the needs and preferences of investors (such as investors' standing instructions) would inform issuers' decisions as to whether or not to choose an access equals delivery model.

Given the above position, we have responded to the consultation questions most relevant to CCGG Members.

### CONSULTATION QUESTIONS:

3. **Do you agree that the CSA should prioritize a policy initiative focusing on implementing an access equals delivery model for prospectuses and financial statements and related MD&A?**

CCGG agrees that prioritizing an access equals delivery model for prospectuses and financial statements and related MD&A is appropriate and that an incremental approach is warranted to ensure that investors acclimatize themselves to the new model.

5. **For which documents required to be delivered under securities legislation (other than prospectuses and financial statements and related MD&A) should an access equals delivery model be implemented? Are there any investor protection or investor engagement concerns associated with implementing an access equals delivery model for rights offering circulars, proxy-related materials, and/or take-over bid and issuer bid circulars? In your view, would this model require significant changes to the proxy voting infrastructure (e.g. operational processes surrounding solicitation and submission of voting instructions)? Please explain.**

CCGG is of the view that proxy-related materials, and other documents upon which investors rely in order to exercise their rights as shareholders should not be deemed “delivered” by issuers under an electronic access equals delivery model, absent prior notice and consent. Requiring shareholders to proactively monitor all the websites and news releases of the issuers in which they are invested for proxy related materials, unreasonably shifts the burden from the issuer to the shareholder.

Information related to the timing as to when and for what purpose an issuer may call a shareholder meeting is within the purview of the issuer and it is the responsibility of the issuer to proactively ensure that shareholders are made aware of such events and have timely access to the information they require to exercise their rights. Voting is one of the key mechanisms investors have to exercise oversight over the companies in which they are invested and therefore it is important for companies to be required to continue to provide notice to shareholders to facilitate shareholder participation in votes on both routine (e.g. election of directors) and special resolutions, whether included on the ballot at an Annual General Meeting or through a special meeting of shareholders. Requiring

clear communication in this regard, prevents companies from seeking to game voting outcomes through reduced shareholder participation.

Conversely, absent the provision of notice, some companies, especially those with a dispersed or retail investor heavy shareholder base, may have difficulty achieving quorum, ultimately creating barriers for issuers with respect to a company's ability to pursue corporate initiatives.

Large institutional investors may, over time, have the resources to adapt to an access equals delivery model for proxy related materials, however, this will not be without cost to the investor, and there is a clear risk to retail investors' ability to meaningfully participate in Annual General Meetings and other shareholder votes.

While we are not able to comment on the specific implications for the operational processes of our Members for the proposed model, to the extent that institutional investors' operational processes surrounding solicitation and submission of voting instructions would be impacted by an access equals delivery model for proxy-related material, including requiring security holders to access information such as their proxy control number, the ability to continue to receive notice and to request paper copies is paramount.

**6. Under an access equals delivery model, an issuer would be considered to have effected delivery once the document has been filed on SEDAR and posted on the issuer's website.**

**(a) Should we refer to "website" or a more technologically-neutral concept (e.g. "digital platform") to allow market participants to use other technologies? Please explain.**

CCGG is of the view that the CSA should refer to "website" in order to create a universal standard as to where documents may be accessed. Requiring investors to keep track of and search across different digital platforms for different issuers is not efficient and would be an unnecessary burden on investors. Issuers would not be precluded from posting or hyper-linking materials on additional digital platforms (e.g. social media platforms) provided that all documents are easily available and accessible on the issuer's website.

**(b) Should we require all issuers to have a website on which the issuer could post documents?**

Yes. See response to (a) above.

**7. Under an access equals delivery model, an issuer would issue and file a news release indicating that the document is available electronically and that a paper copy can be obtained upon request.**

**(a) Is a news release sufficient to alert investors that a document is available?**

Subject to our views on which documents should be excluded from an access equals delivery model, as set out in the response to paragraph five above, CCGG is of the view that a news release is sufficient to alert investors.

**(b) What particular information should be included in the news release?**

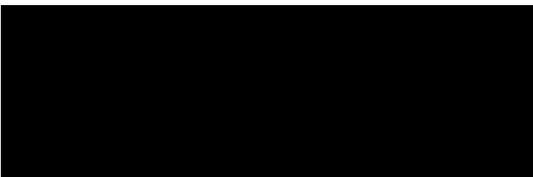
The news release should include information, including a hyper-link, as to where on the issuer's website the document is accessible. In addition, the news release should highlight any timing considerations an investor should be aware of with respect to the document posted. Finally, in the absence of any standing instructions to receive paper copy, the contact information, including either an email address or phone number, of the person at the issuer to whom a request for a paper copy can be made should be included.

## CONCLUSION

In summary, CCGG is supportive of the CSA's steps toward increased electronic delivery of documentation for some documents, but not for proxy-related materials. CCGG supports the incremental approach recommended and the ability for investors to continue to request and receive paper copies as appropriate to support their internal operations and procedures.

We thank you again for the opportunity to provide you with our comments. If you have any questions regarding the above, please feel free to contact our Executive Director, Catherine McCall, at (416) 868-3582 or [cmccall@ccgg.ca](mailto:cmccall@ccgg.ca) or our Director of Policy Development, Sarah Neville at (416) 847-0523 or [sneville@ccgg.ca](mailto:sneville@ccgg.ca).

Yours truly,



Marcia Moffat  
Chair of the Board of Directors  
Canadian Coalition for Good Governance

## CCGG MEMBERS 2020

- Alberta Investment Management Corporation (AIMCo)
- Alberta Teachers' Retirement Fund (ATRF)
- Archdiocese of Toronto
- Aviva Investors Canada Inc.
- BlackRock Asset Management Canada Limited
- BMO Global Asset Management Inc.
- Burgundy Asset Management Ltd.
- Caisse de dépôt et placement du Québec
- Canada Pension Plan Investment Board (CPPIB)
- Canada Post Corporation Registered Pension Plan
- CIBC Asset Management Inc.
- Colleges of Applied Arts and Technology Pension Plan (CAAT)
- Connor, Clark & Lunn Investment Management Ltd.
- Desjardins Global Asset Management
- Fiera Capital Corporation
- Forthlane Partners Inc.
- Fondation Lucie et André Chagnon
- Franklin Templeton Investments Corp.
- Galibier Capital Management Ltd.
- Healthcare of Ontario Pension Plan (HOOPP)
- Hillsdale Investment Management Inc.
- IGM Financial Inc.
- Investment Management Corporation of Ontario (IMCO)
- Industrial Alliance Investment Management Inc.
- Jarislowsky Fraser Limited
- Leith Wheeler Investment Counsel Ltd.
- Letko, Brousseau & Associates Inc.
- Lincluden Investment Management Limited
- Manulife Investment Management Limited
- NAV Canada Pension Plan
- Northwest & Ethical Investments L.P. (NEI Investments)
- Ontario Municipal Employee Retirement System (OMERS)
- Ontario Teachers' Pension Plan (OTPP)

- OPSEU Pension Trust
- PCJ Investment Counsel Ltd.
- Pension Plan of the United Church of Canada Pension Fund
- Public Sector Pension Investment Board (PSP Investments)
- QV Investors Inc.
- RBC Global Asset Management Inc.
- Régimes de retraite de la Société de transport de Montréal (STM)
- Scotia Global Asset Management
- Sionna Investment Managers Inc.
- SLC Management Canada
- State Street Global Advisors, Ltd. (SSgA)
- Summerhill Capital Management Inc.
- TD Asset Management Inc.
- Teachers' Pension Plan Corporation of Newfoundland and Labrador
- Teachers' Retirement Allowances Fund
- UBC Investment Management Trust Inc.
- University of Toronto Asset Management Corporation (UTAM)
- Vestcor Inc.
- Workers' Compensation Board - Alberta
- York University Pension Fund

