

New SRO Investor Advisory Panel / Terms of Reference

Article 1 – Mandate

The New SRO Investor Advisory Panel (IAP) is an independent, voluntary, advisory panel to New SRO staff. The mandate of the IAP is to advise the New SRO on regulatory issues and other matters of public interest in order to assist the New SRO in the effective fulfillment of its public interest mandate and to convey issues of concern to investors for consideration by the New SRO. The mandate of the IAP includes providing input and advice on investor protection and access to advice initiatives with a view to addressing gaps relating to under-served investors and promoting diversity, inclusiveness and equity.

The IAP will provide input to the New SRO during the early stages of development of annual priorities, strategic plans, policies, rules, discussion papers and other regulatory initiatives. The IAP may advise and comment in writing on such policy, rules proposals, discussion papers or other regulatory initiatives of the New SRO that are published for comment and potentially of other organizations as appropriate and relevant to the New SRO mandate. The IAP shall endeavour to maintain consistent dialogue with New SRO staff carrying out key operational and regulatory functions in order to further inform IAP member deliberations and enhance the advice the IAP provides to the New SRO.

The IAP may raise current and emerging policy issues to New SRO that it identifies based on consultations or IAP members' opinions as experts in the subject matter of the issue, and comment on the potential implications for investors posed by those issues.

The IAP may engage in independent research projects as needed to assist the New SRO in the fulfillment of its public interest mandate.

Article 2 – Membership

2.1 Selection. Members will be selected through a public application process administered by New SRO staff. Membership applications will be reviewed by a nominating committee comprised of members of the New SRO's Governance Committee and Executive Management. The decision on selection of members will be made by the New SRO's Governance committee¹.

In selecting the membership, consideration will be given to the candidate's relevant expertise (as discussed below) and the desire to achieve a membership with diverse experiences, perspectives, backgrounds, knowledge and representation from across Canada.

Applicants shall disclose any conflict of interest between the private interests of the applicant and the potential future responsibilities of the applicant as an IAP member in their application for membership, consistent with the requirements of Article 4.4.

2.2 Composition. IAP will consist of a minimum of five (5) and a maximum of eleven (11) members.

2.3 Experience. Membership will consist of individuals with experience on matters of investor protection, concerns, issues or rights. Membership should consist of individuals with varied expertise taking into

¹ The New SRO Governance Committee members are all independent directors.

consideration diversity and geographic location to ensure broad and diverse representation of investors' views. Areas of expertise include:

- Investor education
- Consumer protection and outreach
- Seniors and/or vulnerable investor issues
- Younger and first-time investor issues
- Issues relating to under-served investors and communities
- Specific business models and products
- Professional regulation
- Government public policy
- Financial services
- Academics with a focus on securities regulation, consumer protection, investor rights or behavioural research

2.4 Terms. Members are generally appointed for two-year terms and cannot serve more than two consecutive terms. Some Members may be appointed to the inaugural IAP for a three-year term in order to stagger the turnover in IAP composition in subsequent years, to ensure effective functioning of the IAP. If a Member resigns before the end of their term, a new Member may be selected pursuant to the appointment process set out above.

2.5 Membership on other Investor Advisory Panels. Being a member on an investor advisory panel of another organization shall not disqualify an individual from applying for membership on the IAP or continuing to participate as a member of the IAP.

2.6 Chair. Members of the IAP will select a Chair whose responsibilities will include:

- Leading and managing IAP activities
- Coordinating IAP public comment submissions
- Preparing agendas for IAP meetings
- Chairing IAP meeting
- Monitoring the effectiveness of the IAP in achieving its mandate
- Ensuring that members speak with a cohesive voice on behalf of the IAP

2.7 Vice-Chair. Members of the IAP will select a Vice-Chair to act as Chair in case of the Chair's absence. In the event both the Chair and Vice-Chair are absent from a meeting, the members present shall choose one of their members to chair the meeting.

2.8 Removal of Members. If an IAP member is no longer able to meet the specified responsibilities, that member shall so advise the New SRO and shall resign from the IAP. If the IAP forms the view that a member is not meeting the specified responsibilities or has breached expected ethical and professional standards of conduct, the IAP shall be free to remove the member from the IAP.

2.9 Honorarium. Members of the IAP will receive an honorarium for their participation on the IAP.

Article 3 – Meetings

3.1 Frequency. The IAP will meet at least quarterly. The Chair of the IAP may schedule up to six additional meetings to fulfill the IAP’s mandate without requiring approval of the New SRO.

3.2 Attendance. IAP members are expected to attend most meetings and must maintain a good attendance record as the presence of a majority of the members shall be necessary to constitute a quorum for the transaction of business at any meeting of the IAP.

3.3 Agendas. Meeting agendas shall be made public and set out at a minimum the dates of meetings, Member attendance and the topics discussed.

Article 4 – IAP Responsibilities

4.1. Effective execution of Mandate. Members must participate in the activities of the IAP and work collaboratively and effectively to execute the IAP’s mandate.

4.2 Honesty, Integrity and Good Faith. Members must act with honesty, integrity and in good faith when executing their duties as part of the IAP.

4.3 Confidentiality. Members must maintain the confidentiality of information provided to the IAP by the New SRO including documents provided or the content or existence of any discussions held between them or the New SRO, unless specific consent is provided by the New SRO. Members shall not use, directly or indirectly, any information obtained or discovered as a result of their work on the IAP, for anything other than the IAP’s activities.

4.4 Conflicts of Interest. IAP members must conduct themselves in a manner consistent with their role as advisors to the New SRO. If a conflict arises between the private interests of an IAP member and the responsibilities of that individual as an IAP member, the member shall disclose the conflict by submitting a letter to the New SRO Governance Committee outlining the nature of the conflict. The Governance Committee shall resolve the conflict in favour of the public interest.

IAP members may be in a conflict of interest if any employment, business, financial or other personal considerations could interfere with their ability to express opinions on investor issues being considered by the panel.

Article 5 – Reporting and Accountability

5.1 Meetings with and reporting to the New SRO Board. The IAP Chair must meet with the New SRO Board at least annually in addition to meeting with the New SRO executives. The IAP will provide a written report annually to the New SRO Board on its activities and performance against its mandate.

5.2 Annual Report. The IAP will publish a report annually on its activities for the preceding year on the New SRO public website.

Article 6 – Role of the New SRO

6.1 Liaison. The New SRO's Investor Office is the liaison between the IAP and the New SRO staff and serves as the Secretary to the IAP. The New SRO will respond to all formal communications from the IAP.

6.2 Administrative Support. The IAP will receive necessary administrative support from the New SRO to enable the IAP to operate effectively and will receive access to information as reasonably required.