August 12, 2026

Delivered via Email

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
Office of the Superintendent of Securities, Service NL
Northwest Territories Office of the Superintendent of Securities
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

c/o

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Ladies and Gentlemen:

Re: CSA Notice and Request for Comment – Proposed Amendments and Changes to the Issuer Bid, Take-Over Bid and Beneficial Ownership Reporting Regimes

We are writing in response to the CSA Notice and Request for Comment – Proposed Amendments and Changes to the Issuer Bid, Take-Over Bid and Beneficial Ownership Reporting Regimes, dated May 14, 2026 (the "**Proposed Amendments**").

We commend the Canadian Securities Administrators ("**CSA**") for its initiative to enhance the flexibility, transparency and integrity of the issuer bid, take-over bid and early warning reporting regimes. We support CSA's efforts to provide issuers with greater flexibility to repurchase their own securities, enhance transparency of ownership of derivative interests in specified circumstances, and the efforts to reduce regulatory burden through the codification of frequently granted exemptive relief, which further demonstrates the regulators' strong understanding of current market practices and the evolving needs of issuers, bidders and investors. While we are encouraged by CSA's efforts, we respectfully submit the following comments in support of the Proposed Amendments.

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Proposed Amendments.

Selective Repurchase Exemption

The Proposed Amendments introduce a new exemption as section 4.6.1 of NI 62-104 that would allow an issuer to repurchase up to 5% of the outstanding securities of a class in a 12-month period through a selective, privately negotiated repurchase, subject to conditions including that a liquid market exist for the class of securities and that the repurchase occur at a discount to the closing market price of the subject securities.

We support the introduction of the Selective Repurchase Exemption. The current regime does not permit bilateral private repurchases, putting Canadian issuers at a competitive disadvantage to the United States, where selective repurchases are allowed. This can leave blockholders unable to obtain liquidity, creating market overhangs that artificially depress share prices. We agree that codifying this relief, rather than requiring issuers to seek exemptive relief on a case-by-case basis, will enhance the competitiveness of Canadian capital markets, provide boards of directors with greater flexibility to allocate capital, and provide investors holding larger blocks of securities with a meaningful additional avenue for liquidity, while the discount-to-market and liquid-market conditions appropriately safeguard the interests of other securityholders.

Enhanced Disclosure of Equity Equivalent Derivatives

The Proposed Amendments would require enhanced disclosure of equity equivalent derivatives, and other agreements, arrangements or understandings that alter economic exposure to an issuer, in the specific context of take-over bids and proxy solicitations for which an information circular is required to be sent.

We agree with the Proposed Amendments. Equity equivalent derivatives can be used to build significant economic exposure to an issuer without a clear corresponding obligation to disclose that exposure under the existing early warning framework, which can leave the market with an incomplete picture of a bidder's or soliciting securityholder's true economic position during a public bid for control. We are of the view that limiting the new disclosure obligations to the pendency of a take-over bid or proxy solicitation for which an information circular is required, rather than to routine stake-building or solicitations made in reliance on the "quiet solicitation" or "public broadcast" exemptions, appropriately balances enhanced market transparency against CSA's stated goal of not unduly interfering with legitimate take-over and shareholder activism activity.

Removal of the 5% Market Purchase Exemption

The Proposed Amendments remove the exemption in subsection 2.2(3) of NI 62-104 that currently permits a bidder to make market purchases of up to 5% of the outstanding securities of the class subject to its take-over bid during the pendency of the bid.

We support the removal of the 5% Market Purchase Exemption. As CSA has observed, purchases made in reliance on this exemption do not assist a bidder in satisfying the 50% minimum tender requirement, and the exemption has seen very limited use in recent years. The exemption has the potential to be used tactically by a bidder to reduce the number of securities available on the market to a competing bidder thereby frustrating an open and competitive bid process. In our view, removing this exemption will better protect the integrity of the take-over bid regime without any meaningful corresponding loss of liquidity in the target issuer's securities.

Codification of Frequently Granted Exemptive Relief

The Proposed Amendments codify several categories of exemptive relief that CSA has frequently granted on an individual basis, including: (i) expanding the non-reporting issuer exemptions from the take-over bid and issuer bid requirements to exclude "Employee Adjacent Persons" (such as officers, directors, contractors and consultants) and their spouses when calculating the Maximum Securityholder Condition; (ii) permitting issuers to extend modified "Dutch auction" issuer bids without first taking up all deposited securities in certain circumstances; (iii) codifying a "Proportionate Tender" option that allows securityholders to maintain their proportionate interest in an issuer following an issuer bid; and (iv) permitting issuers to repurchase, redeem or otherwise acquire securities convertible into the class subject to an issuer bid in reliance on certain existing exemptions.

We support the codification of the foregoing exemptive relief. Requiring issuers, bidders and securityholders to apply individually for relief that has consistently and predictably been granted imposes unnecessary time and cost on market participants without any corresponding investor protection benefit. We agree that codifying this relief will reduce regulatory burden, increase certainty for issuers and bidders structuring these transactions, and allow CSA to allocate its resources to matters that raise novel or public interest concerns rather than routine, precedented applications.

Early Warning Reporting Triggers and Thresholds

The Proposed Amendments would make a number of targeted amendments to clarify existing requirements and address potential gaps in the early warning reporting triggers and thresholds, including by: (i) deeming a person who beneficially owns, or exercises control or direction over 10% or more of a class immediately upon an issuer becoming a reporting issuer to have acquired those securities at that time, so that an early warning report is required; (ii) deeming persons who begin or cease acting jointly or in concert to have acquired or disposed of their joint actors' securities, thereby closing a gap under which no filing was triggered on the formation or cessation of a joint actor relationship; (iii) clarifying, through the new defined term "securityholding percentage," that a subsequent early warning report is required upon a 2% or more change in an acquiror's post-event ownership relative to its most recently reported position, and that an eligible institutional investor must file an alternative monthly report upon crossing fixed 2.5% thresholds in excess of 10%; (iv) permitting an eligible institutional investor that is not filing alternative monthly reports to enter or re-enter the alternative monthly reporting system; and (v) adding guidance to NP 62-203, with illustrative examples, on how the reporting thresholds are to be calculated.

We support these amendments. The identity of holders of 10% or more of a class of an issuer's outstanding securities is material information to the market given the potential for such holders to influence change-of-control transactions, board composition, and the approval of significant proposals, and we agree that this proposition is equally engaged when an existing holder crosses the threshold upon an issuer becoming a reporting issuer or where joint actors collectively cross the threshold even though each party remains individually below it. Deeming these acquisitions and dispositions appropriately closes gaps that have allowed significant ownership positions and changes in investment intention to go unreported. We further agree that assessing subsequent reporting obligations against a clearly defined "securityholding percentage," and codifying fixed 2.5% alternative monthly reporting thresholds, will resolve existing interpretive uncertainty and promote consistent, comparable disclosure across market participants. Finally, permitting eligible institutional investors to re-enter the alternative monthly reporting system, together with the additional illustrative guidance in NP 62-203, provides welcome practical clarity while enhancing the integrity of the early warning system and investor protection.

We thank you for the opportunity to comment on the Proposed Amendments. Please do not hesitate to contact the following lawyers at our firm should you have any questions:

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Yours truly,

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