

#### 4.4 Reporting to securityholders

- (1) An independent review committee must prepare, for each financial year of the investment fund and no later than the date the investment fund files its annual financial statements, a report to securityholders of the investment fund that describes the independent review committee and its activities for the financial year and includes
    - (a) the name of each member of the independent review committee at the date of the report, with
      - (i) the member's length of service on the independent review committee;
      - (ii) the name of any other fund family on whose independent review committee the member serves; and
      - (iii) if applicable, a description of any relationship that may cause a reasonable person to question the member's independence and the basis upon which the independent review committee determined that the member is independent;
    - (b) the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the members of the independent review committee of the investment fund
      - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent;
      - (ii) in the manager; or
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- (iii) in any person or company that provides services to the investment fund or the manager;
- (c) the identity of the Chair of the independent review committee;
- (d) any changes in the composition or membership of the independent review committee during the period;
- (e) the aggregate compensation paid to the independent review committee and any indemnities paid to members of the independent review committee by the investment fund during the period;
- (f) a description of the process and criteria used by the independent review committee to determine the appropriate level of compensation of its members and any instance when, in setting the compensation and expenses of its members, the independent review committee did not follow the recommendation of the manager, including
  - (i) a summary of the manager's recommendation; and
  - (ii) the independent review committee's reasons for not following the recommendation;
- (g) if known, a description of each instance when the manager acted in a conflict of interest matter referred to the independent review committee for which the independent review committee did not give a positive recommendation, including
  - (i) a summary of the recommendation; and
  - (ii) if known, the manager's reasons for proceeding without following the recommendation of the independent review committee and the result of proceeding;
- (h) if known, a description of each instance when the manager acted in a conflict of interest matter but did not meet a condition imposed by the independent review committee in its recommendation or approval, including
  - (i) the nature of the condition;
  - (ii) if known, the manager's reasons for not meeting the condition; and
  - (iii) whether the independent review committee is of the view that the manager has taken, or proposes to take, appropriate action to deal with the matter; and
- (i) a brief summary of any recommendations and approvals the manager relied upon during the period.

- (2) The report required under subsection (1) must as soon as practicable
- (a) be sent by the investment fund, without charge, to a securityholder of the investment fund, upon the securityholder's request;
  - (b) be made available and prominently displayed by the manager on the investment fund's, investment fund family's or manager's website, if it has a website;
  - (c) be filed by the investment fund with the securities regulatory authority or regulator; and
  - (d) be delivered by the independent review committee to the manager.

#### *Commentary*

1. *The report to be filed with the securities regulatory authorities should be filed on the SEDAR group profile number of the investment fund as a continuous disclosure document. The CSA expect that the investment fund will pay any reasonable costs associated with the filing of the report.*
2. *It is expected the report will be displayed in an easily visible location on the home page of the website of the investment fund, the investment fund family or the manager, as applicable. The CSA expect the report to remain on the website at least until the posting of the next report.*
3. *The disclosure required in subparagraph (1) (a) (iii) is expected to be provided only in instances where a member could reasonably be perceived to not be 'independent' under this Instrument.*