

Appendix 3 – Impact Assessment

I. Impact Assessment Table

In the impact assessment table below, we list:

- the major elements of the Proposed Amendments,
- a description of the intended benefits of each element, and
- an assessment of its impact on clients/investors, Investment Dealer Members, Mutual Fund Dealer Members, and CIRO itself.

II. Conclusions

We concluded that, if approved, the Proposed Amendments appropriately balance considerations regarding board renewal and board continuity and would improve CIRO's governance structure which would, in turn result in better oversight and better outcomes for stakeholders.

We considered the potential negative impact that less frequent turnover of independent Board Members may have, but we concluded these impacts were outweighed by the positive impacts of the Proposed Amendments.

III. Cost Estimate

There are no additional costs to CIRO, Member firms or clients/investors resulting from the proposed changes to term limits.

Description of proposed amendment	Related intended benefits	Impact on clients	Impact on Investment Dealers	Impact on Mutual Fund Dealers	Impact on CIRO
<p>Maximum consecutive terms for Independent Directors increased from four to five terms.</p>	<p>Longer maximum tenures for CIRO's Independent Directors will enhance board continuity and deepen expertise, supporting effective oversight and governance in the public interest.</p>	<p>Net Positive - Extending Independent Director term limits is a net positive for clients, as it promotes more consistent and knowledgeable board oversight by Independent Directors, strengthening CIRO's public interest mandate.</p>	<p>Minor Positive - Extending Independent Director term limits is a minor positive for Investment Dealers, as it promotes more consistent and knowledgeable board oversight. This extended tenure will provide Independent Directors more time to develop a deeper understanding of the investment industry and CIRO operations. Ultimately, this increased continuity supports effective governance, long-term strategic planning and strengthens CIRO's ability to respond effectively to industry challenges while serving the public interest.</p>	<p>Minor Positive - Extending Independent Director term limits is a minor positive for Mutual Fund Dealers, as it promotes more consistent and knowledgeable board oversight. The extended tenure will provide Independent Directors more time to develop a deeper understanding of the investment industry and CIRO operations. Ultimately, this increased continuity supports effective governance, long-term strategic planning and strengthens CIRO's ability to respond effectively to industry challenges while serving the public interest.</p>	<p>Net Positive - Extending Independent Director term limits is a net positive for CIRO as it will strengthen CIRO's governance and enable CIRO to pursue long-term public interest objectives with greater consistency and accumulated institutional knowledge.</p>
<p>Maximum consecutive terms for Independent Director serving as Chair increased from four to six terms.</p>	<p>Extending maximum tenure lets experienced Independent Directors serve as Chair for full five-year terms as Chair, preserving valuable institutional knowledge and enabling continuity of leadership in this key governance role.</p>	<p>Net positive – Clients stand to benefit when the most experienced Independent Directors are able to serve as Chair for full five-year terms. This enables continuity of leadership, preserves critical institutional knowledge, and ensures that board decisions are guided by seasoned</p>	<p>Minor Positive - Investment Dealers stand to benefit when the most experienced Independent Directors are able to serve as Chair for full five-year terms. This enables Investment Dealers to operate within a regulatory environment that is guided by consistent and</p>	<p>Minor Positive - Mutual Fund Dealers stand to benefit when the most experienced Independent Directors are able to serve as Chair for full five-year terms. This enables Investment Dealers to operate within a regulatory environment that is guided by consistent and</p>	<p>Net Positive - CIRO stands to benefit when the most experienced Independent Directors are able to serve as Chair for full five-year terms. This enables continuity of leadership, preserves critical institutional knowledge, and ensures that board decisions are guided by seasoned</p>

Description of proposed amendment	Related intended benefits	Impact on clients	Impact on Investment Dealers	Impact on Mutual Fund Dealers	Impact on CIRO
		<p>judgment. Such stability at the helm enhances the board's capacity to navigate complex regulatory and market environments, proactively address emerging risks, and champion the public interest.</p>	<p>knowledgeable leadership. With an experienced Independent Director serving as Chair for a longer term, the board can maintain strategic continuity, deepen its understanding of industry trends, and respond more effectively to emerging challenges.</p>	<p>knowledgeable leadership. With an experienced Independent Director serving as Chair for a longer term, the board can maintain strategic continuity, deepen its understanding of industry trends, and respond more effectively to emerging challenges.</p>	<p>judgment. Ultimately, having senior, well-versed leaders in this role fortifies CIRO's Board's ability to deliver robust oversight and strategic direction, reinforcing client protection and stakeholder confidence in the organization.</p>