



Canadian Natural

March 9, 2020

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The 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

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

Dear Commissions:

Canadian Natural Resources Limited ("Canadian Natural") is pleased to respond to the Canadian Securities Administrators ("CSA") invitation to comment on CSA Consultation Paper 51-405 Consideration of an Access Equals Delivery Model for Non-Investment Fund Reporting Issuers.

Canadian Natural is a senior independent oil and gas exploration and production company headquartered in Calgary, Alberta, Canada, with operations in Western Canada, the North Sea, and offshore Africa. Our shares are publicly traded on the Toronto Stock Exchange and the New York Stock Exchange.

Canadian Natural continues to be supportive of initiatives to allow electronic delivery of continuous disclosure documents. Electronic delivery has the potential to significantly reduce the cost of printing and mailing paper documents, which may not be used by all investors. Anecdotally, we note that stakeholder requests for printed information have decreased dramatically over recent years, as generally our stakeholders are accessing this information electronically, either by means of our website, or through other channels, such as SEDAR in Canada and EDGAR in the United States. Answers to the specific questions posed by the CSA are included in the attached Appendix.

If you have any questions or wish to discuss our comments in more detail, please do not hesitate to contact the undersigned

Sincerely,

Mark Stainthorpe
Chief Financial Officer &
Senior Vice-President, Finance

Ronald D. Kim
Vice-President, Finance &
Principal Accounting Officer

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Appendix

Question 1

Do you think it is appropriate to introduce an access equals delivery model into the Canadian market? Please explain why or why not.

We agree with the CSA objective to modernize the way documents are made available to investors. We believe this will significantly reduce costs associated with the printing and mailing of documents that are currently borne by issuers and their shareholders. An access equals delivery model is a positive step forward for a majority of stakeholders.

Question 2

In your view, what are the potential benefits or limitations of an access equals delivery model? Please explain.

Potential benefits include, as stated by the CSA:

1. Reducing the costs of printing and mailing paper documents, which may not be read by investors.
2. Ease and convenience of use for investors, allowing them to access and search for information more efficiently than they would otherwise be able to with paper copies of documents.
3. More environmentally friendly.

Potential limitations include, as stated by the CSA:

1. Legal requirements outside of securities legislation may not allow for an access equals delivery model to be used in some circumstances.

We believe the model requires a technology platform that may restrict access for retail investors; however, for the majority of stakeholders, the potential benefits outweigh the identified limitations of the proposed model.

Question 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?

We agree the CSA should prioritize a policy initiative focussing on implementing an access equals delivery model for prospectuses and financial statements and related MD&A.

Question 4

If you agree that an access equals delivery model should be implemented for prospectuses:

a. Should it be the same model for all types of prospectuses (i.e. long-form, short-form, preliminary, final, etc.)?

b. How should we calculate an investor's withdrawal right period? Should it be calculated from (i) the date on which the issuer issues and files a news release indicating that the final prospectus is available electronically, (ii) the date on which the investor purchases the securities, or (iii) another date? Please explain.

c. Should a news release be required for both the preliminary prospectus and the final prospectus, or is only one news release for an offering appropriate?

a. In our view it should be the same model for all types of prospectuses (i.e. long-form, short-form, preliminary, final, etc.).

b. No comments.

c. In our view, a news release should be required for both the preliminary prospectus and the final prospectus, for consistency.

Question 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.

In our view, an access equals delivery model should be implemented for documents other than prospectuses, financial statements and related MD&A, including rights offering materials, proxy-related materials and take-over bid and Issuer bid circulars. We believe that for most investors, electronic delivery is preferred for those reasons listed in our response to Question 2.

Question 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.

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

a. In our view, filing on SEDAR is sufficient as it provides an appropriate platform with standardized layout, providing a single source for access to documents filed by all issuers; posting the document on the issuer's website is not necessary.

b. In our view issuers are in the best position to determine whether to provide an additional electronic platform which the issuer could provide electronic access to documents.

Question 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?

b. What particular information should be included in the news release?

a. In our view, the current requirements to issue and file a news release are sufficient. We believe that under an access equals delivery model all documents issued and filed on SEDAR would be available in paper copy on investor request.

b. Include the name of the document, and indicate the document is available electronically on SEDAR.

Question 8

Do you have any other suggested changes to or comments on the access equals delivery model described above? Are there any aspects of this model that are impractical or misaligned with current market practices?

We agree with maintaining the option of having paper copies of documents delivered for those who prefer, as issuers are in the best position to choose whether to use access equals delivery considering the needs and preferences of their investors.

We believe that most users have already migrated to an electronic access model, using SEDAR and corporate websites alike to refer to the previously mentioned documents as and when needed. Furthermore, we believe that it is important that any revisions to the securities legislation take into consideration that paper delivery of documents continues to decline and ultimately will not be required for most stakeholders. As a result, we suggest that a staged model could be developed which requires issuers to continue to issue paper documentation for an interim period (for example 2 years) after which time, it would no longer be required for issuers to formally issue paper documents, as long as that issuer had met all of the requirements of the access equals delivery model.

We suggest that the CSA coordinate their efforts with provincial and federal legislatures such that comparable amendments are made in tandem with changes to corporations legislation as required in each jurisdiction.