

## REGULATION TO AMEND REGULATION 51-102 RESPECTING CONTINUOUS DISCLOSURE OBLIGATIONS

Securities Act

(R.S.Q., c. V. 1-1, a. 331.1, par. (1), (2), (3), (4.1), (8), (11), (20) and (34))

1. Section 1.1 of Regulation 51-102 respecting Continuous Disclosure Obligations is amended:

(1) by inserting, after the definition of the expression “common share”, the following:

““corporate law” has the same meaning as in section 1.1 of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer (Decision 2003-C-0082, 03-03-03);”;

(2) by inserting, after the definition of the expression “non-voting security”, the following:

““notice-and-access” has the same meaning as in section 1.1 of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer;”;

(3) by inserting, after the definition of the expression “proxy”, the following:

““proxy-related materials” means securityholder materials relating to a meeting that the reporting issuer is required under corporate law or securities legislation to send to the registered holders of the securities;”;

(4) by deleting, in paragraph (g) of the definition of the expression “solicit”, “(Decision 2003-C-0082, 03-03-03)”;

(5) by inserting after the definition of the expression “solicit”, the following:

““special meeting” has the same meaning as in section 1.1 of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer;

“special resolution” has the same meaning as in section 1.1 of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer;

“stratification” has the same meaning as in section 1.1 of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer;”.

2. Section 4.6 of the Regulation is amended:

(1) by replacing paragraph (1) with the following:

“(1) A reporting issuer must send an annual request form to the registered holders and beneficial owners of its securities, other than debt instruments, that the registered holders and beneficial owners may use to request one or both of the following:

(a) a copy of the reporting issuer’s annual financial statements and MD&A for the annual financial statements and, where the reporting issuer uses notice-and-access to send proxy-related materials, a paper copy of the information circular;

(b) a copy of the reporting issuer's interim financial reports and MD&A for the interim financial reports.”;

(2) by replacing, in paragraph (2), the words “The reporting issuer must” with the words “Despite paragraph (1), the reporting issuer must”;

(3) by inserting, in paragraph (3) and after the words “interim financial reports”, the words “using the request form in subsection (1)”;

(4) by replacing, in paragraph (4), “2 years” with the words “one year”;

3. Section 5.6 of the Regulation is amended, in the French text of paragraph (3), by replacing the words “porteurs véritables” with the words “propriétaires véritables”.

4. Section 8.4 of the Regulation is amended, in the French text:

(1) by replacing, in subparagraph (i) of subparagraph (b) of paragraph (5), the words “au cours de cet exercice” with the words “depuis le début de cet exercice”;

(2) in paragraph (7):

(a) by deleting the words “sauf en regard du sous-paragraphe f”;

(b) by replacing, in subparagraph (d), the words “conformément dans le” with the words “conformément au”;

5. The Regulation is amended by inserting, after section 9.1, the following:

**“9.1.1. Notice-and-Access**

(1) A person soliciting proxies may send proxy-related materials to a registered holder of voting securities by notice-and-access that complies with all of the following:

(a) the registered holder of voting securities is sent the following:

(i) a notice containing all of the following information, and no other information:

A. the date, time and location of the reporting issuer's meeting;

B. a factual description of each matter or group of related matters identified in the form of proxy to be voted on;

C. the website address other than the address for SEDAR, where the proxy-related materials are located;

D. a reminder to review the information circular before voting;

E. an explanation of how to obtain a paper copy of the information circular from the person;

(ii) a document in plain language that explains notice-and-access and includes the following information:

A. why the person is using notice-and-access;

B. if the person is using stratification, which registered holders or beneficial owners are receiving paper copies of the information circular;

C. the date and time by which a request for a paper copy of the information circular should be received in order for the requester to receive the paper copy in advance of any deadline for the submission of the proxy and the date of the meeting;

D. an explanation of how the registered holder is to return the proxy, including any deadline for return of the proxy;

E. the page numbers of the information circular where disclosure regarding each matter or group of related matters identified in the notice in clause (i)(B) can be found;

F. a toll-free telephone number the registered holder can call to ask questions about notice-and-access;

(b) the registered holder of voting securities is sent a form of proxy for use at the meeting;

(c) the registered holder of voting securities is sent by prepaid mail, courier or the equivalent, paper copies of the documents required by paragraphs (a) and (b), and in the case of a solicitation by or on behalf of management of the reporting issuer the documents are sent at least 30 days before the date fixed for the meeting;

(d) in the case of a solicitation by or on behalf of management of the reporting issuer, at least 30 days before the date fixed for the meeting the reporting issuer files the notification required by subsection 2.2(1) of Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer (Decision 2003-C-0082, 03-03-03);

(e) public electronic access to the information circular, form of proxy and the documents in paragraph (a) is provided on or before the day that the person soliciting proxies sends the documents in paragraphs (a), in the following manner:

(i) the documents are filed on SEDAR as required by section 9.3;

(ii) the documents are posted, for a period ending no earlier than the date of the first annual meeting following the meeting to which the documents relate, at a website address other than the address for SEDAR;

(f) a toll-free telephone number is provided for use by the registered holder of voting securities to request a paper copy of the information circular at any time from the date that the person soliciting proxies sends the documents in paragraph (a) to the registered holder, up to and including the date of the meeting including any adjournment;

(g) if a request is received under paragraph (f) or by any other means, a paper copy of the information circular is sent free of charge to the person at the address specified in the request in the following manner:

(i) in the case of a request received prior to the date of the meeting, within 3 business days after receiving the request, by first class mail, courier or the equivalent;

(ii) in the case of a request received on or after the date of the meeting, and within one year of the information circular being filed, within 10 calendar days after receiving the request, by prepaid mail, courier or the equivalent.

(2) A person that sends proxy-related materials to a registered holder of voting securities using notice-and-access must not include with the proxy-related material any documents other than the documents set out in paragraphs (1)(a) or (b) unless an information circular also is included.

**“9.1.2. Notice in advance of first use of notice-and-access**

Management of a reporting issuer that uses notice-and-access to send proxy-related material to a registered holder of voting securities must do the following not more than six months and not less than three months before the expected date of the first meeting for which proxy-related materials will be sent by notice-and-access:

(a) post on a website that is not SEDAR a document in plain language that explains notice-and-access;

(b) issue a news release stating that the reporting issuer intends to use notice-and-access to deliver proxy-related materials and providing the website address where the document in paragraph (a) is posted.

**“9.1.3. Posting materials on non-SEDAR website**

(1) A person that posts proxy-related materials in the manner referred to in subparagraph 9.1.1(1)(e)(ii) must also post on the website the following documents:

(a) any other disclosure material regarding the meeting that the person has sent to registered holders or beneficial owners of voting securities;

(b) any written communications the person soliciting proxies has made available to the public regarding the meeting, whether sent to registered holders or beneficial owners of voting securities or not.

(2) Proxy-related materials that are posted under subparagraph 9.1.1(1)(e)(ii) must be posted in a manner and be in a format that permits an individual with a reasonable level of computer skill and knowledge to do all of the following conveniently:

(a) access, read and search the documents on the website;

(b) download and print the documents.

**“9.1.4. Consent to other delivery methods**

Nothing in section 9.1.1 shall be interpreted as

(a) restricting a registered holder of voting securities from consenting to a reporting issuer's use of other delivery methods to send proxy-related materials;

(b) terminating or a modifying a consent that a registered holder of voting securities previously gave to reporting issuer regarding a reporting issuer's use of other delivery methods to send proxy-related materials; or

(c) preventing a reporting issuer from sending proxy-related materials using a delivery method to which a registered holder has previously consented.

**“9.1.5. Instructions to receive paper copies**

(1) Despite section 9.1.1, a reporting issuer may obtain standing instructions from a registered holder of voting securities that a paper copy of the information circular be sent to the registered holder in all cases where the reporting issuer uses notice-and-access.

(2) Where a reporting issuer has obtained standing instructions from registered holder under subsection (1), the reporting issuer must do all of the following:

(a) include any paper copies of information circulars required to comply with standing instructions obtained under subsection (1) with the documents required by paragraphs 9.1.1(1)(a) and (b);

(b) provide a mechanism for the registered holder to revoke the registered holder's standing instructions.

(3) Where a reporting issuer has received a request for a paper copy of the information circular from a registered holder under paragraph 4.6(1)(a), the reporting issuer must include a paper copy of the information circular with the documents required by paragraphs 9.1.1(1)(a) and (b).

#### **“9.1.6. Compliance with SEC Rules**

Section 9.1 does not apply to a reporting issuer that is an SEC issuer if it satisfies both of the following:

(a) the SEC issuer is subject to, and complies with requirements under Rule 14a-16 under the 1934 Act;

(b) residents of Canada do not own, directly or indirectly, outstanding voting securities carrying more than 50 per cent of the votes for the election of directors, and none of the following is true:

(i) the majority of the executive officers or directors of the issuer are residents of Canada;

(ii) more than 50 per cent of the consolidated assets of the issuer are located in Canada;

(iii) the business of the issuer is administered principally in Canada.”.

**6.** Section 13.4 of the Regulation is amended, in the French text of paragraph (3):

(1) by replacing the words “si les conditions suivantes sont réunies” with the words “lorsque les conditions suivantes sont réunies”;

(2) by replacing, in subparagraph (b), the words “l’initié n’est pas le garant et” with the words “si l’initié n’est pas garant”;

(3) by replacing subparagraph (c) with the following:

“c) si l’initié est garant, il n’est propriétaire véritable d’aucun titre garanti désigné.”.

**7.** Form 51-102F2 of the Regulation is amended by replacing, in the French text of paragraph (1.2) of item 10.2, “, ou si un séquestre,” with “, ou pour laquelle un séquestre,”.

**8.** Form 51-102F5 of the Regulation is amended:

(1) by inserting, after item 4.2, the following:

“**4.3** The information circular must state the following information if applicable:

(a) that the reporting issuer is sending proxy-related materials to registered holders or beneficial owners using notice-and-access, and if stratification is being used, the types of registered holders or beneficial owners who will receive paper copies of the information circular;

(b) that the reporting issuer is sending proxy-related materials directly to non-objecting beneficial owners under Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer (Decision 2003-C-0082, 03-03-03);

(c) that management of the reporting issuer has decided not to pay for intermediaries to forward to objecting beneficial owners under Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and that it is the responsibility of objecting beneficial owners to contact their intermediaries to make any necessary arrangements to exercise voting rights attached to securities they beneficially own.”;

(2) by replacing, in the French text of paragraph (b) of item 7.2, “, ou si un séquestre,” with “, ou pour laquelle un séquestre,”.

9. This Regulation comes into force on *(indicate the date of the coming into force of this Regulation)*.