

*“Note: 09 Apr 2010 – Proposed consequential amendments to NI 51-102 arising from proposed amendments to NI 54-101. Refer to Schedule C of CSA Notice announcing proposed amendments to NI 54-101 dated 09 Apr 2010.”*

**PROPOSED AMENDMENT INSTRUMENT TO  
NATIONAL INSTRUMENT 51-102 CONTINUOUS DISCLOSURE OBLIGATIONS**

**1. This Instrument amends National Instrument 51-102 Continuous Disclosure Obligations.**

**2. Section 1.1 of National Instrument 51-102 is amended by**

**(a) adding the following definition after “non-voting security”:**

“notice-and-access” means the delivery procedures referred to in section 9.1.1;

**(b) adding the following definition after “proxy”:**

“proxy-related materials” means securityholder materials relating to a meeting that the reporting issuer is required by the laws under which the reporting issuer is organized, incorporated or continued, or by securities legislation, to send to the registered holders of the securities.

**(c) adding the following definitions after “solicit”:**

“special meeting” means a meeting at which a special resolution is being submitted to the securityholders of a reporting issuer;

“special resolution” for a meeting,

- (a) has the same meaning given to the term “special resolution” under the laws under which the reporting issuer is incorporated, organized or continued; or
- (b) if no such term exists under the laws under which the reporting issuer is incorporated, organized or continued, means a resolution that is required to be passed by at least two thirds of the votes cast;

**3. The following is added after subsection 9.1(2) of National Instrument 51-102:**

- (3) A person or company soliciting proxies may send proxy-related materials using any one or a combination of the following methods:
  - (a) paper copies sent by prepaid mail, courier or the equivalent;
  - (b) notice-and-access, but only for a meeting that is not a special meeting;
  - (c) any delivery method to which the registered holder of voting securities consents.

**4. The following is added after section 9.1 of National Instrument 51-102 Continuous Disclosure Obligations:**

**9.1.1 Notice-and-Access** – (1) For a meeting that is not a special meeting, a person or company 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 a document containing all of the following information:
  - (i) the date, time and location of the reporting issuer's meeting;
  - (ii) a summary of the items to be voted on;
  - (iii) an explanation of how to electronically access the information circular and other proxy-related materials, including a website address other than the address for SEDAR, where the proxy-related materials are located;
  - (iv) a reminder to review the information circular before voting;
  - (v) an explanation of how to obtain a paper copy of the information circular from the person or company;
  - (vi) an explanation of how the registered holder is to execute and return the form of proxy sent under paragraph (b), including any deadline for return of proxies;
- (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), or is sent the documents by any other method previously consented to by the registered holder, 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, a news release is issued at least 30 days before the date fixed for the meeting containing the following:
  - (i) the information set out in paragraph (a);
  - (ii) if management of the reporting issuer is using notice-and-access only in respect of some registered holders, an explanation of its decision;
- (e) public electronic access to the information circular, form of proxy and other proxy-related materials is provided on the same day as the person or company soliciting proxies sends the documents in paragraphs (a) and (b), in the following manner:

- (i) the proxy-related materials are filed on SEDAR as required by section 9.3;
  - (ii) the proxy-related materials are posted, for a period ending no earlier than the date of the first annual meeting following the meeting to which the material relates, 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 or company soliciting proxies sends the documents in paragraphs (a) and (b) 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 by prepaid mail, courier or the equivalent to the person or company at the address specified in the request, free of charge to the person or company to whom the paper copy of the information circular is sent, no later than 3 business days after receiving the request.
- (2) A person or company soliciting proxies that posts proxy-related materials in the manner referred to in subparagraph (1)(e)(ii) must also post on the website the following documents:
- (a) any other disclosure material regarding the meeting that the person or company has sent to registered holders or beneficial owners of voting securities;
  - (b) any written communications the person or company soliciting proxies has made available to the public regarding the meeting, whether sent to registered holders or beneficial owners of voting securities or not.
- (3) Proxy-related materials that are posted under subparagraph (1)(e)(ii) must be posted in a manner and be in a format that permits a person or company 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.
- (4) An information circular posted under subparagraph (1)(e)(ii) must contain the same information as the information circular filed on SEDAR.
- (5) Management of a reporting issuer that sends an information circular and form of proxy to a registered holder of voting securities using notice-and-access and sends paper copies of the information circular and form of proxy to other registered

holders of voting securities by prepaid mail, courier or the equivalent must send the paper copies to those other registered holders on the same day as they send the proxy-related materials under paragraph (1)(c).

- (6) Despite anything in this section or the previous section, a registered holder of voting securities may consent to the use of other delivery methods to send proxy-related materials. Nothing in this section shall be interpreted as restricting a registered holder of voting securities from consenting to use by a person or company soliciting proxies of other delivery methods to send proxy-related materials.

**9.1.2 Compliance with SEC Rules** – Section 9.1 does not apply to a reporting issuer that is an SEC issuer if it uses the procedures in Rule 14a-16 under the 1934 Act to deliver proxy-related materials to a registered holder of voting securities.

**5. *Form 51-102F5 – Information Circular is amended by adding the following after item 4.2:***

- 4.3 If management of the reporting issuer has decided not to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, the information circular must state this fact. The information circular must also state 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.
- 4.4 If management of the reporting issuer has determined to use notice-and-access only in respect of certain registered holders or beneficial owners, disclose this fact and provide an explanation of this decision.

**6. *This Instrument is effective on [\*].***