

## Headnote

National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* – Relief from requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* – filer to remain a U.S. issuer under MJDS – National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

## Applicable Legislative Provisions

National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, section 8.1

**Citation: Re Ovintiv Inc. , 2021 ABASC 163**

**Date: 20211020**

In the Matter of  
the Securities Legislation of  
Alberta and Ontario (the **Jurisdictions**)

and

In the Matter of  
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
Ovintiv Inc. (the **Filer**)

## Decision

## Background

The securities regulatory authority or regulator in each of the Jurisdictions (each a **Decision Maker**) has received an application from the Filer for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdictions (the **Legislation**) that, subject to the conditions set forth herein, the Filer be exempted from the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut; and

- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### **Interpretation**

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, National Instrument 71-101 *The Multijurisdictional Disclosure System (NI 71-101)* and National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (NI 71-102)* have the same meaning if used in this decision, unless otherwise defined herein.

### **Representations**

This decision is based on the following facts represented by the Filer:

1. The Filer is incorporated under the laws of the State of Delaware, with its head office in Denver, Colorado.
2. The Filer and its subsidiaries carry on the business formerly conducted by Encana Corporation (**Encana**). The Filer migrated out of Canada and became a Delaware corporation, domiciled in the United States, following a series of reorganization transactions (the **Reorganization**) that resulted in the Filer acquiring all of the issued and outstanding common shares of Encana to become the ultimate parent company of Encana and its subsidiaries.
3. The Filer is a U.S. issuer, and as such, is eligible to use the MJDS established by NI 71-101. The Filer is also an SEC foreign issuer under NI 71-102 and relies on and complies with the exemptions from Canadian continuous disclosure requirements afforded to SEC foreign issuers under Part 4 of NI 71-102.
4. The Filer is a reporting issuer in all provinces and territories of Canada (collectively, the **Reporting Jurisdictions**) and is not in default of securities legislation in any jurisdiction of Canada.
5. The Filer's authorized capital stock consists of 750,000,000 shares of common stock of the Filer (**Common Shares**) with par value \$0.01 per share, and 25,000,000 shares of preferred stock, with par value \$0.01 per share (**Preferred Shares**). As of June 1, 2021, there were 261,084,425 Common Shares and no Preferred Shares outstanding.
6. The Common Shares are listed on the New York Stock Exchange (the **NYSE**) and the Toronto Stock Exchange (the **TSX**) under the symbol "OVV".
7. Based on the Filer's list of registered shareholders provided by its registrar and transfer agent, as of May 28, 2021, the Applicant had 261,084,425 Common Shares outstanding, of which 859,100 Common Shares (0.33 percent of the total outstanding Common Shares) are held by registered shareholders located in Canada.

8. Based on information obtained by the Filer from Broadridge Financial Solutions Inc., which conducted geographical surveys of beneficial holders of the Common Shares as of June 3, 2021 covering approximately 229,000,000 Common Shares (representing 87.7 percent of the total outstanding Common Shares), Canadian beneficial shareholder accounts hold approximately 44,125,000 Common Shares, which equates to 16.9 percent of the total outstanding Common Shares on the register and 19.3 percent of the Common Shares represented in the beneficial shareholder information.
9. The Filer has issued notes under U.S. registration statements, which remain outstanding in the following principal amounts: (a) U.S.\$518 million aggregate principal amount of 3.90% unsecured notes due 2021; (b) U.S.\$1 billion aggregate principal amount of 5.625% unsecured notes due 2024; (c) U.S.\$688 million aggregate principal amount of 5.375% unsecured notes due 2026; (d) U.S.\$300 million aggregate principal amount of 8.125% unsecured notes due 2030; (e) U.S.\$350 million aggregate principal amount of 7.20% unsecured notes due 2031; (f) U.S.\$500 million aggregate principal amount of 7.375% unsecured notes due 2031; (g) U.S.\$750 million aggregate principal amount of 6.50% unsecured notes due 2034; (h) U.S.\$462 million aggregate principal amount of 6.625% unsecured notes due 2037; (i) U.S.\$488 million aggregate principal amount of 6.50% unsecured notes due 2038; and (j) U.S.\$203 million aggregate principal amount of 5.15% unsecured notes due 2041 (collectively, the **Filer Notes**). The Filer has made a good faith investigation to confirm the residency of the holders of the Filer Notes. Based on this investigation, the Filer has concluded that residents of Canada do not directly or indirectly own more than 10% of the aggregate principal amount of outstanding Filer Notes.
10. The Filer Notes are not convertible into or exchangeable into other voting or equity securities of the Filer. All of the Filer Notes were initially issued primarily in the United States.
11. The Common Shares and the Filer Notes are registered under the 1934 Act. The Filer is subject to and is in compliance with all requirements applicable to it imposed by the SEC, the 1933 Act, the 1934 Act, the United States *Sarbanes-Oxley Act of 2002* and the rules of the NYSE (collectively, the **U.S. Rules**).
12. The Filer prepares disclosure with respect to its oil and natural gas activities (the **Oil and Gas Disclosure**) in accordance with the U.S. Rules.

### **Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted, provided that:

- (a) the Filer remains a U.S. issuer and an SEC foreign issuer;

- (b) the Filer continues to prepare the Oil and Gas Disclosure in compliance with the U.S. Rules ;
- (c) the Filer issues in Canada, and files on SEDAR, a news release stating that it will provide the Oil and Gas Disclosure in accordance with the U.S. Rules rather than in accordance with NI 51-101; and
- (d) the Filer files the Oil and Gas Disclosure with the securities regulatory authority or regulator in the Reporting Jurisdictions as soon as practicable after the Oil and Gas Disclosure is filed pursuant to the U.S. Rules.

*“original signed by”* \_\_\_\_\_

Timothy Robson

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Alberta Securities Commission