

CSA Notice regarding Coordinated Blanket Order 51-931 Temporary Exemption from Requirements in National Instrument 51-102 *Continuous Disclosure Requirements* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer to Send Certain Proxy-Related Materials During a Postal Strike*

December 4, 2024

Introduction

On November 15, 2024, all postal service by Canada Post was suspended as a result of labour action by the Canadian Union of Postal Workers.

Reporting issuers generally rely on Canada Post to meet delivery obligations under applicable securities legislation. Recognizing that the suspension of postal service may impact a reporting issuer's ability to deliver proxy-related materials to all shareholders, the Canadian Securities Administrators (CSA) have today published Coordinated Blanket Order 51-931 Temporary Exemption from requirements in National Instrument 51-102 *Continuous Disclosure Requirements* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* to send certain proxy-related materials during a postal strike (Blanket Order 51-931). As further described below, Blanket Order 51-931 provides temporary relief from the requirement to deliver proxy-related materials for meetings where each matter is an "annual matter".

The delivery of proxy-related materials is intended to provide shareholders with material information about all matters to be presented for a vote at a shareholder meeting so that shareholders can make timely, informed voting decisions. The CSA expects that reporting issuers, intermediaries and all other parties involved in the proxy voting process will work collaboratively during the postal service suspension and take all reasonable steps to facilitate the exercise of voting rights by shareholders.

Substance and Purpose

Due to the suspension of postal service, reporting issuers are currently unable to deliver proxy-related materials using Canada Post. Courier delivery may be cost-prohibitive and may not be a feasible alternative in any case, since we understand that couriers may not be accepting high-volume delivery requests and may be unable to deliver to post office boxes. Electronic delivery can only be effected where shareholders have consented and provided e-mail addresses.

Given that a number of reporting issuers have scheduled meetings for annual matters in accordance with their corporate law or exchange requirements, and it is unclear when the postal suspension will end, the CSA is taking the extraordinary step of providing temporary relief from the requirement to deliver proxy-related materials for such meetings.

The conditions in Blanket Order 51-931 include a requirement that each of the matters at the meeting would be considered an "annual matter". The following are each an "annual matter" for the purposes of Blanket Order 51-931, provided that the matter does not require a special resolution under the corporate law of the reporting issuer:

- receiving and considering financial statements
- fixing the number of directors to be elected
- electing directors
- appointing auditors and authorizing the directors to fix the remuneration to be paid to the auditor
- approval and ratification of security-based compensation plans, such as incentive stock option plans, as typically required under exchange policies
- non-binding advisory votes that do not obligate the reporting issuer to take specific action, such as shareholder advisory votes on the reporting issuer's approach to executive compensation

A reporting issuer cannot rely on Blanket Order 51-931 if a matter at the meeting:

- requires a special resolution under the reporting issuer's corporate law
- requires minority approval under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*
- engages a shareholder's right of dissent or appraisal under the reporting issuer's corporate law
- has been, to the best of the reporting issuer's knowledge, contested by a shareholder, or would reasonably be considered to be a contentious matter

These matters have been excluded as they may have a significant impact on a shareholder's ownership and economic rights. Requests for relief from the delivery requirements in connection with a meeting for any of the above-noted matters would be considered on a case-by-case basis. Reporting issuers planning meetings to consider special matters should contact their principal regulator as early as possible to discuss potential relief.

Reporting issuers relying on the relief in Blanket Order 51-931 must ensure proxy-related materials are filed on SEDAR+ and the reporting issuer's website. A news release with prescribed information about the shareholder meeting and how shareholders can access materials and submit voting instructions must be issued and filed on SEDAR+, and reporting issuers must also post the same information in a prominent location on their websites. A reporting issuer that does not have a website cannot rely on the relief in Blanket Order 51-931.

CSA staff expect issuers, their intermediaries and service providers to explore alternate delivery methods and to use best efforts to provide information necessary to facilitate shareholder voting, including by providing timely assistance to shareholders who request materials electronically, control numbers required to vote or any other information necessary to understand how to vote. CSA staff expect clear disclosure in circulars, news releases, and on reporting issuers' websites about the voting process, including how shareholders can access proxy materials, obtain an individual voting control number and vote within applicable deadlines.

The CSA reminds reporting issuers that Blanket Order 51-931 addresses delivery requirements under securities legislation only and that reporting issuers should consider delivery obligations under corporate law. Intermediaries are also reminded of their obligations under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* for sending proxy-related materials received from a reporting issuer to beneficial owners.

The blanket order relief expires on January 31, 2025.

Questions

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