

Proposed Changes to National Policy 51-201

The following are proposed changes to National Policy 51-201 *Disclosure Standards*

1. Proposed changes to section 2.1

2.1 ***Timely Disclosure:*** (1) Companies are required by law to immediately disclose a “material change”¹ in their business. For changes that a company initiates, the change occurs once the decision has been made to implement it. This may happen even before a company’s directors approve it, if the company thinks it is probable they will do so. A company discloses a material change by issuing and filing a press release describing the change. A company must also file a material change report **or Report of Material Change, Material Related Entity Transaction or Major Acquisition, as applicable**, as soon as practicable, and no later than 10 days after the change occurs. This policy statement does not alter in any way the timely disclosure obligations of companies.

2. Proposed changes to subsection 6.4(1)

6.4 ***Board and Audit Committee Review of Certain Disclosure:*** (1) Have your board of directors or audit committee review the following disclosures in advance of their public release by the company:

- financial outlooks and FOFI, as defined in National Instrument 51-102 *Continuous Disclosure Obligations* **or National Instrument 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers, as applicable**; and
- news releases containing financial information based on a company’s financial statements prior to the release of such statements.³⁸

You should also indicate at the time such information is publicly released whether your board or audit committee has reviewed the disclosure. Having your board or audit committee review such disclosure in advance of its public release acts as a good discipline on management and helps to increase the quality, credibility and objectivity of such disclosures. This review process also helps to force a critical examination of all issues related to the disclosure and reduces the risk of having to make subsequent adjustments or amendments to the information it contains.