

GENERAL ORDER 51-502

Temporary Exemptions from Certain Requirements to File or Send Securityholder Materials

In the Matter of *The Securities Act, 1988*

ORDER

WHEREAS the Financial and Consumer Affairs Authority of Saskatchewan (**FCAA**) has assigned to the Director of the Securities Division, FCAA (**Director**) the power to make exemption orders under the provision of *The Securities Act, 1988* (**Act**) including orders of general application;

AND WHEREAS FCAA Securities Division staff (**Staff**) has applied to the Director for an Order pursuant to section 160 of the Act exempting certain reporting issuers from certain requirements to file or send securityholder materials during the current outbreak of the Coronavirus Disease 2019 (**COVID-19**) as outlined below;

AND WHEREAS terms defined in the Act, National Instrument 14-101 *Definitions*, and National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (**NI 54-101**) and National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* (**NP 11-207**) have the same meaning in this Order;

AND WHEREAS for the purposes of this Order:

"**Annual Request Form Requirement**" means the requirement in subsection 4.6(1) of NI 51-102 for a reporting issuer to send annually a request form to its securityholders, other than holders of debt instruments;

"**Executive Compensation Disclosure Requirement**" means the requirement in subsection 9.3.1(2.2) of NI 51-102 for a reporting issuer to file the executive compensation disclosure required under subsection 9.3.1(1) of NI 51-102 by the deadlines set out in subsection 9.3.1(2.2) of NI 51-102;

“**Next AGM Information Circular**” means the information circular that a reporting issuer sends to its securityholders for its next annual meeting of securityholders; and

“**Send-On-Request Requirements**” means the requirements in subsection 4.6(3) and subsection 5.6(1) of NI 51-102 for a reporting issuer to send annual financial statements and MD&A as defined in subsection 1.1(1) of NI 51-102 (**MD&A**), or interim financial reports and MD&A to its securityholders, other than holders of debt instruments, who requested them, by the deadlines set out in subsection 4.6(3) of NI 51-102;

AND WHEREAS it has been represented to the Director that:

- (a) As a result of COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020 the Lieutenant Governor in Council of Saskatchewan has declared “State of Emergency” under *The Emergency Planning Act* on March 18, 2020;
- (b) Staff acknowledges that this pandemic may present challenges for market participants in meeting certain obligations under Saskatchewan securities laws;
- (c) Reporting issuers include their Executive Compensation Disclosure Requirement in the information circular for their annual meeting of securityholders. As a result of the COVID-19 pandemic, many reporting issuers are postponing their annual meeting of securityholders;
- (d) Subsection 4.6(5) and subsection 5.6(3) of NI 51-102 contain exceptions to the Annual Request Form Requirement and the Send-On-Request Requirements which allow reporting issuers to send their annual financial statements and MD&A with the information circular for their annual meeting of securityholders, provided they are sent within 140 days of their financial year end. However, it may not be practicable for reporting issuers that have postponed their annual meeting of securityholders to rely on those exceptions;
- (e) As a result of the COVID-19 pandemic, reporting issuers may have difficulties complying with the Send-On-Request Requirements for requests for copies of documents in paper format when their employees are working from home and complying with, or following, physical distancing requirements and recommendations of public health authorities;
- (f) Section 84.1 of the Act requires a reporting issuer to provide periodic disclosure about its business and affairs and to provide other prescribed disclosure;

- (g) NI 51-102 imposes on reporting issuers the Executive Compensation Disclosure Requirement, the Annual Request Form Requirement and the Send-On-Request Requirements;
- (h) In light of COVID-19, to assist persons or companies with the meeting of their obligations under Saskatchewan securities law, certain temporary exemptions are necessary; and
- (i) Staff understands that the securities regulatory authority or regulator in each of the other provinces of Canada intends to issue a rule, instrument or blanket order providing equivalent exemptions from the securities law of its respective jurisdiction (**Equivalent Relief**), except where an exemption or variation is not required in a jurisdiction;

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to make this Order;

IT IS HEREBY ORDERED under section 160 of the Act that:

Executive Compensation Disclosure Requirement

1. A reporting issuer is exempt from the Executive Compensation Disclosure Requirement, provided that:
 - (a) The reporting issuer, issues and files on SEDAR, in advance of the deadline that would otherwise apply under subsection 9.3.1(2.2) of NI 51-102 or as soon as reasonably practicable thereafter, a news release that discloses that it is relying on this exemption;
 - (b) On or before December 31, 2020, the reporting issuer either:
 - (i) sends to its securityholders, and files, its Next AGM Information Circular containing the executive compensation disclosure required under subsection 9.3.1(1) of NI 51-102, or
 - (ii) files a document containing the executive disclosure required under subsection 9.3.1(1) of NI 51-102;
 - (c) The reporting issuer has filed annual financial statements and MD&A for its most recently completed financial year before it
 - (i) sends to its securityholders, and files, its Next AGM Information Circular, or
 - (ii) files the document referred to in paragraph (1)(b)(ii); and

- (d) If the reporting issuer files the document referred to in paragraph (1)(b)(ii), it includes the executive compensation disclosure in that document in its Next AGM Information Circular that it subsequently sends to its securityholders and files;

Annual Request Form Requirement and Send-On-Request Requirements

2. A reporting issuer is exempt from the Annual Request Form Requirement and the Send-On-Request Requirements in respect of annual financial statements and MD&A, provided that the reporting issuer sends to its securityholders, other than holders of debt instruments, its annual financial statements and MD&A on or before December 31, 2020 and in accordance with NI 54-101;

Send-On-Request Requirements

3. A reporting issuer is exempt from the Send-On-Request Requirements for requests received before December 31, 2020, provided that the reporting issuer sends a copy of the requested financial statements and MD&A to the securityholder that made the request as soon as reasonably practicable after the applicable sending deadline set out in subsection 4.6(3) of NI 51-102;

Equivalent Relief

4. A reference made in a news release to an exemption contained in the Equivalent Relief issued by the reporting issuer's principal regulator, as defined in NP 11-207, will be deemed to constitute a reference to the relevant exemption in this Order; and

IT IS HEREBY FURTHER ORDERED that this Order comes into effect on May 1, 2020 and expires on December 31, 2020.

Dated April 30, 2020.

“Dean Murrison”

Dean Murrison
Director, Securities Division
Financial and Consumer Affairs
Authority of Saskatchewan