

Headnote

Application for relief from the requirements in the *Companies Act* (Nova Scotia) that the applicant appoint an auditor, obtain an audit of its financial statements and attach a report of the auditor to the financial statements – Applicant is a reporting issuer and its US parent is the indirect beneficial owner of all of the outstanding voting securities of the Applicant – The Applicant is not required to obtain an audit of its financial statements under applicable Canadian securities law as it satisfies the conditions in subsection 13.4(2) of National Instrument 51-102 *Continuous Disclosure Obligations* and is exempt from the requirements of National Instrument 52-110 *Audit Committees* – Applicant’s financial statements will only be provided to its US parent for internal purposes – Relief granted subject to conditions.

Applicable Legislative Provisions

Companies Act, R.S.N.S. 1989, c. 81, as amended, ss.117, 119 to 119B, 122 and 123.

IN THE MATTER OF: **The *Companies Act*, R.S.N.S. 1989, c. 81, as amended (the “Act”);**

AND IN THE MATTER OF: **Ford Credit Canada Company (the “Applicant”)**

ORDER (Section 123)

UPON the application of the Applicant to the Nova Scotia Securities Commission (the “**Commission**”) for an order pursuant to clause 123(b) of the Act exempting the Applicant from the requirements in Section 117 and Sections 119 to 119B of the Act to appoint an auditor and obtain an audit of its financial statements and the requirement in section 122(2) and clause 122(3)(b) of the Act that a report of the auditor be attached to or accompany the Applicant’s financial statements (collectively, the “**N.S. Audit Requirements**”);

AND UPON reading the application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an unlimited company formed by amalgamation on January 1, 2018 under and governed by the Act. The registered office of the Applicant is located in Halifax, Nova Scotia, and the head office of the Applicant is located in Oakville, Ontario.

2. An immediate predecessor by amalgamation of the Applicant, also known as Ford Credit Canada Company, was formed by amalgamation under the Act on January 1, 2017 (under the name Ford Credit Canada Limited) and was successor by amalgamation to Ford Credit Canada Limited which was continued on December 12, 2016 under the Act from the *Canada Business Corporations Act*.

3. The Applicant is a reporting issuer in each of the provinces and territories of Canada and is not in default of the securities legislation in any of the provinces and territories of Canada.
4. The Applicant is an indirect wholly-owned subsidiary of Ford Motor Credit Company LLC ("**Ford Credit US**").
5. Ford Credit US is not a reporting issuer in any jurisdiction of Canada.
6. Ford Credit US is an SEC issuer within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") that is organized under the laws of the State of Delaware and has debt securities listed on the New York Stock Exchange ("**NYSE**"), a U.S. marketplace as defined in NI 51-102.
7. The Applicant is a credit support issuer and Ford Credit US is a parent credit supporter, each within the meaning of Section 13.4 of NI 51-102.
8. Ford Credit US is the indirect beneficial owner of all of the outstanding voting securities of the Applicant.
9. Ford Credit US has filed with the Securities and Exchange Commission (the "**SEC**") of the United States of America all documents it is required to file with the SEC.
10. The Applicant does not issue any securities, and does not have any securities outstanding, other than as permitted under paragraph 13.4(2)(c) of NI 51-102.
11. The Applicant files in electronic format with the Commission copies of all documents Ford Credit US is required to file with the SEC under the 1934 Act (as defined in National Instrument 14-101 - *Definitions*), at the same time or as soon as practicable after the filing by Ford Credit US of those documents with the SEC.
12. Ford Credit US complies with U.S. laws (as defined in NI 51-102) and the requirements of the NYSE in respect of making public disclosure of material information on a timely basis.
13. The Applicant issues in Canada a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the Applicant's affairs that are not also material changes in the affairs of Ford Credit US.
14. The Applicant files the information required by paragraph 13.4(2)(g) of NI 51-102.
15. In the case of the Applicant's designated credit support securities (as defined in NI 51-102) that include debt, the Applicant concurrently sends to all holders of such securities all disclosure materials of Ford Credit US, if any, that are sent to holders of similar debt of Ford Credit US in the manner and at the time required by U.S. laws.
16. No person or company, other than Ford Credit US, has provided a guarantee or alternative credit support for the payments to be made under the issued and outstanding designated credit support securities of the Applicant.

17. As a reporting issuer, the Applicant is subject to the requirements of NI 51-102.
18. The Applicant and Ford Credit US satisfy the conditions in section 13.4(2) of NI 51-102 and the Applicant thereby:
 - (i) satisfies the requirements of NI 51-102 to which it is subject, including the requirement that certain financial statements of the Applicant be audited; and
 - (ii) is exempt from the requirements of National Instrument 52-110 Audit Committees (“**NI 52-110**”) pursuant to paragraph 1.2(g) of NI 52-110.

Accordingly, the Applicant is not required to obtain an audit of its financial statements under applicable Canadian securities law.

19. The Applicant will continue to prepare its annual financial statements in compliance with section 122(1) of the Act, which financial statements will not be audited in reliance on the exemption in this Order and will be provided to Ford Credit US for internal financial reporting and compliance purposes and such other internal purposes as may be required by Ford Credit US from time to time.
20. As a reporting issuer under the *Securities Act* (Nova Scotia) and a company governed by the Act, the Applicant is subject to the N.S. Audit Requirements and is unable to rely on the exemption in Section 118 of the Act.
21. References herein to the “Applicant” shall include any successor by amalgamation of Ford Credit Canada Company to which the representations in paragraphs 4, 7, 10, 11 and 14 through 20 apply, and shall further include each predecessor by amalgamation of the Applicant for which the Applicant has obligations to prepare audited financial statements for such predecessor’s fiscal year ended December 31, 2017.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest and that in the circumstances of this particular case, there is adequate justification for so doing;

IT IS ORDERED pursuant to clause 123(b) of the Act that the Applicant is exempted from the N.S. Audit Requirements with respect to its financial statements, provided that:

1. the Applicant satisfies the requirements of NI 51-102 by virtue of section 13.4(2) of NI 51-102; and
2. a statement that the Applicant has been exempted from the report of the auditor requirements in the Act is attached to or accompanies the Applicant’s annual financial statements.

SIGNED at Halifax, Nova Scotia, this 23rd day of May, 2018.

NOVA SCOTIA SECURITIES COMMISSION

(signed) *“Paul Radford”*

Paul Radford, Q.C.

(signed) *“Shirley P. Lee”*

Shirley P. Lee, Q.C