

For Immediate Release

March 20, 2020

Canadian securities regulators provide guidance on conducting Annual General Meetings during COVID-19 outbreak

Montreal – With increasing COVID-19 concerns in Canada and proxy season underway, the Canadian Securities Administrators (CSA) are aware that many reporting issuers are considering changes or alternatives to their in-person Annual General Meetings. To help address any questions or concerns regarding changes or alternatives to upcoming AGMs, the CSA is providing the following guidance to assist reporting issuers while ensuring they still fulfill their obligations under securities legislation.

This guidance relates to all business transacted at AGMs (for example, election of directors and amendments to equity incentive plans). Reporting issuers involved in proxy contests, holding special meetings for merger and acquisition transactions, or obtaining securityholder approval for transactions under Multilateral Instrument 61-101 *Protection of Minority Securityholders in Special Transactions* should contact their principal regulator to discuss what steps would be appropriate in those circumstances.

The conduct of AGMs is primarily subject to applicable corporate law and the reporting issuer's constating documents, which do not fall under the jurisdiction of securities regulators. The CSA encourages reporting issuers to review these laws and documents when considering changes or alternatives to their upcoming AGMs.

Changing the date, time or location of an in-person AGM

It is our view that a reporting issuer that has decided to change the date, time or location of its in-person AGM due to difficulties arising from COVID-19 and that has already sent and filed its proxy-related materials, can notify securityholders of the change without sending additional soliciting materials or updating its proxy-related materials if the reporting issuer:

- issues a news release announcing the change in the date, time or location;
- files the news release on SEDAR; and
- takes all reasonable steps necessary to inform all the parties involved in the proxy voting infrastructure (such as intermediaries, transfer agents, and proxy service providers) of the change.

We expect reporting issuers to take the above actions promptly after making a decision to change the date, time or location of an AGM and sufficiently in advance of the AGM to alert the market in a timely manner. If a reporting issuer has not yet sent and filed its proxy-related materials, the reporting issuer should consider including disclosures in its proxy-related materials regarding the possibility of such changes due to COVID-19.

Virtual or hybrid AGMs

If a reporting issuer plans to conduct a virtual AGM (i.e., an AGM through the internet or other electronic means in lieu of an in-person AGM) or hybrid AGM (i.e., an in-person AGM that also

permits securityholder participation through electronic means), we expect the reporting issuer to notify its securityholders, the parties involved in the proxy voting infrastructure, and other market participants of such plans in a timely manner and to disclose clear directions on the logistical details of the virtual or hybrid AGM, including how securityholders can remotely access, participate in, and vote at such AGM. If a reporting issuer has not yet sent and filed its proxy-related materials, these disclosures should be included in the reporting issuer’s proxy-related materials. However, if the reporting issuer has already sent and filed its proxy-related materials, the reporting issuer does not need to send additional soliciting materials or to update its proxy-related materials solely for the purpose of switching to a virtual or hybrid AGM, if the reporting issuer follows the steps described above for announcing a change in the AGM date, time or location.

The CSA would also like to specifically address questions regarding the application of section 2.15 of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Under section 2.15, a reporting issuer that sends a notice of adjournment or other change related to an AGM to registered holders of its securities is required to concurrently send the notice to its beneficial owners. It is our view that no exemptive relief from section 2.15 is required by reporting issuers that are considering changes or alternatives to their AGMs as long as their registered holders and beneficial owners are treated equally and receive the same information.

The CSA continues to monitor the impact of COVID-19 on Canadian capital markets and may issue further guidance and updates as required.

The CSA, the council of the securities regulators of Canada’s provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For industry inquiries, please refer to your respective securities regulator.

<p>Winnie Sanjoto Manager, Corporate Finance Ontario Securities Commission 416-593-8119 wsanjoto@osc.gov.on.ca</p>	<p>Alexandra Melo Legal Counsel Ontario Securities Commission 416-263-7695 amelo@osc.gov.on.ca</p>
<p>Martin Latulippe Director, Continuous Disclosure Autorité des marchés financiers 514-395-0337 ext. 4331 martin.latulippe@lautorite.qc.ca</p>	<p>Michel Bourque Senior Policy Advisor, Continuous Disclosure Autorité des marchés financiers 514-395-0337 ext. 4466 michel.bourque@lautorite.qc.ca</p>
<p>Gordon Smith Associate Manager, Legal Services, Corporate Finance British Columbia Securities Commission 604-899-6656 gsmith@bcsc.bc.ca</p>	<p>Nazma Lee Senior Legal Counsel, Corporate Finance British Columbia Securities Commission 604-899-6867 nlee@bcsc.bc.ca</p>

<p>Tim Robson Manager, Legal, Corporate Finance Alberta Securities Commission 403-355-6297 timothy.robson@asc.ca</p>	<p>Patrick Weeks Corporate Finance Analyst Manitoba Securities Commission 204-945-3326 patrick.weeks@gov.mb.ca</p>
<p>Rebecca Atkinson Senior Legal Counsel Financial and Consumer Services Commission, New Brunswick 506-658-3038 rebecca.atkinson@fcnb.ca</p>	<p>Peter Lamey Legal Analyst Nova Scotia Securities Commission 902-424-7630 peter.lamey@novascotia.ca</p>
<p>Heather Kuchuran Deputy Director, Corporate Finance Securities Division Financial and Consumer Affairs Authority of Saskatchewan 306-787-1009 heather.kuchuran@gov.sk.ca</p>	

For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at media@acvm-csa.ca:

<p>Kristen Rose Ontario Securities Commission 416-593-2336</p>	<p>Sylvain Théberge Autorité des marchés financiers 514-940-2176</p>
<p>Brian Kladko British Columbia Securities Commission 604-899-6713</p>	<p>Hilary McMeekin Alberta Securities Commission 403-592-8186</p>
<p>Jason (Jay) Booth Manitoba Securities Commission 204-945-1660</p>	<p>Sara Wilson Financial and Consumer Services Commission, New Brunswick 506-643-7045</p>
<p>David Harrison Nova Scotia Securities Commission 902-424-8586</p>	<p>Steve Dowling Government of Prince Edward Island, Superintendent of Securities 902-368-4550</p>
<p>Renée Dyer Office of the Superintendent of Securities, Newfoundland and Labrador 709-729-4909</p>	<p>Rhonda Horte Office of the Yukon Superintendent of Securities 867-667-5466</p>
<p>Jeff Mason Nunavut Securities Office 867-975-6591</p>	<p>Tom Hall Office of the Superintendent of Securities Northwest Territories 867-767-9305</p>
<p>Shannon McMillan</p>	

Financial and Consumer Affairs Authority of Saskatchewan 306-798-4160	
---	--