

## Annex D

### Proposed Changes to Companion Policy 51-102CP to National Instrument 51-102 *Continuous Disclosure Obligations*

1. ***Companion Policy 51-102CP to National Instrument 51-102 Continuous Disclosure Obligations is changed by this Document.***

2. ***Subsection 1.4(2) is changed by replacing “Section 1.8 of Companion Policy 44-101CP” with “Subsection 1.3(1) of Companion Policy 41-101CP”.***

3. ***Section 1.5 is changed by adding the following after the last paragraph:***

We also encourage you to use common readability measures, like the Flesch-Kincaid Grade Level or the Gunning Fog Index, to assess the readability of your disclosure documents..

4. ***Section 1.10 is changed by replacing the second sentence with the following:***

In this situation, the reporting issuer is expected to comply with the Instrument by filing an amended and restated version of the previously filed document in whole under paragraph 11.5(1)(a) of the Instrument or by filing an amendment to the previously filed document under paragraph 11.5(1)(b) of the Instrument, which does not restate the document in whole..

5. ***Part 1 is changed by adding the following section after section 1.10:***

#### **1.11 Innovative Disclosure**

Reporting issuers can use innovative disclosure approaches consistent with CSA formatting requirements to prepare disclosure that reduces burden for them and is most meaningful for their business. For example, while embedded video is not acceptable, hyperlinks within the same document and creative use of charts, tables and graphs are encouraged if they assist with readability..

6. ***Subsection 3.1(2) is changed by replacing “first financial statements are due” with “first annual disclosure statement or interim disclosure statement is due”.***

7. ***Section 3.2 is changed by replacing “Section 4.1 of the Instrument requires a reporting issuer to file annual financial statements” with “For the purposes of filing an annual disclosure statement, a reporting issuer is required under section 4.1 of the Instrument to file annual financial statements”.***

8. *Section 3.3 is replaced with the following:*

**3.3 Filing Deadline for Annual Financial Statements and Auditor's Report**

Section 3A.2 of the Instrument sets out filing deadlines for annual disclosure statements that include annual financial statements required under Part 4 of the Instrument. While section 3A.2 of the Instrument does not address the auditor's report date, a reporting issuer is encouraged to file its annual disclosure statement as soon as practicable after the date of the auditor's report. The delivery obligations set out in section 3A.6 of the Instrument are not tied to the filing of the annual disclosure statement.

9. *Section 3.5 is replaced with the following:*

**3.5 Delivery of Annual and Interim Disclosure Statements and Certain Other Disclosure Documents**

- (1) Subsection 3A.6(1) of the Instrument requires a reporting issuer to send a request form to the registered holders and beneficial owners of its securities, other than debt instruments. The registered holders and beneficial owners may use the request form to request a copy of the reporting issuer's annual disclosure statement or annual financial statements and related MD&A, interim disclosure statement or interim financial report and related MD&A and annual financial statements or interim financial reports filed under section 4.7 and subsection 4.10(2) of the Instrument.

In addition, the request form also may (but is not required to) be used to request a copy of the information circular and the annual disclosure statement or annual financial statements where a reporting issuer uses notice-and-access to deliver proxy-related materials.

A reporting issuer is only required to deliver its annual disclosure statement, interim disclosure statements, annual financial statements and related MD&A or interim financial reports and related MD&A to the person or company that requests them. As a result, if a beneficial owner requests any of these documents through its intermediary, the reporting issuer is only required to deliver the requested documents to the intermediary.

Failing to return the request form or otherwise specifically requesting a copy of these documents from the reporting issuer will override the beneficial owner's standing instructions under NI 54-101 in respect of the financial statements.

The Instrument does not prescribe when the request form must be sent, or how it must be returned to the reporting issuer.

- (2) Subsection 3A.6(6) of the Instrument provides that subsection 3A.6(1) and subsections 3A.6(3) and (4) with respect to an annual disclosure statement and annual financial statements, do not apply to a reporting issuer that sends its annual disclosure statement and annual financial statements to its securityholders, other

than holders of debt instruments, within 140 days of the reporting issuer's financial year-end and in accordance with NI 54-101. Notice-and-access can be used to send the annual disclosure statement or annual financial statements and related MD&A under subsection 3A.6(6). Notice-and-access is consistent with the principles for electronic delivery set out in National Policy 11-201 *Electronic Delivery of Documents*.

**10. Subsection 4.1(1) is changed by replacing the first two sentences with the following:**

Subsection 3A.5(1) of the Instrument requires that each annual disclosure statement be approved by the board of directors before filing. Subsections 3A.5(2) and 3A.5(3) of the Instrument require that each interim disclosure statement be approved by the board of directors or by the company's audit committee before filing.

**11. Section 5.1 is deleted.**

**12. Section 5.2 is changed by replacing "Section 5.3 of the Instrument requires" with "Section 8 of Form 51-102F1 *Annual Disclosure Statement* and subsection 3(1) of Form 51-102F2 *Interim Disclosure Statement* require".**

**13. Section 5.3 is changed**

**(a) by replacing "Section 5.4 of the Instrument requires" with "Section 9 of Form 51-102F1 *Annual Disclosure Statement* and subsection 3(1) of Form 51-102F2 *Interim Disclosure Statement* require", and**

**(b) by replacing "MD&A" with "annual disclosure statement or interim disclosure statement".**

**14. Section 5.4 is deleted.**

**15. Section 5.6 is changed**

**(a) in subsection (1)**

**(i) by replacing "section 2.2.1 of Form 51-102F1" with "section 4 of Form 51-102F2 *Interim Disclosure Statement*", and**

**(ii) by adding the following after the last sentence:**

In addition, to comply with the requirement to discuss the issuer's financial condition, financial performance and cash flows and any factors that have caused period to period variations in those measures, a venture issuer that is an investment entity or a non-investment entity recording investments at fair value should update the quarterly highlights for all disclosure required by section 10 of Form 51-102F1 *Annual Disclosure Statement*.

**(b) in subsection (2)**

**(i) by replacing in the first sentence “full interim MD&A” with “a full interim MD&A in accordance with section 3 of Form 51-102F2 *Interim Disclosure Statement*”, and**

**(ii) by replacing the last sentence with the following:**

Venture issuers will likely take the needs of their investors into consideration when determining whether to provide quarterly highlights or a full interim MD&A., **and**

**(c) in subsection (3) by replacing the first sentence with the following:**

For greater certainty, a reference to an interim MD&A is a reference to the quarterly highlights a venture issuer has the option of providing in accordance with section 4 of Form 51-102F2 *Interim Disclosure Statement*..

**16. Part 5 is changed by adding the following sections after section 5.6:**

**5.7 Overall Performance**

Subsection 3(4) of Form 51-102F1 *Annual Disclosure Statement* requires a reporting issuer that is changing its business model to disclose certain information regarding its plans, milestones and expenditures. Examples of situations that would warrant a discussion under subsection 3(4) include when a reporting issuer:

- (a) has entered into material agreements relating to the change in its business model;
- (b) has incurred material expenses relating to the change in its business model; and
- (c) anticipates that the change in its future revenues will be material as a result of the change in its business model.

**5.8 Additional Disclosure for Investment Entities and Non-Investment Entities Recording Investments at Fair Value**

- (1) Standalone financial statements as contemplated by National Policy 41-201 *Income Trust and Other Indirect Offerings* may be necessary for an investor to make an informed investment decision where the operation of the reporting issuer as an investment entity or non-investment entity recording investments at fair value are dependent on a single investment.
- (2) Investment entities or non-investment entities recording investments at fair value with material mining or oil and gas investments need to consider the applicability of technical disclosure requirements in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and National Instrument 51-101 *Standards of*

*Disclosure for Oil and Gas Activities* in their filings. For example, the disclosure of technical information relating to a material investee may trigger the requirement to file a technical report under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. In addition, if the investment entity or non-investment entity recording investments at fair value files an annual disclosure statement, disclosure requirements of sections 18 or 19 of Form 51-102F1 *Annual Disclosure Statement* may apply..

**17. Section 6.2 is changed**

**(a) in subsection (1) by replacing “section 5.3 of Form 51-102F2” with “section 17 of Form 51-102F1 *Annual Disclosure Statement*”, and**

**(b) in subsection (2) by replacing “Paragraph 5.3(2)(a) of Form 51-102F2” with “Paragraph 17(b)(i) of Form 51-102F1 *Annual Disclosure Statement*”.**

**18. Subsection 10.3(8) is changed in the second bullet, by adding “which, for that purpose, may be included in an annual disclosure statement or an annual report,” after “annual MD&A”.**

**19. Section 11.2 is replaced with the following:**

**11.2 Refiling Documents or Restating Financial Information**

(1) If a reporting issuer decides to refile a document in whole or in part, or restate financial information for comparative periods in financial statements for reasons other than retroactive application of a change in an accounting standard or policy or a new accounting standard, and the refiled or restated information is likely to differ materially from the information originally filed, the reporting issuer should disclose in the news release required by subsection 11.5(1) of the Instrument when it makes that decision

(a) the facts underlying the changes,

(b) the general impact of the changes on previously filed information, and

(c) the steps the reporting issuer would take before filing an amended document, or filing restated financial information, if the reporting issuer is not filing amended information immediately.

(2) If a reporting issuer refiles a document or restates financial information under paragraphs 11.5(1)(b) or (c) of the Instrument by filing an amendment to a previously filed annual disclosure statement or interim disclosure statement, it is not required to restate the previously filed document in whole but should include all disclosure required in order to understand the nature and context of the amendment. For example, a reporting issuer amending its proposed transaction disclosure under subsections 7(1) and (2) of Form 51-102F1 *Annual Disclosure Statement* should include the complete text of this section, as amended, rather than just the amended or additional text.

- (3) A reporting issuer should also consider refiling the document in whole if:
- (a) there are a large number of sections that are being amended;
  - (b) the amendments are extensive;
  - (c) the document has been amended more than once; or
  - (d) the document includes hyperlinks that do not link to the amendment..

**20. Section 13.1 is replaced with the following:**

**13.1 Prior Exemptions, Waivers and Approvals**

Section 13.2 of the Instrument essentially allows a reporting issuer, in certain circumstances, to continue to rely upon an exemption, waiver or approval relating to continuous disclosure obligations obtained prior to the Instrument coming into force or prior to the amendments on [December 15, 2023] coming into force, as applicable, if the exemption, waiver or approval relates to a substantially similar provision in the Instrument and the reporting issuer provides written notice to the securities regulatory authority or regulator of its reliance on such exemption, waiver or approval. Upon receipt of such notice, the securities regulatory authority or regulator, as the case may be, will review it to determine if the provision of the Instrument referred to in the notice is substantially similar to the provision from which the exemption, waiver or approval was granted. The written notice should be sent by email to each jurisdiction where the prior exemption, waiver or approval is relied upon, using the relevant address or addresses listed in section 5.5 of National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*..

**21. Appendix A is replaced with the following:**

**APPENDIX A**

**EXAMPLES OF FILING REQUIREMENTS FOR CHANGES IN THE YEAR  
END**

The following examples assume the old financial year ended on December 31, 20X0

<b>Number of Months Financial Year End Changed By</b>	Up to 3 months	Up to 3 months	4 to 6 months	7 or 8 months	9 to 11 months
<b>Transition Year</b>	2 months ended 2/28/X1	14 months ended 2/28/X2	6 months ended 6/30/X1	7 months ended 7/31/X1	10 months ended 10/31/X1
<b>Comparative Annual Financial</b>	12 months ended 12/31/X0	12 months ended 12/31/X0	12 months ended 12/31/X0	12 months ended 12/31/X0	12 months ended 12/31/X0

<b>Statements to Transition Year</b>					
<b>New Financial Year</b>	2/28/X2	2/28/X3	6/30/X2	7/31/X2	10/31/X2
<b>Comparative Annual Financial Statements to New Financial Year</b>	2 months ended 2/28/X1 and 12 months ended 12/31/X0*	14 months ended 2/28/X2	6 months ended 6/30/X1 and 12 months ended 12/31/X0*	7 months ended 7/31/X1 and 12 months ended 12/31/X0*	10 months ended 10/31/X1
<b>Interim Periods for Transition Year</b>	Not applicable	3 months ended 3/31/X1 6 months ended 6/30/X1 9 months ended 9/30/X1 12 months ended 12/31/X1  Or 2 months ended 2/28/X1 5 months ended 5/31/X1 8 months ended 8/31/X1 11 months ended 11/30/X1	3 months ended 3/31/X1	3 months ended 3/31/X1  Or 4 months ended 4/30/X1	3 months ended 3/31/X1 6 months ended 6/30/X1  Or 4 months ended 4/30/X1 7 months ended 7/31/X1
<b>Comparative Interim Periods to Interim Periods in Transition Year</b>	Not applicable	3 months ended 3/31/X0 6 months ended 6/30/X0 9 months ended 9/30/X0 12 months ended 12/31/X0  Or	3 months ended 3/31/X0	3 months ended 3/31/X0  Or 3 months ended 3/31/X0	3 months ended 3/31/X0 6 months ended 6/30/X0  Or 3 months ended 3/31/X0 6 months ended 6/30/X0

		3 months ended 3/31/X0 6 months ended 6/30/X0 9 months ended 9/30/X0 12 months ended 12/31/X0			
<b>Interim Periods for New Financial Year</b>	3 months ended 5/31/X1 6 months ended 8/31/X1 9 months ended 11/30/X1	3 months ended 5/31/X2 6 months ended 8/31/X2 9 months ended 11/30/X2  Or  3 months ended 5/31/X2 6 months ended 8/31/X2 9 months ended 11/30/X2	3 months ended 9/30/X1 6 months ended 12/31/X1 9 months ended 3/31/X2	3 months ended 10/31/X1 6 months ended 1/31/X2 9 months ended 4/30/X2  Or  3 months ended 10/31/X1 6 months ended 1/31/X2 9 months ended 4/30/X2	3 months ended 1/31/X2 6 months ended 4/30/X2 9 months ended 7/31/X2  Or  3 months ended 1/31/X2 6 months ended 4/30/X2 9 months ended 7/31/X2
<b>Comparative Interim Periods to Interim Periods in New Financial Year</b>	3 months ended 6/30/X0 6 months ended 9/30/X0 9 months ended 12/31/X0	3 months ended 6/30/X1 6 months ended 9/30/X1 9 months ended 12/31/X1  Or  3 months ended 5/31/X1 6 months ended 8/31/X1	3 months ended 9/30/X0 6 months ended 12/31/X0 9 months ended 3/31/X1	3 months ended 9/30/X0 6 months ended 12/31/X0 9 months ended 3/31/X1  Or  3 months ended 9/30/X0 6 months ended 12/31/X0	3 months ended 12/31/X0 6 months ended 3/31/X1 9 months ended 6/30/X1  Or  3 months ended 12/31/X0 7 months ended 4/30/X1 10 months ended 7/31/X1



		9 months ended 11/30/X1		10 months ended 4/30/X1	
--	--	-------------------------	--	-------------------------	--

\* Statement of financial position required only at the transition year end date

The following examples assumes a new financial year ending on December 31, 20X1 or December 31, 20X2

<b>Number of Months Financial Year End Changed By</b>	Up to 3 months	Up to 3 months	4 to 6 months	7 or 8 months	9 to 11 months
<b>Transition Year</b>	2 months ended 12/31/X1	14 months ended 12/31/X2	5 months ended 12/31/X1	8 months ended 12/31/X1	10 months ended 12/31/X1
<b>Comparative Annual Financial Statements to Transition Year</b>	12 months ended 10/31/X1	12 months ended 10/31/X1	12 months ended 7/31/X1	12 months ended 4/30/X1	12 months ended 2/28/X1
<b>New Financial Year</b>	12/31/X2	12/31/X3	12/31/X2	12/31/X2	12/31/X2
<b>Comparative Annual Financial Statements to New Financial Year</b>	2 months ended 12/31/X1 and 12 months ended 10/31/X1*	14 months ended 12/31/X2	5 months ended 12/31/X1 and 12 months ended 7/31/X1*	8 months ended 12/31/X1 and 12 months ended 4/30/X1*	10 months ended 12/31/X1
<b>Interim Periods for Transition Year</b>	Not applicable	3 months ended 1/31/X2 6 months ended 4/30/X2 9 months ended 7/31/X2 12 months ended 10/31/X2  Or 2 months ended 12/31/X1	3 months ended 10/31/X1  Or 2 months ended 9/30/X1	3 months ended 7/31/X1 6 months ended 10/31/X1  Or 2 months ended 6/30/X1 5 months ended 9/30/X1	3 months ended 5/31/X1 6 months ended 8/31/X1  Or 4 months ended 6/30/X1 7 months ended 9/30/X1

		5 months ended 3/31/X2 8 months ended 6/30/X2 11 months ended 9/30/X2			
<b>Comparative Interim Periods to Interim Periods in Transition Year</b>	Not applicable	3 months ended 1/31/X1 6 months ended 4/30/X1 9 months ended 7/31/X1 12 months ended 10/31/X1  Or  3 months ended 1/31/X1 6 months ended 4/30/X1 9 months ended 7/31/X1 12 months ended 10/31/X1	3 months ended 10/31/X0  Or  3 months ended 10/31/X0	3 months ended 7/31/X0 6 months ended 10/31/X0  Or  3 months ended 7/31/X0 6 months ended 10/31/X0	3 months ended 5/31/X0 6 months ended 8/31/X0  Or  3 months ended 5/31/X0 6 months ended 8/31/X0
<b>Interim Periods for New Financial Year</b>	3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2	3 months ended 3/31/X3 6 months ended 6/30/X3 9 months ended 9/30/X3  Or  3 months ended 3/31/X3 6 months ended 6/30/X3 9 months ended 9/30/X3	3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2  Or  3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2	3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2  Or  3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2	3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2  Or  3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2

<b>Comparative Interim Periods to Interim Periods in New Financial Year</b>	3 months ended 4/30/X1 6 months ended 7/31/X1 9 months ended 10/31/X1	3 months ended 4/30/X2 6 months ended 7/31/X2 9 months ended 10/31/X2	3 months ended 4/30/X1 6 months ended 7/31/X1 9 months ended 10/31/X1	3 months ended 4/30/X1 6 months ended 7/31/X1 9 months ended 10/31/X1	3 months ended 2/28/X1 6 months ended 5/31/X1 9 months ended 8/31/X1
		Or  3 months ended 3/31/X2 6 months ended 6/30/X2 9 months ended 9/30/X2	Or  3 months ended 4/30/X1 6 months ended 7/31/X1 8 months ended 9/30/X1	Or  3 months ended 4/30/X1 5 months ended 6/30/X1 8 months ended 9/30/X1	Or  3 months ended 2/28/X1 7 months ended 6/30/X1 10 months ended 9/30/X1

\* Statement of financial position required only at the transition year end date..

22. These changes become effective on **[December 15, 2023]**.