

## **REGULATION 55-104 RESPECTING INSIDER REPORTING REQUIREMENTS AND EXEMPTIONS**

Securities Act

(R.S.Q., c. V-1.1, s. 331.1, par. (1), (2), (3), (8), (11), (20.1) and (34); 2007, c. 15; 2008, c. 7; 2008, c. 24)

### **PART 1 DEFINITIONS AND INTERPRETATION**

#### **1.1. Definitions and interpretation**

(1) In this Regulation

“acceptable summary form” means, in relation to the alternative form of insider report described in sections 5.4 and 6.4, an insider report that discloses as a single transaction, with December 31 of the relevant year as the date of the transaction, and providing an average unit price of the securities,

(a) the total number of securities of the same type acquired under an automatic securities purchase plan or compensation arrangement, or under all such plans or arrangements, for the calendar year; and

(b) the total number of securities of the same type disposed of under all specified dispositions of securities under an automatic securities purchase plan, or under all such plans, for the calendar year;

“automatic securities purchase plan” means a dividend or interest reinvestment plan, a stock dividend plan, or any other plan established by an issuer or by a subsidiary of an issuer to facilitate the acquisition of securities of the issuer if the timing of acquisitions of securities, the number of securities which may be acquired under the plan by a director or officer of the issuer or of the subsidiary of the issuer, and the price payable for the securities are established in advance by written formula or criteria set out in a plan document and not subject to a subsequent exercise of discretion;

“cash payment option” means a provision in a dividend or interest reinvestment plan under which a participant is permitted to make cash payments to purchase from the issuer, or from an administrator of the plan, securities of the issuer’s own issue;

“compensation arrangement” includes, but is not limited to, an arrangement, whether or not set out in any formal document and whether or not applicable to only one individual, under which cash, securities or related financial instruments, including, for greater certainty, options, stock appreciation rights, phantom shares, restricted shares or restricted share units, deferred share units, performance units or performance shares, stock, stock dividends, warrants, convertible securities, or similar instruments, may be received or purchased as compensation for services rendered, or otherwise in connection with holding an office or employment with a reporting issuer or a subsidiary of a reporting issuer;

“convertible security” means a security of an issuer that is convertible into, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of the same issuer;

“credit derivative” means a derivative in respect of which the underlying security, interest, benchmark or formula is, or is related to or derived from, in whole or in part, a debt or other financial obligation of an issuer;

“derivative”

(a) means an instrument, agreement, security or exchange contract, the market price, value or payment obligations of which is derived from, referenced to, or based on an underlying security, interest, benchmark or formula;

(b) despite paragraph (a), in Ontario and New Brunswick, has the same meaning as in securities legislation and, in the case of Québec, The Derivatives Act;

“dividend or interest reinvestment plan” means an arrangement under which a holder of securities of an issuer is permitted to direct that the dividends, interest or distributions paid on the securities be applied to the purchase, from the issuer or an administrator of the issuer, of securities of the issuer’s own issue;

“economic exposure” in relation to an issuer

(a) means the extent to which the economic or financial interests of a person are aligned with the trading price of securities of the issuer or the economic or financial interests of the issuer;

(b) despite paragraph (a), in Ontario, has the same meaning as in securities legislation;

“economic interest” in a security or an exchange contract means

(a) a right to receive or the opportunity to participate in a reward, benefit or return from a security or an exchange contract, or

(b) exposure to a risk of a financial loss in respect of a security or an exchange contract;

(c) despite paragraphs (a) and (b), in British Columbia, Saskatchewan, Ontario, Quebec and New Brunswick, has the same meaning as in securities legislation;

“exchange contract”

(a) means a futures contract or an option that meets both of the following requirements:

(i) its performance is guaranteed by a clearing agency; and

(ii) it is traded on an exchange pursuant to standardized terms and conditions set out in that exchange's by-laws, rules or regulatory instruments, at a price agreed on when the futures contract or option is entered into on the exchange;

(b) despite paragraph (a), in British Columbia, Alberta, Saskatchewan and New Brunswick, has the same meaning as in securities legislation;

“exchangeable security” means a security of an issuer that is exchangeable for, or carries the right of the holder to purchase or otherwise acquire, or of the issuer to cause the purchase or acquisition of, a security of another issuer;

“income trust” means a trust or an entity, including corporate and non-corporate entities, the securities of which entitle the holder to net cash flows generated by an underlying business or income-producing properties owned through the trust or by the entity;

“insider report” means a report to be filed by an insider under securities legislation;

“insider reporting requirement” means

(a) a requirement to file insider reports under Parts 3 and 4;

(b) a requirement to file insider reports under any provisions of Canadian securities legislation substantially similar to Parts 3 and 4; and

(c) a requirement to file an insider profile under National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI), if applicable;

“investment issuer” means, in relation to an issuer, another issuer in respect of which the issuer is an insider;

“issuer event” means a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner, on a per share basis;

“lump-sum provision” means a provision of an automatic securities purchase plan that allows a director or officer to acquire securities in consideration of an additional lump-sum payment, and includes a cash payment option;

“major subsidiary” means a subsidiary of an issuer if

(a) the assets of the subsidiary, as included in the issuer’s most recent annual audited or interim balance sheet, are 30 percent or more of the consolidated assets of the issuer reported on that balance sheet [*or after January 1, 2011, a statement of financial position*], or

(b) the revenues of the subsidiary, as included in the issuer’s most recent annual audited or interim income statement, are 30 percent or more of the consolidated revenues of the issuer reported on that statement;

“management company” means a person established or contracted to provide significant management or administrative services to an issuer or a subsidiary of the issuer;

“normal course issuer bid” means

(a) an issuer bid that is made in reliance on the exemption contained in securities legislation from requirements relating to issuer bids that is available if the number of securities acquired by the issuer within a period of twelve months does not exceed 5 percent of the securities of that class issued and outstanding at the commencement of the period, or

(b) a normal course issuer bid as defined in the rules or policies of the Toronto Stock Exchange (TSX), the TSX Venture Exchange or an exchange that is a recognized exchange, as defined in Regulation 21-101 respecting Marketplace Operation, and that is conducted in accordance with the rules or policies of that exchange;

“operating entity” means a person with an underlying business or with assets owned in whole or in part by an income trust for the purposes of generating cash flow;

“post-conversion beneficial ownership” has the meaning ascribed to that term in subsection (4);

“principal operating entity” means an operating entity that is a major subsidiary of an income trust;

“related financial instrument”

(a) means

(i) an instrument, agreement, security or exchange contract the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security, or,

(ii) any other instrument, agreement, or understanding that affects, directly or indirectly, a person's economic interest in a security or an exchange contract;

(b) despite paragraph (a), in British Columbia, Saskatchewan, Ontario, Quebec and New Brunswick, has the same meaning as in securities legislation;

“reporting insider” has the meaning ascribed to that term in section 3.2;

“significant shareholder” means a person that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10 percent of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution;

“significant shareholder based on post-conversion beneficial ownership” has the meaning ascribed to that term in subsection (5);

“specified disposition of securities” means a disposition or transfer of securities referred to in subsection 5.1(3);

“stock dividend plan” means an arrangement under which securities of an issuer are issued by the issuer to holders of securities of the issuer as a stock dividend or other distribution out of earnings, retained earnings or capital; and

“underlying security” means a security issued or transferred, or to be issued or transferred, in accordance with the terms of a convertible security, an exchangeable security or a multiple convertible security.

(2) **Affiliate**

In this Regulation, an issuer is an affiliate of another issuer if

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same person.

(3) **Control**

In this Regulation, a person (first person) is considered to control another person (second person) if

- (a) the first person, beneficially owns or exercises control or direction over, whether direct or indirect, securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation,
- (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50 percent of the interests of the partnership, or
- (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

(4) **Post-conversion beneficial ownership**

In this Regulation, a person is considered to have as of a given date post-conversion beneficial ownership of a security, including an unissued security, if the person is the beneficial owner of a security convertible into the security within 60 days following that date or has a right or obligation permitting or requiring the person, whether or not on conditions, to acquire beneficial ownership of the security within 60 days, by a single

transaction or a series of linked transactions.

**(5) Significant shareholder based on post-conversion beneficial ownership**

A person is a significant shareholder based on post-conversion beneficial ownership if the person is not a significant shareholder but the person has beneficial ownership of, post-conversion beneficial ownership of, control or direction over, or any combination of beneficial ownership of, post-conversion beneficial ownership of, or control or direction over, whether direct or indirect, securities of an issuer carrying more than 10 percent of the voting rights attached to all the issuer's outstanding voting securities, calculated in accordance with subsection (6), excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution.

(6) For the purposes of the calculation in subsection (5), an issuer's outstanding voting securities include securities in respect of which a person has post-conversion beneficial ownership.

**1.2. Persons designated or determined to be insiders for the purposes of this Regulation**

(1) The following persons are designated or determined to be insiders of an issuer:

(a) a significant shareholder based on post-conversion beneficial ownership of the issuer's securities;

(b) a management company that provides significant management or administrative services to the issuer or a major subsidiary of the issuer, and every director, officer and significant shareholder of the management company; and

(c) in the case of an issuer that is an income trust, every director, officer and significant shareholder of a principal operating entity.

**(2) Issuer as insider of reporting issuer**

If an issuer (the first issuer) becomes an insider of a reporting issuer (the second issuer), every director or officer of the first issuer is designated or determined to be an insider of the second issuer and must file insider reports in accordance with section 3.6 in respect of transactions relating to the second issuer that occurred in the previous six months or for such shorter period that the person was a director or officer of the first issuer.

**(3) Reporting issuer as insider of other issuer**

If a reporting issuer (the first issuer) becomes an insider of another issuer (the second issuer), every director or officer of the second issuer is designated or determined to be an insider of the first issuer and must file insider reports in accordance with section 3.6 in respect of transactions relating to the first issuer that occurred in the previous six months or for such shorter period that the person was a director or officer of the second issuer.

**PART 2 APPLICATION**

**2.1. Insider reporting requirements (insiders of Ontario reporting issuers)**

In Ontario, the insider reporting requirements in sections 3.3 and 3.4 of Part 3 do not apply to an insider of a reporting issuer under the Securities Act (Ontario).

**Note:** In Ontario, requirements similar to the insider reporting requirements in sections 3.3 and 3.4 of this Regulation are contained in section 107 of the Securities Act (Ontario).

## 2.2. Reporting deadline

In Ontario, for the purposes of subsection 107(2) of the Securities Act (Ontario), the prescribed period is within 5 calendar days of any change in the direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer or any interest in, or right or obligation associated with, a related financial instrument.

## PART 3 PRIMARY INSIDER REPORTING REQUIREMENT

### 3.1. Reporting requirement

An insider must file insider reports under this Part and Part 4 in respect of a reporting issuer if the insider is a reporting insider in respect of the reporting issuer.

### 3.2. Reporting insider

(1) An insider is a reporting insider in respect of a reporting issuer if the insider is

(a) the chief executive officer, the chief operating officer or the chief financial officer of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;

(b) a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;

(c) a person responsible for a principal business unit, division or function of the reporting issuer or of a major subsidiary of the reporting issuer;

(d) a significant shareholder of the reporting issuer;

(e) a management company that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, and every director, officer and significant shareholder of the management company;

(f) an individual performing functions similar to the functions performed by any of the positions described in paragraphs (a) to (e);

(g) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;

(h) a person designated or determined to be an insider under subsection 1.2(1);

(i) any other insider that

(i) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer or a major subsidiary of the reporting issuer before the material facts or material changes are generally disclosed; and

(ii) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer or of a major subsidiary of the reporting issuer.

(2) In this section, a reference to “significant shareholder” includes a “significant shareholder based on post-conversion beneficial ownership”.

### 3.3. Initial report

A reporting insider must file an insider report within 10 days of becoming a reporting insider disclosing the reporting insider's

(a) direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, and

(b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

### **3.4 Subsequent report**

A reporting insider must within five days of any of the following changes file an insider report disclosing a change in the reporting insider's

(a) direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer, or

(b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

### **3.5 Reporting requirements in connection with convertible or exchangeable securities**

For greater certainty, a reporting insider who exercises an option, warrant or other convertible or exchangeable security must file within five days of the change separate insider reports in accordance with section 3.4 disclosing the change in the reporting insider's direct or indirect beneficial ownership of, or control or direction over, each of

(a) the option, warrant or other convertible or exchangeable security, and

(b) the common shares or underlying securities.

### **3.6 Report by certain designated insiders for certain historical transactions**

(1) A director or officer of an issuer (the first issuer) who is designated or determined to be an insider of another issuer (the second issuer) under subsections 1.2(2) or 1.2(3) must file, within 10 days of being designated or determined to be an insider of the second issuer, the insider reports that a reporting insider would have been required to file under Part 3 and Part 4 for all transactions involving securities of or related financial instruments involving securities of the second issuer that occurred in the previous six months or for such shorter period that the individual was a director or officer of the first issuer.

(2) A person who is required to file insider reports under subsection (1) must file the insider reports in paper format in accordance with Part 3 of National Instrument 55-102 System for Electronic Disclosure by Insiders (SEDI) and file or cause to be filed the insider reports on the System for Electronic Document Analysis and Retrieval (SEDAR).

## **PART 4 SUPPLEMENTAL INSIDER REPORTING REQUIREMENT**

### **4.1 Other agreements, arrangements or understandings**

(1) If a reporting insider enters into, materially amends, or terminates an agreement, arrangement or understanding described in subsection (2), the reporting insider must, within five days of this event, file an insider report in accordance with section 4.3.

(2) An agreement, arrangement or understanding must be reported under subsection (1) if

(a) the agreement, arrangement or understanding has the effect of altering, directly or indirectly, the reporting insider's economic exposure to the reporting issuer's reporting issuer;

(b) the agreement, arrangement or understanding involves, directly or indirectly, a security of the reporting issuer or a related financial instrument involving a security of the reporting issuer; and

(c) the reporting insider is not otherwise required to file an insider report in respect of this event under Part 3 or any corresponding provision of Canadian securities legislation.

#### **4.2. Report of prior agreements, arrangements or understandings**

A reporting insider must, within ten days of becoming a reporting insider in respect of a reporting issuer, file an insider report in accordance with section 4.3 if

(a) the reporting insider, prior to the date the reporting insider most recently became a reporting insider, entered into an agreement, arrangement or understanding in respect of which the reporting insider would have been required to file an insider report under section 4.1 if the agreement, arrangement or understanding had been entered into on or after the date the reporting insider most recently became a reporting insider, and

(b) the agreement, arrangement or understanding remains in effect on or after the date the reporting insider most recently became a reporting insider.

#### **4.3. Contents of report**

An insider report required to be filed under section 4.1 or 4.2 must disclose the existence and material terms of the agreement, arrangement or understanding.

### **PART 5 EXEMPTION FOR AUTOMATIC SECURITIES PURCHASE PLANS**

#### **5.1. Interpretation**

(1) In this Part, a reference to a director or officer means a director or officer who is

(a) a director or officer of a reporting issuer and a reporting insider in respect of the reporting issuer, or

(b) a director or officer of a subsidiary of a reporting issuer and a reporting insider of the reporting issuer.

(2) In this Part, a reference to a security of a reporting issuer includes a related financial instrument involving a security of the reporting issuer.

(3) In this Part, a disposition or transfer of securities acquired under an automatic securities purchase plan is a specified disposition of securities if

(a) the disposition or transfer is incidental to the operation of the automatic securities purchase plan and does not involve a discrete investment decision by the director or officer; or

(b) the disposition or transfer is made to satisfy a tax withholding obligation arising from the distribution of securities under the automatic securities purchase plan and either

(i) the director or officer has elected that the tax withholding obligation will be satisfied through a disposition of securities, has communicated this election to the reporting issuer or the plan administrator not less than 30 days prior to the disposition and this election is irrevocable as of the 30th day before the disposition; or

(ii) the director or officer has not communicated an election to the reporting issuer or the plan administrator and, in accordance with the terms of the plan, the



reporting issuer or the plan administrator is required to sell securities automatically to satisfy the tax withholding obligation.

## **5.2. Reporting exemption**

(1) The insider reporting requirement does not apply to a director or officer for an acquisition or disposition of securities described in subsection (2) if the director or officer complies with the alternative reporting requirement in section 5.4.

(2) The exemption in subsection (1) applies to

(a) an acquisition of securities of the reporting issuer under an automatic securities purchase plan, other than an acquisition of securities under a lump-sum provision of the plan; or

(b) a specified disposition of securities of the reporting issuer under an automatic securities purchase plan.

## **5.3. Acquisition of options or similar securities**

The exemption in section 5.2 does not apply to an acquisition of options or similar securities granted to a director or officer.

## **5.4. Alternative reporting requirement**

(1) A director or officer is exempt under section 5.2 from the insider reporting requirement if the insider files an insider report within the time period described in subsection (2) disclosing, on a transaction-by-transaction basis or in acceptable summary form, each acquisition of securities under an automatic securities purchase plan not previously disclosed by or on behalf of the director or officer, and each specified disposition of securities under the automatic securities purchase plan not previously disclosed by or on behalf of the director or officer.

(2) The deadline for filing the insider report under subsection (1) is

(a) in the case of any securities acquired under the automatic securities purchase plan that have been disposed of or transferred, other than securities that have been disposed of or transferred as part of a specified disposition of securities, within five days of the disposition or transfer; and

(b) in the case of any securities acquired under the automatic securities purchase plan during a calendar year that have not been disposed of or transferred, and any securities that have been disposed of or transferred as part of a specified disposition of securities, within 90 days of the end of the calendar year.

(3) Subsection (1) does not apply to a director or officer if, at the time the insider report described in subsection (1) is due,

(a) the director or officer is not a reporting insider; or

(b) the director or officer is exempt from the insider reporting requirement.

## **PART 6 EXEMPTION FOR CERTAIN ISSUER GRANTS**

### **6.1. Interpretation**

(1) In this Part, a reference to a director or officer means a director or officer who is

(a) a director or officer of a reporting issuer and a reporting insider in respect of the reporting issuer, or

(b) a director or officer of a subsidiary of a reporting issuer and a reporting insider of the reporting issuer.

(2) In this Part, a reference to a security of a reporting issuer includes a related financial instrument involving a security of the reporting issuer.

## **6.2. Reporting exemption**

The insider reporting requirement does not apply to a director or officer for the acquisition of securities of the reporting issuer under a compensation arrangement established by the reporting issuer or by a subsidiary of the reporting issuer, if

(a) the reporting issuer has previously disclosed the existence and material terms of the compensation arrangement in an information circular or other public document filed on SEDAR;

(b) the reporting issuer has previously filed in respect of the acquisition an issuer grant report on SEDAR in accordance with section 6.3; and

(c) the director or officer complies with the alternative reporting requirement in section 6.4.

## **6.3. Issuer grant report**

An issuer grant report filed under this Part in respect of a compensation arrangement must include

(a) the date the options or other securities were issued or granted;

(b) the number of options or other securities issued or granted to each director or officer;

(c) the price at which the options or other securities were issued or granted and the exercise price;

(d) the number and type of securities issuable on the exercise of the options or other securities; and

(e) any other material terms that have not been previously disclosed or filed in a public filing on SEDAR.

## **6.4. Alternative reporting requirement**

(1) A director or officer is exempt under section 6.2 from the insider reporting requirement if the insider files an insider report within the time period described in subsection (2) disclosing, on a transaction-by-transaction basis or in acceptable summary form, each acquisition of securities under the compensation arrangement not previously disclosed by or on behalf of the director or officer, and each specified disposition of securities under the compensation arrangement not previously disclosed by or on behalf of the director or officer.

(2) The deadline for filing the insider report under subsection (1) is

(a) in the case of any securities acquired under the compensation arrangement that have been disposed of or transferred, within five days of the disposition or transfer; and

(b) in the case of any securities acquired under the compensation arrangement during a calendar year that have not been disposed of or transferred, within 90 days of the end of the calendar year.

(3) Subsection (1) does not apply to a director or officer if, at the time the insider report described in subsection (1) is due,

- (a) the director or officer is not a reporting insider; or
- (b) the director or officer is exempt from the insider reporting requirement.

## **PART 7 EXEMPTIONS FOR NORMAL COURSE ISSUER BIDS AND PUBLICLY DISCLOSED TRANSACTIONS**

### **7.1. Reporting exemption for NCIBs**

The insider reporting requirement does not apply to an issuer for an acquisition of securities of its own issue by the issuer under a normal course issuer bid.

### **7.2. Reporting requirement**

An issuer who relies on the exemption in section 7.1 must file an insider report disclosing each acquisition of securities by it under a normal course issuer bid within 10 days of the end of the month in which the acquisition occurred.

### **7.3. General exemption for other transactions that have been otherwise disclosed**

The insider reporting requirement does not apply to an issuer in connection with a transaction, other than a normal course issuer bid, involving securities of its own issue if the existence and material terms of the transaction have been generally disclosed in a public filing on SEDAR.

## **PART 8 EXEMPTION FOR CERTAIN ISSUER EVENTS**

### **8.1. Reporting exemption**

The insider reporting requirement does not apply to a reporting insider whose direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer's reporting issuer changes as a result of an issuer event of the reporting issuer.

### **8.2. Reporting requirement**

A reporting insider who relies on the exemption in section 8.1 must file an insider report, disclosing all changes in beneficial ownership of, or control or direction, whether direct or indirect, over securities of the reporting issuer as a result of an issuer event that have not previously been reported by or on behalf of the insider, within the time required by securities legislation for the insider to report any other subsequent change in beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer.

## **PART 9 GENERAL EXEMPTIONS**

### **9.1. Reporting exemption (mutual funds)**

The insider reporting requirement does not apply to an insider of an issuer that is a mutual fund.

### **9.2. Reporting exemption (non-reporting insiders)**

The insider reporting requirement does not apply to an insider of an issuer if the insider is not a reporting insider in respect of that issuer.

**9.3. Reporting exemption (certain insiders of investment issuers)**

The insider reporting requirement does not apply to a director or officer of a significant shareholder, or a director or officer of a subsidiary of a significant shareholder, in respect of securities of an investment issuer or a related financial instrument involving a security of the investment issuer if the director or officer

(a) does not in the ordinary course receive or have access to information as to material facts or material changes concerning the investment issuer before the material facts or material changes are generally disclosed; and

(b) is not a reporting insider in relation to the investment issuer in any capacity other than as a director or officer of the significant shareholder or a subsidiary of the significant shareholder.

**9.4. Reporting exemption (nil report)**

The insider reporting requirement does not apply to a reporting insider if the reporting insider

(a) does not have any beneficial ownership of, or control or direction over, whether direct or indirect, securities of the issuer;

(b) does not have any interest in, or right or obligation associated with, a related financial instrument involving a security of the issuer; and

(c) has not entered into any agreement, arrangement or understanding as described in section 4.1.

**9.5. Reporting exemption (corporate group)**

The insider reporting requirement does not apply to a reporting insider if

(a) the reporting insider is a subsidiary or other affiliate of another reporting insider (the affiliated reporting insider); and

(b) the affiliated reporting insider has filed an insider report that discloses substantially the same information as would be contained in an insider report filed by the reporting insider, including details of the reporting insider's

(i) direct or indirect beneficial ownership of, or control or direction over, securities of the reporting insider's reporting issuer; and

(ii) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

**9.6. Reporting exemption (executor and co-executor)**

The insider reporting requirement does not apply to a reporting insider in respect of securities of an issuer beneficially owned or controlled, directly or indirectly, by an estate if

(a) the reporting insider is an executor, administrator or other person who is a representative of the estate (referred to in this section as an executor of the estate), or a director or officer of an executor of the estate;

(b) the reporting insider is subject to the insider reporting requirement solely because of the reporting insider being an executor or a director or officer of an executor of the estate; and

(c) another executor or director or officer of an executor of the estate has filed an insider report that discloses substantially the same information as would be contained in an insider report filed by the reporting insider in respect of securities of an issuer beneficially owned or controlled, directly or indirectly, by the estate.

#### **9.7. Exempt persons and transactions**

The insider reporting requirement does not apply to

(a) a transfer, pledge or encumbrance of securities by a reporting insider for the purpose of giving collateral for a debt made in good faith so long as there is no limitation on the recourse available against the insider for any amount payable under such debt;

(b) the receipt by a reporting insider of a transfer, pledge or encumbrance of securities of an issuer if the securities are transferred, pledged or encumbered as collateral for a debt under a written agreement and in the ordinary course of business of the insider;

(c) a reporting insider, other than a reporting insider that is an individual, that enters into, materially amends or terminates an agreement, arrangement or understanding which is in the nature of a credit derivative;

(d) a reporting insider who did not know and, in the exercise of reasonable diligence, could not have known of the alteration to economic exposure described in section 4.1;

(e) the acquisition or disposition of a security, or an interest in a security, of an investment fund, provided that securities of the reporting issuer do not form a material component of the investment fund's market value; or

(f) the acquisition or disposition of a security, or an interest in a security, of an issuer that holds directly or indirectly securities of the reporting issuer, if:

(i) the reporting insider is not a control person of the issuer; and

(ii) the reporting insider does not have or share investment control over the securities of the reporting issuer.

### **PART 10 – DISCRETIONARY EXEMPTIONS**

#### **10.1. Exemptions from this Regulation**

(1) The regulator or securities regulatory authority may grant an exemption from this Regulation, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of Regulation 14-101 respecting Definitions opposite the name of the local jurisdiction.

### **PART 11 EFFECTIVE DATE**

#### **11.1. Effective Date**

This Regulation comes into force on •.