

REGULATION TO AMEND REGULATION 62-103 RESPECTING THE EARLY WARNING SYSTEM AND RELATED TAKE-OVER BID AND INSIDER REPORTING ISSUES*

1. Section 1.1 of Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues is amended by deleting subparagraph *f* in the definition of “applicable provisions”.

2. Section 6.1 of the Regulation is amended by replacing subparagraphs 1 and 2 with the following:

“(1) An entity is exempt from the early warning requirements and the obligation to report under Part 4 in connection with an increase in the securityholding percentage of the entity in a class of securities of a reporting issuer that arises without any action being taken by the entity and solely from a reduction in outstanding securities that occurs as a result of redemptions or other repurchases by the reporting issuer that affect or are offered to all securityholders of the relevant class.

(2) An entity is exempt from the early warning requirements and the obligation to report under Part 4 in connection with a decrease in the securityholding percentage of the entity in a class of securities of a reporting issuer that arises without any action being taken by the entity and solely from an increase in outstanding securities that occurs as a result of treasury issuances of securities by the reporting issuer.”

3. Appendix A of the Regulation is amended:

a) by replacing “1(f)(iii)” next to the jurisdiction of Alberta and after the word “Clause” with “1(p)(iii)”;

b) by replacing the words “Paragraph (b) of the definition of “primary distribution to the public” contained in section 1 of the Security Frauds Prevention Act” next to the jurisdiction of New Brunswick with the words “Paragraph (c) of the definition of “distribution” contained in subsection 1(1) of the Securities Act”;

c) by adding the following after the jurisdiction of Ontario:

“Quebec Subparagraph (9) of the definition of “distribution” provided for in section 5 of the Securities Act (R.S.Q., c. V-1.1)”.

4. Appendix B of the Regulation is amended:

a) by replacing “141(1), 141(2), and 141(3)” next to the jurisdiction of Alberta and after the word “Subsections” with “176(1), 176(2) and 176(3)”;

b) by adding the following after the jurisdiction of Manitoba:

“New Brunswick Subsections 126(1) and (2) of the Securities Act (New Brunswick)”.

5. This Regulation comes into force on September 14, 2005.

* Regulation 62-103 respecting the Early Warning System and Related Take-Over Bid and Insider Reporting Issues, adopted on March 18, 2003 pursuant to decision no. 2003-C-0109 and published in the Supplement to the Bulletin of the *Commission des valeurs mobilières du Québec*, volume 34, no. 19, dated May 16, 2003, was amended solely by the Regulation approved by Ministerial Order no. 2005-04 dated May 19, 2005 (2005, G.O. 2, 2363).