

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
ONTARIO, QUÉBEC, NOVA SCOTIA AND NEWFOUNDLAND**

**AND**

**IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF  
APPLICATIONS**

**AND**

**IN THE MATTER OF  
ABITIBI-CONSOLIDATED INC.**

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**MRRS DECISION DOCUMENT**

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**WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the "**Jurisdictions**") has received an application from Abitibi-Consolidated Inc. ("**ACI**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") exempting certain nominal vice-presidents of ACI from the insider reporting requirements contained in the Legislation (the "**Requirements**");

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the *Commission des valeurs mobilières du Québec* is the principal regulator for this application;

**AND WHEREAS** ACI has represented to the Decision Makers as follows:

1. ACI was amalgamated under the *Canada Business Corporations Act* in 1997; its head office is located in Montreal, Québec.
2. ACI is a reporting issuer in each of the provinces and territories of Canada having such a concept in its securities legislation; its common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange.
3. ACI is not in default of any requirements under the Legislation.

4. There are 40 persons who are insiders of ACI by reason of being an officer or director of ACI. There are 17 additional persons who are insiders of ACI by reason of being an officer or director of a subsidiary of ACI.
5. There are ten (10) persons who are insiders of ACI but who are currently exempt from the insider reporting requirements by reason of an existing exemption, being National Instrument 55-101 *Exemption from Certain Insider Reporting Requirements* (“**NI 55-101**”).
6. ACI has developed a policy on employee conduct (Policy 4.2.1) applicable to all members of the management group of ACI (as therein described), as well as a policy on employee conduct (Policy 4.2.2) applicable to all non-union employees of ACI who are not part of the management group (collectively, the “**Code of Conduct**”) so that they may conform to legal and ethical business practices. The objective of the Code of Conduct is to ensure that ACI’s expectations of compliance with all laws and regulations are clearly stated and communicated and to ensure that all of the various groups and individuals within ACI whose work and conduct may be affected by the Code of Conduct understand what is required of them, as well as what is prohibited.
7. ACI has also developed a corporate and securities compliance program (the “**Program**”) applicable to all departments involved with ACI’s continuous compliance with applicable corporate and securities legislation, as well as to all insiders of ACI. The Program provides, *inter alia*, an overview of the rules governing insider trading and the filing of insider reports.
8. ACI also developed a disclosure policy (the “**Disclosure Policy**”) to ensure that communications to the different stakeholders about ACI are timely, factual and accurate, and broadly disseminated in accordance with all applicable legal and regulatory requirements. The Disclosure Policy, which extends to all employees of ACI, its board of directors, authorized spokespersons and officers, also touches on insider trading and other aspects of disclosure relevant to insiders.
9. Under the Code of Conduct, the Program and the Disclosure Policy, insiders of ACI and other employees of ACI with knowledge of material undisclosed information may not trade in securities of ACI, nor may they trade during “prohibited” or “black-out” periods immediately preceding the release of ACI’s quarterly results or other special circumstances.
10. As a policy, ACI regularly reminds its insiders of the insider reporting requirements applicable to them in relation with trading in ACI and of the upcoming “prohibited periods”. Additionally, the Disclosure Policy is circulated annually to all employees of ACI. Furthermore, each member of the management group is required to execute an

acknowledgement, agreement and compliance form on an annual basis in connection with the Code of Conduct.

11. ACI's Legal Department examined the titles and functions of each of the Vice-Presidents of ACI to determine which of them met the criteria set forth in CSA Staff Notice 55-306 *Applications for Relief from the Insider Reporting Requirements by Certain Vice-Presidents* (the "**Notice**"), and has compiled a list of those insiders who, according to this review, met the definition of "nominal vice-president" set forth in the Notice (the "**Nominal Vice-Presidents**").
12. ACI represents that each of the Nominal Vice-Presidents:
  - (a) is a vice-president of ACI;
  - (b) is not in charge of a principal business unit, division or function of ACI or a "major subsidiary" of ACI (as such term is defined in NI 55-101);
  - (c) does not in the ordinary course receive or have access to information as to material facts or material changes concerning ACI before the material facts or material changes are generally disclosed; and
  - (d) is not an insider of ACI in any other capacity.
13. Going forward, ACI's Legal Department intends to examine the titles and functions of each of the Vice-Presidents of ACI on an annual basis to determine which of them meet the definition of "nominal vice-president" set forth in the Notice. Further, the Legal Department will assess any new Vice-President of ACI and will reassess any exempted Vice-Presidents whose title or functions are modified to determine whether such individuals meet, or continue to meet, the applicable criteria. Following each such review or assessment, the Legal Department intends to compile a list of those insiders who meet the required criteria, submit such list to the Board of Directors of ACI or one of its committees for approval and then submit same to the relevant Canadian securities regulatory authorities.
14. Should any exempted Vice-President cease to meet the applicable criteria, ACI's Assistant-Secretary will ensure that the individual in question is promptly informed of his or her renewed obligation to file insider reports as and when necessary.
15. In connection with this application, ACI has filed with the Decision Makers the list of the Nominal Vice-Presidents and a copy of the Program, as well as a copy of the Code of Conduct and a copy of the Disclosure Policy.

**AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

**AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers under the Legislation is that the Requirements shall not apply to the Nominal Vice-Presidents or any other employee of ACI who is given the title Vice-President provided that:

- (a) they satisfy the definition of “nominal vice president” contained in the Notice;
- (b) ACI prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to the board of directors or one of its committees for approval, and files the list with the Decision Makers;
- (c) ACI files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by ACI; and
- (d) the relief granted will cease to be effective on the date when NI 55-101 is amended.

Dated at Montreal, on   December 19  , 2002

(s) Jean-François Bernier  
Jean-François Bernier  
Directeur des marchés des capitaux