

NATIONAL INSTRUMENT 32-101

SMALL SECURITY HOLDER SELLING AND PURCHASE ARRANGEMENTS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument:

“adviser registration requirement” means the requirement in securities legislation that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under securities legislation;

“dealer registration requirement” means the requirement in securities legislation that prohibits a person or company from trading in a security unless the person or company is registered in the appropriate category of registration under securities legislation;

“Exchange” means:

- (a) The Toronto Stock Exchange;
- (b) The Montreal Exchange;
- (c) The Alberta Stock Exchange; or
- (d) an exchange that:
 - (i) has a by-law, rule, regulation or policy that is substantially similar to the policy of The Toronto Stock Exchange; and
 - (ii) is designated by the securities regulatory authority for the purpose of this Instrument; and

“policy” means:

- (a) in the case of The Toronto Stock Exchange, The Toronto Stock Exchange Policy Statement on Small Shareholder Selling and Purchase Arrangements as it exists on August 5, 1997 and every successor to that policy that does not change the significant subject matter of the policy;
- (b) in the case of The Montreal Exchange, The Montreal Exchange Policy I-9 Small Shareholder Selling and Purchase Arrangements as it exists on August 5, 1997 and every successor to that policy that does not change the significant subject matter of the policy;
- (c) in the case of The Alberta Stock Exchange, The Alberta Stock Exchange Circular No.15 Small Shareholder Selling and Purchase Arrangements as it exists on August 5, 1997 and every successor to that circular that does not change the significant subject matter of the circular; and
- (d) in the case of an Exchange referred to in paragraph (d) of the definition of Exchange,

the by-law, rule, regulation or policy of the Exchange on small shareholder selling and purchase arrangements and every successor to that by-law, rule, regulation or policy that does not change the significant subject matter of the by-law, rule, regulation or policy.

- 1.2 Interpretation** - For the purposes of paragraph 2.1(c), an exemption from, or variation of, the maximum number of securities that a SECURITY HOLDER is permitted to hold under a policy in order to be eligible to participate in the arrangement provided for in the policy is not an exemption from, or variation of, the significant subject matter of the policy.

PART 2 EXEMPTION

- 2.1 Exemption** - The adviser registration requirement and the dealer registration requirement do not apply to a trade by an issuer or its agent, in securities of the issuer that are listed and posted for trading on an Exchange, if:
- (a) the trade is an act in furtherance of participation by the holders of the securities in an arrangement that is in accordance with the Exchange's policy;
 - (b) the issuer and its agent do not provide advice to a SECURITY HOLDER about the SECURITY HOLDER's participation in the arrangement referred to in paragraph (a), other than a description of the arrangement's operation, procedures for participation in the arrangement, or both;
 - (c) the trade is made in accordance with the policy of the Exchange, without resort to an exemption from, or variation of, the significant subject matter of the policy; and
 - (d) at the time of the trade after giving effect to a purchase under the arrangement, the market value of the maximum number of securities that a SECURITY HOLDER is permitted to hold in order to be eligible to participate in the arrangement is not more than \$25,000.