

**COMPANION POLICY 55-101CP
TO NATIONAL INSTRUMENT 55-101
EXEMPTION FROM CERTAIN INSIDER
REPORTING REQUIREMENTS**

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PART 1 PURPOSE

1.1 Purpose - The purpose of this Companion Policy is to set out the views of the Canadian securities regulatory authorities on various matters relating to National Instrument 55-101 Exemption from Certain Insider Reporting Requirements (the "Instrument").

PART 2 DEFINITIONS

2.1 Definitions - The definition of automatic securities purchase plan in the Instrument includes employee share purchase plans, stock dividend plans and dividend or interest reinvestment plans so long as the criteria in the definition are met.

PART 3 SCOPE OF EXEMPTIONS

3.1 Scope of Exemptions - The exemptions under the Instrument are only exemptions from the insider reporting requirement and are not exemptions from the provisions in Canadian securities legislation imposing liability for improper insider trading.

PART 4 AUTOMATIC SECURITIES PURCHASE PLANS

4.1 Automatic Securities Purchase Plans

- (1) Section 5.1 of the Instrument provides an exemption from the insider reporting requirement for acquisitions by a director or senior officer of a reporting issuer or of a subsidiary of a reporting issuer of securities of the reporting issuer pursuant to an automatic securities purchase plan.
- (2) The exemption does not apply to securities acquired under a cash payment option of a dividend or interest reinvestment plan, a "lump-sum" provision of a share purchase plan, or a stock option plan.
- (3) A person relying on this exemption who does not dispose of or transfer securities which were acquired under an automatic securities purchase plan during the year must file a report disclosing all acquisitions under the automatic securities purchase plan annually no later than 90 days after the end of the calendar year. If a person who relies on the exemption does dispose of or transfer securities acquired under an automatic securities purchase plan, the person must file a report disclosing the acquisition of those securities as contemplated by clause 5.3(a) of the Instrument.
- (4) This section does not relieve a director or senior officer from his or her insider reporting obligations in respect of dispositions or transfers of securities.

(5) A director or senior officer must file a report disclosing dispositions or transfers of securities, and any acquisitions of securities which are not exempt from the insider reporting obligation, within the time periods prescribed by securities legislation.

The report for such acquisitions or dispositions need not include acquisitions under an automatic securities purchase plan unless clause 5.3(a) of the Instrument requires disclosure of those acquisitions.

(6) Clause 5.3(a) requires reports to be filed disclosing acquisitions of any securities under an automatic securities purchase plan which are disposed of or transferred. Accordingly, in these circumstances, if securities acquired under an automatic securities purchase plan are disposed of or transferred, and the acquisitions of these securities have not been previously disclosed in a report, the insider report will disclose, for each acquisition of securities which are disposed of or transferred, the particulars relating to the date of acquisition of such securities, the number of securities acquired and the acquisition price of such securities. The report would also disclose, for each disposition or transfer, the related particulars for each such disposition or transfer of securities. It would be prudent practice for the director or senior officer to indicate in such insider report, by way of the "Remarks" section, or otherwise, that he or she participates in an automatic securities purchase plan and that not all purchases under that plan have been included in the report.

(7) The annual report should include, for acquisitions of securities under a plan not previously reported, disclosure for each acquisition, showing the date of acquisition, the number of securities acquired, and the unit price for each acquisition.

(8) The annual report that an insider files for acquisitions under the automatic securities purchase plan in accordance with clause 5.3(b) of the Instrument will reconcile the acquisitions under the plan with other acquisitions or dispositions by the director or senior officer so that the report provides an accurate listing of the director's or senior officer's total holdings. As required by securities legislation, the report filed by the insider must differentiate between securities held directly and indirectly and must indicate the registered holder if securities are held indirectly. In the case of securities acquired pursuant to a plan, the registered holder is often a trustee or plan administrator.

4.2 Design and Administration of Plans - Part 5 of the Instrument provides a limited exemption from the insider reporting requirement only in circumstances in which an insider, by virtue of participation in an automatic securities purchase plan, is not making discrete investment decisions for acquisitions under such plan. Accordingly, if it is intended that insiders of an issuer rely on this exemption for a particular plan of an issuer, the issuer should design and administer the plan in a manner which is consistent with this limitation.

PART 5 EXISTING EXEMPTIONS

5.1 Existing Exemptions - Insiders can continue to rely on orders of Canadian securities regulatory authorities, subject to their terms, which exempt certain insiders, on conditions, from all or part of the insider reporting requirement, despite implementation of the Instrument.