THE SECURITIES ACT)	Order No. 3626
)	
Section 20(1))	January 9, 2002

FAIRMONT HOTELS & RESORTS INC.

WHEREAS:

- (A) Fairmont Hotels & Resorts Inc. (the "Corporation") applied to The Manitoba Securities Commission ("Commission") for an order under subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50, ("Act") that trades in securities proposed to be made in connection with a key employee stock option plan of the Corporation (the "Plan") are exempt from Sections 6 and 37 of the Act;
- **(B)** The Corporation has represented to the Commission that:
 - 1. The Corporation is governed by the Canada Business Corporations Act;
 - 2. The capital structure of the Corporation consists of an unlimited number of common shares and two classes of an unlimited number of non-voting preferred shares issuable in series; there are 79,427,365 common shares outstanding which are listed on the Toronto Stock Exchange and the New York Stock Exchange;
 - 3. The Corporation is carrying on business in the Province of Manitoba ("Manitoba") as well as elsewhere in Canada;
 - 4. The maximum number of common shares of the Corporation reserved for issuance pursuant to Options granted under the Plan is 6,000,000, a number that will be reduced as Options are exercised and common shares of the Corporation so reserved are issued;
 - 5. The number of Consultants who may be qualified to receive Options under the Plan in Manitoba is up to five (5);
 - 6. The Corporation has established the Plan for the granting of options for the purchase of common shares of the Corporation ("Options") for the benefit of Eligible Persons, as defined in the Plan, including Consultants, Family Trusts, Personal Holding Corporations and Retirement Trusts, who are defined for the purposes of this order, as follows:
 - (a) "Consultants" means persons engaged to provide ongoing management or consulting services to the Corporation or its Subsidiaries:

- (b) Family Trust" means a trust of which one of the trustees is an officer, employee or consultant of and the beneficiaries of which are one or more of the officer, employee or consultant and his or her spouse, minor children and grandchildren;
- (c) "Personal Holding Corporation" means a corporation that is controlled by an officer, employee or consultant, and the shares of which are beneficially owned by the officer, employee or consultant and his or her spouse, minor children or minor grandchildren;
- (d) "Retirement Trust" means a trust governed by a registered retirement savings plan or a registered retirement income fund established by and for the benefit of an officer, employee or consultant.
- 7. In order to be qualified to receive Options under the Plan, each Consultant (which term shall include a company of which an individual consultant is an employee or shareholder) shall:
 - (a) be engaged to provide on a bona fide basis consulting, technical, management or other services to the Corporation or to a Subsidiary under a written contract between the Corporation or a Subsidiary and the individual or a consultant company or consultant partnership of the individual, and
 - (b) in the reasonable opinion of the Corporation spend or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary.
- 8. Trades of Options to Consultants, Family Trusts, Personal Holding Corporations and Retirement Trusts do not fall within available exemptions from the registration and prospectus requirements of the Act.
- (C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

- **1. THAT**, pursuant to subsection 20(1) of the Act, trades in connection with the Plan of Options to Consultants, Family Trusts, Personal Holding Corporations, and Retirement Trusts are exempt from Sections 6 and 37 of the Act.
- **2. THAT** the fee for this order shall be \$1,000.00.

BY ORDER OF THE COMMISSION.

Deputy Director - Legal