

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
MANITOBA AND ONTARIO

AND

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

AND

IN THE MATTER OF
CREO INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Manitoba, and Ontario (collectively, the "Jurisdictions") has received an application from Creo Inc. ("Creo") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of Creo, on the grounds that they are "nominal vice-presidents", as that term is defined in CSA Staff Notice 55-306 (the "Notice");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Creo has represented to the Decision Makers that:

1. Creo is a corporation incorporated under the *Canada Business Corporations Act*. Creo is a leading developer, manufacturer and distributor of comprehensive digital solutions that automate the prepress phase of commercial printing. Creo has product development and manufacturing centers in Vancouver and Israel, distribution centers around the world, and regional offices in Boston, MA, USA; Tokyo, Japan; Hong Kong; Sydney, Australia; and Brussels, Belgium;
2. The authorized capital of Creo consists of an unlimited number of common shares, of which 49,793,978 shares were outstanding as at April 30, 2003;
3. The shares of Creo are listed and posted for trading on the Toronto Stock Exchange and the Nasdaq National Market;
4. Creo is a reporting issuer or the equivalent under the Legislation in each of the Jurisdictions. Creo is not in default of any requirement under the Legislation;
5. Currently, approximately 75 individuals are insiders of Creo by reason of being an officer or director of Creo or its subsidiaries. Of those individuals, approximately 26 are currently exempt

from the insider reporting requirements of the Legislation by reason of the exemptions contained in National Instrument 55-101 - *Exemption from Certain Insider Reporting Requirements* ("NI 55-101"). Creo has made this application to seek the requested relief in respect of 11 individuals;

6. Creo maintains a policy statement (the "Policy") on confidentiality and trading responsibilities which it distributes to its insiders, employees and others. The Policy describes the trading restrictions and reporting requirements to which such persons are subject under applicable law, including persons in a "special relationship" (as that term is defined in Section 76(5) of the *Securities Act* (Ontario)), and sets out guidelines with which all such individuals must comply when trading or contemplating a trade in securities of Creo. These guidelines include a prohibition on trading in securities of Creo during certain "blackout periods" prior to the release of Creo's financial results and following the issuance of a press release disclosing material information about Creo;

7. Creo has compiled a list of individuals who it has determined meet the criteria for exemption set out in the Notice (the "Nominal VPs"), by considering each such person's activities and responsibilities within Creo and its major subsidiaries. Based on the nature of their job functions, Creo has determined that none of the Nominal VPs as a matter of course receives or has access to material undisclosed information relating to Creo;

8. Each of the Nominal VPs meets the following criteria (the "Nominal VP Criteria"):

(a) the individual is a vice-president;

(b) the individual is not in charge of a principal business unit, division or function of Creo or a "major subsidiary" of Creo, as such term is defined in NI 55-101;

(c) the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning Creo before the material facts or material changes are generally disclosed; and

(d) the individual is not an insider of Creo in any other capacity;

9. On an ongoing basis, Creo intends to monitor the eligibility for the exemption available under the Notice of each of the Nominal VPs, and that of other employees of Creo and its major subsidiaries whose title is Vice President and who may satisfy the Nominal VP Criteria from time to time. This will be effected by monitoring such persons' respective job functions and responsibilities and assessing the extent to which in the ordinary course they receive notice of material facts or material changes with respect to Creo prior to such facts or changes being generally disclosed; and

10. In connection with this application, Creo has filed with the Decision Makers a copy of the Policy and the list of Nominal VPs;

AND WHEREAS pursuant to 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 Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to insiders of Creo who satisfy the Nominal VP Criteria for so long as such insiders satisfy the Nominal VP Criteria, provided that:

- (a) Creo prepares and maintains a list of all individuals who propose to rely on the exemption granted by this Decision;
- (b) Creo provides to a Decision Maker upon request within one business day of the request a copy of its current list of individuals relying on the exemption granted by this Decision and 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 Creo; and
- (c) the relief granted will cease to be effective on the date when NI 55-101 is amended.

Dated June 6, 2003.

"Paul M. Moore"

"Harold P. Hands"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - *Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents*.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii)

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII

Rules Cited

National Instrument 55-101 - *Exemption From Certain Insider Reporting Requirements*.