

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,  
NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR**

**AND**

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

**AND**

**IN THE MATTER OF**

**FAIRMONT HOTELS & RESORTS INC.**

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the Jurisdictions) has received an application from Fairmont Hotels & Resorts Inc. (FHR) 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 FHR by reason of having the title Vice President;

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

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 – Definitions;

AND WHEREAS FHR has represented to the Decision Makers that:

1. FHR is a corporation subsisting under the Canada Business Corporations Act.
2. FHR is one of North America's leading owner/operators of luxury hotels and resorts. FHR's managed portfolio consists of 82 luxury and first-class properties with more than 33,000 guestrooms in the United States, Canada, Mexico, Bermuda, Barbados and the United Arab Emirates.
3. FHR is a reporting issuer or the equivalent, as applicable, in each province and territory of Canada, is registered with the U.S. Securities and Exchange Commission in the United States and FHR's common shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

4. To the best of its knowledge, information and belief, FHR is not in default of its reporting requirements under the Legislation.

5. Currently, twenty-six (26) individuals are insiders of FHR by reason of being a senior officer or director of FHR or a major subsidiary of FHR and are not otherwise exempt from the insider reporting requirements of the Legislation by reason of existing orders and/or the exemptions contained in National Instrument 55-101 – Exemption from certain Insider Reporting Requirements (NI 55-101).

6. FHR has developed a corporate disclosure policy (the Disclosure Policy) which includes procedures governing insider trading that apply to all insiders of FHR. The Disclosure Policy also applies to employees of FHR who have knowledge of material undisclosed information. FHR has also established a disclosure committee (the Disclosure Committee) to oversee compliance with the Disclosure Policy.

7. Pursuant to the Disclosure Policy, individuals with knowledge of material undisclosed information may not trade in securities of FHR. In addition, insiders of FHR generally may not trade in securities of FHR during “black-out” periods around the preparation of financial results or any other “black-out” period as determined from time to time.

8. The Disclosure Committee (comprised of the chief executive officer, chief operating officer, chief financial officer, the investor relations officer and the Executive Vice President, Law and Administration of FHR) has considered the job requirements and principal functions of the insiders of FHR to determine which of them met the definition of “nominal vice president” contained in Canadian Securities Administrators Staff Notice 55-306 – Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents (the Staff Notice).

9. Pursuant to this Decision (as defined below), FHR is seeking relief from the insider reporting requirement for certain individuals (Exempted VPs) who meet the following criteria (the Exempted VP Criteria) set out in the Staff Notice:

(a) the individual is a vice president of FHR or a major subsidiary of FHR;

(b) the individual is not in charge of a principal business unit, division or function of FHR or a major subsidiary of FHR;

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

(d) the individual is not an insider of FHR in any capacity other than as a vice president.

10. At present, there are 16 individuals, who, in the opinion of the Disclosure Committee, satisfy the Exempted VP Criteria.

11. The Disclosure Committee will apply the same analysis each time a new vice president of FHR or one of its major subsidiaries is appointed or promoted and it will review and update FHR's Exempted VP analysis annually.

12. If an individual who is designated as an Exempted VP no longer satisfies the Exempted VP Criteria, designated staff of FHR's Corporate Law Department will ensure that the individual is informed about his or her renewed obligation to file an insider report on trades in securities of FHR.

13. Insider reports for some individuals who satisfy the Exempted VP Criteria were inadvertently not filed when required, although such individuals satisfied the Exempted VP Criteria at all relevant times.

14. FHR has filed with the Decision Makers 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 requirement contained in the Legislation to file insider reports shall not apply to insiders of FHR who satisfy the Exempted VP Criteria for so long as such insiders satisfy the Exempted VP Criteria provided that:

(a) FHR agrees to make available to the Decision Makers, upon request, a list of all individuals who are relying on the exemption granted by this Decision as at the time of the request; and

(b) the relief granted will cease to be effective on the date when NI 55-101 is amended.

DATED the 2nd day of September, 2004.

"Paul K. Bates"

"Robert L. Shirriff"

**Headnote:**

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of reporting issuer from insider reporting requirements subject to certain conditions.

**Applicable Ontario Statutory Provisions:**

Securities Act, as amended, section 107, 108 and subsection 121(2).

**Rules Cited:**

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