

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, 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  
MOSAIC GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Quebec and Newfoundland and Labrador (the "Jurisdictions") has received an application from Mosaic Group Inc. ("Mosaic") 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 Mosaic by reason of having the title Vice-President;

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

AND WHEREAS Mosaic has represented to the Decision Makers that:

1. Mosaic is a corporation continued under the *Canadian Business Corporations Act*;
2. Mosaic is a reporting issuer or the equivalent thereof in each province and territory of Canada and its common shares are listed on the Toronto Stock Exchange under the symbol "MGX";
3. Mosaic is not on the list of defaulting reporting issuers maintained pursuant to the Legislation;
3. Mosaic owns or controls 18 operating and 20 non-operating subsidiaries worldwide (individually a "Subsidiary", collectively the "Subsidiaries");
4. Mosaic has 119 persons who are insiders by reason of being a director or senior officer of Mosaic or its Subsidiaries (the "Insiders");

5. Mosaic has 54 Insiders exempt from the insider reporting requirements contained in the Legislation by reason of National Instrument 55-101 ("NI 55-101"). Mosaic has previously applied for and obtained exemptive relief from the insider reporting requirements in respect of directors and senior officers of certain of its Subsidiaries, which relief is evidenced by the decision of the Decision Makers dated September 15, 1999 (reported at (1999), 22 O.S.C.B. 6258) and by the decision of the Decision Makers dated November 21, 2000 (reported at (2000), 23 O.S.C.B. 8096);

6. Mosaic has developed a corporate disclosure policy (the "Disclosure Policy"), a blackout policy and a policy and procedures governing insider trading (the "Blackout Policy") that apply to all of the Insiders;

7. The objective of the Disclosure Policy is to ensure that communications to the investing public about Mosaic are timely, factual, accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements;

8. Mosaic has developed the Blackout Policy to ensure that its directors, officers and designated employees who are "insiders" under the Legislation are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation;

9. The Disclosure Policy and the Blackout Policy also apply to other employees of Mosaic who have knowledge of material undisclosed information;

10. Under the Disclosure Policy and the Blackout Policy, Insiders and other employees with knowledge of material undisclosed information may not trade in securities of Mosaic. In addition, under the Blackout Policy, neither Insiders nor employees may trade in securities of Mosaic during "blackout" periods around the preparation of financial results or any other "blackout" period as determined by management of Mosaic;

11. Management of Mosaic considered the job requirements and principal functions of the Insiders to determine which of them met the definition of "nominal vice-president" contained in Canadian Securities Administrators Staff Notice 55-306 (the "Staff Notice") and has compiled a list of those Insiders who meet the criteria set out in the Staff Notice (the "Exempted Vice-Presidents");

12. Each of the Exempted Vice-Presidents:

(a) is a vice-president of Mosaic or its major subsidiaries (as that term is defined in NI 55-101) (the "Major Subsidiaries");

(b) is not in charge of a principal business unit, division or function of Mosaic or a Major Subsidiary of Mosaic;

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

(d) is not an insider of Mosaic in any capacity other than as a vice-president;

13. Mosaic shall maintain a continuous review of the relevant facts contained in the representations upon which this Decision (as hereinafter defined) is made and shall advise the Commission promptly in writing of any changes in any such facts, including the name of every person who is exempted by this Decision or ceases to be exempted by this Decision;

14. Mosaic shall maintain a list of all persons exempted from the Insider Reporting Requirements by this Decision and shall, at the request of the Decision Makers, promptly furnish any information reasonably necessary for the Decision Makers to determine whether a vice-president of Mosaic or its Major Subsidiaries should or should not be exempted pursuant to the Decision; and

15. Mosaic has filed with the Decision Makers in connection with this application a copy of the Blackout Policy, the Disclosure Policy, and list of Exempted Vice-Presidents.

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 the Exempted Vice-Presidents or any other employee of Mosaic who hereafter is given the title Vice-President provided that:

(a) they satisfy the definition of "nominal vice-president" contained in the Staff Notice;

(b) Mosaic prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to the board of directors for approval and files the list with the Decision Makers;

(c) Mosaic files with the Decision Makers a copy of 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 Mosaic; and

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

DATED October 4, 2002.

"Paul M. Moore"

"Robert L. Shirriff"

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*.