

NATIONAL POLICY 62-201
BIDS MADE ONLY IN CERTAIN JURISDICTIONS

PART 1 – EQUAL TREATMENT OF SECURITYHOLDERS

Equal treatment

1.1(1) This Policy addresses the policy concerns that arise from take-over bids or issuer bids that are made to all securityholders of a target company in one or more jurisdictions but that are not made to securityholders of the target company in one or more other jurisdictions.

1.1(2) Each of the securities law statutes in Canada that specifically regulate take-over bids and issuer bids embodies the principle of equal treatment of securityholders of a target company. The Canadian securities regulatory authorities are concerned that the failure to make a bid to securityholders of a target company in one or more jurisdictions if the bid is made to securityholders in other jurisdictions is prejudicial to the interests of securityholders in the excluded jurisdictions. This practice is not consistent with the existing framework of securities regulation in Canada, which aims to ensure that all holders of securities of the target company in Canada are treated equally. In addition, the Canadian securities regulatory authorities are concerned that by not making an offer to securityholders of a target company in a jurisdiction, an offeror may effectively be able to evade the securities law requirements of that jurisdiction while still acquiring the securities held by securityholders in that jurisdiction. If a take-over bid or issuer bid is not made in a jurisdiction, securities of the target company may be easily moved to a jurisdiction in which the bid is made.

1.1(3) The Canadian securities regulatory authorities are of the view that by adopting this Policy, they are furthering the interests of securityholders in their respective jurisdictions and of a national capital market.

PART 2 – CEASE TRADE ORDERS

Cease trade orders

2.1 If a take-over bid or issuer bid is made to securityholders of a target company in one or more jurisdictions, but is not made to securityholders in one or more other jurisdictions, the Canadian securities regulatory authorities in the jurisdictions in which the bid is made may issue cease trade orders in respect of the bid. The Canadian securities regulatory authorities will generally not issue a cease trade order without providing the offeror an opportunity to address whether the bid offends the public policy considerations reflected in this Policy and any other relevant considerations.

PART 3 – EXEMPTIONS

Exemptions

3.1 If there is a minimal number of securityholders in a jurisdiction, the Canadian securities legislation in that jurisdiction may provide an exemption from that jurisdiction's take-over bid or issuer bid requirements, or an offeror may apply for an exemption on the basis that the bid will be made to the securityholders in accordance with requirements of another jurisdiction or a foreign jurisdiction whose requirements are acceptable to the Canadian securities regulatory authority in the jurisdiction to which the application is made. Generally, in the latter case, there will be considered to be a minimal number of securityholders in a jurisdiction if the number of registered holders of securities of the class subject to the bid is fewer than 50 and the securities held by the securityholders constitute less than two percent of the outstanding securities of that class.

PART 4 – EFFECTIVE DATE

Effective date

4.1 This National Policy comes into force on March 13, 2002.