

**IN THE MATTER OF THE SECURITIES ACT
R.S.N. 1990, CHAPTER S-13, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
THE POLICIES OF THE TORONTO STOCK EXCHANGE
AND THE MONTREAL EXCHANGE
ON SMALL SHAREHOLDER SELLING AND PURCHASE AGREEMENTS**

**ORDER AND BLANKET RULING
(Section 144 and Subsection 75(1))**

UPON the motion of the Director of Securities (the "Director") pursuant to the powers conferred on the Director by section 146 of the Act for an order pursuant to section 144 of the Act and a blanket ruling pursuant to subsection 75(1) of the Act to revoke and replace with an expanded order a previous ruling of the Director dated April 22, 1992 entitled A Policy of The Toronto Stock Exchange on Small Shareholder Selling and Purchase Agreements (the "Previous Ruling");

AND UPON the Director being of the opinion that to so order and rule would not be prejudicial to the public interest;

IT IS ORDERED AND RULED pursuant to section 144 of the Act that the Previous Ruling is revoked and that pursuant to subsection 75(1) of the Act the following be substituted therefor:

**BLANKET RULING
(Subsection 75(1))**

UPON the motion of the Director of Securities (the "Director") pursuant to the powers conferred on the Director by section 146 of the *Securities Act* R.S.N. 1990, chapter S-13, as amended (the "Act") for a blanket ruling pursuant to subsection 75(1) of the Act with respect to trades made under small shareholder selling arrangements ("Selling Arrangements") and/or small shareholder purchase arrangements ("Purchase Arrangements") (collectively, the "Arrangements") by companies listed on The Toronto Stock Exchange or The Montreal Exchange or both exchanges (collectively, "Listed Companies") which participate in such Arrangements;

AND UPON it having been represented to the Director that:

1. Part XXXI of The Toronto Stock Exchange (the "TSE") Policy Statements entitled "Policy Statement on Small Shareholder Selling and Purchase Arrangements" was originally passed and enacted by the Board of Governors of the TSE on April 15, 1986, with effect from such date (the "Original TSE Policy");

2. Under the Original TSE Policy, a company listed on the TSE participating in the Arrangements agreed to pay a fee per odd lot account to firms which were members of the TSE in order to facilitate the sale of shares on behalf of odd lot holders and the purchase of a sufficient number of shares on behalf of odd lot holders to constitute a board lot;
3. On November 25, 1986, the Board of Governors of the TSE adopted an amended Policy (the "Revised TSE Policy") which Revised TSE Policy became effective on November 25, 1986 and a copy of which is attached hereto as Schedule "A";
4. Policy I-9 entitled "Small Shareholder Selling and Purchase Arrangements" was adopted by The Montreal Exchange on May 26, 1987 (the "ME Policy") and a copy of which is attached hereto as Schedule "B";

(the Revised TSE Policy and the ME Policy described in paragraphs 3 and 4 are hereinafter referred to as the "Policies");
5. pursuant to the Policies, Listed Companies are directed to request odd lot holders wishing to participate in Selling Arrangements and/or Purchase Arrangements to either:
 - (i) place orders under the Arrangements with any member firm of the TSE and/or the ME, as the case may be (hereinafter referred to as "Member Firms"); or
 - (ii) transmit orders under the Arrangements directly to the Listed Company or an agent (such as a Member Firm or transfer agent) designated by it;
6. only persons who are holders of less than one board lot as defined in the General By-laws of the TSE or the ME (collectively, the "Exchanges") are eligible to participate in the Arrangements;
7. the procedures described in the Policies constitute the exclusive method by which a Listed Company may seek the assistance of a Member Firm either to solicit odd lots for sale, or to acquire additional shares to make up a board lot, through the facilities of the applicable Exchange; and
8. the Policies enable Listed Companies to reduce the number of holders of odd lots through participation in the Arrangements described in the Policies and reduce the commission rates otherwise payable by odd lot holders on the purchase or sale of odd lots; and

AND UPON it appearing to the Director that the solicitation by Listed Companies of odd lot holders with respect to participation in the Arrangements and all acts, negotiations or conduct engaged in by Listed Companies or their transfer agents in furtherance of odd lot holder participation in the Arrangements and in accordance with the provisions of the Policies including, but not restricted to, the receipt by Listed Companies or their transfer agents of orders to buy or sell securities on behalf of odd lot holders, constitute trades within the meaning of the Act;

AND UPON the Director being satisfied that to so rule would not be prejudicial to the public interest;

IT IS RULED pursuant to subsection 75(1) of the Act that the solicitation by Listed Companies of odd lot holders with respect to participation in the aforesaid Arrangements and all acts, negotiations or conduct engaged in by Listed Companies or their transfer agents in furtherance of odd lot holder participation in the Arrangements and in accordance with the provisions of the Policies including, but not restricted to, the receipt by Listed Companies or their transfer agents of orders to buy or sell securities on behalf of odd lot holders, are not subject to section 26 of the Act provided that all sales pursuant to the Arrangements are made through a person or company registered to trade in such securities under the Act.

DATED at St. John's, Newfoundland this 6th day of January, 1995.

GEORGE F. KENNEDY
Director of Securities