

5.1.3 Amendments to National Instrument 45-102 Resale of Securities

AMENDMENTS TO NATIONAL INSTRUMENT 45-102 RESALE OF SECURITIES

Text boxes in this Instrument located below sections 2.14 and 2.15 refer to local instruments in Alberta and Ontario. These text boxes do not form part of this Instrument.

1. National Instrument 45-102 Resale of Securities is amended by this Instrument.

2. Section 2.14 is amended by adding the following subsection:

(3) This section does not apply in Alberta and Ontario..

In Ontario, section 2.7 of Ontario Securities Commission Rule 72-503 Distributions Outside Canada provides a similar exemption to the exemption in section 2.14 of this Instrument. In Alberta, Alberta Securities Commission Blanket Order 45-519 Prospectus Exemptions for Resale Outside Canada provides a similar exemption to the exemption in section 2.14 of this Instrument.

3. The Instrument is amended by adding the following section:

2.15 First Trades in Securities of a Non-Reporting Foreign Issuer Distributed under a Prospectus Exemption

(1) In this section

"executive officer" means, for an issuer, an individual who is

- (a) a chair, vice-chair or president,
- (b) a chief executive officer or a chief financial officer, or
- (c) in charge of a principal business unit, division or function including sales, finance or production and that fact is disclosed in any of the following documents:
 - (i) the issuer's most recent disclosure document containing that information that is publicly available in a foreign jurisdiction where its securities are listed or quoted;
 - (ii) the offering document provided by the issuer in connection with the distribution of the security that is the subject of the trade;

"foreign issuer" means an issuer that is not incorporated or organized under the laws of Canada, or a jurisdiction of Canada, unless any of the following applies:

- (a) the issuer has its head office in Canada;
- (b) the majority of the executive officers or directors of the issuer ordinarily reside in Canada.

(2) The prospectus requirement does not apply to the first trade of a security distributed under an exemption from the prospectus requirement if all of the following apply:

- (a) the issuer of the security was a foreign issuer on the distribution date;
- (b) the issuer of the security
 - (i) was not a reporting issuer in any jurisdiction of Canada on the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada on the date of the trade;
- (c) the trade is made
 - (i) through an exchange, or a market, outside of Canada, or

- (ii) to a person or company outside of Canada.
- (3) The prospectus requirement does not apply to the first trade of an underlying security if all of the following apply:
 - (a) the convertible security, exchangeable security or multiple convertible security that, directly or indirectly, entitled or required the holder to acquire the underlying security was distributed under an exemption from the prospectus requirement;
 - (b) the issuer of the underlying security was a foreign issuer on the distribution date;
 - (c) the issuer of the underlying security
 - (i) was not a reporting issuer in any jurisdiction of Canada on the distribution date, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada on the date of trade;
 - (d) the trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada.
- (4) This section does not apply in Alberta and Ontario..

In Ontario, section 2.8 of Ontario Securities Commission Rule 72-503 Distributions Outside Canada provides a similar exemption to the exemption in section 2.15 of this Instrument. In Alberta, Alberta Securities Commission Blanket Order 45-519 Prospectus Exemptions for Resale Outside Canada provides a similar exemption to the exemption in section 2.15 of this Instrument.

- 3. **Appendix D is amended by adding the following in section 1 after “as well as the following local exemptions from the prospectus requirement:”:**
 - section 2.4 of Ontario Securities Commission Rule 72-503 *Distributions Outside Canada*;
- 4. This Instrument comes into force on June 12, 2018.