

**Canadian Securities Administrators  
Staff Notice 55-316  
Questions and Answers on  
Insider Reporting and the System for Electronic Disclosure by Insiders (SEDI)**

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## **Appendix A**

### **Securities Regulatory Authorities and SEDI Contact and Website Information**

**Canadian Securities Administrators  
Staff Notice 55-316  
Questions and Answers on  
Insider Reporting and the System for Electronic Disclosure by Insiders (SEDI)**

**INTRODUCTION**

Under Canadian securities legislation, certain insiders (referred to as “reporting insiders”) of reporting issuers, other than mutual funds, are required to file insider reports about their transactions in securities and related financial instruments of their public companies using an internet-based reporting system called SEDI.

SEDI, or the System for Electronic Disclosure by Insiders, is the electronic insider reporting system for reporting insiders to file their insider reports. Reporting issuers also use SEDI to file certain required information that is necessary for their reporting insiders to comply with the insider reporting requirements. The SEDI website is located at [www.sedi.ca](http://www.sedi.ca).

SEDI is also available to members of the public to search for and view public information about the trading activities of reporting insiders free of charge.

The SEDI electronic reporting requirements for issuers and reporting insiders (referred to as SEDI users) are found in National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*. Companion Policy 55-102CP contains commentary and guidance on the electronic reporting requirements in NI 55-102.

The substantive insider reporting requirements and specific insider reporting obligations are found in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*. Companion Policy 55-104CP contains commentary and guidance on the insider reporting requirements in NI 55-104.

The Canadian Securities Administrators (CSA) have prepared the questions and answers in this Staff Notice (the QAs) to help SEDI users file information on SEDI. Accordingly, the QAs focus on the *filing* requirements under NI 55-102. They are intended for general application and should not be relied upon as legal advice. Information about the substantive legal insider reporting requirements is in NI 55-104 and its Companion Policy 55-104CP.

This notice replaces CSA Staff Notice 55-308 *Questions on Insider Reporting* and CSA Staff Notice 55-310 *Questions and Answers on the System for Electronic Disclosure by Insiders (SEDI)*, which have been or will be withdrawn in the various CSA jurisdictions.

In cases of doubt, SEDI users should obtain appropriate legal advice to determine their obligations under securities legislation.

## How are the QAs organized?

The QAs are divided into different sections based on the logical or technical steps in the filing process on SEDI and the type of SEDI filer - insider or issuer. There is also a section on public access to filings and profile information on SEDI.

Please refer to Appendix A for information on how to contact the various securities regulatory authorities and the SEDI operator. Appendix A includes the website addresses of the securities regulatory authorities that publish information on SEDI and the website address of the CSA.

You can also refer to the factsheets and online help feature on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

## SOME DEFINED TERMS

To help you understand some of the frequently used defined terms referred to in the QAs, here is a list of these terms, along with their meanings.

**CSA** means the Canadian Securities Administrators

**NI 55-102** means National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*

**NI 55-104** means National Instrument 55-104 *Insider Reporting Requirements and Exemptions*

**NI 62-103** means National Instrument 62-103 *The Early Warning System and Related Take-over Bid and Insider Reporting Issues*

**related financial instrument**<sup>1</sup> generally refers to

- (i) a derivative, the value, market price or payment obligations of which are derived from, referenced to or based on the value, market price or payment obligations of a security, or
- (ii) any other instrument, agreement, or understanding that affects, directly or indirectly, a person or company's economic interest in a security

**Important note:** *SEDI does not use the term “related financial instrument”. Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities.*

**reporting insider**<sup>2</sup> means an insider of a reporting issuer if the insider is

- (a) the CEO, CFO or COO of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;
- (b) a director of the reporting issuer, of a significant shareholder of the reporting issuer or of a major subsidiary of the reporting issuer;

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<sup>1</sup> The term “related financial instrument” is defined in securities legislation. The concept of “related financial instrument” is generally intended to refer to derivatives of securities. Commentary and guidance on this term can be found in Companion Policy 55-104CP.

<sup>2</sup> As defined in NI 55-104.



- (c) a person or company responsible for a principal business unit, division or function of the reporting issuer;
- (d) a significant shareholder of the reporting issuer;
- (e) a significant shareholder based on post-conversion beneficial ownership of the reporting issuer's securities and the CEO, CFO, COO and every director of the significant shareholder based on post-conversion beneficial ownership;
- (f) a management company that provides significant management or administrative services to the reporting issuer or a major subsidiary of the reporting issuer, every director of the management company, every CEO, CFO and COO of the management company, and every significant shareholder of the management company;
- (g) an individual performing functions similar to the functions performed by any of the insiders described in paragraphs (a) to (f);
- (h) the reporting issuer itself, if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security; or
- (i) any other insider that
  - (i) in the ordinary course receives or has access to information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed; and
  - (ii) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the reporting issuer

**reporting issuer**<sup>3</sup> means, generally, a company or other entity that has certain public reporting and other obligations under securities legislation because its securities are publicly traded in the relevant province or territory (please see the definition of 'reporting issuer' under securities legislation)

**SEC** means the United States Securities and Exchange Commission

**SEDAR** means the System for Electronic Document Analysis and Retrieval

**SEDI** means the System for Electronic Disclosure by Insiders

**SEDI issuer**<sup>4</sup> means a reporting issuer, other than a mutual fund, that is required to comply with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*

## 1. GENERAL

### *Initial steps*

SEDI issuers and their reporting insiders must take certain initial steps before they will be able to file information on SEDI.

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<sup>3</sup> The term "reporting issuer" is defined in securities legislation.

<sup>4</sup> As defined in NI 55-102

**SEDI Issuers:** As a SEDI issuer (or agent of a SEDI issuer), you need to

- ensure your existing SEDAR profile is accurate and complete
- register on SEDI
- file an issuer profile supplement including information about your outstanding securities and related financial instruments that may be held by your reporting insiders

**Reporting Insiders:** As a reporting insider (or agent of a reporting insider) of a SEDI issuer, or any other person required under securities legislation to file insider reports in relation to a SEDI issuer, you need to

- register on SEDI
- file an insider profile
- file an initial insider report within **10 days** of becoming a reporting insider disclosing the reporting insider's
  - (a) beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer, and
  - (b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

For more information on registering on SEDI, please see section 2.1 General under Part 2 Registration.

### ***Ongoing requirements***

After the initial SEDI registration, profile and initial report are filed, SEDI issuers and their reporting insiders have ongoing obligations and must take certain steps on a continuous basis.

**SEDI Issuers:** As a SEDI issuer (or agent of a SEDI issuer), your ongoing obligation is to

- file issuer event reports (to report stock dividends, stock splits, etc.)
- amend your profile supplement if there is any change in the information disclosed.

SEDI issuers may also choose to file issuer grant reports to report grants of securities and related financial instruments to reporting insiders. For more information on issuer grant reports, see section 3.4 Issuer Grant Report.

**Reporting Insiders:** As a reporting insider (or agent of a reporting insider) of a SEDI issuer, or any other person required under securities legislation to file insider reports in relation to a SEDI issuer, your ongoing obligation is:

- within **five<sup>5</sup> calendar days** of any of the following changes, to file an insider report disclosing a change in the reporting insider's
  - (a) beneficial ownership of, or control or direction over, whether direct or indirect, securities of the reporting issuer, or

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<sup>5</sup> Prior to November 1, 2010, within 10 calendar days.

(b) interest in, or right or obligation associated with, a related financial instrument involving a security of the reporting issuer.

- Amend your insider profile if there is any change in the information disclosed.

### **1.1 Who uses SEDI?**

The following persons and companies use SEDI:

- SEDI issuers to file their issuer profile supplement and issuer reports
- Reporting insiders of SEDI issuers to file their insider profile and insider reports
- Any other person required under securities legislation to file insider reports in respect of a SEDI issuer.

SEDI issuers and their reporting insiders (or agents on their behalf) use SEDI to file insider and issuer information as well as to file reports disclosing the insider's beneficial ownership of, or control or direction over, whether direct or indirect, securities and related financial instruments of that company, and any changes in that ownership and certain other issuer events.

The public has free access to public information contained on the SEDI website ([www.sedi.ca](http://www.sedi.ca)) and can search for and view insider and issuer information filed on SEDI.

### **1.2 What computer systems requirements do I need to use SEDI?**

Generally, you can use SEDI if you can access the Internet from your computer. Recommended system requirements are on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

### **1.3 Who do I call for help with SEDI?**

Depending on the type of help you need, call your securities regulatory authority or the SEDI Technical Service Desk.

For example, if you have filing or compliance-related questions regarding SEDI or NI 55-102, such as

- how to use SEDI to report your insider transactions
- what information you need to enter on SEDI
- who must register to use SEDI
- when must you report transactions

contact your securities regulatory authority (see Appendix A).

Or, if you are having technical problems using SEDI, such as

- seeing error messages on the screen
- forgetting your password and/or access key
- needing your access key or password reset
- having printing problems

contact the SEDI Technical Service Desk toll-free at 1-800-219-5381 for assistance in English or French.

If you have questions relating to the substantive legal insider reporting requirements in NI 55-104 you should seek legal advice.

#### **1.4 Do I need to pay to use SEDI?**

SEDI issuers have to pay an annual service charge related to SEDI. (See question 3.1.9 for more detailed information on fees payable by SEDI issuers.) There are no service charges payable either by insiders for filing on SEDI or by the public for accessing information filed on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

#### **1.5 How do I access SEDI?**

Go to the SEDI website at [www.sedi.ca](http://www.sedi.ca). On the introductory page of the website, select the language in which you wish to use the site, either French or English. A 'Welcome to SEDI' page will then appear. If you want to search for information filed on SEDI, click on the 'Access public filings' link.

If you need to file information for the first time, you must register as a SEDI user by clicking on '*Register as a SEDI user*'. For more information on registering, please see section 2.1 General under Part 2 Registration.

#### **1.6 Where must I file my insider report?**

Insider reports must be filed on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

#### **1.7 When can I use SEDI?**

You can use SEDI 24 hours a day, seven days a week to make filings once your SEDI user account has been activated, subject to service interruptions for system maintenance.

#### **1.8 What if I file my report late, it is inaccurate, or I do not file it at all?**

Reporting insiders and all other persons required under securities legislation to file insider reports in respect of a SEDI issuer are responsible for the filing of complete, accurate and timely insider reports. This is the case whether or not an insider is reporting the information directly or through an agent, or in the case of an issuer that is a reporting insider, through an issuer representative.

The information provided by insiders is published as filed on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

Under securities legislation, it is an offence to fail to file an insider report in accordance with the requirements and filing deadlines prescribed by NI 55-104 or to submit information in an insider report that, in a material respect and at the time and in the light of the circumstance in which it is submitted, is misleading or untrue. Failure to file an insider report in a timely manner or the filing of an insider report that contains information that is materially misleading may result in one or more of the following:

- in some jurisdictions, a late filing fee;
- the reporting insider being identified as a late filer on a public database of late filers maintained by certain securities regulators;

- the issuance of a cease trade order that prohibits the reporting insider from directly or indirectly trading in or acquiring securities or related financial instruments of the applicable reporting issuer or any reporting issuer until the failure to file is corrected or a specific period of time has elapsed; or
- in appropriate circumstances, enforcement proceedings.

Securities regulators may also consider information relating to wilful, or repeated, non-compliance by directors and executive officers of a reporting issuer with their insider reporting obligations in the context of a prospectus review or continuous disclosure review. This is because this information may raise questions relating to the integrity of the insiders and the adequacy of the issuer's policies and procedures relating to insider reporting and insider trading.

For details on late filing fees, and other consequences for late filing, please refer to the factsheet on Late Filing available from the SEDI online help or on the website of the securities regulatory authorities that publish information on SEDI. Also, see Part 10 of Companion Policy 55-104CP.

### **1.9 What if I am required to file an insider report and SEDI is not available?**

If you experience unanticipated technical difficulties that make SEDI unavailable, you can meet your obligations to file your insider report by filing your report in paper format with the relevant securities regulatory authority no later than two days after your report is due. As soon as practicable after the technical difficulties have been resolved, you must re-file your report on SEDI.

Prepare your report using Form 55-102F6 and write the words "IN ACCORDANCE WITH SECTION 4.1 OF NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS, THIS INSIDER REPORT IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION." in capital letters at the top of the front page.

For more information on the temporary hardship exemption, please refer to Part 4 of NI 55-102 which sets out the temporary hardship exemption.

### **1.10 Where can I find the legal requirements for SEDI?**

You can find the legal requirements for SEDI, including the requirement to create an Insider Profile and file insider reports on the SEDI website ([www.sedi.ca](http://www.sedi.ca)), in NI 55-102 and related materials.

You can find both the legal requirements and exemptions for reporting by insiders in NI 55-104. In Ontario, the principal insider reporting requirements are in Part XXI of the *Securities Act* (Ontario), but are substantially harmonized with the insider reporting requirements set out in NI 55-104. See Appendix A for a list of the securities regulatory authorities with their contact information and website addresses.

### **1.11 When should I seek legal advice?**

The consequences of non-compliance can be serious. If you are uncertain about your legal obligations, you should seek advice from legal counsel that practises securities law.

### **1.12 Where can I get information about how to use SEDI?**

You can get information from the SEDI website itself at [www.sedi.ca](http://www.sedi.ca). It has an online help function which contains a list of frequently asked questions (FAQs), factsheets containing helpful hints, detailed guidance and additional information.

You can also get additional information on SEDI through the

- Securities regulatory authorities' websites and contact numbers (see Appendix A), or
- SEDI Technical Service Desk - 1-800-219-5381 (Toll Free) for technical assistance.

Please see question 1.3 for when to contact the SEDI operator and for when to contact a securities regulatory authority.

### **1.13 Will the information I enter on SEDI be publicly available?**

Yes. Insider reports filed on SEDI with the securities regulatory authorities are publicly available. However, the reporting insider's personal information given on the form and some remarks are confidential.

### **1.14 What are some of the technical features I should keep in mind when using SEDI?**

**Browser Back Button** - Try not to use your browser 'Back' button to navigate on SEDI. Where it affects system operability, SEDI will disable the use of your browser's 'Back' button. In these instances, clicking the browser 'Back' button will not return you to a prior screen – you will remain on the current screen. Alternatively, SEDI will bring you to a screen indicating that you have performed an unauthorized sequence of actions. You can try to exit from this screen by clicking any of the primary or secondary navigation buttons available on the screen (i.e., insider report, insider profile, file insider report, amend or delete insider report, etc.). Depending on the navigation button selected, SEDI will take you out of the "unauthorized sequence of actions" screen to the applicable SEDI screen.

- **Browser Stop Button** - If for any reason you click the browser 'Stop' button, you must click the browser 'Refresh' button in order to proceed.
- **Cancel Button** - The 'Cancel' button will delete all information previously entered and will cancel the current option. For example, if you selected 'Create insider profile' and decide in mid-process that you prefer another option, you would click the 'Cancel' button. SEDI would display the previous option you had selected.
- **Certify Button** - The 'Certify' button is used to confirm that the information filed electronically is true and complete in every respect. In the case of a filing agent, the certification is based on the agent's best knowledge, information and belief.
- **Language** - The SEDI site is fully bilingual (French and English). You can change to the other language within the site by returning to the 'Welcome' page and clicking the appropriate language button available from the main navigation bar (top right portion of the screen).
- **Next Button** - The 'Next' button appears when SEDI prompts you to proceed to the next screen.
- **No Draft Capability** - SEDI has no draft capability. Make sure you have all the necessary information with you before you begin to file. For security reasons, if you stop entering

information on SEDI for more than 20 minutes you will lose all the information you just entered. If you close the browser without properly logging-out, you will be temporarily locked out of SEDI for 30 minutes. You will have to log in and enter the information again.

- **‘Not Applicable’ Checkbox** - All SEDI fields are mandatory, except for certain search criterion fields in the public reports. If the fields do not apply in your case, place a check mark in the ‘Not Applicable’ checkbox.
- **Printer Friendly Version Button** - Use the ‘Printer friendly version’ button to display a separate browser window with pre-formatted data that was previously entered. SEDI will trigger a print window offering you print options.

## **2. REGISTRATION**

*Before filing any information on SEDI, a reporting insider, issuer representative or agent must register as a user on SEDI. To do so, you need to*

- *go to the SEDI website ([www.sedi.ca](http://www.sedi.ca)) and click on ‘Register as a SEDI User’*
- *follow the screen instructions and complete Form 55-102F5 - Register as a SEDI user*
- *print the completed form that is dated and time stamped, and sign it in the space provided*
- *fax or send it to the SEDI operator at the address provided on Form 55-102F5 (fax: 1-866-729-8011 within North America or 416-365-9194 outside of North America)*

*The SEDI operator will then process your registration and activate your SEDI user account.*

*In order to make filings, you must complete this registration process and have your SEDI user account activated.*

### **2.1 General**

#### **2.1.1 Do I need to register to use SEDI?**

You need to register on SEDI as a SEDI user only if you need to file something on SEDI. You do not need to register if you simply want to search for information on the SEDI website.

You must be an individual to register on SEDI as a SEDI user. An issuer that has information to file either as a reporting insider or as an issuer must do so through an individual who is registered as the issuer’s representative or agent.

#### **2.1.2 When do I need to register as a SEDI user?**

You need to register as a SEDI user in order to file information on SEDI.

An individual who is a reporting insider must either register as a SEDI user or have an agent who is a registered SEDI user before an insider profile or initial insider report can be filed on SEDI.

An issuer that has information to file either as a reporting insider or an issuer must do so through an individual who is registered as the issuer’s representative or agent.

#### **2.1.3 What information do I need to provide to register as a SEDI user?**

You need to provide the following information:

- your name
- name of your employer and your position (if you are registering as an agent)
- your address (your principal residence if you are a reporting insider or your business address if you are an agent or issuer representative)
- your daytime telephone number
- your fax number if available
- your e-mail address if available
- the capacity in which you will be using the system, i.e., as a reporting insider, as an agent for reporting insider(s) and/or issuer(s), or as an issuer representative. (You can select more than one SEDI user classification by holding the “CTRL” key.)
- confidential question and answer (see question 2.1.9)

Note: You should register as a SEDI user only once, even though you may be an agent for many reporting insiders.

#### **2.1.4 In what category should I register on SEDI?**

There are different categories of SEDI user depending on whether you are using SEDI as a reporting insider, as an issuer representative, or as an agent.

Each category of SEDI user has access to different functions on SEDI. Depending on the category chosen, you will be able to log on to the relevant SEDI user home page and access the various functions available. Please see questions 2.1.5 to 2.1.7.

#### **2.1.5 When should I register as an insider?**

If you are a reporting insider, you should register as an insider if you will be filing an insider profile and insider reports only for yourself and no one else.

If you are filing insider profiles and insider reports for one or more reporting insiders (other than yourself), or information for several issuers you should register as an agent (see question 2.1.7), and not as an insider.

#### **2.1.6 When should I register as an issuer representative?**

You should register as an issuer representative if you will only be filing an issuer profile supplement for one issuer and any subsequent issuer reports for that one issuer. If you are filing for more than one issuer, you should register as an agent (see question 2.1.7), not as an issuer representative.

#### **2.1.7 When should I register as an agent?**

You should register as an agent when you will be filing:

- insider information for one or several reporting insiders other than yourself
- issuer information for more than one issuer



- insider and issuer information for yourself, several reporting insiders and an issuer.

Please see section 2.2 Agents.

### **2.1.8 How do I register on SEDI?**

Go to the SEDI website ([www.sedi.ca](http://www.sedi.ca)). After you have selected the appropriate language, click on 'Register as a SEDI user', and follow the instructions to enter the required information. When you are finished, click 'Next' (See the following question for the next steps.)

### **2.1.9 What is the confidential question and answer I need to give?**

If you forget your password, the SEDI operator will ask you this question to verify that you are who you say you are. You should provide a question for which only you would know the answer. For example, "What is your favourite movie?", rather than "Which country won the most gold medals at the 2010 Winter Olympics?" You must also provide an answer to the question.

### **2.1.10 Once I enter all the information on the registration form (Form 55-102F5), how do I have it validated?**

- After entering all the information, including your confidential question and answer, you click 'Next'.
- SEDI will then display the *Register as a SEDI user - Accept terms of use - SEDI user* page.
- Read the *Terms of Use - SEDI user* and the *Collection and use of personal information* notice and click 'Accept'.
- SEDI will then display the *Register as a SEDI user - Certify and submit registration information - Form 55-102F5* page. Click 'Certify'. SEDI will then display the *Certification* page. Click 'OK'.
- SEDI will then display the *Register as a SEDI user - Conditional registration completed* page, which will list your SEDI user ID and password. While on this screen, you can either write your SEDI user ID and password down or click on the 'Print' button on your browser bar at the top of the page to get a screen print with your SEDI user ID and password. (Note that passwords are case-sensitive. It is recommended that you keep them in a confidential secure place.) You will need them to log on to SEDI in the future.
- To complete your SEDI registration, click 'Printer friendly version' to get a copy of your registration form. You will not get your password on this printout.
- Sign your registration form and then either fax, deliver or courier it to the SEDI operator using the appropriate address or fax number listed on the form. The SEDI operator will then validate it.

### **2.1.11 How long will it take for the SEDI operator to validate my registration?**

The SEDI operator anticipates a turnaround time of 24 hours on business days, assuming your form is properly completed and signed. However, you are encouraged to register well before you need to file an insider report or an issuer profile supplement or issuer report.

### **2.1.12 Can I file information on SEDI before my registration is validated?**

No. You cannot make filings while your registration form is being validated. Once your registration as a SEDI user (whether as an insider, issuer representative or agent) is validated, you will be able to make valid filings that will be made public on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

### **2.1.13 How do I find out if my account has been validated?**

When your account has been activated, you will be taken to the proper homepage for your SEDI user type (e.g., insider, agent or issuer representative), and be granted access to the functions associated with your SEDI user type. A SEDI user can also log on to SEDI, and click ‘Your user information’ and verify the Registration status field on the *View your user information* page. If your SEDI user account has been validated, your registration status should display the word ‘Activated’.

If your account has not been validated, when you log on to SEDI you will be taken to a homepage that advises you to complete the registration process and will only allow you to access your SEDI user information.

### **2.1.14 What if my information changes after I have submitted the form?**

You can make changes electronically to your SEDI registration form by amending, certifying and submitting the changes to the form online on SEDI. See the SEDI online help available on the SEDI website for instructions. However, we also recommend that you then print the form and fax it to the SEDI operator (fax: 1-866-729-8011).

When registering as a SEDI user, you may elect to receive an e-mail notification of your account activation. If you would like an e-mail notification to be sent when your account is activated, then you must enter an e-mail address in your user registration (Form 55-102F5). If you choose not to enter an e-mail address, then no notification will be sent that your account has been activated (see question 2.1.3)

### **2.1.15 Can I still submit my SEDI user registration without entering a postal/zip code because I reside outside North America?**

Yes. You do not need to enter a postal code or zip code if you live outside North America. Complete the field by entering ‘not applicable’.

## **2.2 Agents**

### **2.2.1 Can an issuer or a reporting insider have several agents?**

Yes. For example, if an individual is a reporting insider of several SEDI issuers, and each of these issuers has arrangements to file insider reports on behalf of that individual, then it is possible that this individual will have a different agent for each issuer.

### **2.2.2 Can a law firm register as an agent?**

No. Only individuals can register as agents.

### **2.2.3 Can law clerks register as agents?**

Yes, any individual can register as an agent. Therefore, any number of law clerks at a particular law firm can register. Each SEDI user should register individually so that he or she has his or her own SEDI user ID and password.

#### **2.2.4 Can I register as an insider, an issuer representative and an agent?**

Generally, yes. However, you must select the category that best suits your activity. For example, if you are a reporting insider and you will only be filing insider reports for yourself, you should register as an “insider”.

If you fulfill multiple roles, you must register as an agent. For example, you would register as an agent if you will be filing:

- insider information for one or more reporting insiders other than yourself
- issuer information for more than one issuer
- insider and issuer information for yourself, several insiders and an issuer

Please see questions 2.1.4 to 2.1.7.

#### **2.2.5 Do insiders who will only file through an agent need to register on SEDI?**

No.

#### **2.2.6 Do issuers who will only file through an agent need an issuer representative?**

No.

#### **2.2.7 As an agent, how do I access each of my client’s filings?**

You will need to have each client’s access key.

An access key is a unique case-sensitive alpha-numeric code issued by SEDI or the SEDI operator to an insider or SEDI issuer that has filed an insider profile or issuer profile supplement on SEDI. If you set up a client’s insider profile or issuer profile supplement, SEDI will give you their access key. If someone else sets up the client’s profile information, you will need to request the access key from your client.

#### **2.2.8 Do I, as the agent for a reporting insider, have to file a power of attorney for insider reports filed on SEDI?**

No. However, if you, as an agent, are filing an insider report in paper format in certain circumstances (see question 4.3.7), you still need to file with the relevant securities regulatory authority a power of attorney. However, an agent does not need to file a power of attorney for an insider report of an individual that is filed in paper format under the temporary hardship exemption.

#### **2.2.9 Can I, as an agent, register someone else as a SEDI user?**

No. You, as an agent, cannot register someone else as a SEDI user. The paper format copy of the SEDI user registration form that is sent to the SEDI operator for validation purposes must contain the manual or facsimile signature of the individual being registered.

### **2.3 Passwords**

### **2.3.1 How many passwords and access keys will I have as an agent?**

You will have one password as an agent. You will be issued a SEDI user ID and a password for yourself that you will need to log on to SEDI. In addition, if you are filing for a reporting insider, you will be given an insider number and a distinct access key for each insider whose insider profile you create. If you are filing for an issuer, you will be given a distinct access key for each issuer whose issuer profile supplement you create.

### **2.3.2 What do I do if I cannot remember my password?**

Call the SEDI Technical Service Desk at 1-800-219-5381. You will be asked a number of questions, including the confidential question you provided when you registered. If your answer is correct, a SEDI operator will give you a single use password. You will need to use this single use password the next time you log on to SEDI. After logging on, SEDI will require you to generate your own permanent password.

### **2.3.3 When will I be issued my password and ID, as opposed to my access key? How are they different?**

You will be issued a password and a SEDI user ID after you complete, certify and submit your SEDI user registration on the system. The password is tied to the SEDI user ID and allows you, as that SEDI user, to log on to SEDI.

Each time you create an insider profile or an issuer profile supplement, SEDI will display an insider number (if you are an insider) and an access key online to you as creator of the profile. In addition, SEDI will also send an e-mail (if an e-mail address is provided) or letter containing the access key to the insider or issuer representative or agent.

An access key is a case-sensitive alpha-numeric code that is connected either to an insider or issuer profile supplement and issued once an insider profile or issuer profile supplement is created. It allows you, as an agent, insider, or issuer representative, to make a filing once the insider profile or issuer profile supplement is created. The system gives one access key per profile. Call the SEDI Technical Service Desk at 1-800-219-5381 if you forget your password or your access key.

## **3. ISSUER INFORMATION**

*SEDI issuers need to file certain information on SEDI. SEDI issuers must create their issuer profile supplement before insiders can file their insider reports.*

*As a SEDI issuer, you need to*

- *ensure your SEDAR profile is accurate and up to date*
- *register on SEDI through a registered issuer representative or agent (see Part 2 Registration)*
- *file your issuer profile supplement (including a list of your issued and outstanding securities and related financial instruments) on SEDI through a registered issuer representative or agent*

*And then, on a continuous basis:*

- *file any change in the information disclosed*
- *file on SEDI an issuer report when required*

### **3.1 General**

#### **3.1.1 Which issuers must use SEDI?**

All reporting issuers, except mutual funds, that file disclosure documents on SEDAR must file information on SEDI unless exempted. These issuers are referred to as SEDI issuers.

#### **3.1.2 Do I have to file a report if I am a reporting insider of (a) an income trust, (b) a labour sponsored investment fund corporations (LSIFs) or a labour sponsored venture capital fund corporation (LSVCF), (c) a mutual fund or (d) a limited partnership?**

- (a) an income trust?

Yes

- (b) a labour-sponsored investment fund (LSIF) or labour-sponsored venture capital fund corporation (LSVCF)?

The answer depends on the province(s) where the LSIF or LSVCF is a reporting issuer (or equivalent). In certain jurisdictions, such as Alberta, LSIFs and their insiders do not have to file on SEDI because LSIFs are considered mutual funds. In other jurisdictions, such as Ontario and Manitoba, LSIFs and their reporting insiders must file on SEDI because LSIFs are not considered to be mutual funds for insider reporting purposes.

- (c) a mutual fund?

No. The insider reporting requirement does not apply to an insider of an issuer that is a mutual fund (see section 9.1 of NI 55-104).

- (d) a limited partnership?

Yes. You need to file insider reports if you are a reporting insider of a limited partnership that is a reporting issuer and hold securities or related financial instruments of that limited partnership.

#### **3.1.3 If the reporting insiders of a SEDI issuer are exempt from insider reporting requirements, does the SEDI issuer have to file issuer information on SEDI?**

Generally, the SEDI issuer will still be required to file information on SEDI.

#### **3.1.4 Why do I need to file on SEDI as an issuer?**

As a SEDI issuer, you are required to file certain information on SEDI. You need to file this information so that your insiders who are required by securities legislation to report can meet their legal obligation to file insider reports on SEDI. This information also helps your insiders to file accurate insider reports.

### **3.1.5 Who can file for an issuer?**

An agent or issuer representative registered as a SEDI user can file information on SEDI for an issuer.

### **3.1.6 Can an issuer have several issuer representatives?**

Yes, but each issuer can only have one insider affairs contact.

### **3.1.7 What do I need to file on SEDI?**

As a SEDI issuer, you need to file, through a registered issuer representative or agent:

- an issuer profile supplement (see ‘Issuer Profile Supplement’ section)
- issuer event reports if an issuer event has occurred (see ‘Issuer Event Report’ section)
- any change in the information disclosed.

The issuer profile supplement contains information about the issuer, including the designations of its outstanding securities and related financial instruments that its insiders hold, and contact information for the person responsible for insider affairs. The legal form is Form 55-102F3.

The issuer event report contains information about an issuer event. An issuer event is a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of the issuer’s securities in the same manner. The legal form is Form 55-102F4.

An issuer may choose to file issuer grant reports. Issuer grant reports disclose specific information relating to the grant or issue of an issuer’s securities and related financial instruments made to insiders of the issuer pursuant to compensation arrangements.

### **3.1.8 How do I file issuer information on SEDI?**

You must be a registered SEDI user and have an active SEDI user account (see Part 2 Registration). Once registered and validated, log onto the system. At your home page, select ‘Create issuer profile supplement’ in order to create the issuer profile supplement for the issuer. Simply follow the on-screen instructions to complete the process. Once this process is completed, you will obtain the issuer access key.

To file an issuer event report you must log on to SEDI and enter the issuer access key for that issuer. From the *Issuer activities* page, click ‘Issuer event report’ and follow the on-screen instructions to complete the process.

To file an issuer grant report when an issuer grants or issues securities or related financial instruments pursuant to a compensation arrangement, you must log on to SEDI and enter the issuer access key for that issuer. From the *Issuer activities* page, click ‘Issuer grant report’ and follow the on-screen instructions to complete the process.

### **3.1.9 Do issuers pay fees to file on SEDI? What are they, how are they paid and when?**

SEDI issuers pay fees through the SEDAR system as SEDAR annual filing service charges related to SEDI. The fees are implemented by the SEDAR operator in SEDAR in code updates.

The annual filing service charges effective as of January 1, 2005 are set out in CSA Staff Notice 13-314 *2005 Changes to SEDAR Annual Filing Service Charges*.

Insiders and the public are not charged any fees to use the system.

### **3.1.10 What do I do if I cannot access SEDI to file issuer information?**

If SEDI is unavailable due to technical difficulties for more than a short period, the CSA would consider, depending on the jurisdiction and the circumstances, providing blanket relief from the filing requirements, or otherwise varying the time periods for filing during the period of service interruption.

If unanticipated technical difficulties prevent a SEDI issuer from filing issuer information on SEDI, then that issuer must file that information as soon as practicable after these difficulties have been resolved.

## **3.2 Issuer Profile Supplement**

### **3.2.1 What is an issuer profile supplement?**

The issuer profile supplement provides certain information about the issuer, particularly relating to its outstanding securities and related financial instruments that may be held by insiders, that is additional to the information the issuer files on SEDAR. The issuer profile supplement must contain the information required under Form 55-102F3.

As a SEDI issuer, you need to designate on your issuer profile supplement all types of securities and related financial instruments that may be held by your insiders. However, we recommend that you designate all your issued and outstanding securities and related financial instruments.

### **3.2.2 When do I need to file an issuer profile supplement?**

You need to file an issuer profile supplement within three business days after the issuer becomes a SEDI issuer.

### **3.2.3 What if I do not file an issuer profile supplement on SEDI?**

If you do not file an issuer profile supplement, you will be in breach of securities legislation. The securities regulatory authorities can take certain actions against issuers not complying with the law, including placing the issuer on a public default list.

Also, by not filing your issuer profile supplement, your insiders will not be able to file their reports on SEDI. You will cause unnecessary inconvenience to them. Your insiders will have to file paper reports relying on the temporary hardship exemption. After you do complete your issuer profile supplement, your insiders will have to file on SEDI every report previously filed in paper format under the temporary hardship exemption.

### **3.2.4 How do I designate the issuer's outstanding securities and related financial instruments?**

***Important note: SEDI does not use the term "related financial instrument". Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities.***

To create a security designation for an outstanding security or related financial instrument, you need to do the following for each:

- select the security category (Debt, Equity or Issuer derivative)
- select the security name (from a drop down list)
- if you need to, you can type in a brief description of a particular security so there is no confusion with a security that may be similar
- if you selected 'Issuer derivative' in the first step, you need to select the underlying security. To do this,
  - select the securities category of the underlying security (Debt, Equity or Issuer derivative)
  - select the underlying security name
  - if applicable, enter any additional words to describe the specific underlying security

A list of the security names under each security category on SEDI is set out in Appendix 1 of the SEDI User Guide available on the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

See question 3.2.7 for examples on how to designate specific securities.

### **3.2.5 What securities can I designate under the 'Equity' category?**

You can designate, for example, common shares, preferred shares, non-voting shares and multiple voting shares under the 'Equity' category.

### **3.2.6 What securities can I designate under the 'Debt' category?**

You can designate, for example, bonds, debentures, convertible debentures and notes under the 'Debt' category.

### **3.2.7 How do I designate the following types of securities?**

1. Asset-backed securities
  - a) Select 'Equity' or 'Debt' category
  - b) Select 'Other' as security name
  - c) Describe type 'Asset-backed Securities' in the additional description field
  
2. Options\*  
(exercisable into common shares under plan)  
for the options
  - a) Select 'Issuer derivative' category
  - b) Select 'Options' as security name
  - c) Describe (if needed, add description)



for the underlying security (common shares)      d) Select 'Equity' category  
e) Select 'Common shares' as security name  
f) Describe (if needed, add description)

3. Convertible debentures      a) Select 'Debt' category  
b) Select 'Convertible debentures' as security name  
c) Describe (if needed, add description)

\* See also the questions and answers under section 4.4. Reporting for Related Financial Instruments for an explanation of “issuer derivatives” and “underlying security”.

Suggestion: Together, the security name and description will appear as one of the designated securities on this issuer’s list of securities. Its insiders will see and select from this list in order to report transactions and holdings in securities or related financial instruments of that issuer. Make sure to enter any additional words used to describe the specific security or class of security that will distinguish this security or class of security from another that will allow your reporting insiders to choose the appropriate security or related financial instrument. SEDI will compute the total balances of securities and related financial instruments that have the same designation, ownership type and registered holder name combination.

### **3.2.8 Do I need to file an issuer profile supplement if the issuer is only offering limited partnership units?**

Yes.

### **3.2.9 Are shares and options the same thing?**

No. An option is the *right* to buy or sell a specific security, such as a common share, at a predetermined price within a specified time. A share is a security that represents a residual ownership interest in a company and generally carries voting privileges.

The two are often linked. For example, in the case of an option to acquire shares in a reporting issuer, you must file separate insider reports for each of the following if they occur while you are reporting insider:

- the acquisition (i.e., grant) of an option;
- the exercise of an option;
- the acquisition of the underlying shares;
- any subsequent sale or transfer of the shares.

### **3.2.10 What derivatives can I select as a category of securities?**

A derivative is generally an instrument that derives its value, directly or indirectly, from an underlying interest, such as a security.

For SEDI, derivatives that are subject to insider reporting requirements may be classified as either “issuer derivatives” or “third party derivatives”. Issuer derivatives are derivatives such as options, warrants and rights issued by a company or other entity directly to its insiders. Share-based compensation instruments, including phantom stock units, deferred share units (DSUs), restricted share awards (RSAs), performance share units (PSUs), stock appreciation rights (SARs) and similar instruments are also generally issuer derivatives.

You can select ‘Issuer derivative’ as a category of security if you, as the issuer, have issued the derivatives. You would then select the appropriate name of the security: ‘options’, ‘rights’, ‘warrants’ or ‘other’. If necessary, you could also add a brief description to the name of the security.

A SEDI issuer cannot designate a third party derivative. Third party derivatives are designated by the insider when the insider files an insider report for those derivatives. Futures, forwards and exchange-traded call or put options are examples of third party derivatives.

For further guidance on how derivatives are reported, please refer to CSA Staff Notice 55-312 *Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization)* (REVISED).

### **3.2.11 What if a class of securities on the drop-down list box of security designations is no longer issued or outstanding?**

You should amend your issuer profile supplement and indicate that this security is now to be listed as an ‘Archived security’. Insiders will still be able to report transactions in these securities, using the ‘Archived security’ list.

### **3.2.12 What if I entered the wrong type of security or related financial instrument? Can I remove it?**

No. You must contact your securities regulatory authority (see Appendix A) and request that the SEDI operator remove that security from your list of designated securities and related financial instruments. The SEDI operator can only remove the security or related financial instrument after receiving written authorization from the issuer’s representative to remove it.

### **3.2.13 Who is an insider affairs contact?**

An insider affairs contact is the contact person for an issuer whom any of the securities regulatory authorities will contact regarding the issuer and the issuer profile supplement, if there is an issue that a securities regulatory authority needs to discuss with that issuer. You need to include this individual’s full name, business address, business telephone number and business e-mail address on the issuer profile supplement.

### **3.2.14 Why do I need to give insider affairs contact information?**

When an insider creates an insider profile and therefore specifies that insider’s relationship with at least one SEDI issuer, SEDI will send an e-mail notification to the insider affairs contact for that issuer. If at any point the issuer has any concerns about the individual identified as the insider, the issuer should contact their local securities regulatory authority.

### **3.2.15 How does a SEDI issuer change its information on SEDI?**

Your issuer information on SEDI is composed of the information you filed on SEDAR (SEDAR profile) and the information you filed on SEDI under the issuer profile supplement. Your SEDAR profile information is automatically transferred over to SEDI.

Your issuer profile supplement includes your

- issuer name
- insider affairs contact information
- security designations
- confidential question and answer.

You amend SEDI information, such as your insider affairs contact information and security designations, on SEDI as an amended issuer profile supplement. You need to amend SEDAR information, such as your head office or mailing address, on SEDAR.

If you need to change information filed on SEDI, log on, go to the *Issuer Profile Supplement* page, and follow the on-screen instructions. If you need to change the information that comes from SEDAR, you need to contact your SEDAR filing agent and have the agent amend this information.

### **3.2.16 Do I designate in the issuer profile supplement all types of issued securities and related financial instruments, not just the ones issued currently to insiders?**

We recommend that you designate all your issued and outstanding securities and related financial instruments.

***Remember: SEDI does not use the term “related financial instrument”. Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities.***

### **3.2.17 If I issue common shares through both an employee share ownership plan (ESOP) and a dividend reinvestment plan (DRIP), do I have to create two separate security designations for common shares of the ESOP and common shares of the DRIP?**

No. Issuers should not create separate security designations for common shares acquired through different plans.

## **3.3 Issuer Event Report**

### **3.3.1 What is an issuer event?**

An issuer event is a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects the entire class of securities of a SEDI issuer in the same manner. A cash dividend, for example, would not be an issuer event reportable on SEDI.

### **3.3.2 What is an issuer event report?**

It is a report filed by a SEDI issuer on SEDI. This report provides notice to insiders and members of the public that an issuer event has occurred. It helps insiders to report more accurately any changes in their securities or related financial instrument holdings that may

result from the issuer event. The information that you need to complete this report is set out in Form 55-102F4.

### **3.3.3 Who must file an issuer event report?**

A SEDI issuer whose securities or related financial instruments are affected by an issuer event must file an issuer event report.

### **3.3.4 When do I need to file an issuer event report?**

You need to file an issuer event report no later than one business day following the occurrence of an issuer event. For example, for a stock split, you report the event within one business day after the issuer issues the securities resulting from the stock split. As a preferred practice, you should report the event following the close of markets on the day of the event or before the opening of the markets on the day after the event occurred. See question 3.3.12.

### **3.3.5 What information do I need to file?**

The information is set out in Form 55-102F4. This information includes the:

- issuer event type (e.g., stock dividend, stock split, reorganization)
- date the issuer event occurred
- brief description of the issuer event (e.g., 3 for 1 Stock Split - Class A and Class B Shares)
- summary of the issuer report details.

The online help guide (available on the SEDI website by clicking 'Help') gives additional instructions on how to complete the report and provides examples.

### **3.3.6 Why do I need to file this report?**

The report notifies your insiders that an issuer event has occurred that may affect their holdings. It helps them to report accurately changes in their holdings in the securities or related financial instruments affected by the event. Whenever you file an issuer event report, an alert will appear on the screen the next time an affected insider logs on to SEDI. The alert notifies the insider an issuer event report was filed and identifies the particulars of that event.

### **3.3.7 What if I do not file this report?**

You are in breach of your obligations under securities legislation as a SEDI issuer. In addition, your insiders may not be able to file accurate reports reflecting changes in their securities or related financial instrument holdings arising as a result of the issuer event.

### **3.3.8 Do I file one report or several reports if a number of transactions comprise the issuer event?**

One report can be used to report several 'sub-events' in connection with the same event, all happening on the same day. However, you should fully describe all pertinent 'sub-events' in the issuer event title and issuer report details fields.

For example, an issuer event can be an amalgamation that is composed of a share exchange and also a consolidation (of the resulting company's) share capital. You would report the event as follows:

- Issuer event: Amalgamation, merger or reorganization
- Issuer event title: Amalgamation of ABC Ltd. and DEF Corp. into XYZ Ltd. and consolidation of DEF Corp. shares
- Issuer report details: describe the relevant information for both the amalgamation and consolidation aspects of the event and the impact on insider holdings.

### **3.3.9 What information do I need to provide in the ‘Issuer report details’ field?**

You need to include a description of the issuer event by providing the following information:

- a description of the affected securities and related financial instruments along with their respective numbers or amounts, as disclosed in the issuer profile supplement, for that issuer
- the name of the resulting issuer, if applicable
- designation of all resulting securities and related financial instruments along with their respective numbers or amounts, if applicable
- the exchange or conversion rates, if applicable
- a description of the resulting securities and related financial instruments as created in the issuer profile supplement in SEDI, if applicable
- the number of resulting securities and related financial instruments rounded up or down to the nearest share.

Include a description of the issuer event in either English or French, or both where appropriate.

### **3.3.10 What if there is not enough space in the ‘Issuer report details’ field to adequately describe the event?**

You should provide a summary of the event. However, to the extent that you need more space, consider cross-referencing a public document that adequately discloses the necessary information about the event.

### **3.3.11 Can I provide some information just to the securities regulators that is not viewable by the public?**

Yes, you can provide additional information concerning the issuer event to staff of the securities regulatory authorities in the ‘Private remarks to securities regulatory authority’ field. The public, including the issuer’s insiders, will not have access to this information.

### **3.3.12 When do I file an issuer event report versus a material change report?**

You need to file an issuer event report when an event affects the entire class of securities or related financial instruments in the same manner. This may also be a material change.<sup>6</sup> If so, you will also need to file a material change report. However, not all material changes are issuer events. For example, while a company buy-back of shares might be considered a material change, it would not be an issuer event. Please see question 4.5.1 for how to report transactions under a normal course issuer bid.

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<sup>6</sup> As defined in securities legislation.

### **3.3.13 What is the “Effective date” on an issuer event report form?**

The “Effective date” is the date on which the change to the number of securities and related financial instruments happens as a result of the issuer event. It is the date of the occurrence of the event.

## **3.4 Issuer Grant Report**

### **3.4.1 What is an issuer grant report?**

An issuer grant report is a report filed by an issuer on SEDI that publicly discloses the details of compensation arrangements under which grants of stock options or similar instruments are made to reporting insiders. While there is no obligation for an issuer to file an issuer grant report, it may choose to do so to assist its reporting insiders with their reporting obligations, provide them with the benefits of an exemption and communicate material information about its compensation practices to the market in a timely manner.

The issuer grant report exemption reduces the regulatory burden on reporting insiders that is associated with insider reporting of stock options and similar instruments since it allows an issuer to make a single filing on SEDI. This filing provides the market with timely information about the existence and material terms of the grant, and makes it unnecessary for each of the affected reporting insiders to file an insider report about the grant within the ordinary reporting time periods.

It contains the information listed in question 3.4.4.

### **3.4.2 Who files an issuer grant report?**

A SEDI issuer that *chooses* to report details of a grant or an issue of interests in its securities and related financial instruments to insiders pursuant to a compensation arrangement.

### **3.4.3 When do I file an issuer grant report?**

The deadline for an issuer to file an issuer grant report is effectively within five days<sup>7</sup> of a grant or award. This is because the exemption in Part 6 of NI 55-104 for reporting insiders is available only when an issuer grant report is filed within the time prescribed for filing insider reports.

Reporting insiders will be in breach of their *individual* insider reporting obligations if the issuer has not filed the report within five days of the grant, and the reporting insiders have not filed their insider reports. We therefore recommend that the issuer file the issuer grant report as soon as reasonably practicable following the grant, award or issue of securities or related financial instruments to reporting insiders.

### **3.4.4 What information do I need to provide in an issuer grant report?**

The issuer grant report discloses the details of a compensation arrangement and must include

- the date the option or other security or related financial instrument was issued or granted;

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<sup>7</sup> Prior to November 1, 2010, within 10 calendar days.

- the number of options or other securities or related financial instruments issued or granted to each director or officer;
- the price at which the option or other security or related financial instrument was issued or granted and the exercise price;
- the number and type of securities or related financial instruments issuable on the exercise of the option or other security or instrument; and
- any other material terms that have not been previously disclosed or filed in a public filing on SEDAR.

### **3.4.5 Where do I file an issuer grant report?**

Issuer grant reports are filed on SEDI.

### **3.4.6 If an issuer files an issuer grant report, when do the reporting insiders need to file insider reports about the grant?**

If an issuer files an issuer grant report within five days<sup>8</sup> of a grant, award or issue of securities or related financial instruments, the reporting insiders named in the issuer grant report can report the grant on a deferred basis. Instead of reporting the grant within the usual five day reporting timeframe, the reporting insiders have until March 31 of the next calendar year to report the grant or award.

If, subsequent to the grant and prior to **March 31** of the next calendar year, the reporting insider disposes of or transfers the securities or related financial instruments identified in the issuer grant report (other than as part of a specified disposition), the reporting insider must file an insider report within five days of the disposition or transfer.

### **3.4.7 What happens if I do not file an issuer grant report?**

There is no requirement to file issuer grant reports. If an issuer chooses not to file an issuer grant report, the issuer should notify reporting insiders of a grant, award or issue of securities and related financial instruments in a timely manner so that those insiders can meet their individual reporting obligations within the period prescribed for filing insider reports.

## **4. INSIDER INFORMATION**

*Reporting insiders of SEDI issuers, and any other person required under securities legislation to file insider reports, must file insider reports in electronic format using SEDI. To file your insider reports on SEDI, you need to:*

- *register as a SEDI user (or use a registered SEDI user as your agent) (see Part 2 Registration)*
- *file your insider profile (see section 4.2 Insider Profile)*

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<sup>8</sup> Prior to November 1, 2010, within 10 calendar days.

- *file your insider reports when they are due (see section 4.3 Insider Report)*

## **4.1 General**

### **4.1.1 Do I have to use SEDI to file my insider reports?**

If you are a reporting insider of a SEDI issuer, you need to file insider reports using SEDI unless you are exempt under NI 55-104 or NI 62-103 or have been otherwise exempted by a securities regulatory authority. In certain cases, you may file insider reports in paper format rather than on SEDI. Please see question 4.3.7 below for a list of exceptional situations where you may file your report in paper format.

### **4.1.2 Do I have to file my reports myself?**

No. You can have an agent that is registered as a SEDI user file the reports for you. (See Part 2 Registration)

### **4.1.3 What do I need to file on SEDI?**

As an insider required by securities legislation to file insider reports, you (or your agent) must file on SEDI your insider profile (see section 4.2 Insider Profile) and your insider reports (see section 4.3 Insider Report).

### **4.1.4 When do I need to file my insider reports on SEDI?**

You need to file your insider reports on SEDI as follows:

- if you beneficially own (or have, or share, direct or indirect control or direction over) securities or related financial instruments of a SEDI issuer, within 10 calendar days of first becoming an insider required by securities legislation to file insider reports,
- if you are already a reporting insider of a SEDI issuer, within five calendar days<sup>9</sup> of:
  - the date of any change in your ownership of, or control or direction over, securities of the SEDI issuer; and
  - the date of any change in your interest in, or right or obligation associated with, a related financial instrument involving a security of the SEDI issuer.

SEDI issuers are reporting issuers, other than mutual funds, that file disclosure documents on SEDAR. You can check the SEDAR website, [www.sedar.com](http://www.sedar.com), to find out whether your company files disclosure documents on SEDAR.

### **4.1.5 Do I need to do anything on SEDI before using SEDI to report my transactions?**

To use SEDI to file your own insider reports, you first need to register as a SEDI user. To register, complete the SEDI User Registration Form (Form 55-102F5), sign a printed copy and send it to the SEDI operator. The SEDI operator will review your registration request and, once validated, will activate a SEDI user account for you on SEDI. You cannot file insider reports until the registration process is completed. Please refer to Part 2 Registration.

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<sup>9</sup> Prior to November 1, 2010, within 10 calendar days.



You do not need to register or file insider reports on SEDI yourself. You can use an agent to file for you. The agent must be an individual who is already registered as a SEDI user.

**4.1.6 Can I make a filing after I have completed the online registration form on SEDI but before my registration has been validated?**

No, you cannot file your insider profile or your insider report until your registration is validated. Once the registration process is complete, you will be able to make filings that will be made publicly accessible.

**4.1.7 What if I need to file my insider profile or insider reports and SEDI is unavailable?**

Please see question 1.9.

**4.1.8 Am I a reporting insider?**

See the definition of reporting insider in the Defined Terms section of this notice or seek legal advice.

**4.1.9 Do I have to file reports if I am a reporting insider?**

Yes. You need to report your holdings of securities and related financial instruments of the SEDI issuer of which you are a reporting insider, and any changes in these holdings unless you are within an exemption in NI 55-104 or NI 62-103 or have been otherwise exempted by a securities regulatory authority.

**4.1.10 Do I need to report for a period before I was a director, CEO, CFO or COO of the relevant reporting issuer?**

Yes. In certain situations, the “look-back” rules in subsections 1.2(2) and 1.2(3) and section 3.5 of NI 55-104 may require you to file an insider report on SEDI in relation to certain historical transactions.

**Issuer as insider of reporting issuer** – If an issuer (the first issuer) becomes an insider of a reporting issuer (the second issuer), the CEO, CFO, COO and every director of the first issuer must file insider reports in respect of transactions relating to securities and related financial instruments of the second issuer that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of the first issuer.

**Reporting issuer as insider of other issuer** – If a reporting issuer (the first issuer) becomes an insider of another issuer (the second issuer), the CEO, CFO, COO and every director of the second issuer must file insider reports in respect of transactions relating to securities and related financial instruments of the first issuer that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of the second issuer.

**Example** – If a reporting issuer (A Co) owns 5% of the common shares of another reporting issuer (B Co), and then acquires, on June 30, 2011, an additional 25% of B Co’s common shares through an exempt take-over bid, A Co will have become an “insider” (as defined in securities legislation) of B Co on June 30, 2011 because A Co has become a “significant shareholder” (as defined in NI 55-104) of B Co as of that date.

As a result of the special designation/determination provisions in subsections 1.2(2) and (3) of NI 55-104, the CEO, CFO, COO and every director of A Co are designated or determined to be insiders of B Co and the CEO, CFO, COO and every director of B Co are designated or determined to be insiders of A Co. (Section 1.2 of NI 55-104 uses the terms “designated” and “determined” to reflect the different terms used in securities legislation across Canada. They mean the same thing.)

Note that the CEO, CFO, COO and every director of A Co will also be insiders and reporting insiders of B Co under the ordinary definition of “insider” and “reporting insider”. However, the CEO, CFO, COO and every director of B Co would not normally be insiders and reporting insiders of A Co (unless they were insiders and reporting insiders in another capacity) since B Co would not be a “subsidiary” of A Co.

There are special reporting rules that apply to the period that precedes a take-over bid or similar acquisition. The purpose of these provisions is to address concerns over directors and officers of a company proposing to acquire a significant interest in another company by unlawfully “frontrunning” the acquisition through personal purchases of shares of the second company.

Section 3.5 of NI 55-104 requires the CEO, CFO, COO and every director of A Co to file insider reports in respect of transactions relating to securities and related financial instruments of B Co that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of A Co. Similarly, the CEO, CFO, COO and every director of B Co must file insider reports in respect of transactions relating to securities and related financial instruments of A Co that occurred in the previous six months or for such shorter period that the individual was a CEO, CFO, COO or director of B Co. When filing these transactions, we recommend that you select relationship code 8 on your insider profile.

#### **4.1.11 As a reporting insider, do I need to report securities and related financial instruments that my spouse owns or controls?**

As a reporting insider of a SEDI issuer, you need to report any securities and any related financial instruments of that SEDI issuer that your spouse (or any other person) owns if you *have* or *share* control or direction, whether direct or indirect, over those securities or related financial instruments.

A person will generally have or share control or direction over securities if the person directly or indirectly through any contract, arrangement, understanding or relationship or otherwise has or shares

- voting power, which includes the power to vote, or to direct the voting of, such securities and/or
- investment power, which includes the power to acquire or dispose, or to direct the acquisition or disposition of such securities.

#### **4.1.12 What if I already have an insider profile and need to add new reportable securities or related financial instruments?**

We recommend that you file an opening balance for the new reportable security or related financial instrument and add a note in the general remarks field to explain that the balance

reflects what you held on a specific date (e.g. April 30, 2010, the date NI 55-104 came into effect) rather than what you held on the date you became an insider.

#### **4.1.13 What if I am no longer required under securities legislation to file insider reports in relation to a particular company?**

You can cease filing insider reports on SEDI, provided you have reported all transactions that took place when you were required to file insider reports. Also, see question 4.2.10.

## **4.2 Insider Profile**

### **4.2.1 What is an insider profile?**

An insider profile contains information identifying you as the insider, and your relationship with one or more SEDI issuers. The information required is set out in Form 55-102F1. You must not file more than one insider profile.

### **4.2.2 When do I file an insider profile?**

You need to file your insider profile and opening balance reports **within 10 calendar days of becoming a reporting insider** if you beneficially own, or have or share direct or indirect control or direction over, securities or related financial instruments of the issuer of which you are a reporting insider.

*Note that if you enter into a reportable transaction within 10 calendar days of becoming a reporting insider, this may have the effect of accelerating your requirement to file an insider profile and opening balance report, since you need to take these steps before you can file a report about the reportable transaction. See example below.*

If you are a reporting insider or otherwise required by securities legislation to file insider reports in respect of a SEDI issuer, but do not own or control securities or related financial instruments relating to that SEDI issuer, you do not need to file an insider profile until an insider report is required. However, if you wait until you are required to file an insider report, you must file your insider profile at the same time.

Alternatively, you can set up and file your insider profile with a zero opening balance report (for each security, ownership type and registered holder combination) after you or your agent are registered as a SEDI user, but before any of your insider reports are due.

*Example: New Reporting Insider*

### **Question**

1. On November 1, 2010, I became a director of ABC Inc. and therefore a “reporting insider” for this issuer under NI 55-104.
2. I understand that, in accordance with section 3.2 of NI 55-104, I am required to file my initial report within 10 calendar days of becoming a reporting insider. Accordingly, my initial report would appear to be due on November 10, 2010.
3. On November 3, 2010, I purchased 100 common shares of ABC Inc. in a market transaction.

4. According to section 3.3 of NI 55-104, I am required to file an insider report within five calendar days of any change in my ownership or control of securities or interests in or rights or obligations associated with a related financial instrument. Accordingly, my insider report for this transaction would appear to be due on November 8, 2010.
5. What is my deadline for the initial report? What is my deadline for reporting the purchase of 100 shares?

### **Response**

1. The deadline for filing the initial report would ordinarily be November 10, 2010. However, as a result of the purchase of 100 shares on November 3, 2010, the deadline for filing the initial report has effectively been accelerated to November 8, 2010. This is because, in order to be able to file an insider report about the purchase of 100 shares by the required due date of November 8, 2010, it will first be necessary to file the initial report.
2. The deadline for filing the report about the purchase of 100 shares is, in this example, November 8, 2010.

#### **4.2.3 What information do I need to include in my insider profile?**

You need to include:

- full legal name (if an individual insider)
- company name (if not an individual insider)
- full legal name of individual representative of insider (if insider is not an individual)
- residential address (business address for insider's representative, if insider is not an individual)
- street name and number
- municipality (city or town)
- province, territory or state
- postal code or zip code (if in North America)
- country of residence
- daytime telephone number
- fax number (if applicable)
- e-mail address (Note: if you would like to receive notifications of access key changes or other updates via e-mail, you will need to provide an e-mail address)
- confidential question and answer (see next paragraph)
- Issuer number or name of SEDI issuer
- the date you became an insider of the SEDI issuer (if you have not already filed an insider report for the issuer) or the opening balance date (if you have previously filed an insider report for this issuer) (see next paragraph)

- relationship with SEDI issuer
- registered holders (if applicable)
- date you ceased to be an insider (when applicable)

For the confidential question and answer, you should provide a question for which only you would know the answer. For example, “What is your favourite movie?” rather than “Which country won the most gold medals at the 2010 Winter Olympics?” You must provide an answer to this question. If you forget your password, the SEDI operator will ask you this question to verify that you are who you say you are.

The opening balance date is used for all opening balances for this issuer and should be a date prior to the date of any transactions that you are required to report on SEDI in connection with a SEDI issuer.

#### **4.2.4 What do I need to do if I am a reporting insider of several companies?**

You need to file a separate insider report for each company that is a reporting issuer and in which you own or have interests in securities or related financial instruments. You need to file one insider profile and indicate the names of all the companies of which you are a reporting insider. If you use an agent to file for you, we recommend that you only use one. However, if you choose to have different people file insider reports for you for these different companies, you must make sure that only one insider profile is created for you. You may wish to have one agent set up the profile for you, and then share your access key with all of your other filing agents.

#### **4.2.5 What if the information in my insider profile changes?**

You need to amend your profile on SEDI. You must do this within 10 days if you change your name or your relationship to a SEDI issuer, or if you cease to be a reporting insider of a SEDI issuer. For other changes, you can amend your profile the next time you have to file an insider report.

#### **4.2.6 What if I cannot find a SEDI issuer in the database that I need to add to my insider profile?**

You should contact the issuer to ask whether the issuer has filed its issuer profile supplement on SEDI. If the issuer has not yet done so, it may be in default of its reporting requirements and you will be unable to file an insider report on SEDI for any securities and related financial instruments of that issuer. Encourage the issuer to file its issuer profile supplement so that you can file your insider profile. You may also contact your local securities regulatory authority as soon as possible to advise them of this.

If your report is due and you cannot file your insider report on SEDI because the issuer has not filed its issuer profile supplement, you can file your report in paper form (Form 55-102F6) under the temporary hardship exemption. However, when you become aware that the issuer has filed its issuer profile supplement, you will have to re-file your insider report on SEDI. See NI 55-102, section 4.1. See questions 1.9 and 4.3.7 (temporary hardship exemption).

#### **4.2.7 Do I need to add the name of the broker or depository as the registered holder of the securities if I own the securities directly?**

No. For insider reporting, the term “registered holder” means the entity through which you beneficially own or control securities such as an RRSP, holding company, family trust, or the person or company that owns the securities over which you have control or direction. Securities owned directly but held through a nominee such as a broker or book-based depository, are considered direct holdings. See Form 55-102F1, item 14, and Form 55-102F2, item 6.

#### **4.2.8 When do I need to add registered holders and in what circumstances?**

Whenever you create an insider profile and file an insider report, SEDI will prompt you to indicate how you (or your insider, if you are an agent, filing for an insider) hold the securities.

You can hold your securities in the following three ways:

- (1) You can hold them directly. For example, you can hold the securities in an account with your broker, but the account is in your name.
- (2) You can hold them indirectly. For example, you beneficially own common shares in X Co. but the registered owner is another entity such as a holding company, an RRSP, or a family trust.
- (3) You can have control or direction over them. You have control or direction over the securities if you, directly or indirectly, through any contract, arrangement, understanding or relationship or otherwise have or share
  - voting power, or
  - investment power.

This would include having control or direction over the securities through a power of attorney, a grant of limited trading authority, or management agreement. For example, you set up a trust for your children in which X Co. securities are held. Because of your relationship with your children, you need to report your children’s holdings, because you could direct your children to purchase or sell those securities. This may also be the case if your spouse owns the securities, but you have control or direction over those securities.

If you choose either ‘Indirect’ or ‘Control or Direction’, SEDI will prompt you to add the name of a registered holder. The registered holder is the entity through which you beneficially own the securities, such as an RRSP, holding company, family trust, or the person or company that owns the securities over which you have control or direction.

#### **4.2.9 If I am no longer an insider, what do I have to do on SEDI?**

You have to amend your insider profile using the “add or amend issuer information” button, to indicate in the “Date the insider ceased being an insider of this issuer” field that you have ceased to be an insider of that issuer. (See item 12 of Form 55-102F1).

#### **4.2.10 If I cease to be a reporting insider, but am still an insider, how do I update my insider profile to reflect the change?**

Once you have ceased to be a reporting insider you are no longer required to report your insider transactions on SEDI. There are no requirements to update your insider profile to reflect the change. However, we recommend that you add a public remark to your last filed transaction advising that you are no longer required to report and will cease reporting your transactions on SEDI effective the date of the change in your status.

#### **4.2.11 What is the additional contact information that I can provide on my insider profile?**

If you wish, you can add the name and contact information of a person that the securities regulatory authorities or the SEDI operator could contact, instead of you, regarding your filings for a particular SEDI issuer. This person should be an individual who has your permission and authority to speak on your behalf regarding your insider reports and filings on SEDI. Alternatively, you could also put additional contact information for yourself if you do not wish to be contacted at your residential address. None of this additional contact information is released to the public. If you wish to provide this optional information, you need to enter the information for each particular issuer for which you are an insider.

#### **4.2.12 What date do I report: an opening balance date or the date I became a reporting insider?**

If you have not previously filed an insider report for the issuer, enter the date on which you became an insider of this issuer.

If you have previously filed an insider report for this issuer, enter the opening balance date. This date will be used for all opening balances for this issuer and should be prior to the date of any transactions required to be reported for this issuer on SEDI.

#### **4.2.13 What if I have filed a duplicate insider profile by mistake?**

Each insider should only have one insider profile on SEDI. However, if you inadvertently filed more than one, please advise your securities regulatory authority in writing (see Appendix A) who will then take the necessary steps to have the SEDI operator remove the duplicate profiles from SEDI.

### **4.3 Insider Report**

#### **4.3.1 General**

#### **4.3.2 When do I file my insider report on SEDI?**

If you already own or control, directly or indirectly, securities or related financial instruments relating to a SEDI issuer, you need to file your insider profile and opening balance reports within 10 calendar days of becoming a reporting insider. You need to file a report of any changes to your holdings within five calendar days<sup>10</sup> of the change.

*Note that if you enter into a reportable transaction within 10 calendar days of becoming a reporting insider, this may have the effect of accelerating your requirement to file an insider profile and opening balance report, since you need to take these steps before you can file a report about the reportable transaction. See the example in question 4.2.2.*

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<sup>10</sup> Prior to November 1, 2010, within 10 calendar days.

Certain exemptions may allow you to report changes in your holdings later, for example, changes resulting from an automatic share purchase plan. See question 4.5.2.

#### **4.3.3 Do I need to file a separate report on SEDI for each province and territory where I have insider reporting obligations?**

SEDI is the electronic filing system for insider reporting. You need to file an insider report in all provinces and territories in which the company (or other entity) of which you are a reporting insider is a reporting issuer.

Filing an insider report on SEDI satisfies the insider reporting requirements in all provinces and territories in which you have insider reporting obligations relating to that reporting issuer.

#### **4.3.4 What type of report do I file when I first become a reporting insider of a SEDI issuer and own securities or related financial instruments of that issuer?**

You need to file an initial opening balance report within 10 calendar days of the date you first become a reporting insider of a reporting issuer *if you have reportable securities or related financial instruments on that date*. In your report, you must disclose your beneficial ownership of, or control or direction over (whether direct or indirect), securities and interests in or rights or obligations associated with related financial instruments of that issuer.

You will initially need to file (create) an insider profile in the system before you can file this opening balance report. Once your insider profile is filed, you can then file your opening balance report, disclosing all your current holdings in the securities and related financial instruments of the SEDI issuer. For each particular type of security and related financial instrument, the system will ask you to input an opening balance.

If you do not have any interests in any securities or related financial instruments of the reporting issuer when you first become a reporting insider, you do not need to file an insider profile or an initial opening balance. You may choose to set up an insider profile and file a zero balance opening balance report. If you choose to file a zero opening balance report, all subsequent reports, including your first insider report of a transaction in the securities or related financial instruments of the issuer must be filed within five calendar days<sup>11</sup>.

Otherwise, the first insider report you will file will be when you have your first transaction in securities or related financial instruments of the reporting issuer. At this time you will need to set up an insider profile (if you have not already done so) and file the initial report within five calendar days after you made this first transaction. All subsequent reports must also be filed within five calendar days.

*Note that if you enter into a reportable transaction within 10 calendar days of becoming a reporting insider, this may have the effect of accelerating your requirement to file an insider profile and opening balance report, since you need to take these steps before you can file a report about the reportable transaction. See the example in question 4.2.2.*

#### **4.3.5 What type of report do I file after I have made my initial SEDI report?**

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<sup>11</sup> Prior to November 1, 2010, within 10 calendar days.



After you have made your initial SEDI report, you need to file an insider report within five calendar days<sup>12</sup> of the date on which any change in your holdings of the reporting issuer occurs.

You need to file an insider report on SEDI, disclosing your transactions in those securities that have resulted in a change in your beneficial ownership of, or control or direction over, them. You do not need to report closing balances if the balances did not change and you have already reported them. SEDI calculates and maintains a record of all these holdings as reported previously.

#### **4.3.6 How do I know if my insider report is successfully filed on SEDI?**

SEDI will automatically record the date and time (in the Eastern Time Zone) that your insider report is filed on SEDI. To print the insider report you have filed and certified with the date and time of filing, click the “Printer friendly version” button from the File insider report – Completed screen. You can also verify that your insider report has been filed by logging off and then accessing the public reports. You will need to wait about five minutes for the system to update the information you have just filed before your transactions will appear on the public reports.

#### **4.3.7 When do I file insider reports in paper format?**

You (or an agent on your behalf) need to file insider reports electronically on SEDI, unless you are exempt from insider reporting requirements under provincial securities legislation or an order of the relevant securities regulatory authority. In certain circumstances, however, you may need to file insider reports in paper format rather than on SEDI. These would include:

- (1) **Reporting insider of a non-SEDI issuer** - You are a reporting insider of a non-SEDI issuer (i.e., a foreign reporting issuer who has not elected to file disclosure documents on SEDAR) that is required by securities legislation to report insider transactions and you are not otherwise exempt from the insider reporting requirements;
- (2) **Report by Registered Holder** - You are a registered holder of voting securities of an issuer and you know the beneficial owner (or in Quebec the person who has control or direction over such securities) is a reporting insider that is required by securities legislation to report insider transactions but this insider has not filed a report of the ownership or control (except where there was a transfer for giving collateral for a genuine debt);
- (3) **General Exemption** - You are granted a discretionary exemption from filing insider reports on SEDI by the relevant securities regulators, upon application under NI 55-102, Part 6. Depending on the circumstances, one of the conditions to that exemption may be that you file insider reports in paper format;
- (4) **Unanticipated Technical Difficulties (Temporary)** - You are having unanticipated technical difficulties, i.e., SEDI is unavailable due to technical problems with SEDI, when trying to file your insider report in electronic format;
- (5) **No Issuer Profile Supplement (Temporary)** - You are the insider of a SEDI issuer that has not yet filed its issuer profile supplement and your insider report is due.

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<sup>12</sup> Prior to November 1, 2010, within 10 calendar days.

Note that (4) and (5) are only temporary exemptions from filing on SEDI. They are available to insiders. (However, for issuers, please see the exemption in the answer to question 3.1.10.) You need to file the report in paper format using Form 55-102F6. See question 1.9 for further details.

You must file this report within two business days of when the report was due to be filed on SEDI. Once you have resolved the technical difficulties or you become aware that the issuer has filed its issuer profile supplement, as applicable, you must re-file your insider report on SEDI. You should therefore only use the exemptions in (4) and (5) when the circumstances allowing you to use the exemption arise and your report is due. See Part 4 of NI 55-102.

You can find Form 55-102F6 in the additional information section of the SEDI online help.

#### **4.3.8 How do I check if my filing was completed?**

Your report will be filed only if you completed the process and certified your filing. To check, log off the system and wait at least five minutes. After waiting, go to the SEDI website and click on “Access public filings” to now view your report as a public record.

#### **4.3.9 As an agent can I make a bulk filing for a number of reporting insiders?**

No.

#### **4.3.10 Do I need to file on SEDI insider reports required under federal legislation, such as the *Canada Business Corporations Act*?**

SEDI only supports filing under provincial securities legislation. However, there are no insider reporting requirements currently under the *Canada Business Corporations Act*, *Bank Act*, *Cooperative Credit Associations Act*, *Insurance Companies Act* or *Trust and Loan Companies Act*.

#### **4.3.11 What do I file if I am an insider of a U.S. issuer that is a registrant with the SEC and I file insider reports with the SEC?**

Generally, you need to file your reports on SEDI if that issuer files disclosure documents on SEDAR.

However, you do not need to file insider reports if:

- the issuer is a “U.S. issuer” under National Instrument 71-101, *The Multijurisdictional Disclosure System* that has securities registered under the United States Securities Exchange Act of 1934, or
- the issuer is a “SEC foreign issuer” under National Instrument 71-102, *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (NI 71-102)

and you comply with the U.S. federal securities law regarding insider reporting and you file the required reports with the SEC.

#### **4.3.12 What do I file if I am an insider of a Designated Foreign Issuer under NI 71-102?**

Generally, the insider reporting requirement does not apply to an insider of a Designated Foreign Issuer provided you comply with the disclosure requirements related to insider reporting in the jurisdiction where the foreign issuer is regulated. See Part 5 of NI 71-102.

#### **4.3.13 What is the significance of the codes used on SEDI?**

It is important to use the correct codes to avoid any uncertainty as to the nature of your transaction and to avoid misleading the marketplace.

You use codes to describe:

- the type of the transaction you are reporting (nature of transaction),
- the type of ownership or other interest you have of the securities, and
- your relationship with the issuer

For a current list, see the instruction page of Form 55-102F6 (available on SEDI through the on-line help and the securities regulatory authorities' websites - see Appendix A).

#### **4.3.14 I want to report a transaction but SEDI keeps asking me for an opening balance for my securities. What do I do?**

When you file your first insider report for a particular security (and registered holder, if applicable), the system will always ask for the opening balance before you can file actual transaction details. This is required in order to enable SEDI to automatically calculate your holdings of that security as of the date of your transaction.

You should enter the total number for the type of security you held as of your opening balance date. (You will have entered this date on your insider profile and it will appear on the opening balance screen as 'Date of transaction'). If you did not hold that type of security as of the date of your last opening balance, you should enter '0' as your opening balance.

#### **4.3.15 When reporting values and amounts, can I enter commas, decimals or fractions?**

You can use decimals and fractions in the unit price or exercise price and conversion or exercise price fields on SEDI. When a decimal is used for amounts in cents (with no dollars), please also enter the '0' before the decimal, i.e., '0.11' for eleven cents. Please round up or down fractional amounts for securities. SEDI allows the use of a comma in the General or Private remarks fields only.

#### **4.3.16 How do I add more information about the transaction I am reporting?**

You can add additional information in the 'Remarks' field. If you do not want the additional information to be public, use the 'Private remarks to securities regulatory authority'. To the extent that more space is needed, you may wish to consider cross-referencing a document already publicly disclosed that has this information, such as a press release or a material change report.

#### **4.3.17 What if I have to change information that I already filed in a report on SEDI?**

You can change this information by filing on SEDI an amended insider report.

#### **4.3.18 Do I have to report all my holdings of securities and related financial instruments of the SEDI issuer or just the securities and related financial instruments in respect of which my ownership or control has changed?**

The first time you file on SEDI, you must report all of your holdings of securities and related financial instruments of the SEDI issuer. Subsequently, you only need to report changes in interests in, or new interests in securities and related financial instruments, or changes in control or direction over, securities and related financial instruments of the SEDI issuer.

#### **4.3.19 What do I do if I have been previously filing insider reports but am no longer required to?**

You should add a comment in the “Remarks” field explaining that you are no longer a reporting insider or are exempt. You can do this either on your next transaction to be filed on SEDI or by amending your last report already filed on SEDI. A member of the public viewing your insider reports on SEDI will then know why you have ceased reporting.

#### **4.3.20 Do I also need to file an insider report if I file an early warning report (EWR) or an alternative monthly report (AMR) for a particular transaction?**

You may not need to file an insider report when you file an EWR or AMR if you can use the exemption provided in Part 9 of NI 62-103. The EWRs and AMRs are filed on SEDAR.

#### **4.3.21 Do I need to file a report when I become a reporting insider if I do not own or control any securities or related financial instruments of the issuer?**

Generally no. Please see the exemption in section 9.4 of NI 55-104.

### **4.4 Reporting for Related Financial Instruments**

#### **4.4.1 What is a related financial instrument?**

A related financial instrument is an instrument, agreement, security or, in some jurisdictions an exchange contract, that has a value based on, derived from, or otherwise referenced to the value, market price or payment obligations of a security. The term also includes any other type of instrument, agreement or understanding that affects, whether directly or indirectly, a person or company’s economic interest in a security or exchange contract.

For further explanation of related financial instruments and economic interest, see Part 1 of Companion Policy 55-104CP.

Important note: SEDI does not use the term “related financial instrument”. Instead, for the purposes of SEDI, all instruments – whether securities or related financial instruments – are considered securities. For the purposes of SEDI, the category of “security” includes two subcategories relating to derivatives:

- “Issuer derivatives” are derivatives issued by the issuer. Issuer derivatives include options, warrants, rights and special warrants issued by an issuer. Share-based compensation instruments, including phantom stock units, deferred share units (DSUs), restricted share awards (RSAs), performance share units (PSUs), stock appreciation rights (SARs) and similar instruments are also generally issuer derivatives. The issuer designates these derivatives in its issuer profile supplement.
- “Third party derivatives” are derivatives offered by someone other than the issuer. The price, value or payment obligations of third party derivatives are based on an underlying

interest (such as common shares) issued by the issuer as the underlying security. Third party derivatives include exchange-traded options or over-the-counter (OTC) options.

Please refer to the derivatives section in the online help on SEDI for additional information about derivatives reporting.

#### **4.4.2 What related financial instruments do I need to report on SEDI?**

You need to report all of your interests in, or rights or obligations associated with, related financial instruments in accordance with the requirements of securities legislation.

For guidance on reporting related financial instruments and economic interest, see Part 1 of Companion Policy 55-104CP.

#### **4.4.3 What is an underlying security and how do I report it?**

An underlying security is a security you would acquire or dispose of if you exercised the rights you acquired when you purchased a different security. For example, if you have options that are exercisable into common shares, the common shares are the “underlying securities”. On SEDI, you must report both the initial securities you acquired and their underlying securities and related financial instruments.

Example: You were granted options under your company’s stock option plan. The options are convertible into common shares on a 1:1 basis when you exercise your options.

You must report the grant as follows:

- Report the number of options granted as an acquisition. Use nature of transaction code 50 to report the acquisition. Report the equivalent number of underlying securities acquired. Enter the date of the transaction, the grant price, etc. and then go through the steps required to certify and file your report.

If you exercise the options, you must report the exercise as follows:

- Report the number of options being exercised as a disposition. Use nature of transaction code 51 to report the disposition. Enter the date of the transaction, the exercise price, etc. and then go through the steps required to certify and file your report.
- Show an acquisition of the underlying security (e.g., common shares) equal to the appropriate number of options exercised. Use nature of transaction code 51 to report the acquisition of the common shares.
- If you subsequently sell the common shares, you must file a separate report for the sale.

### **4.5 Reporting Transactions**

#### **4.5.1 How does an issuer that is an insider report transactions under a normal course issuer bid?**

Under NI 55-104 an issuer can report acquisitions in connection with normal course issuer bids (as defined in NI 55-104) within 10 days of the end of the month in which the acquisitions

occurred, as opposed to within five calendar days<sup>13</sup> of the transaction. NI 55-104 requires you to report each acquisition.

We recommend that you report transactions under a normal course issuer bid within 10 calendar days of the end of the month, in the following manner.

*Step 1:*

Report *each acquisition* of securities that took place under the normal course issuer bid as a separate transaction, with the appropriate nature of transaction code 38 - Redemption/retraction/cancellation/repurchase.

*Step 2:*

Report *each cancellation* of securities acquired under the normal course issuer bid as a separate transaction using the relevant nature of transaction code 38 - Redemption/retraction/cancellation/repurchase.

#### **4.5.2 How do I report acquisitions under an automatic securities purchase plan (including employee share ownership plans (ESOP) and dividend reinvestment plans (DRIP))?**

Any securities acquired under an automatic securities purchase plan during a calendar year that have not been disposed of or transferred, and any securities that have been disposed of or transferred as part of a specified disposition of securities, must be reported on or before March 31 of the next calendar year. You should report acquisitions under your automatic share purchase plan using the nature of transaction code 30 for each transaction.

Any securities acquired under an automatic securities purchase that are subsequently disposed of or transferred, other than as part of a specified disposition of those securities, must be reported within five days<sup>14</sup> of the disposition or transfer.

For further guidance on reporting securities acquired, disposed of or transferred under an automatic securities purchase plan, see question 4.5.3 below, and refer to Part 5 of Companion Policy 55-104CP. See also Part 6 of NI 55-104 for reporting exemptions for issuer grants.

#### **4.5.3 If I acquire securities through an employee share ownership plan (ESOP) or a dividend reinvestment plan (DRIP), do I hold these securities directly or indirectly (do I indicate the “registered owner” on my report)?**

Whether or not you should indicate the ESOP or DRIP as the “registered owner” depends on whether the ESOP or DRIP is the “beneficial owner” of, or has control over, the securities. The answer may be different depending on the terms of the particular plan. If you have the right to vote or sell securities held in a plan, you would normally be considered to hold these securities directly. You should speak to your employer to find out whether the ESOP or DRIP is the registered owner, or whether you hold these securities directly.

#### **4.5.4 How do I report holdings of securities under an RRSP?**

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<sup>13</sup> Prior to November 1, 2010, within 10 calendar days.

<sup>14</sup> Prior to November 1, 2010, within 10 calendar days.

You should report that you hold these securities *indirectly* and indicate that the “registered holder” is the RRSP.

#### **4.5.5 How do I report share-based compensation (other than options) such as deferred share units (DSUs), restricted share awards (RSAs), and stock appreciation rights (SARs)?**

One of the most common forms of share-based compensation is granting options that, upon exercise, are converted into the issuer’s common shares. However, there are other types of share-based compensation. For example, restricted share awards (RSAs) and deferred share units (DSUs) entitle recipients to an award of the issuer’s common shares after a specified period or cash payments based on the value or growth in value of the issuer’s common shares over a specified period. In contrast, stock appreciation rights (SARs) typically only entitle employees to cash payments based on the value or growth in value of the issuer’s common shares over a specified period.

Historically, there has been some uncertainty as to whether, as a matter of law, certain derivative instruments involving securities are themselves securities. Under NI 55-104, it is not necessary to determine whether a particular derivative instrument is a security or a related financial instrument since the insider reporting requirement in Part 3 of NI 55-104 applies to both securities and related financial instruments. To the extent DSUs, RSAs and SARs do not, as a matter of law, constitute securities, they will generally be related financial instruments.

- *RSAs and DSUs*

*Step 1 - Grant of RSAs or DSUs:*

Report the number of RSAs or DSUs awarded and report the equivalent amount of underlying common shares using nature of transaction code 56 - Grant of rights. On SEDI, report the underlying common shares in the “Equivalent number of underlying securities” box. In SEDI, issuers should have created a security designation for the RSAs or DSUs in the issuer profile supplement, and selected the “Issuer derivative” category.

*Step 2 - Vesting and distribution of underlying common shares or cash:*

When the RSAs or DSUs vest and are settled in underlying common shares, report an acquisition of the relevant number of underlying common shares as one transaction using nature of transaction code 57 – Exercise of rights. You will also need to report a disposition of the corresponding number of the RSAs or DSUs, using nature of transaction code 57, as another transaction.

When the RSAs or DSUs vest and are settled by a cash payment, report a disposition of the relevant number of the RSAs or DSUs using nature of transaction code 59 – Exercise for cash.

- *SARs*

*Step 1 - Grant of SARs*

Report the number of SARs awarded, and the exercise price, and report the equivalent amount of underlying common shares using nature of transaction code 56 - Grant of rights. Issuers

should have created a security designation for the SARs in the issuer profile supplement, and selected the “Issuer derivative” category.

*Step 2 - Vesting and distribution of cash*

Report a disposition of the relevant number of SARs using nature of transaction code 59 - Exercise for cash.

**4.5.6 How do I report a grant of related financial instruments which predates April 30, 2010?**

See CSA Staff Notice 55-315 *Frequently Asked Questions about National Instrument 55-104 Insider Reporting Requirements and Exemptions*.

**4.5.7 When do I report changes to my holdings as a result of share consolidations/splits?**

You, the reporting insider, need to report these changes in your holdings resulting from an issuer event the next time you need to file an insider report. See Part 8 of NI 55-104.

**4.5.8 For what issuer events do I need to report changes in my securities holdings?**

You need to report changes in your holdings in securities of a reporting issuer resulting from such events as a stock dividend, stock split, consolidation, amalgamation, reorganization or other similar event that affects all holdings of a class of securities of an issuer in the same manner, on a per share basis.

**4.5.9 How do I report the change in my holdings resulting from an issuer event?**

Example: a 4-for-1 consolidation of 100 common shares

If you held 100 common shares that were consolidated on a 4:1 basis (so that you now hold 25 common shares), you report the change as follows. Calculate the new number of common shares you hold after the consolidation - in this case, 25 common shares. Subtract your new holdings from what you held before the stock consolidation; in this case, 100 - 25, and then report the difference - i.e. 75 common shares, using nature of transaction code 37 - Stock split or consolidation.

Example: a 4-for-1 split of 100 common shares

If you held 100 common shares that were split on a 4:1 basis (so that you now hold 400 common shares), you report the change as follows. Calculate the new number of common shares you hold after the split - in this case, 400 common shares. Subtract from this number the number of common shares you held before the split: 400 - 100, and report the difference - i.e. 300 common shares as an acquisition using nature of transaction code 37.

**4.5.10 What are equity monetization transactions?**

Equity monetization transactions are transactions that allow an investor to receive a cash amount similar to proceeds of disposition, and to transfer all or part of the economic risk and/or return associated with securities of an issuer, without actually transferring the legal and beneficial ownership of such securities.



The term “monetization” generally refers to the conversion of an asset (such as securities) into cash.

For additional guidance on how to report these types of transactions, please refer to CSA Staff Notice 55-312 *Insider Reporting Guidelines for Certain Derivative Transactions (Equity Monetization)* (REVISED).

See Part 4 of NI 55-104 for the supplemental insider reporting requirements for equity monetization transactions and Part 4 of Companion Policy 55-104CP.

#### **4.5.11 Do I have to file insider reports for securities that I have monetized?**

Yes.

#### **4.5.12 How do I report an exercise of options?**

There are the following two steps to report the exercise of an option:

*Step 1* - Report the number of options being exercised as a disposition. Use nature of transaction code 51 to show the disposition. If you are not sure of the number of underlying shares, you can ask the insider affairs contact person found in the issuer profile supplement of the company. Enter the date of the transaction, the exercise price, etc. and then go through the steps required to certify and file your report.

*Step 2* - Show an acquisition of the underlying security (e.g., common shares) equal to the appropriate number of options exercised. Use nature of transaction code 51 to report the acquisition of the common shares.

#### **4.5.13 What are the most common filing errors on insider reports?**

Here is a list of the most common filing errors made on insider reports. We strongly suggest that you check your proposed filing for these types of errors in order to lessen the likelihood that a securities regulatory authority will consider your report incorrect and contact you.

- Problems with reporting your type of ownership - Not reporting by type of holding (direct ownership, indirect ownership, or control or direction)
- Reporting escrowed shares as a separate class of securities
- Not reporting the name of the registered holder (for indirect or control/direction holdings)
- Not showing both sides of the transaction, if applicable (e.g., exercise of options – disposition of options/acquisition of common shares). See question 4.5.12.

## **5. PUBLIC ACCESS**

*Any member of the public can view information filed on SEDI by clicking ‘Access public filings’ on the Welcome to SEDI page on the SEDI website ([www.sedi.ca](http://www.sedi.ca)). The information is available in either French or English. Four reports (described below), including the weekly summary report of insider transactions, are available to you to use in accordance with the Terms of Use - Public. You can download the reports to your computer (PDF format only) and you can print them.*

### **5.1 Can I search for information filed on SEDI?**

Yes. SEDI provides extensive search capabilities for public users. You can either download a weekly report, capturing all insider reports filed for a Friday through Thursday period, or search the database using an extensive set of parameters such as insider's name, issuer, date ranges or types of securities.

### **5.2 What reports can I view on SEDI?**

You can view the following reports:

- Weekly summary - provides a summary of all insider reports filed after Thursday at 4 p.m. Eastern Time and before Thursday at 4 p.m. of the following week (for each of the three preceding weeks only)
- Insider transaction detail - provides a summary of all individual transactions filed by insiders, based on the search criteria used
- Insider information by issuer - provides a list of all registered insiders by each SEDI issuer, based on the search criteria used
- Issuer event history - provides a list of all issuer events reported by an issuer.

Except for the Weekly summary report which displays only in PDF format, the above reports are displayed online in HTML format and can also be downloaded in PDF format. You can view these reports in a Web browser.

### **5.3 Do I need to be registered on SEDI to view these reports?**

No. To view these reports go to the SEDI website ([www.sedi.ca](http://www.sedi.ca)) and, on the *Welcome to SEDI* page, click 'Access public filings'.

### **5.4 What weekly summaries can I view?**

You can view one of three weekly summary reports (1 or 2 or 3 weeks back only) by clicking on the week requested. For insider reports older than three weeks, you need to do a specific search using the insider transaction detail report.

### **5.5 Does the weekly summary include reports only from one province or reports from all provinces and territories?**

The weekly summary reports includes consolidated reports from all provinces and territories. However, you can search the database for an insider transaction detail report using certain parameters so that such reports include specific provinces or territories, for example, only Ontario reports. For certain provinces you can go to the website of the securities regulatory authority to obtain the weekly summary of reports filed in that province.

### **5.6 Does SEDI list the number of issued and outstanding securities for each issuer?**

No, that information is not available on SEDI. This information will generally be available on SEDAR in the issuer's most recent information circular and other continuous disclosure filings. You can generally rely on an issuer's disclosure of its outstanding securities to determine if you are a "significant shareholder" and therefore a "reporting insider", unless you know the issuer's

disclosed information is not correct. See section 1.3 of NI 55-104 (Reliance on Reported Outstanding Shares).

**5.7 Can I subscribe to receive information on filings by certain insiders, or by insiders of particular companies or other information filed on SEDI?**

These services are not part of SEDI. However, bulk and/or real-time SEDI data feeds may be available for resale. Please contact the SEDI operator.

**5.8 Where can I look at insider reports filed in paper format?**

You can look at these reports at the offices of the relevant securities regulatory authority during business hours or, to see a summary of insider transactions, on their respective websites.

**APPENDIX A**  
**SECURITIES REGULATORY AUTHORITIES AND SEDI CONTACT AND WEBSITE**  
**INFORMATION**

**Canadian Securities Administrators (CSA)**  
**website:** [www.securities-administrators.ca](http://www.securities-administrators.ca)

**Securities Regulatory Authorities**

**Alberta Securities Commission**  
4<sup>th</sup> Floor, 300-5<sup>th</sup> Avenue S.W.  
Calgary, AB, Canada  
T2P 3C4  
Attention: Compliance Officer, Corporate Finance  
Telephone: 403-297-2489  
Facsimile: 403-297-6156  
E-mail: [Inquiry@asc.ca](mailto:Inquiry@asc.ca)  
Website: [www.albertasecurities.com](http://www.albertasecurities.com)

**Autorité des marchés financiers**  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal, Québec  
H4Z 1G3  
Attention: Information Center  
Telephone: 514-395-0337 or 877-525-0337  
Facsimile: 514-873-3090  
For insider reports:  
Telephone: 514-395-0337 ext. 4200  
Facsimile: 514-873-3120  
E-mail: [inities@lautorite.qc.ca](mailto:inities@lautorite.qc.ca)  
Website: <http://www.lautorite.qc.ca>

**British Columbia Securities Commission**  
P.O. Box 10142 Pacific Centre  
701 West Georgia Street  
Vancouver, BC Canada  
V7Y 1L2  
Attention: Insider Reporting  
Telephone: 604-899-6500 or 800-373-6393 (in BC)  
Facsimile: 604-899-6506 (for correspondence)  
E-mail: [inquiries@bcsc.bc.ca](mailto:inquiries@bcsc.bc.ca)  
Website: [www.bcsc.bc.ca](http://www.bcsc.bc.ca)

**Manitoba Securities Commission**

500-400 St. Mary Avenue

Winnipeg, MB, Canada

R3K 4K5

Attention: Insider Reporting

Telephone: 204-945-2548 or 800-655-5244 (Manitoba only)

Email: [securities@gov.mb.ca](mailto:securities@gov.mb.ca)

Facsimile: 204-945-0330

Website: [www.msc.gov.mb.ca](http://www.msc.gov.mb.ca)

**New Brunswick Securities Commission**

85 Charlotte Street, Suite 300

Saint John, NB, Canada

E2L 2J2

Telephone: 506-658-3060

Facsimile: 506-658-3059

E-mail: [information@nbsc-cvmnb.ca](mailto:information@nbsc-cvmnb.ca)

Website: [www.nbsc-cvmnb.ca](http://www.nbsc-cvmnb.ca)

**Nova Scotia Securities Commission**

2<sup>nd</sup> Floor, Joseph Howe Building

1690 Hollis Street

P.O. Box 458

Halifax, NS, Canada

B3J 3J9

Attention: Corporate Finance

Telephone: 902-424-7768

Facsimile: 902-424-4625

Website: <http://www.gov.ns.ca/nssc>

**Ontario Securities Commission**

Suite 1903, Box 55

20 Queen Street West

Toronto, ON, Canada

M5H 3S8

Attention: Review Officer, Insider Reporting

Telephone: 416-593-8314

1-877-785-1555 (toll free)

Facsimile for filing insider reports: 416-593-3666

E-mail: [inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca)

Website: [www.osc.gov.on.ca](http://www.osc.gov.on.ca)

**Saskatchewan Financial Services Commission**

Securities Division

6<sup>th</sup> Floor, 1919 Saskatchewan Dr.  
Regina, SK, Canada  
S4P 3V7  
Attention: Deputy Director, Corporate Finance  
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**Securities Commission of Newfoundland and Labrador**  
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