

Note: [01 Nov 1998] - The following is ASC Rule 71-801 as it was initially implemented. This version of ASC Rule 71-801 is no longer current.

ALBERTA SECURITIES COMMISSION RULE 71-801
IMPLEMENTING
THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM
UNDER
NATIONAL INSTRUMENT 71-101

PART 1 DEFINITIONS

1.1 Definitions

- (a) In this Rule:
 - (i) "NI 71-101" means "National Instrument 71-101 - The Multijurisdictional Disclosure System"; and
 - (ii) "rules" means the Alberta Securities Commission Rules.
- (b) Each term used in this Rule that is defined or interpreted in Part 1 of NI 71-101 has the meaning ascribed to it in that Part.

PART 2 MJDS PROSPECTUS DISTRIBUTIONS

2.1 Preliminary MJDS Prospectus and MJDS Prospectus

The following do not apply to a distribution of securities made by MJDS prospectus in compliance with NI 71-101 and otherwise in accordance with the Act and the rules:

- (a) sections 82 and 84 of the Act, insofar as those sections concern the form and content of a preliminary prospectus or prospectus;
- (b) sections 85 and 89 of the Act, insofar as those sections concern the form, content and circumstances of filing of an amendment to a preliminary prospectus or prospectus;
- (c) sections 90(2), (2.1) and (4) and 91 of the Act;
- (d) section 97 of the Act, insofar as that section limits the duration of the distribution of securities under a MJDS prospectus in relation to a rule 415 offering;
- (e) section 90 of the rules; and
- (f) sections 118 and 119 of the rules.

2.2 Distribution by Issuer of Rights Granted to Holders of Securities

Section 54 of the Act does not apply to a distribution, made in compliance with the provisions of NI 71-101 and otherwise in accordance with the Act and the rules, of:

- (a) a right granted by the issuer to holders of its securities to purchase additional securities of its own issue; or
- (b) a security of its own issue issued through the exercise of a right of the holder to purchase or otherwise acquire in accordance with the terms and conditions of a security distributed under paragraph (a).

2.3 Solicitations of Expressions of Interest

Section 81 of the Act does not apply to the solicitation of expressions of interest with respect to distributions of securities before the filing of a preliminary MJDS prospectus if the issuer complies with Part 11 of NI 71-101 and otherwise with the Act and the rules.

PART 3 CERTAIN OFFERINGS BY CANADIAN ISSUERS UNDER THE U.S. MULTIJURISDICTIONAL DISCLOSURE SYSTEM

3.1 U.S. Only Offerings by Issuers Located in Alberta

Section 91 of the Act does not apply to a prospectus filed by an issuer located in Alberta in respect of securities that are offered and sold only in the United States.

PART 4 BIDS FOR SECURITIES OF U.S. ISSUERS

4.1 Application of the Act and Rules to Offerors in Take-over Bids and Issuer Bids

The following do not apply to a bid made in compliance with Part 12 of NI 71-101 and otherwise in accordance with the Act and the rules:

- (a) sections 134 and 134.1 of the Act, except that section 134.1(2) of the Act applies to a bid if securityholders of the offeree issuer whose last address as shown on the books of the issuer is in Canada, as determined in accordance with sections 12.1(2) through (4) of NI 71-101, hold 20% or more of a class of securities that is the subject of the bid;
- (b) section 135 of the Act, other than section 135(a) and the requirement in section 135(b) that the offeror send the bid to all holders in Alberta of securities of the class that is subject to the bid;
- (c) sections 135.1 and 136 of the Act;
- (d) sections 137 and 137.1 of the Act, other than:
 - (i) the requirement in section 137(1) to deliver a take-over bid circular or an issuer bid circular to all holders in Alberta of securities of the class that is subject to the bid;
 - (ii) the requirement in section 137(2), subject to section 137(3), to deliver a notice of change to every person or company to whom the take-over bid circular or issuer bid circular was required to be delivered and whose securities were not taken up at the date of the occurrence of the change; and
 - (iii) the requirement in section 137.1(1) to deliver a notice of variation to every person or company to whom the take-over bid circular or issuer bid circular was required

to be delivered and whose securities were not taken up at the date of the variation;

- (e) section 137.2 of the Act;
- (f) section 140 of the Act, other than the requirements in sections 140(1) and (2) to file any notice of change or variation;
- (g) sections 170 and 171 of the rules unless, in respect of a take-over bid circular in respect of an insider bid, or an issuer bid circular, securityholders of the offeree issuer whose last address as shown on the books of the issuer is in Canada, as determined in accordance with sections 12.1(2) through (4) of NI 71-101, hold 20% or more of a class of securities that is subject to the bid;
- (h) section 177 of the rules other than:
 - (i) if the take-over bid does not satisfy the eligibility requirements of section 12.3 of NI 71-101, any requirement in Form 31 prescribed under section 177 of the rules that is applicable because the bid provides that the consideration for the securities of the offeree issuer is to be, in whole or in part, securities of the offeror or other issuer; and
 - (ii) any requirement in Form 31 prescribed under section 177 of the rules that is applicable because the offeror anticipates that a going private transaction will follow the take-over bid;
- (i) section 180 of the rules other than, if the issuer bid does not satisfy the eligibility requirements of section 12.3 of NI 71-101, any requirement in Form 34 prescribed under section 180 of the rules that is applicable because the bid provides that the consideration for the securities of the offeree issuer is to be, in whole or in part, different securities of the issuer; and
- (j) sections 181.1, 181.3, 181.9 and 181.92 of the rules.

4.2 Application of the Act and the Rules to MJDS Directors' Circulars and MJDS Individual Director's or Officer's Circulars

The following do not apply to the directors or the individual directors or officers of an offeree issuer who elect to comply with Part 12 of NI 71-101 instead of provisions of the Act and the rules otherwise applicable in preparation of a directors' circular or individual director's or officer's circular for a take-over bid made for securities of the offeree issuer under Part 12 of NI 71-101:

- (a) sections 138, 139 and 139.1 of the Act, other than:
 - (i) section 138(1), except the requirement that a directors' circular be sent to holders of securities that, before the expiration of the bid, are convertible into securities of the class that is subject to the bid;
 - (ii) the requirement in section 138(5) to deliver a notice of change to every person or company to whom the directors' circular was required to be delivered, in respect of holders of securities that were not taken up at the date of the occurrence of the change; and
 - (iii) section 139(3), except the requirement to deliver a copy of an individual director's

or officer's circular and a notice of change to holders of securities that, before the expiration of the bid, are convertible into securities of the class that is subject to the bid;

- (b) section 140 of the Act other than the requirement in section 140(3) to file every directors' circular, individual director's or officer's circular and any notice of change; and
- (c) sections 178, 179, 181.2, 181.9 and 181.92 of the rules.

PART 5 FINANCIAL REPORTING, MEETINGS, PROXIES AND PROXY SOLICITATION, SHAREHOLDER COMMUNICATIONS AND INSIDER REPORTING

5.1 Filing and Sending of Financial Statements

- (a) The requirements of sections 120, 121 and 122 of the Act, in respect of the filing and sending of interim financial statements and annual financial statements and auditor's report thereon, may be satisfied, by a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act, by compliance with Part 15 of NI 71-101.
- (b) Sections 6(3), 144(2) and 160 of the rules do not apply to or in respect of financial statements filed or sent in accordance with Part 15 of NI 71-101.

5.2 Annual Meetings

Section 130 of the Act does not apply to a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act.

5.3 Proxies and Solicitation of Proxies

The requirements of section 124 and Part 12 (other than section 130) of the Act and of section 162 and Part 12 (other than section 168) of the rules may be satisfied, by a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act, by compliance with Part 16 of NI 71-101.

5.4 Insider Reports

Sections 147 and 150 of the Act do not apply to an insider of a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act, if the insider complies with Part 17 of NI 71-101.

PART 6 CONTINUOUS DISCLOSURE

6.1 Material Changes

The requirements of section 118 of the Act in respect of the issuance and filing of a news release or the filing of a material change report upon the occurrence of a material change may be satisfied by compliance, by a U.S. issuer that meets the requirements thereof, with Part 14 of NI 71-101.

PART 7 REPRESENTATIONS

7.1 Representations as to Listing on Stock Exchange

Section 70(3)(b) of the Act does not apply to a U.S. issuer distributing securities in compliance with NI 71-101.

PART 8 EFFECTIVE DATE

8.1 Effective Date

This Rule comes into force on November 1, 1998.