

Corporate Securities

SEPTEMBER 7, 2001

National Instrument 55-102: A New System for Electronic Filing of Insider Reports

Overview

The Canadian Securities Administrators (the "CSA") recently released National Instrument 55-102 - System For Electronic Disclosure by Insiders (referred to as "SEDI"). SEDI will fundamentally change the manner in which insider reporting is performed in Canada as reports will be filed electronically with one filing and not by telecopy to various securities commissions. Investors will be able to access the data promptly by date, company name, name of insider and class of security. The obligation of issuers to file issuer profile supplements under SEDI comes into force on **October 29, 2001** while all other filings on SEDI, including individual insider reports, come into force on **November 13, 2001**. SEDI mandates (subject to certain limited exceptions) that "SEDI issuers" (see definition below) file and disseminate insider reports electronically by way of a software application. Unlike SEDAR, no special software is required for SEDI and insider reports may be filed by anyone over a website accessed through commonly available web browsers (www.sedi.ca).

The National Instrument defines "SEDI issuers" as reporting issuers, other than mutual funds, that are required to file disclosure documents in electronic format through SEDAR. Prior to any insider reports being filed on SEDI, certain information pertaining to the SEDI issuer and insiders of the SEDI issuer must be filed electronically.

In SEDI, any individual wishing to access the system to make a filing must register with CDS, Inc., a subsidiary of The Canadian Depository Securities Limited. Individuals will be able to register by accessing www.sedi.ca and completing the online insider profile registration form. For security purposes, individuals will also be required to sign a paper copy of a registration form and deliver the signed copy to CDS, Inc. by prepaid mail, personal delivery or facsimile for verification.

Key Provisions

Insider Profiles

Before the first electronic filing of an insider report, an *insider profile* must be created on SEDI for the individual insider. The insider profile will consist of substantially the same information as is currently contained in the paper form of an insider report. An amended insider profile must be filed within ten days if there is a change in the insider's name, a change in relationship between the insider and the SEDI issuer or if the insider ceases to be an insider of the SEDI issuer. All other factual changes to the insider profile may be filed at the time of submitting the insider's next insider report filing on SEDI. **We recommend that insiders create their insider profiles on or after October 29, 2001 but before November 13, 2001 when electronic filing will be required and telecopied insider reports will no longer be accepted.**

Issuer Profile Supplements

All SEDI issuers will be required to file an *issuer profile supplement* to their SEDAR issuer profiles *through SEDI*. The issuer profile supplement will require information about the SEDI issuer's outstanding securities and the name and contact information for the SEDI issuer. **Existing SEDI issuers**

THE UPDATE (CONTINUED)

will be required to file their profile supplements within five business days of October 29, 2001. The issuer profile form will be available at the SEDI website. A SEDI issuer must immediately file an amended profile supplement if the information contained in the existing profile supplement changes.

Issuer Event Reports

Every SEDI issuer must file an *issuer event report* no later than one business day following the occurrence of an “issuer event” which is described as a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of the SEDI issuer in the same manner. Issuer event reports will be displayed on SEDI in order to assist insiders of SEDI issuers to prepare insider reports.

Insider Reports

On and after **November 13, 2001** and the filing of the insider profile on SEDI, insider reports must be filed on SEDI by or on behalf of the insider within 10 days of any trade. Insider reports filed on SEDI will contain substantially the same information as in the current paper form of an insider report.

Security Access Keys

SEDI will issue alpha-numeric access keys to insiders and SEDI issuers when insider profiles and issuer profile supplements are created. Any filings of information on SEDI will require the access keys assigned to that insider or SEDI issuer, thereby controlling the information filed by others on behalf of insiders or SEDI issuers. Insiders and SEDI issuers are permitted to provide filing agents (who will not be recorded) with their access keys at any time, thereby remaining in control over those permitted to file on their behalf. Access keys can be changed at any time by insiders and issuers. Insiders making SEDI filings will be required to certify that the information is true and complete. Any agent making a SEDI filing is required to make such certification based on his or her best knowledge, information and belief.

SEDI Website

The SEDI website is expected to be operational for issuer and insider profiles on **October 29, 2001**.

We invite you to contact any member of the Goodmans securities team to discuss SEDI and/or the registration process for issuers and insiders with SEDI.

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