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NEW BRUNSWICK SECURITIES COMMISSION LOCAL RULE 55-501

Exemption from Certain Disclosure Requirements for Persons in a Special Relationship with a Reporting Issuer

PART 1: DEFINITIONS AND INTERPRETATION

Definitions

1.1 (1) In this Rule

"**Act**" means the *Securities Act*, S.N.B. 2004, Chapter S-5.5

PART 2: EXEMPTION FROM SUBSECTION 147(2) OF THE ACT

2.1 A person that purchases or sells securities of a reporting issuer with knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed is exempt from subsection 147(2) of the *Act* if:

- (a) no director, officer, partner, employee or agent of the person who made or participated in making the decision to purchase or sell the securities of the reporting issuer had actual knowledge of the material fact or material change; and
- (b) no advice was given with respect to the purchase or sale of the securities to the director, officer, partner, employee or agent of the person who made or participated in making the decision to purchase or sell the securities by a director, partner, officer, employee or agent of the person who had actual knowledge of the material fact or the material change,

but this exemption is not available to an individual who had actual knowledge of the material fact or change.

- 2.2 A person that purchases or sells securities of a reporting issuer with knowledge of a material fact or material change with respect to the reporting issuer that has not been generally disclosed is exempt from subsection 147(2) of the *Act* if:
- (a) the purchase or sale was entered into as an agent of another person pursuant to a specific unsolicited order from that other person to purchase or sell;
 - (b) the purchase or sale was made pursuant to participation in an automatic dividend reinvestment plan, share purchase plan or other similar automatic plan that was entered into by the person prior to the acquisition of knowledge of the material fact or material change; or
 - (c) the purchase or sale was made to fulfill a legally binding obligation entered into by the person prior to the acquisition of knowledge of the material fact or material change.
- 2.3 A person who purchases or sells a security of a reporting issuer as agent or trustee for a person who is exempt from subsection 147(2) of the *Act* by reason of subsection 2.2(b) or (c) is exempt from subsection 147(2) of the *Act*.
- 2.4 A person is exempt from subsections 147(2), (4) and (5) of the *Act* where the person reasonably believes that,
- (a) the other party to a purchase or sale of securities; or
 - (b) the person informed of the material fact or material change,
- as the case may be, had knowledge of the material fact or material change.

PART 3: EXEMPTION

- 3.1 The Executive Director may grant an exemption from this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 4: EFFECTIVE DATE

- 4.1 This rule comes into effect on 12 June 2007.