

**2.4                      Notice of Multilateral Policy 34-202**

**NOTICE OF MULTILATERAL POLICY 34-202  
REGISTRANTS ACTING AS CORPORATE DIRECTORS  
AND RESCISSION OF NATIONAL POLICY STATEMENT NO. 18**

**Notice of Multilateral Policy**

On October 14, 1998, the Alberta Securities Commission (the "Commission") approved an Alberta Securities Commission Multilateral Policy concerning registrants acting as corporate directors (the "Policy") and rescinded National Policy Statement No. 18 Conflict of Interest - Registrants Acting as Corporate Directors, effective October 16, 1998. The text of the policy, which is known as Multilateral Policy 34-202, is published in the Alberta securities Commission Summary of October 16, 1998.

The Policy is an initiative of the Canadian Securities Administrators (the "CSA"), other than Québec, and is being adopted as a policy in each of the jurisdictions represented by the CSA other than Québec. The Policy is not being adopted at the time by the Commission des valeurs mobilières du Québec. The Policy is substantially similar to former National Policy Statement No. 18 - Conflict of Interest - Registrants Acting as Corporate Directors, which it replaces. National Policy Statement No. 18 was initially published in April 1971 and was, in part, based on a statement published by The Toronto Stock Exchange on December 5, 1968.

Terms used in the Policy that are defined or interpreted in a definition instrument in force in the jurisdiction should be read in accordance with that definition instrument, unless the context otherwise requires.

**Substance and Purpose of Multilateral Policy**

The purpose of the Policy is to express the views of the CSA, other than Québec, as to the potential for conflicts of interest arising if an individual registrant or a representative of a registrant acts as a director of or advisor to a reporting issuer.

Because this Policy is not, at this time, being adopted in all of the jurisdictions of the CSA, it is called a Multilateral Policy rather than a National Policy. However, as this Policy is being adopted in a number of jurisdictions, it is numbered as a national policy.

**Summary of Policy**

The Policy alerts registrants to the possibilities of a conflict of interest that can arise when a registrant is acting as a director of a reporting issuer. The Policy reminds those registrants that they have a fiduciary obligation not to reveal confidential information concerning the reporting issuer to anyone not authorized to receive it, including the registrant's personnel and clients. The Policy states the view of the Canadian securities regulatory authorities, other than Québec, that representatives of a registrant who are not directors of a reporting issuer, but are acting in an advisory capacity to a reporting issuer, have substantially the same obligations relating to confidential information as a director of the reporting issuer. The Policy notes that in British Columbia a salesperson of a dealer and a registered individual of an advisor may not act as a director or officer of a reporting issuer.

**Written Comments Received by the CSA**

A draft of the Policy was published for comment on the Alberta Securities Commission Summary on February 13, 1998 ((1998), 7 ASCS 416). Certain of the other CSA members also published the draft for comment on or about that time. The CSA members received no written submissions with respect to the Policy and no

changes have been made from the draft, other than adding section 1.7 to clarify the multilateral nature of this Policy.

**Revocation of National Policy Statement No. 18**

National Policy Statement No. 18 is replaced by the Policy and will be rescinded effective October 16, 1998.

DATED: October 16, 1998.