

**For Immediate Release
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**Canadian Securities Regulators Propose
Framework for Shareholder Rights Plans**

Toronto – The Canadian Securities Administrators (CSA) today published for comment proposed National Instrument 62-105 *Security Holder Rights Plans*, which would establish a comprehensive regulatory framework for the treatment of rights plans in Canada that would provide a target company’s board and shareholders with greater discretion in the use of such plans.

The proposed rule addresses concerns about the ability of a company’s board to respond to an unsolicited take-over bid by implementing a rights plan, while ensuring that shareholders support the use of the rights plan. The proposed framework would allow a rights plan adopted by a board to remain in place provided majority shareholder approval of the rights plan is subsequently obtained within specified time frames. Shareholders would also be able to terminate a rights plan at any time by majority vote.

“The CSA believe that the proposed rule will modernize, harmonize and codify an appropriate regulatory approach to rights plans in Canada,” said Bill Rice, Chair of the CSA and Chair and CEO of the Alberta Securities Commission. “Barring exceptional circumstances, the decision to adopt and maintain a rights plan would be a matter for company boards and shareholders, not securities regulators.”

Rights plans are a defensive tactic often adopted by a company’s board in response to or in anticipation of an unsolicited or hostile take-over bid. A rights plan deters a bidder from taking up and paying for target shares by granting shareholders of the target company, other than the bidder, the right to purchase additional shares at a significant discount if an acquirer exceeds a specified share ownership threshold.

Under the existing framework, securities regulators in Canada will generally cease trade a shareholder rights plan after a limited period of time once the rights plan has given the target board sufficient time to respond to the bid. The CSA are proposing that regulators not intervene to cease trade a rights plan that has complied with the proposed framework, which is an important step in empowering the target board and shareholders in responding to a bid.

The CSA welcomes comments on proposed NI 62-105, which can be found on CSA members’ websites. The comment period is open until June 12, 2013.

The CSA, the council of the securities regulators of Canada’s provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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