

## Appendix I

### British Columbia Securities Commission

#### **BC Instrument 45-514** *The Employee Investment Act*

The British Columbia Securities Commission, considering that to do so would not be prejudicial to the public interest, orders that effective September 28, 2009, BC Instrument 45-514 entitled *The Employee Investment Act*, dated November 30, 2001 is revoked and the attached BC Instrument 45-514 *The Employee Investment Act* is made.

, 2009

Brent W. Aitken  
Acting Chair

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*(This part for administrative purposes only and is not part of the Order)*

**Authority under which Order is made:**

Act and sections:- *Securities Act*, section 171

Other (specify):-

**BC Instrument 45-514**  
***The Employee Investment Act***

Order under Sections 48 and 76 of the Securities Act

**Application**

1. This BC Instrument provides relief for an employee venture capital corporation to trade shares to permitted purchasers and for those permitted purchasers to trade to other permitted purchasers, all subject to certain conditions.

**Definitions**

2. (a) In this Instrument

"Act" means the Securities Act, R.S.B.C 1996, c.418;

"EI Act" means the Employee Investment Act, R.S.B.C. 1996, c. 112;

"Employee" means, when used in relation to an eligible business, an employee of the eligible business or of an affiliate of the eligible business;

"EVCC" means an employee venture capital corporation registered under the EI Act, and constituted to

- (i) restrict the EVCC to investing in shares of a particular eligible business and in investments permitted by section 22(1)(b), (d), (e) and (f) of the EI Act, and
- (ii) prohibit the EVCC from issuing shares to any person other than a permitted purchaser;

"NI 45-102" means National Instrument 45-102 Resale of Securities;

"permitted purchaser" means, when used in relation to an EVCC, an Employee of the EVCC's eligible business.

(b) Unless otherwise defined, terms defined in the EI Act have the same meaning in this Instrument.

## **Exemption**

3. Sections 34 and 61 of the Act do not apply to an EVCC provided that

- (a) the EVCC has distributed its shares only
  - (i) to permitted purchasers, and
  - (ii) to the first subscriber or subscribers under section 10(1) of the Business Corporations Act SBC 2002 c. 57;
- (b) the trade is made under the employee venture capital plan of the EVCC;
- (c) the share certificate contains a legend stating that transfers of the share must comply with NI 45-102 and this Instrument, and
- (d) before the trade, the EVCC notifies the permitted purchaser in writing about the resale restrictions this Instrument and NI 45-102 impose.

4. Any trade in shares issued by an EVCC under section 3 of this Instrument is subject to section 2.6 of NI 45-102.

5. Sections 34 and 61 of the Act do not apply to

- (a) a trade by a permitted purchaser to another permitted purchaser of shares issued by an EVCC; or
- (b) a trade by an Employee to another Employee of shares issued by an eligible business under an ESOP.