

NATIONAL POLICY No. 25

REGISTRANTS: ADVERTISING: DISCLOSURE OF INTEREST

Under the *Uniform Securities Act* (Ontario Section 71) registered advisers are required to disclose in a conspicuous position on every circular, pamphlet, advertisement, letter, telegram and other publication issued, published or sent by him a full and complete statement of any financial or other interest that he may have either directly or indirectly in any of the securities referred to in those publications or in the sale or purchase thereof including any commissions, financial arrangements or other remuneration he may expect to receive if his recommendation is followed. The provincial securities administrators are of the view that the standard of conduct outlined above ought to be followed by all classes of registrant when they recommend the purchase or sale of a security in which they have a material interest.

This arises most frequently when a registrant endorses or recommends the acceptance of a takeover bid, a share exchange offer, or the purchase of an issue being offered through a rights offering, through warrants, or by way of conversion. Where such endorsements or recommendations are made orally or in writing by registrants they should include a clear statement of interest in the following circumstances:

- (1) where the registrant acts as an agent for the offeror;
- (2) where the registrant will receive a fee for shares tendered, exchanged or taken up through him;
- (3) where the named officers or directors of the registrant are also officers or directors of the offeror; or
- (4) where the registrant has any other material financial interest, direct or indirect, in the offer.

Failure to comply with the spirit of this policy will be considered by the administrators as being contrary to the public interest - affecting the registrant's fitness for continued registration.

EFFECTIVE DATE: DECEMBER 6th, 1971