ASC
Alberta Securities Commission

Investor Communication Regarding Mini-Tenders

What is a take-over bid?

A "take-over bid" is made when someone tries to acquire *20% or more* of a company's outstanding securities where any of the investors receiving the offer are in Canada. The person making the offer must comply with Canadian take-over bid rules. The take-over bid rules help protect investors by requiring a bidder to:

- Prepare and send a document called a take-over bid circular containing extensive disclosure about itself and the bid to investors, and file it on SEDAR+ .
- Keep the bid open for acceptance by investors for at least 105 days.
- Send investors a document called a notice of variation if there is a change to the terms of the bid.
- Allow investors to withdraw their securities.

Although it is not a requirement, a take-over bid is typically made at a "premium" — that is, the offer price is *above* the price at which the securities were trading on a stock exchange before the take-over bid was made.

What is a mini-tender offer?

A mini-tender offer is not the same as a take-over bid, even though the documents you may receive in connection with a mini-tender offer can look similar to the documents you would get if the offer was a take-over bid. A mini-tender offer is a widely disseminated offer to purchase a relatively small number of securities of a public company.

Mini-tender offers are not required to comply with Canadian laws and regulations applicable to take-over bids, and are not subject to Canadian policies applicable to take-over bids. This is because mini-tender offerors are not trying to acquire 20% or more of a company's outstanding securities. That means that the protections that exist in a take-over bid may not be present in a mini-tender offer.

Unlike a typical take-over bid, a mini-tender offer is usually made at a "discount" — that is, the offer price is *below* the price at which the securities were trading on a stock exchange before the mini-tender offer was made.

You should be aware that some mini-tender offers may appear to be made at a "premium" but include conditions that purport to allow the mini-tender offeror to walk away unless the trading price of the securities ends up exceeding the offer price.

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What should you do if you receive a mini-tender offer?

Like any investment, it's important you know what you are investing in. If you're considering selling your securities in connection with a mini-tender offer, it's a good idea to:

- **Consult a dealer or advisor.** Ask your dealer or advisor if the offer is a formal take-over bid or a mini-tender offer, and whether tendering to it is the right decision for you.
- **Read the offering materials carefully.** Do not agree to anything until you have read the offering materials in their entirety. Be on alert for conditions that:
  - Limit your ability to withdraw your securities if you want to change your mind later on.
  - Allow the person making the offer to change the terms of the offer either without notice to you or in a way where notice is not likely to reach you.
  - Allow the person making the offer to walk away at any time.
- **Find out the trading price of your securities.** If an offer is being made for your securities, you can usually find out the current trading price for the securities online. If you need assistance, your dealer or advisor can help.

Canadian securities regulators may intervene if a mini-tender offer is conducted in a manner or in circumstances that are prejudicial to the public interest. In addition, non-Canadian investors may have recourse under the laws of their home jurisdictions and should consider consulting their securities regulatory authorities if they have concerns with a mini-tender offer. Please contact the Alberta Securities Commission for **Error! Hyperlink reference not valid.**more information or to report concerns about a mini-tender offer.

Summary

Investors should exercise caution if they're considering selling their securities in connection with a "mini-tender" offer. Investors should be aware of the differences between a take-over bid and a mini-tender offer so that they can make fully informed decisions. Keep in mind:

- A "take-over bid" is made when someone tries to acquire *20% or more* of a company's outstanding securities where any of the investors receiving the offer are in Canada. The person making the offer must comply with Canadian take-over bid rules.
- A "mini-tender" offer is a widely disseminated offer to purchase a relatively small number of securities of a public company.
- Mini-tender offers are not required to comply with Canadian laws and regulations applicable to take-over bids, and are not subject to Canadian policies applicable to take-over bids, because mini-tender offerors are not trying to acquire 20% or more of a company's outstanding securities.
- Investor protections that exist in a take-over bid may not be present in a mini-tender offer.
- If you are considering selling your securities in connection with a mini-tender offer, you should consult a dealer or advisor, read the offering materials very carefully and find out the trading price of your securities.