

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, SASKATCHEWAN, MANITOBA  
ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR**

**AND**

**IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS**

**AND**

**IN THE MATTER OF  
NORBORD INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (collectively the “Jurisdictions”) has received an application from Norbord Inc. (“Norbord”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of Norbord by reason of having the title of Vice-President;

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

**AND WHEREAS**, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

**AND WHEREAS** Norbord has represented to the Decision Makers that:

1. Norbord is an international forest products company incorporated under and governed by the Canada Business Corporations Act with its head office located at Suite 500, 1 Toronto Street, Toronto, ON, M5C 2W4.
2. Norbord is a reporting issuer, or the equivalent, as applicable, in each province and territory of Canada. To the best of its knowledge, information and belief, Norbord is not in default of its reporting requirements under the Legislation.
3. Currently, 39 individuals are insiders of Norbord by reason of being a senior officer or director of Norbord or a major subsidiary of Norbord and are not otherwise exempt from the insider reporting requirements of the Legislation by reason of existing orders and/or the exemptions

contained in National Instrument 55-101 Exemption from Certain Insider Reporting Requirements (“NI 55-101”).

4. Norbord made this application to seek the requested relief in respect of approximately 16 individuals, who, in the opinion of senior officers of Norbord (the “Senior Officers”) who oversee administration of Norbord’s trading restrictions for directors, senior officers and other employees, satisfy the Exempt VP Criteria (as defined below).

5. Norbord has trading restrictions in place for all directors and employees of Norbord and its subsidiaries to ensure that such persons are aware that: (a) they are not permitted to buy or sell Norbord securities when they have material information about Norbord that has not been released to the general public; and (b) they are not permitted to disclose to anyone, inadvertently or intentionally, material information about Norbord that has not been released to the general public, except to other employees on a need-to-know basis.

6. Norbord has additional trading restrictions in place for senior officers as well as certain other employees who may receive or have access to non-public material information about Norbord. Norbord developed these additional restrictions to ensure that its directors, senior officers and other employees are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation.

7. The additional restrictions require that trades in Norbord securities may occur only during certain time frames following the announcement of Norbord’s financial results. These additional restrictions will continue to apply to any individual who is exempted from the insider reporting requirements by the Decision Makers.

8. The Senior Officers reviewed: (a) the organizational structure of Norbord and its major subsidiaries; (b) the function of each vice-president; and (c) the distribution of non-public material information about Norbord through each of its business groups and assessed whether non-public material information about Norbord was provided to a particular vice-president function in the ordinary course based on criteria contained in Canadian Securities Administrators Staff Notice 55-306 Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents (the “Staff Notice”).

9. Norbord has made this application to seek relief from the insider reporting requirement for individuals who meet the following criteria set out in the Staff Notice (the “Exempt VP Criteria”):

(a) the individual is a vice-president;

(b) the individual is not in charge of a principal business unit, division or function of Norbord or a “major subsidiary” of Norbord (as that term is defined in NI 55-101);

(c) the individual does not in the ordinary course receive or have access to

information regarding material facts or material changes concerning Norbord before the material facts or material changes are generally disclosed; and

(d) the individual is not an insider of Norbord in any capacity other than as vice-president.

10. The Senior Officer applies the same analysis each time a new vice-president is appointed or an existing vice-president is promoted. The Senior Officer will review and update Norbord's Exempt VP analysis annually.

11. If an individual who is designated as an Exempt VP no longer satisfies the Exempt VP Criteria, the Senior Officer will ensure that the individual is informed about his or her renewed obligation to file an insider report on trades in securities of Norbord.

12. Norbord's internal policies relating to restricting the trading activities of their insiders and other persons whose trading activities are restricted by Norbord is publicly available on its website.

**AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

**AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to insiders of Norbord who satisfy the Exempt VP Criteria for so long as such insiders satisfy the Exempt VP Criteria provided that:

(a) Norbord agrees to make available to the Decision Makers, upon request, to the extent permitted by law, a list of all individuals who are relying on the exemption granted by this Decision as at the time of the request; and

(b) the relief granted will cease to be effective on the date when NI 55-101 is amended.

DATED August 10th, 2004.

"Susan Wolburgh-Jenah"

"Paul K. Bates"

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions.

**Statutes Cited**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

**Regulations Cited**

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

**Rules Cited**

National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements.