

STATEMENT OF POLICY REGARDING UNEQUAL VOTING RIGHTS

Adopted October 24, 1991

- I. INTRODUCTION. The North American Securities Administrators Association, Inc. (“NASAA”) has determined that the following guideline relating to public offerings of securities, that have less than equal voting rights, is consistent with public investor protection and is in the public interest. Nothing shall prevent the Securities Administrator (“Administrator”) from applying different standards than those contained in this Statement of Policy.

- II. The offer and sale of securities that have less than equal voting rights may be deemed to be inconsistent with public investor protection and against public policy by the Administrator unless:
 - A. The securities are given preferential treatment as to dividends and liquidation or the less than equal voting rights are justified to the satisfaction of the Administrator; and
 - B. The terms of the voting rights are prominently disclosed on the cover page of the issuer's offering circular or prospectus.