

Annex I

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| <b>Sector:</b>                  | All Sectors  |
| <b>Sub-Sector:</b>              |  |
| <b>Industry Classification:</b> |  |
| <b>Type of Reservation:</b>     | Senior Management and Boards of Directors (Article 10.8)   |
| <b>Measures:</b>                | <i>Canada Business Corporations Act</i> , R.S.C. 1985, c. C-44<br><i>Canada Business Corporations Regulations, 2001</i> ,<br>SOR/2001-512<br><i>Canada Corporations Act</i> , R.S.C. 1970, c. C-32<br>Special Acts of Parliament incorporating specific companies  |
| <b>Description:</b>             | <u>Investment</u><br><p>1. The <i>Canada Business Corporations Act</i> requires, for most federally-incorporated corporations, that 25% of directors be resident Canadians. A simple majority of resident Canadian directors is required for corporations in the following sectors: uranium mining; book publishing or distribution; book sales (if the sale of books is the primary part of the corporation's business); and film or video distribution. Similarly, corporations that, by an Act of Parliament or Regulation, are individually subject to minimum Canadian ownership requirements, are required to have a majority of resident Canadian directors.</p> <p>2. For the purposes of the <i>Canada Business Corporations Act</i>, <b>resident Canadian</b> means a natural person who is a Canadian citizen ordinarily resident in Canada, a citizen who is a member of a class set out in the <i>Canada Business Corporations Regulations, 2001</i>, or a permanent resident as defined in the <i>Immigration and Refugee Protection Act</i>, other than a permanent resident who has been ordinarily resident in Canada for more than 1 year after becoming eligible to apply for Canadian citizenship.</p> <p>3. In the case of a holding corporation, not more than 1/3 of the directors need be resident Canadians if the earnings in Canada of the holding corporation and its subsidiaries are less than 5% of the gross earnings of the holding corporation and its subsidiaries.</p> |