

# *The Securities Commission (Adoption of National Instruments) Regulations*

*being*

Chapter S-42.2 Reg 3 (effective January 17, 2000) as amended by Saskatchewan Regulations 28/2000, 67/2000, 12/2001, 37/2001, 53/2001, 54/2001, 71/2001, 85/2001, 52/2002, 102/2002, 4/2003, 43/2003, 68/2003, 85/2003, 94/2003, 124/2003, 4/2004, 13/2004, 14/2004, 29/2004, 114/2004, 13/2005, 33/2005, 47/2005, 49/2005, 61/2005, 84/2005, 100/2005, 149/2005, 76/2006, 104/2006, 115/2006, 11/2007, 36/2007, 50/2007, 81/2007, 127/2007, 128/2007, 129/2007, 7/2008, 17/2008, 18/2008, 51/2008, 59/2008, 72/2008, 82/2008, 91/2008, 125/2008, 81/2009, 1/2010, 10/2010, 11/2010, 43/2010, 62/2010, 63/2010, 41/2011, 48/2011, 4/2012, 8/2012, 43/2012, 60/2012, 61/2012, 62/2012, 91/2012, 15/2013, 24/2013, 32/2013, 33/2013, 34/2013, 42/2013, 66/2013, 79/2013, 1/2014, 2/2014, 21/2014, 71/2014, 77/2014, 94/2014, 9/2015, 17/2015, 43/2015, 61/2015, 76/2015, 90/2015, 104/2015, 108/2015, 8/2016, 34/2016, 35/2016, 36/2015, 37/2016, 47/2016, 64/2016, 65/2016, 75/2016, 76/2016, 87/2016, 1/2017, SR 3/2017, SR 12/2017, 19/2017, 23/2017, 32/2017, 33/2017, 75/2017, 85/2017, 118/2017, 122/2017, 123/2017, 38/2018 and 39/2018.

Appendix Sold Separately and Available on-line

Publications Saskatchewan 306.787.6894

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## **NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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### **Appendix**

## CHAPTER S-42.2 REG 3

### *The Securities Act, 1988*

#### **Title**

**1** These regulations may be cited as *The Securities Commission (Adoption of National Instruments) Regulations*.

#### **National Instrument adopted**

**2** The following National Instruments are adopted as standards, procedures and guidelines:

- (a) National Instrument 14-101, entitled Definitions, as set out in Part I of the Appendix to these regulations;
- (b) **Repealed.** 23 Sep 2005 SR 100/2005 s3.
- (c) National Instrument 81-105, entitled Mutual Fund Sales Practises Rules, as set out in Part III of the Appendix to these regulations;
- (d) National Instrument 13-101, entitled System for Electronic Document Analysis and Retrieval, as set out in Part IV of the Appendix;
- (e) National Instrument 81-101, entitled Mutual Fund Prospectus Disclosure, as set out in Part V of the Appendix;
- (f) National Instrument 81-102, entitled Investment Funds, as set out in Part VI of the Appendix;
- (g) **Repealed.** 23 Sep 2005 SR 100/2005 s3.
- (h) National Instrument 62-102, entitled Disclosure of Outstanding Share Data, as set out in Part VIII of the Appendix;
- (i) National Instrument 62-103, entitled Early Warning System and Related Take-over Bid and Insider Reporting Issues, as set out in Part IX of the Appendix;
- (j) National Instrument 71-101, entitled Multijurisdictional Disclosure System, as set out in Part X of the Appendix;
- (k) National Instrument 35-101, entitled Conditional Exemption from Registration for United States Broker-Dealers and Agents, as set out in Part XI of the Appendix;
- (l) National Instrument 41-101, entitled General Prospectus Requirements, as set out in Part XII of the Appendix;
- (m) National Instrument 44-101, entitled Short Form Prospectus Distributions, as Part XIII of the Appendix;
- (n) National Instrument 44-102, entitled Shelf Distributions, as Part XIV of the Appendix;

SECURITIES COMMISSION  
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- (o) National Instrument 44-103, entitled Post-Receipt Pricing, as Part XV of the Appendix;
- (p) National Instrument 43-101, entitled Standards of Disclosure for Mineral Products, as Part XVI of the Appendix;
- (q) **Repealed.** 19 Mar 2010 SR 11/2010 s3.
- (r) **Repealed.** 31 Dec 2015 SR 108/2015 s2.
- (s) **Repealed.** 2 Oct 2009, SR 81/2009 s3.
- (t) National Instrument 55-102, entitled System For Electronic Disclosure By Insiders (SEDI), as set out in Part XX of the Appendix;
- (u) Multilateral Instrument 45-102, entitled Resale of Securities, as set out in Part XXI of the Appendix;
- (v) National Instrument 21-101, entitled Marketplace Operation, as set out in Part XXII of the Appendix;
- (w) National Instrument 23-101, entitled Trading Rules, as set out in Part XXIII of the Appendix;
- (x) National Instrument 54-101, entitled Communication with Beneficial Owners of Securities of a Reporting Issuer, as set out in Part XXIV of the Appendix;
- (y) National Instrument 54-102, entitled Interim Financial Statement and Report Exemption, as set out in Part XXV of the Appendix;
- (z) Multilateral Instrument 81-104, entitled Community Pools, as set out in Part XXVI of the Appendix;
- (aa) National Instrument 31-102, entitled National Registration Database, as set out in Part XXVII of the Appendix;
- (bb) National Instrument 33-109, entitled Registration Information, as set out in Part XXVIII of the Appendix;
- (cc) **Repealed.** 23 Sep 2005 SR 100/2005 s3.
- (dd) **Repealed.** 23 Sep 2005 SR 100/2005 s3.
- (ee) National Instrument 51-101, entitled Standards of Disclosure for Oil and Gas Activities, as set out in Part XXXI of the Appendix;
- (ff) **Repealed.** 19 Mar 2010 SR 11/2010 s3.
- (gg) National Instrument 52-108, entitled Auditor Oversight, as set out in Part XXXIII of the Appendix;
- (hh) Multilateral Instrument 52-109, entitled Certification of Disclosure in Issuers' Annual and Interim Filings, as set out in Part XXXIV of the Appendix;
- (ii) Multilateral Instrument 52-110, entitled Audit Committees, as set out in Part XXXV of the Appendix;

- (jj) National Instrument 51-102, entitled Continuous Disclosure Obligations, as set out in Part XXXVI of the Appendix;
- (kk) National Instrument 52-107, entitled Acceptable Accounting Principles and Auditing Standards as set out in Part XXXVII of the Appendix;
- (ll) National Instrument 71-102, entitled Continuous Disclosure and Other Exemptions Relating to Foreign Issuers, as set out in Part XXXVIII of the Appendix;
- (mm) **Repealed.** 2 Oct 2009, SR 81/2009 s3.
- (nn) National Instrument 81-106, entitled Investment Fund Continuous Disclosure, as set out in Part XL of the Appendix;
- (oo) National Instrument 58-101, entitled Disclosure of Corporate Governance Practices, as set out in Part XLI of the Appendix;
- (pp) **Repealed.** 2 Oct 2009, SR 81/2009 s3.
- (qq) National Instrument 45-106, entitled Prospectus and Registration Exemptions, as set out in Part XLIII of the Appendix;
- (rr) National Instrument 33-105, entitled Underwriting Conflicts, as set out in Part XLIV of the Appendix;
- (ss) National Instrument 81-107, entitled Independent Review Committee for Investment Funds, as set out in Part XLV of the Appendix;
- (tt) National Instrument 24-101, entitled Institutional Trade Matching and Settlement, as set out in Part XLVI of the Appendix;
- (uu) Multilateral Instrument 62-104, entitled Take-Over Bids and Issuer Bids, as set out in Part XLVII of the Appendix;
- (vv) Multilateral Instrument 11-102, entitled Passport System, as set out in Part XLVIII of the Appendix;
- (vv.1) National Instrument 55-104, entitled Insider Reporting Requirements and Exemptions, as set out in Part XLVIII.1 of the Appendix;
- (ww) National Instrument 31-103, entitled Registration Requirements, Exemptions and Ongoing Registrant Obligations, as set out in Part XLIX of the Appendix;
- (xx) National Instrument 23-102, entitled Use of Client Brokerage Commissions, as set out in Part L of the Appendix
- (yy) National Instrument 25-101, entitled Designated Rating Organizations, as set out in Part LI of the Appendix;
- (zz) Multilateral Instrument 51-105, entitled Issuers Quoted in the U.S. Over-the-Counter Markets, as set out in Part LII of the Appendix;

- (aaa) National Instrument 23-103, entitled Electronic Trading, as set out in Part LIII of the Appendix;
- (bbb) Multilateral Instrument 13-102, entitled System Fees for SEDAR and NRD, as set out in Part LIV of the Appendix;
- (ccc) Multilateral Instrument 45-107, entitled Listing Representation and Statutory Rights of Action Disclosure Exemptions, as set out in Part LV of the Appendix;
- (ddd) National Instrument 24-102, entitled Clearing Agency Requirements, as set out in Part LVI of the Appendix;
- (eee) Multilateral Instrument 91-101, entitled Derivatives: Product Determination, as set out in Part LVII of the Appendix;
- (fff) Multilateral Instrument 96-101, entitled Trade Repositories and Derivatives Data Reporting, as set out in Part LVIII of the Appendix;
- (ggg) Multilateral Instrument 11-103, entitled Failure-to-File Cease Trade Orders in Multiple Jurisdictions, as set out in Part LIX of the Appendix.
- (hhh) National Instrument 94-101, entitled Mandatory Central Counterparty Clearing of Derivatives, as set out in Part LX of the Appendix.
- (hhh) Multilateral Instrument 45-108, entitled Crowdfunding, as set out in Part LX of the Appendix.
- (jjj) National Instrument 94-102, entitled Derivatives: Customer Clearing and Protection of Customer Collateral and Positions, as set out in Part LXII of the Appendix;
- (kkk) Multilateral Instrument 91-102, entitled Prohibition of Binary Options, as set out in Part LXIII of the Appendix.

28 Jan 2000 cS-42.2 Reg 3 s2; 12 May 2000 SR 28/2000 s3; 1 Sept 2000 SR 67/2000 s3; 30 Mar 2001 SR 12/2001 s3; 22 Jne 2001 SR 37/2001 s3; 20 Jly 2001 SR 53/2001 s3; 20 Jly 2001 SR 54/2001 s3; 12 Oct 2001 SR 71/2001 s3; 7 Dec 2001 SR 85/2001 s3; 12 Jly 2002 SR 52/2002 s3; 22 Nov 2002 SR 102/2002 s3; 28 Feb 2003 SR 4/2003 s3; 30 May 2003 SR 43/2003 s3; 25 Jly 2003 SR 68/2003 s3; 26 Sep 2003 SR 94/2003 s3; 6 Feb 2004 SR 4/2004 s3; 8 Apr 2004 SR 13/2004 s3; 16 Apr 2004 SR 14/2004 s3; 25 Feb 2005 SR 13/2005 s3; 15 Apr 2005 SR 33/2005 s3; 10 Jne 2005 SR 49/2005 s3; 30 Jne 2005 SR 61/2005 s3; 9 Sep 2005 SR 84/2005 s3; 23 Sep 2005 SR 100/2005 s3; 10 Nov 2006 SR 104/2006 s3; 23 Mar 2007 SR 11/2007 s3; 25 May 2007 SR 36/2007 s3; 11 Jan 2008 SR 127/2007 s3; 29 Feb 2008 SR 7/2008 s3; 4 Apr 2008 SR 17/2008 s3; 4 Apr 2008 SR 18/2008 s3; 2 Oct 2009, SR 81/2009 s3; 19 Mar 2010 SR 10/2010 s3; 19 Mar 2010 SR 11/2010 s3; 8 Jly 2011 SR 41/2011; 21 Sep 2012 SR 60/2012 and 62/2012; 11 Jan 2013 SR 91/2012 s2; 17 May 2013 SR 33/2013 s3; 11 Oct 2013 SR 79/2013 s3; 12 Sep 2014 SR 77/2014 s3; 4 Sep 2015 SR 76/2015 s3; 31 Dec 2015 SR 108/2015 s2; 26 Feb 2016 SR 8/2016 s3; 27 May 2016 SR 35/2016 s3; 30 Jne 2016 SR 47/2016 s3; 3 Mar 2017 SR 12/2017 s3; 13 Apr 2017 SR 33/2017 s3; 7 Jly 2017 SR 75/2017 s3; 8 Dec 2017 SR 123/2017 s3.

**Compliance required**

- 3** No person or company shall fail to comply with the National Instruments adopted pursuant to section 2.

28 Jan 2000 cS-42.2 Reg 3 s3.

**Coming into force**

- 4** These regulations come into force on the day on which they are filed with the Registrar of Regulations.

28 Jan 2000 cS-42.2 Reg 3 s4.

**Appendix**

**PART I**

[*clause 2(a)*]

**NATIONAL INSTRUMENT 14-101  
DEFINITIONS**

**PART 1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions and Interpretation**

1. Every term that is defined or interpreted in the statute of the local jurisdiction mentioned in Appendix B to this National Instrument, the definition or interpretation of which is not restricted to a specific portion of the statute, has, if used in a national instrument or multilateral instrument, the meaning ascribed to it in that statute unless the context otherwise requires.
2. A provision or reference within a provision of a national instrument or multilateral instrument that specifically refers by name to one or more jurisdictions other than the local jurisdiction shall not have any effect in the local jurisdiction, unless otherwise stated in the national instrument or multilateral instrument.
3. In a national instrument or multilateral instrument:

**“1933 Act”** means the *Securities Act of 1933* of the United States of America as amended from time to time;

**“1934 Act”** means the *Securities Exchange Act of 1934* of the United States of America as amended from time to time;

**“adviser registration requirement”** means the requirement in securities legislation that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under securities legislation;

**“blanket rulings and orders”** means rulings and orders issued under Canadian securities legislation in certain jurisdictions that are applicable to a class of persons, trades, intended trades, securities, exchange contracts or transactions;

**“Canadian auditor’s report”** means an auditor’s report prepared in accordance with Canadian GAAS;

**“Canadian financial institution”** means a bank, loan corporation, trust company, insurance company, treasury branch, credit union or caisse populaire that, in each case, is authorized to carry on business in Canada or a jurisdiction, or the Confédération des caisses populaires et d’économie Desjardins du Québec;

**“Canadian GAAP”** means generally accepted accounting principles determined with reference to the Handbook;

**“Canadian GAAS”** means generally accepted auditing standards determined with reference to the Handbook;

**“Canadian securities directions”** means the instruments listed in Appendix A to this National Instrument;

**“Canadian securities legislation”** means the statutes and the other instruments listed in Appendix B to this National Instrument;

**“Canadian securities regulatory authorities”** means the securities commissions and similar regulatory authorities listed in Appendix C to this National Instrument;

**“CIPF”** means the Canadian Investor Protection Fund;

**“CSA”** means the Canadian Securities Administrators;

**“dealer registration requirement”** means:

- (a) in every jurisdiction except British Columbia, Manitoba and New Brunswick, the requirement in securities legislation that prohibits a person or company from acting as a dealer unless that person or company is registered in the appropriate category of registration under securities legislation; and
- (b) in British Columbia, Manitoba and New Brunswick, the requirement in securities legislation that prohibits a person or company from trading in a security unless that person or company is registered in the appropriate category of registration under securities legislation;

**“equity security”** has the meaning ascribed to that term in securities legislation;

**“exchange contract”** means, in Alberta, New Brunswick, Nova Scotia and Saskatchewan, a derivative:

- (a) that is traded on an exchange;
- (b) that has standardized terms and conditions determined by that exchange; and
- (c) for which a clearing agency substitutes, through novation or otherwise, the credit of the clearing agency for the credit of the parties to the derivative;

**“foreign jurisdiction”** means a country other than Canada or a political subdivision of a country other than Canada;

**“Handbook”** means the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time;

**“implementing law of a jurisdiction”** means, for a local jurisdiction, a regulation, rule, ruling or order of the Canadian securities regulatory authority that implements a national instrument or multilateral instrument in the local jurisdiction;

**“insider reporting requirement”** means:

- (a) a requirement to file insider reports under Parts 3 and 4 of National Instrument 55-104 *Insider Reporting Requirements and Exemptions*;
- (b) a requirement to file insider reports under any provisions of Canadian securities legislation substantially similar to Parts 3 and 4 of National Instrument 55-104 *Insider Reporting Requirements and Exemptions*; and
- (c) a requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)*;



**“investment fund manager registration requirement”** means the requirement in securities legislation that prohibits a person or company from acting as an investment fund manager unless the person or company is registered in the appropriate category of registration under securities legislation;

**“issuer bid”** has the meaning ascribed to that term in securities legislation;

**“ITA”** means the *Income Tax Act* (Canada);

**“jurisdiction or jurisdiction of Canada”** means a province or territory of Canada except when used in the term foreign jurisdiction;

**“local jurisdiction”** means, in a national instrument or multilateral instrument adopted or made by a Canadian securities regulatory authority, the jurisdiction in which the Canadian securities regulatory authority is situate;

**“multilateral instrument” Repealed.** 22 Nov 2002 SR 102/2002 s4.

**“national instrument” Repealed.** 22 Nov 2002 SR 102/2002 s4.

**“networking notice requirement”** means the requirement in securities legislation that a registrant give written notice to the securities regulatory authority or regulator before entering into a networking arrangement;

**“person or company”**, for the purpose of a national instrument or multilateral instrument, means:

- (a) in British Columbia, a “person” as defined in section 1(1) of the *Securities Act* (British Columbia);
- (b) in New Brunswick, a “person” as defined in section 1(1) of the *Securities Act* (New Brunswick);
- (c) in the Northwest Territories, a “person” as defined in section 1 of the *Securities Act* (Northwest Territories);
- (d) in Prince Edward Island, a “person” as defined in section 1 of the *Securities Act* (Prince Edward Island);
- (e) in Québec, a “person” as defined in section 5.1 of the *Securities Act* (Québec); and
- (f) in Yukon Territory, a “person” as defined in section 1 of the *Securities Act* (Yukon territory);

**“prospectus requirement”** means the requirement in securities legislation that prohibits a person or company from distributing a security unless a preliminary prospectus and prospectus for the security have been filed and the regulator has issued receipts for them;

**“provincial and territorial securities directions”** means the instruments listed in Appendix A;

**“provincial and territorial securities legislation”** means the statutes and the other instruments listed in Appendix B;

**“provincial and territorial securities regulatory authorities”** means the securities commissions and similar regulatory authorities listed in Appendix C;

**“registration requirement”** means all of the following:

- (a) the adviser registration requirement;
- (b) the dealer registration requirement;
- (c) the investment fund manager registration requirement; and
- (d) the underwriter registration requirement;

**“regulator”** means, for the local jurisdiction, the person referred to in Appendix D to this National Instrument opposite the name of the local jurisdiction;

**“SEC”** means the Securities and Exchange Commission of the United States of America;

**“securities directions”** means, for the local jurisdiction, the instruments listed in Appendix A to this National Instrument opposite the name of the local jurisdiction;

**“securities legislation”** means, for the local jurisdiction, the statute and other instruments listed in Appendix B to this National Instrument opposite the name of the local jurisdiction;

**“securities regulatory authority”** means, for the local jurisdiction, the securities commission or similar regulatory authority listed in Appendix C to this National Instrument opposite the name of the local jurisdiction;

**“SRO”** means a self-regulatory organization, a self-regulatory body or an exchange;

**“take-over bid”** has the meaning ascribed to that term in securities legislation;

**“underwriter registration requirement”** means the requirement in securities legislation that prohibits a person or company from acting as an underwriter unless the person or company is registered in the appropriate category of registration under securities legislation;

**“U.S. federal securities law”** means the federal statutes of the United States of America concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes all as amended from time to time.

22 Nov 2002 SR 102/2002 s4; 4 Apr 2008 SR  
17/2008 s4; 4 Apr 2008 SR 18/2008 s4; 2 Oct  
2009 SR 81/2009 s4; 19 Mar 2010 SR 11/2010 s4;  
17 Feb 2017 SR 3/2017 s3.

**NATIONAL INSTRUMENT**  
**14-101**  
**DEFINITIONS**  
**APPENDIX A**  
**PROVINCIAL AND TERRITORIAL SECURITIES**  
**DIRECTIONS/CANADIAN SECURITIES DIRECTIONS**

<b>LOCAL JURISDICTION</b>	<b>INSTRUMENTS</b>
ALBERTA	The policy statements and the written interpretations issued by the securities regulatory authority.
BRITISH COLUMBIA	The policy statements and the written interpretations issued by the securities regulatory authority.
MANITOBA	The policy statements and the written interpretations issued by the securities regulatory authority.
NEW BRUNSWICK	The policy statements and the written interpretations issued by the securities regulatory authority.
NEWFOUNDLAND	The policy statements and the written interpretations issued by the securities regulatory authority.
NORTHWEST TERRITORIES	The policy statements and the written interpretations issued by the securities regulatory authority.
NOVA SCOTIA	The policy statements and the written interpretations issued by the securities regulatory authority.
NUNAVAT	The policy statements and the written interpretations issued by the securities regulatory authority.
ONTARIO	None.
PRINCE EDWARD ISLAND	The policy statements and the written interpretations issued by the securities regulatory authority.
QUEBEC	The policy statements and the written interpretations issued by the securities regulatory authority.
SASKATCHEWAN	The policy statements and the written interpretations issued by the securities regulatory authority.
YUKON TERRITORY	The policy statements and the written interpretations issued by the securities regulatory authority.

**NATIONAL INSTRUMENT  
14-101**

**DEFINITIONS**

**APPENDIX B**

**PROVINCIAL AND TERRITORIAL SECURITIES  
LEGISLATION/CANADIAN SECURITIES LEGISLATION**

<b>LOCAL JURISDICTION</b>	<b>STATUTE AND OTHER INSTRUMENTS</b>
ALBERTA	<i>Securities Act</i> and the regulations and rules under that Act and the blanket rulings and orders issued by the securities regulatory authority.
BRITISH COLUMBIA	<i>Securities Act</i> and the regulations, rules and forms under that Act and the blanket rulings and orders issued by the securities regulatory authority.
MANITOBA	<i>The Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
NEW BRUNSWICK	<i>Securities Act</i> and the regulations under that Act and the orders issued by the securities regulatory authority.
NEWFOUNDLAND	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
NORTHWEST TERRITORIES	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
NOVA SCOTIA	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
NUNAVAT	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
ONTARIO	<i>Securities Act</i> and the regulations and rules under that Act.
PRINCE EDWARD ISLAND	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.
QUEBEC	<i>Securities Act, An Act respecting the Autorité des marchés financiers (R.S.Q., c.A-33.2), Derivatives Act (S.Q. 2008, c. 24), the regulations under those Acts, and the blanket rulings and orders issued by the securities regulatory authority.</i>
SASKATCHEWAN	<i>The Securities Act, 1988</i> and the regulations and rules under that Act and the blanket rulings and orders issued by the securities regulatory authority.
YUKON TERRITORY	<i>Securities Act</i> and the regulations under that Act and the blanket rulings and orders issued by the securities regulatory authority.

**NATIONAL INSTRUMENT**

**14-101**

**DEFINITIONS**

**APPENDIX C**

**PROVINCIAL AND TERRITORIAL SECURITIES REGULATORY  
AUTHORITIES/CANADIAN SECURITIES REGULATORY AUTHORITIES**

<b>LOCAL JURISDICTION</b>	<b>SECURITIES REGULATORY AUTHORITY</b>
ALBERTA	Alberta Securities Commission
BRITISH COLUMBIA	British Columbia Securities Commission
MANITOBA	The Manitoba Securities Commission
NEW BRUNSWICK	New Brunswick Securities Commission
NEWFOUNDLAND	Securities Commission of Newfoundland
NORTHWEST TERRITORIES	Superintendent of Securities, Northwest Territories
NOVA SCOTIA	Nova Scotia Securities Commission
NUNAVUT	Registrar of Securities, Nunavut.
ONTARIO	Ontario Securities Commission
PRINCE EDWARD ISLAND	Superintendent of Securities, Prince Edward Island
QUEBEC	Autorité des marchés financiers or, where applicable, the Bureau de décision et de révision en valeurs mobilières
SASKATCHEWAN	Saskatchewan Securities Commission
YUKON TERRITORY	Superintendent of Securities, Yukon Territory

20 Jan 2000 cS-42.2 Reg 3; 22 Nov 2002 SR  
102/2002 s3; 4 Apr 2008 SR 18/2008 s4; 2 Oct  
2009 SR 81/2009 s4.

**NATIONAL INSTRUMENT**

**14-101**

**DEFINITIONS**

**APPENDIX D**

**REGULATOR**

**LOCAL JURISDICTION**

**REGULATOR**

ALBERTA

Executive Director, as defined under section 1 of the *Securities Act* (Alberta).

BRITISH COLUMBIA

Executive Director, as defined under section 1 of the *Securities Act* (British Columbia).

MANITOBA

Director, as defined under subsection 1(1) of *The Securities Act* (Manitoba).

NEW BRUNSWICK

Executive Director as defined in section 1 of the *Securities Act* (New Brunswick).

NEWFOUNDLAND

Director of Securities, designated under section 7 of the *Securities Act* (Newfoundland).

NORTHWEST TERRITORIES

Superintendent, as defined under section 1 of the *Securities Act* (Northwest Territories).

NOVA SCOTIA

Director, as defined under section 1 of the *Securities Act* (Nova Scotia).

NUNAVUT

Registrar, as defined under section 1 of the *Securities Act* (Nunavut).

ONTARIO

Director, as defined under section 1 of the *Securities Act* (Ontario).

PRINCE EDWARD ISLAND

Superintendent, as defined in section 1 of the *Securities Act* (Prince Edward Island).

QUEBEC

Autorité des marchés financiers.

SASKATCHEWAN

Director, as defined in section 2 of *The Securities Act, 1988* (Saskatchewan).

YUKON TERRITORY

Superintendent, as defined in section 1 of the *Securities Act* (Yukon Territory).

20 Jan 2000 cS-42.2 Reg 3; 22 Nov 2002 SR 102/2002 s3; 4 Apr 2008 SR 18/2008 s4; 2 Oct 2009 SR 81/2009 s4.

**PART II**

[Clause 2(b)]

**NATIONAL INSTRUMENT 32-101**

**SMALL SECURITY HOLDER SELLING AND PURCHASE ARRANGEMENTS**

**Repealed.** 23 Sep 2005 SR 100/2005 s4.

PART III  
[clause 2(c)]

NATIONAL INSTRUMENT 81-105  
MUTUAL FUND SALES PRACTICES

PART 1 DEFINITIONS, INTERPRETATION AND APPLICATION

1.1 Definitions – In this Instrument:

**“direct costs”** means reasonable, out-of-pocket costs and expenses directly attributable to:

- (a) the production and presentation of a sales communication referred to in Part 5; or
- (b) the presentation and organization of a conference or seminar referred to in Part 5, other than any travel, accommodation or personal incidental expenses associated with the attendance of an individual at the conference or seminar;

**“equity interest”** means, in relation to an issuer:

- (a) if the issuer is a reporting issuer in any jurisdiction and its securities are listed on a Canadian stock exchange, the direct or indirect ownership of securities representing more than ten percent of any class of voting securities, equity securities or partnership units of the issuer; or
- (b) for all other issuers, the direct or indirect ownership of a voting security, equity security or partnership unit of the issuer;

**“equity security”** means a security of an issuer that carries a residual right to participate in the earnings of the issuer and, upon the liquidation or winding up of the issuer, in the distribution of its assets;

**“IDA”** means the Investment Dealers Association of Canada;

**“IFIC”** means The Investment Funds Institute of Canada;

**“member of the organization”** means, for a mutual fund:

- (a) the manager of the mutual fund;
- (b) the principal distributor of the mutual fund;
- (c) the portfolio adviser of the mutual fund;
- (d) an affiliate of any of the persons or companies mentioned in clause (a), (b) or (c); or
- (e) a person or company that is organized by a member of the organization of the mutual fund as a vehicle to fund payment of commissions to participating dealers and that has a right to arrange for the distribution of the securities of the mutual fund;

**“mutual fund family”** means two or more mutual funds that have:

- (a) the same manager; or
- (b) managers that are affiliates of each other;

“**representative**” means, for a participating dealer:

- (a) a partner, director, officer or employee of the participating dealer;
- (b) an individual who trades securities on behalf of the participating dealer, whether or not the individual is employed by the dealer; and
- (c) any company through which a person referred to in paragraphs (a) or (b) carries on activities in connection with services provided to the participating dealer.

**1.2 Interpretation** – Terms defined in National Instrument 81-102 *Investment Funds* and used in this Instrument have the respective meanings ascribed to them in National Instrument 81-102 *Investment Funds*.

**1.3 Application** – This Instrument applies to:

- (a) a distribution of securities of a mutual fund that offers or has offered securities under a prospectus or simplified prospectus for so long as the mutual fund remains a reporting issuer; and
- (b) a person or company in respect of activities pertaining to a mutual fund mentioned in clause (a).

## **PART 2 GENERAL**

### **2.1 Restrictions on Payments or Provision of Benefits**

(1) No member of the organization of a mutual fund and no mutual fund shall, in connection with the distribution of securities of the mutual fund:

- (a) make a payment of money to a participating dealer or a representative of a participating dealer;
- (b) provide a non-monetary benefit to a participating dealer or a representative of a participating dealer; or
- (c) pay for or make reimbursement of a cost or expense incurred or to be incurred by a participating dealer or a representative of a participating dealer.

(2) Notwithstanding subsection (1), a member of the organization of a mutual fund may:

- (a) make a payment of money or provide a non-monetary benefit to a participating dealer, or pay for or make reimbursement of a cost or expense incurred or to be incurred by a participating dealer or its representatives, if permitted by Part 3 or 5; and
- (b) provide a non-monetary benefit to a representative of a participating dealer, if permitted by Part 5.

(3) A member of the organization of a mutual fund shall not, and shall not represent that it may, make a payment, provide a non-monetary benefit or pay for or make reimbursement of a cost or expense otherwise permitted by subsection (2) that is conditional on:

- (a) the sale of a particular amount or value of securities of one or more mutual funds by a participating dealer or a representative; or
- (b) a particular amount or value of securities of one or more mutual funds being held in accounts of clients of a participating dealer or a representative.



## **2.2 Restrictions on Solicitation and Acceptance of Payments or Benefits**

(1) No participating dealer and no representative of a participating dealer shall solicit or accept from a mutual fund or a member of the organization of the mutual fund, in connection with the distribution of securities of the mutual fund, the payment of money, the provision of a non-monetary benefit or payment or reimbursement for a cost or expense incurred or to be incurred by the participating dealer or representatives of the participating dealer.

(2) Notwithstanding subsection (1):

(a) a participating dealer may solicit and accept a payment of money, provision of a non-monetary benefit or payment or reimbursement for a cost or expense incurred or to be incurred by it or its representatives from a member of the organization of the mutual fund, if the member is permitted by Part 3 or 5 to make the payment, provide the benefit or make the payment or reimbursement; and

(b) a representative of a participating dealer may accept the provision of a non-monetary benefit from a member of the organization of the mutual fund, if the member is permitted by Part 5 to provide the benefit.

## **2.3 Application of Instrument to Some Participating Dealers or Representatives**

(1) Nothing in this Instrument prohibits a person or company that is both a member of the organization of a mutual fund and a participating dealer of a mutual fund in a different mutual fund family from undertaking any activity, if:

(a) the activity is undertaken in the person or company's capacity as a participating dealer of the mutual fund of which it is a participating dealer, and not in its capacity as a member of the organization of the mutual fund of which it is a member; and

(b) a participating dealer is not prohibited by this Instrument from undertaking that activity.

(2) Nothing in this Instrument prohibits a representative of a participating dealer that is also a member of the organization of a mutual fund from soliciting or accepting any payment, non-monetary benefit or reimbursement otherwise permitted by this Instrument from the participating dealer, if the payment, provision of the non-monetary benefit or reimbursement is made in the participating dealer's capacity as a participating dealer and not in its capacity as a member of the organization of a mutual fund.

## **PART 3 PERMITTED COMPENSATION**

**3.1 Commissions** – A member of the organization of a mutual fund may pay to a participating dealer a commission in money for the distribution of a security of the mutual fund made through the participating dealer, if:

(a) the obligation to make the payment arises at the time of the trade;

(b) the prospectus or simplified prospectus of the mutual fund discloses the range of rates of commissions that may be paid and the method of calculation used in determining the amount of those commissions; and

- (c) the rate of the commission does not increase:
  - (i) based on increases in the amount or value of securities of the mutual fund sold, or of mutual funds in the same mutual fund family as the mutual fund sold, or of any or all of the foregoing;
  - (ii) based on increases in the amount or value of securities of the mutual fund, or of mutual funds in the same mutual fund family as the mutual fund, or of any or all of the foregoing, held in accounts of clients of the participating dealer; or
  - (iii) for a particular period of the year in which the commission is paid or earned.

### **3.2 Trailing Commissions**

- (1) A member of the organization of a mutual fund may pay to a participating dealer a trailing commission in money that is based upon the aggregate value of securities of the mutual fund held in accounts of clients of the participating dealer as at a particular time or during a particular period, if:
  - (a) the obligation to make the payment arises after the time of the trade;
  - (b) the prospectus or simplified prospectus of the mutual fund discloses the range of rates of trailing commissions that may be paid and the method of calculation and relevant times or time periods used in determining the amount of those trailing commissions;
  - (c) the method and time of calculation of the trailing commission and the relevant times or time periods used in determining the amount of the trailing commission are the same for all participating dealers of the mutual fund; and
  - (d) the rate of the trailing commission does not increase:
    - (i) based on increases in the amount or value of securities of the mutual fund sold, or of mutual funds in the same mutual fund family as the mutual fund sold, or of any or all of the foregoing;
    - (ii) based on increases in the amount or value of securities of the mutual fund, or of mutual funds in the same mutual fund family as the mutual fund, or of any or all of the foregoing, held in accounts of clients of the participating dealer; or
    - (iii) for a particular period of the year in which the trailing commission is paid or earned.
- (2) A member of the organization of a mutual fund may establish policies and practices concerning the timing of payments of trailing commissions so long as all trailing commissions are paid within one year from the date earned.
- (3) Notwithstanding subsection (1), a member of the organization of a mutual fund may decline to pay a trailing commission to a participating dealer in connection with securities of the mutual fund held in the accounts of clients of the participating dealer if:
  - (a) the securities in respect of which no trailing commission is paid were acquired by those clients before the date that this Instrument came into force;

- (b) the amount of securities held in the accounts of those clients is below a threshold specified in the policy mentioned in clause (c); and
- (c) the non-payment of the trailing commission is in conformity with a policy of the member of the organization of the mutual fund that was in place and was followed on July 1, 1997.

#### **PART 4 INTERNAL DEALER INCENTIVE PRACTICES**

##### **4.1 Participating Dealers' Practices**

- (1) No participating dealer shall provide an incentive to any of its representatives to recommend mutual funds of one mutual fund family over mutual funds of another mutual fund family.
- (2) Notwithstanding subsection (1), the compensation paid to a representative of a participating dealer by the participating dealer may reflect commissions received by the participating dealer from members of the organizations of mutual funds, so long as the compensation paid to a representative for the securities of a mutual fund sold or held, as a percentage of the commission paid to the participating dealer, is the same for all mutual fund families.

##### **4.2 Principal Distributors' Practices**

- (1) A principal distributor of a mutual fund that is also a participating dealer of another mutual fund shall not provide an incentive for any of its representatives to recommend a mutual fund of which it is a principal distributor over a mutual fund of which it is a participating dealer.
- (2) Notwithstanding subsection (1), the compensation paid to a representative of a principal distributor by the principal distributor may reflect commissions received by the principal distributor from members of the organization of which it is a member and members of organizations of other mutual funds if:
  - (a) the compensation paid to a representative for the securities of a mutual fund sold or held, as a percentage of the commission paid to the principal distributor, is the same for all mutual fund families, including the mutual fund family of the principal distributor; and
  - (b) the commissions paid to the principal distributor in connection with the distribution of securities of a mutual fund of which it is a principal distributor are not in excess of the commissions provided to any participating dealer in connection with the distribution of those securities.

#### **PART 5 MARKETING AND EDUCATIONAL PRACTICES**

##### **5.1 Cooperative Marketing Practices** – A member of the organization of a mutual fund may pay, to a participating dealer, direct costs incurred by the participating dealer relating to a sales communication, investor conference or investor seminar prepared or presented by the participating dealer, if:

- (a) the primary purpose of the sales communication, investor conference or investor seminar is to promote, or provide educational information concerning, the mutual fund, the mutual fund family of which the mutual fund is a member or mutual funds generally;

- (b) in the case of an investor conference or investor seminar, the conference or seminar is presented by the participating dealer to investors or potential investors of the mutual fund, another mutual fund in the same mutual fund family, or of mutual funds generally;
- (c) the participating dealer provides invoices for, or receipts evidencing payment of, the direct costs to be paid by a member of the organization of the mutual fund;
- (d) the aggregate direct costs of the sales communication, investor conference or investor seminar paid by all members of organizations of mutual funds do not exceed 50 percent of the total direct costs incurred by the participating dealer; and
- (e) the sales communication discloses, or persons attending the investor conference or investor seminar are informed in writing of, the identity of all parties paying for a portion of the costs of the sales communication, investor conference or investor seminar.

**5.2 Mutual Fund Sponsored Conferences** – A member of the organization of a mutual fund may provide a non-monetary benefit to a representative of a participating dealer by allowing him or her to attend a conference or seminar organized and presented by members of the organization of the mutual fund, if:

- (a) the primary purpose of the conference or seminar is the provision of educational information about financial planning, investing in securities, mutual fund industry matters, the mutual fund, the mutual fund family of which the mutual fund is a member or mutual funds generally;
- (b) the selection of the representatives of the participating dealer to attend the conference or seminar is made exclusively by the participating dealer, uninfluenced by any member of the organization of the mutual fund;
- (c) the conference or seminar is held in:
  - (i) Canada;
  - (ii) the continental United States of America; or
  - (iii) a location where a portfolio adviser of the mutual fund carries on business, if the primary purpose of the conference or seminar is the provision of educational information about the investments or activities of the mutual fund carried on by that portfolio adviser;
- (d) no member of the organization of the mutual fund pays any travel, accommodation or personal incidental expenses associated with the attendance of the representative at the conference or seminar; and
- (e) the costs relating to the organization and presentation of the conference or seminar are reasonable having regard to the purpose of the conference or seminar.

**5.3 Third Party Sponsored Educational Events** – A member of the organization of a mutual fund may, for a conference, seminar or course that is organized and presented by a person or company that is not a member of the organization of the mutual fund or a participating dealer, pay the registration fees of a representative of a participating dealer for the conference, seminar or course, if:

- (a) the primary purpose of the conference, seminar or course is the provision of educational information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally;
- (b) the participating dealer provides invoices for or receipts evidencing payment of the registration fees to be paid by a member of the organization of the mutual fund;
- (c) the selection of the representatives of the participating dealer to attend the conference, seminar or course is made exclusively by the participating dealer, uninfluenced by any member of the organization of the mutual fund; and
- (d) the conference, seminar or course is held in Canada or the continental United States of America.

**5.4 Industry Association Sponsored Events**

(1) Except as permitted by section 5.3 or subsection (2), no member of the organization of a mutual fund may pay money, provide non-monetary benefits or pay or reimburse costs or expenses relating to a conference, seminar or course that is organized and presented by IFIC, the IDA or another trade or industry association.

(2) A member of the organization of a mutual fund may pay, to IFIC, the IDA or their respective affiliates or associates, direct costs incurred by IFIC, the IDA or their respective affiliates or associates relating to a conference or seminar organized and presented by IFIC, the IDA or their respective affiliates or associates, if:

- (a) the primary purpose of the conference or seminar is the provision of educational information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally;
- (b) the members of the organization of mutual funds in a mutual fund family in aggregate pay not more than 10 percent of the total direct costs incurred by IFIC, the IDA or their respective affiliates or associates for the organization and presentation of the conference or seminar;
- (c) the selection of the representatives of a participating dealer to attend the conference or seminar is made exclusively by the participating dealer, uninfluenced by any member of the organization of the mutual fund; and
- (d) the conference or seminar is held in Canada or the continental United States of America.

**5.5 Participating Dealer Sponsored Events** – A member of the organization of a mutual fund may pay, to a participating dealer, direct costs incurred by the participating dealer relating to a conference or seminar that is organized and presented by the participating dealer, and that is not an investor conference or investor seminar referred to in section 5.1, if:

- (a) the primary purpose of the conference or seminar is the provision of educational information about financial planning, investing in securities, mutual fund industry matters, the mutual fund, the mutual fund family of which the mutual fund is a member or mutual funds generally;
- (b) the members of the organization of mutual funds in a mutual fund family in aggregate pay not more than 10 percent of the total direct costs incurred by the participating dealer for the organization and presentation of the conference or seminar;
- (c) the aggregate direct costs of the conference or seminar paid by all members of organizations of mutual funds do not exceed 66 percent of the total direct costs incurred by the participating dealer;
- (d) the selection of the representatives of the participating dealer to attend the conference or seminar is made exclusively by the participating dealer, uninfluenced by any member of the organization of the mutual fund; and
- (e) the conference or seminar is held in:
  - (i) Canada;
  - (ii) the continental United States of America; or
  - (iii) a location where a portfolio adviser of the mutual fund carries on business, if the primary purpose of the conference or seminar is the provision of educational information about the investments or activities of the mutual fund carried on by that portfolio adviser.

**5.6 Promotional Items and Business Promotion Activities** – A member of the organization of a mutual fund may provide to a representative of a participating dealer non-monetary benefits of a promotional nature and of minimal value, and a member of the organization of a mutual fund may engage in business promotion activities that result in a representative of a participating dealer receiving a non-monetary benefit if:

- (a) the provision of the benefits and activities is neither so extensive nor so frequent as to cause a reasonable person to question whether the provision of the benefits or activities improperly influence the investment advice given by the representative to his or her clients; and
- (b) in the case of business promotion activities, no member of the organization of the mutual fund pays the travel, accommodation or personal incidental expenses associated with the attendance of the representative at the activities.

## **PART 6 PORTFOLIO TRANSACTIONS**

### **6.1 Reciprocal Commissions and Portfolio Transactions**

- (1) No member of the organization of a mutual fund shall influence or attempt to influence how, or if, a participating dealer will pay or allocate in a particular manner to any representative all or part of a brokerage commission or of an amount representing the spread on a principal transaction arising from a portfolio transaction of the mutual fund executed by the participating dealer.
- (2) No member of the organization of a mutual fund shall direct a portfolio transaction of a mutual fund to a participating dealer or principal distributor of the mutual fund except through individuals designated by the participating dealer or principal distributor as the institutional representatives of the participating dealer or principal distributor.
- (3) No member of the organization of a mutual fund shall advise a representative of a participating dealer or a person or company employed by a principal distributor, other than an individual referred to in subsection (2), of a portfolio transaction of the mutual fund to be directed to the participating dealer or principal distributor.
- (4) No member of the organization of a mutual fund shall direct, or offer or agree to direct, a portfolio transaction of the mutual fund to a participating dealer or principal distributor as inducement or reward for the participating dealer or principal distributor selling or having sold securities of the mutual fund or maintaining or having maintained particular levels of securities of the mutual fund in accounts of clients.
- (5) No participating dealer shall solicit or execute portfolio transactions of a mutual fund as inducement or reward for the participating dealer selling, or having sold, securities of the mutual fund or maintaining, or having maintained, particular levels of securities of the mutual fund in accounts of clients.

- 6.2 Obligations of Participating Dealers Executing Portfolio Transactions** – No participating dealer shall execute a portfolio transaction of a mutual fund unless it has been directed to the participating dealer through an individual designated by the participating dealer as an institutional representative of the participating dealer.

## **PART 7 OTHER SALES PRACTICES**

### **7.1 Commission Rebates**

- (1) A participating dealer or representative of a participating dealer may pay all or part of a fee or commission payable by a security holder on the redemption of securities of a mutual fund that occurs in connection with the purchase by the securityholder of securities of a mutual fund in a different mutual fund family, only if:
  - (a) the participating dealer, or a representative on behalf of the participating dealer, before taking any steps in connection with the redemption, provides the securityholder with written disclosure of the matters described in subsection (2) and obtains the written consent of the securityholder to the completion of the redemption; and
  - (b) the participating dealer is not a member of the organization of the mutual fund the securities of which are being acquired.



- (2) The written disclosure referred to in subsection (1) shall include:
- (a) a reasonable estimate of the amount of the fee or commission being paid by the participating dealer on the redemption;
  - (b) a reasonable estimate of the amount of the redemption charges to which the securityholder will be subject in connection with the securities of the mutual fund being acquired, expressed both as dollar amounts and as percentages of the value of the securities being redeemed, and the times at which those charges would be made; and
  - (c) the tax consequences of the redemption.
- (3) No member of the organization of a mutual fund, other than a member that is also a participating dealer acting in compliance with subsection (1), shall pay to any person or company all or part of a fee or commission payable by a securityholder on the redemption of securities of another mutual fund that is not in the same mutual fund family.

## **7.2 Financial Assistance**

- (1) No member of the organization of a mutual fund shall provide financial assistance to a participating dealer of the mutual fund, a representative of the participating dealer or their respective associates or affiliates.
- (2) No participating dealer and no representative of a participating dealer of a mutual fund shall solicit or accept financial assistance from a member of the organization of the mutual fund.
- (3) Subsections (1) and (2) do not apply to financial assistance provided by:
- (a) a Canadian financial institution in the ordinary course of its business, if no conditions to the provision of the financial assistance promote the distribution of securities of particular mutual funds; or
  - (b) affiliates.

## **7.3 Charitable Donations**

- (1) No member of the organization of a mutual fund shall make a charitable donation if the tax credit or deduction arising from the donation benefits a participating dealer, a representative of a participating dealer or a person or company that is an associate or affiliate of a participating dealer or of a representative of a participating dealer.
- (2) Subsection (1) does not apply to a charitable donation made by a member of the organization of a mutual fund if the tax credit or deduction arising from the donation benefits an affiliate of the member of the organization of the mutual fund.

## **7.4 Tied Selling** – No person or company shall require another person or company:

- (a) to invest in securities of a particular mutual fund or mutual fund family, either as a condition or on terms that appear to a reasonable person to be a condition, of supplying or continuing to supply products or services; or
- (b) to purchase or use any products or services, either as a condition or on terms that appear to a reasonable person to be a condition, of selling securities of a particular mutual fund or mutual fund family.



## **PART 8 PROSPECTUS AND POINT OF SALE DISCLOSURE**

### **8.1 Disclosure of Sales Practices**

- (1) A mutual fund shall provide in its prospectus or simplified prospectus a complete description of:
- (a) all compensation payable by members of the organization of the mutual fund to all principal distributors and participating dealers of the mutual fund; and
  - (b) the sales practices followed by the members of the organization of the mutual fund for distribution of securities of the mutual fund.

### **8.2 Disclosure of Equity Interests**

- (1) A mutual fund shall disclose in its prospectus or simplified prospectus the amount of any equity interest that:
- (a) a member of the organization of the mutual fund has in a participating dealer;
  - (b) a participating dealer and associates of the participating dealer, in aggregate, have in any member of the organization of the mutual fund; and
  - (c) a representative of a participating dealer and associates of the representative, in aggregate, have in any member of the organization of the mutual fund.
- (2) If a member of the organization of a mutual fund is not a reporting issuer and the securities of the member are not listed on a Canadian stock exchange, the mutual fund is not required to provide the disclosure required by paragraph (1)(c) if it discloses:
- (a) the aggregate equity interests held by all representatives of a participating dealer and their respective associates in the member of the organization of the mutual fund; and
  - (b) the equity interests held by a representative of a participating dealer and associates of the representative if the representative and his or her associates have direct or indirect ownership of securities representing more than five percent of any class of voting securities, equity securities or partnership units of the member of the organization of the mutual fund.
- (3) For each trade of a security of a mutual fund that is required to make any of the disclosure described in this section, a participating dealer shall deliver to the purchaser a document that discloses the amount of any equity interest that:
- (a) a member of the organization of the mutual fund has in the participating dealer;
  - (b) the participating dealer and its associates, in aggregate, have in any member of the organization of the mutual fund;
  - (c) the representatives of the participating dealer and associates of those representatives, in aggregate, have in any member of the organization of the mutual fund; and
  - (d) the representative of the participating dealer that is acting on the trade, and associates of the representative, in aggregate, have in any member of the organization of the mutual fund.

(4) No participating dealer shall complete a trade to which subsection (3) applies unless the participating dealer obtains the prior written consent of the purchaser to the completion of the trade after the purchaser has received the document required by subsection (3).

(5) A participating dealer is not required to comply with subsections (3) and (4) for a trade if the purchaser in the trade has already been provided with a document under subsection (3) on a previous trade and the information contained in the document has not changed.

**8.3 Disclosure Requirements If No Prospectus or Simplified Prospectus** – A mutual fund that does not have a current prospectus or simplified prospectus shall prepare a document containing the information required by this Instrument to be provided in a prospectus or simplified prospectus and deliver, or cause to be delivered, a copy of the document to each purchaser of securities of the mutual fund at or before the time of the applicable trade in securities of the mutual fund, other than a trade in connection with a dividend reinvestment plan of the mutual fund.

## **PART 9 EXEMPTION**

### **9.1 Exemption**

(1) The regulator or securities regulatory authority may grant an exemption to this Instrument, in whole or in part, subject to any conditions or restrictions that may be imposed in the exemption.

(2) Notwithstanding subsection (1), in Ontario, only the securities regulatory authority may grant that exemption.

## **PART 10 TRANSITIONAL**

**10.1 Prospectus Disclosure** – The prospectus of a mutual fund for which a receipt is obtained before the date that this Instrument comes into force is not required to comply with the disclosure requirements of this Instrument.

PART IV  
[clause 2(d)]

NATIONAL INSTRUMENT 13-101  
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS  
AND RETRIEVAL (SEDAR)

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Instrument:

**“cover page information”** means the information that is specified in the SEDAR Filer Manual and that is required to be filed as part of an electronic filing;

**“electronic filer”** means a person or company referred to in subsection 2.1(1) that is required to comply with this Instrument;

**“electronic filing”** means a document that is filed under securities legislation or securities directions in electronic format or the act of filing a document under securities legislation or securities directions in electronic format, as the context indicates;

**“electronic format”** means the computerized format of a document prepared and transmitted in accordance with the standards, procedures and guidelines contained in the SEDAR Filer Manual;

**“filer profile”** means a set of information providing a profile of an electronic filer;

**“filing agent”** means a person or company that is authorized to make an electronic filing on behalf of an electronic filer;

**“filing service subscriber”** means an electronic filer or a filing agent that enters into an agreement with the SEDAR filing service contractor to make electronic filings through SEDAR;

**“foreign issuer (SEDAR)”** means an issuer that is incorporated or organized under the laws of a foreign jurisdiction, unless:

(a) voting securities carrying more than 50 percent of the votes for the election of directors are held by persons or companies whose last address as shown on the books of the issuer is in Canada and either:

(i) the majority of the senior officers or directors of the issuer are citizens or residents of Canada; or

(ii) assets of the issuer representing more than 50 percent of the total of all assets of the issuer are located in Canada; or

(iii) the business of the issuer is administered principally in Canada; or

(b) the issuer has a class of its equity securities listed and posted for trading on a stock exchange in Canada and does not have any of its equity securities listed and posted for trading on a stock exchange or quoted in a published market in any foreign jurisdiction;

**“paper format”** means the format of a document printed on paper;

**“SEDAR”** means the computer system for the transmission, receipt, acceptance, review and dissemination of documents filed in electronic format known as the System for Electronic Document Analysis and Retrieval;

**“SEDAR Filer Manual”** means the SEDAR Filer Manual incorporated by reference in this Instrument under section 4.1;

**“SEDAR filer software”** means the software provided under license to electronic filers and filing agents by the SEDAR filing service contractor;

**“SEDAR filing service contractor”** means the Alberta Securities Commission or a successor appointed by the securities regulatory authority to provide services in respect of electronic filings;

**“supporting document”** means a document required to be filed in support of, or otherwise in connection with, a filing made under securities legislation or securities directions; and

**“third party filer”** means a person or company required to file a document because of an activity relating to or affecting an issuer or the issuer’s securityholders.

## 1.2 Interpretation

(1) In this Instrument, unless the context otherwise requires, **“document”** includes **“information”** and **“material”** as those words are used in securities legislation or securities directions, as applicable.

(2) In this Instrument, a reference to a document that is required or permitted to be filed includes a document that is required or permitted to be deposited or filed with, or delivered, furnished, provided or submitted to, the securities regulatory authority under securities legislation or securities directions, as applicable.

(3) The filing of a document in electronic format with the securities regulatory authority under this Instrument constitutes:

(a) if the document is required or permitted to be filed only under this Instrument, the filing of that document under securities legislation or securities directions, as applicable;

(b) if the document is otherwise required or permitted to be filed under securities legislation or securities directions, the filing of that document under securities legislation or securities directions, as applicable; and

(c) if the document is required or permitted to be delivered, furnished, provided or submitted to the securities regulatory authority under securities legislation or securities directions, the delivery of that document.

(4) In this Instrument, a reference to a **“SEDAR Form”** refers to one of the several SEDAR forms appended to the SEDAR Filer Manual.

## **PART 2 ELECTRONIC FILING REQUIREMENTS**

### **2.1 Filers Required to Make Electronic Filings**

- (1) The following persons or companies shall comply with this Instrument:
  - (a) every issuer, other than a foreign issuer (SEDAR), that is required or otherwise is proposing to file a document under securities legislation or securities directions;
  - (b) every foreign issuer (SEDAR) that files a notice of election to become an electronic filer in the manner provided in subsection (2), unless it has elected to cease making electronic filings in the manner provided in subsection (4);
  - (c) every third party filer that makes a filing of a type to which this Instrument applies concerning an issuer that is required to comply with this Instrument.
- (2) A foreign issuer (SEDAR) that is required or otherwise is proposing to file a document under securities legislation or securities directions may elect to become subject to this Instrument by filing in paper format on SEDAR Form 5 a notice of election to become an electronic filer.
- (3) A foreign issuer (SEDAR) that files a notice of election to become an electronic filer shall comply with this Instrument for at least two years after filing the notice of election.
- (4) A foreign issuer (SEDAR) that files a notice of election to become an electronic filer may elect to cease complying with this Instrument at any time after the expiry of the two-year period by filing a notice to this effect in electronic format at least 30 days before making a filing that does not comply with this Instrument.
- (5) A person or company that is not required to comply with this Instrument shall not file any document through SEDAR.

### **2.2 Documents to be Filed in Electronic Format**

- (1) An electronic filer that is required or otherwise is proposing to file any of the following documents shall file the documents in electronic format in accordance with this Instrument:
  - (a) a document listing in Appendix A;
  - (b) an amendment or supplement to a document filed in electronic format;
  - (c) a supporting document, written correspondence or other written material relating to a document filed in electronic format;
  - (d) a document required to be filed because it was sent by an issuer to its securityholders;
  - (e) a document required to be filed because it was filed with a governmental agency or a stock exchange located outside the local jurisdiction;
  - (f) a document that is required by securities legislation or securities directions other than this Instrument to be filed in electronic format.

- (2) An electronic filer may file an application or request for exemptive relief from, or approval under, securities legislation in electronic format if:
- (a) the application or request relates to a prospectus filed or to be filed in electronic format; and
  - (b) the exemptive relief or approval being sought is reasonably required to facilitate a distribution of securities to which the prospectus relates.
- (3) Notwithstanding clause (1)(c), the appendices or other supplemental materials forming part of a mining report filed as a supporting document may be filed in paper format.

### **2.3 Documents to be Filed in Paper Format**

- (1) The following shall not be filed in electronic format:
- (a) a document that is required or permitted to be filed on a confidential basis under securities legislation or securities directions unless the securities legislation or securities directions require the confidential filing to be made in electronic format;
  - (b) a document for which confidential treatment is requested under securities legislation or securities directions or is claimed under applicable freedom of information legislation;
  - (c) an oil and gas report that is prepared and filed as a supporting document, except for any part that is a summary of the report, but only if paragraph 3 does not apply to a statement or report referred to in section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;
  - (d) a document, other than one referred to in clause (a), (b), or (c), that is not required or permitted to be filed in electronic format under section 2.2, unless the securities regulatory authority has approved the filing of the document in electronic format.
- (2) If a document that was filed in paper format under clause (1)(a) ceases to remain confidential because the subject matter of the document is generally disclosed, the electronic filer shall file a copy of the document in electronic format within 10 days following general disclosure.
- (3) If a confidential treatment request made pursuant to securities legislation in respect of a document filed in paper format under clause (1)(b) is rejected, the electronic filer shall file a copy of the document in electronic format within 10 days following the rejection.

### **2.4 Manner of Effecting Electronic Filing**

A document that is filed in electronic format shall be transmitted electronically using the SEDAR filer software in the manner required by the SEDAR Filer Manual.

## **2.5 Filing Service Subscribers**

Before making an electronic filing through SEDAR, the electronic filer or its filing agent shall become a filing service subscriber by furnishing an Application For SEDAR Filing Services on SEDAR Form 1 to the SEDAR filing service contractor and entering into the Filing Service Subscriber's Agreement on SEDAR Form 2.

## **2.6 Hours for Transmission of Electronic Filings**

Electronic filings may be transmitted through SEDAR to the securities regulatory authority on any business day between the hours of 7:00 a.m. and 11:00 p.m. Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect in Toronto, Ontario, Canada, and on any other day or at any other time that is provided in the SEDAR Filer Manual or that the securities regulatory authority announces by press release.

## **2.7 Date of Filing**

- (1) A document filed in electronic format is, for purposes of securities legislation or securities directions, filed on the day that the electronic transmission of the document is completed.
- (2) Notwithstanding subsection (1), a document filed in electronic format is, for purposes of Quebec securities legislation or Quebec securities directions, filed on the day that the document is retrieved in electronic format from SEDAR by the Commission des valeurs mobilières du Québec instead of on the day that the electronic transmission of the document is completed.
- (3) Notwithstanding subsections (1) and (2), for purposes of a time period in securities legislation or securities directions that begins on or immediately after the date of the filing of a document filed in electronic format, the date of the filing of the document is the day on which the electronic transmission of the document is completed unless it is not completed on a business day by 5:00 p.m. local time in the city where the securities regulatory authority is located, in which case the date of the filing is the next business day.

## **2.8 Payment of Filing Fees**

- (1) The fees payable to the securities regulatory authority for the filing of a document in electronic format shall be paid by an electronic payment authorized at the time the filing is made.
- (2) A filing service subscriber shall make the payment referred to in subsection (1) by transmitting instructions through SEDAR in the manner set out in the SEDAR Filer Manual for the purpose of effecting an electronic funds transfer from the filing service subscriber to the securities regulatory authority.



## **PART 3 ELECTRONIC FILING EXEMPTIONS**

### **3.1 Temporary Hardship Exemption**

(1) If unanticipated technical difficulties prevent the timely preparation and transmission of an electronic filing, an electronic filer may file the document in paper format under cover of SEDAR Form 3 no later than two business days after the day on which the electronic filing was required or permitted.

(2) An electronic filer shall include the following legend in capital letters at the top of the first page of a document filed by it in paper format under this section:

IN ACCORDANCE WITH SECTION 3.1 OF NATIONAL INSTRUMENT 13-101 - SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR), THIS (SPECIFY DOCUMENT) IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.

(3) The requirements of securities legislation and securities directions relating to paper format filings and the payment of applicable filing fees apply to a filing under subsection (1) except that signatures to the paper format document may be in typed form rather than manual format.

(4) If a paper format document is filed in the manner and within the time prescribed in this section, the specific date by which the document is required to be filed under securities legislation or securities directions is extended to the date on which the filing is made in paper format.

(5) If an electronic filer makes a paper format filing under this section, the electronic filer shall file a copy of the paper format document in electronic format within three business days after the paper format document is filed.

(6) The electronic filer shall include the following statement in capital letters at the top of the first page of the electronic format copy of the document:

THIS DOCUMENT IS A COPY OF THE (SPECIFY DOCUMENT) FILED ON (DATE) UNDER A TEMPORARY HARDSHIP EXEMPTION UNDER SECTION 3.1 OF NATIONAL INSTRUMENT 13-101 - SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR).

### **3.2 Continuing Hardship Exemption**

(1) An electronic filer may make an application for a continuing hardship exemption if an electronic filing cannot be made without undue burden or expense.

(2) An application for a continuing hardship exemption shall be filed in paper format contemporaneously with the filing of a similar application in another jurisdiction in which the electronic filing is required or proposed to be made and at least 20 days before the earliest date on which the electronic filing is required or proposed to be made, as applicable.

(3) An application for a continuing hardship exemption shall include the following:

(a) a list of the jurisdictions, other than the local jurisdiction, in which the application is being made;



- (b) a list of the documents for which the exemption is being sought and, if applicable, the length of time for which the exemption is being requested;
  - (c) the reason for requesting the exemption from filing the documents in electronic format and, if applicable, the justification for the length of time for which the exemption is being requested.
- (4) The regulator or, if authorized to grant an exemption under section 7.1, the securities regulatory authority may grant or deny a continuing hardship exemption and shall notify the electronic filer in writing of a decision to grant or deny the exemption as soon as practicable after making its decision.
- (5) If the application for a continuing hardship exemption is denied, the electronic filer shall make any required electronic filing on the required or the proposed filing date, as applicable.
- (6) If the application for a continuing hardship exemption is granted, the electronic filer shall file the document for which the continuing hardship exemption is granted in paper format on the required or the proposed filing date, as applicable.
- (7) An electronic filer that files a document in paper format under a continuing hardship exemption shall include the following legend in capital letters at the top of the first page of the document:
- IN ACCORDANCE WITH SECTION 3.2 OF NATIONAL INSTRUMENT 13-101  
- SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL  
(SEDAR), THIS (SPECIFY DOCUMENT) IS BEING FILED IN PAPER FORMAT  
UNDER A CONTINUING HARDSHIP EXEMPTION.
- (8) If a continuing hardship exemption is granted for a limited period, the exemption may be conditional upon the filing of the electronic format copy of the document that is the subject of the exemption upon the expiration of the period for which the exemption is granted.

### **3.3 Exemption For Pre-Existing Documents**

- (1) Notwithstanding subsection 2.2(1), any supporting document, written correspondence or other written material relating to a document required to be filed in electronic format may be filed in paper format if the supporting document, written correspondence or other written material was prepared and issued, published or distributed before January 1, 1997.
- (2) An electronic filer filing a supporting document, written correspondence or other written material in paper format under subsection (1) shall do so under cover of SEDAR Form 4 no later than two business days after the date of filing the electronic format document to which it relates.
- (3) The requirements under securities legislation for paper format filings apply to a filing under subsection (1).

## **PART 4 PREPARATION AND TRANSMISSION OF ELECTRONIC FILINGS**

### **4.1 SEDAR Filer Manual**

- (1) The most recent version of the SEDAR Filer Manual: Standards, Procedures and Guidelines for Electronic Filing with the Canadian Securities Administrators, as approved by the regulator or the securities regulatory authority, is incorporated by reference in this Instrument.
- (2) An electronic filing shall be prepared and transmitted in accordance with the standards, procedures and guidelines set forth in the SEDAR Filing Manual.

### **4.2 Cover Page Information**

- (1) An electronic filing shall be accompanied by the cover page information required for the particular electronic filing.
- (2) The cover page information shall be filed in the form and manner required by the SEDAR Filer Manual.

### **4.3 Signatures**

- (1) A signature to or within any electronic filing shall be presented in typed form rather than manual form.
- (2) An electronic filing that is required to be signed or certified shall be signed by means of an electronic entry of the name of the person or company required to sign or certify the electronic filing that is executed, adopted or authorized by the person or company as a signature.
- (3) No prospectus, take-over bid circular, issuer bid circular, directors' circular, officers' circular or annual information form for a mutual fund, or amendment or supplement to any of these documents, that contains a certificate signed by a person or company, shall be filed in electronic format unless that person or company has manually signed a certificate of authentication on SEDAR Form 6.
- (4) An electronic filer that makes an electronic filing to which subsection (3) applies shall file the manually signed certificate of authentication required under that subsection with the SEDAR filing service contractor at one of its offices listed in the SEDAR Filer Manual within three business days after the electronic filing is made.

### **4.4 Incorporation by Reference**

- (1) The following documents shall not be incorporated by reference into an electronic filing:
  - (a) a document filed in paper format in contravention of this Instrument;
  - (b) a document filed in paper format under a temporary hardship exemption for which a required confirming electronic copy has not been filed.

(2) Subject to subsection (3), if an electronic filing incorporates by reference all or part of a document filed previously in paper format, the document or the part incorporated by reference shall be filed in electronic format as a supporting document to the electronic filing.

(3) Subsection (2) does not apply to an electronic filing made by a person or company that has been an electronic filer for less than one year.

#### **4.5 Maps and Photographs**

(1) If a document to be filed in electronic format contains or is supplemented by a map or photograph and that map or photograph exceeds 8-1/2 inches by 11 inches or 21.5 centimetres by 28 centimetres, the map or the photograph, as applicable, shall be omitted from the electronic filing.

(2) If a map or photograph is omitted from an electronic filing, the electronic filer shall include a reference to the omitted map or photograph in the electronic filing.

(3) An electronic filer shall make a paper format copy of each map or photograph that is omitted from an electronic filing and shall retain that copy for six years after the date of the electronic filing.

(4) Upon request made by the securities regulatory authority within the six year period, an electronic filer shall deliver to the securities regulatory authority a paper format copy of a map or photograph omitted from an electronic filing.

#### **4.6 Red Ink**

An electronic filer may satisfy any requirement that information be presented in red ink in a document to be filed in electronic format by presenting the information in the electronic format version of the document in bold face type and capital letters.

#### **4.7 Format of Documents and Number of Copies**

A requirement in securities legislation or securities directions relating to the format in which a document to be filed must be printed or specifying the number of copies of a document that must be filed does not apply to an electronic filing made in accordance with this Instrument.

#### **4.8 Production of Electronic Format Documents By The Securities Regulatory Authority**

(1) Subject to subsections (2) and (3), a document required or permitted to be issued or delivered by the securities regulatory authority under securities legislation or securities directions in response to or for an electronic filing may be issued or delivered solely in electronic format in accordance with the Instrument.

(2) The securities regulatory authority may satisfy any requirement that a document filed in electronic format be made available for public inspection by making available a printed copy or other output of the electronic filing readable by sight.

(3) The securities regulatory authority may satisfy any requirement to produce or make available an original or certified copy of a document filed in electronic format by providing a printed copy or other output of the electronic filing readable by sight that contains or is accompanied by a certification by the regulator that the printed copy or output is a copy of the document filed in electronic format.

#### **4.9 Official Copy of Electronic Format Documents**

(1) For purposes of securities legislation, securities directions or any other related purpose, the official copy of a document filed in electronic format by an electronic filer or issued or delivered in electronic format by the securities regulatory authority is the electronic format version stored in SEDAR.

(2) Notwithstanding subsection (1), for purposes of Quebec securities legislation or Quebec securities directions, the official copy of a document filed in electronic format by an electronic filer is the electronic format version of the document retrieved from SEDAR by the Commission des valeurs mobilières du Québec instead of the electronic format version stored in SEDAR.

### **PART 5 FILER PROFILES**

#### **5.1 Electronic Filing of Filer Profile Information**

(1) An electronic filer shall file a filer profile in electronic format through SEDAR before making any other electronic filing.

(2) A filer profile shall be in the form required by and contain the information set out in the SEDAR Filer Manual.

(3) An electronic filer shall ensure that the information contained in its filer profile is correct in all material respects and shall file an amended filer profile in electronic format within 10 days following any change in the information contained in its filer profile.

#### **5.2 Liability for Filer Profile Information**

A filer profile is not considered to be incorporated by reference in, or to otherwise form part of, any document that is subject to the civil liability provisions of securities legislation.

### **PART 6 JOINT FILINGS**

#### **6.1 Joint Filings**

An electronic filer shall file in electronic format in accordance with this Instrument a document that is to be filed jointly by an electronic filer and another person or company that is not an electronic filer.

## **PART 7 EXEMPTION**

### **7.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption to this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Notwithstanding subsection (1), in Ontario only the regulator may grant such an exemption.

2 Jan 2004 SR 124/2004 s3; 11 Oct 2013 SR  
79/2013 s4.

**NATIONAL INSTRUMENT 13-101  
SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS  
AND RETRIEVAL (SEDAR)**

**APPENDIX A  
MANDATED ELECTRONIC FILINGS**

<u>Applicable Filing</u>	<u>Applicable Jurisdictions*</u>
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\* **“Applicable jurisdiction”** means a jurisdiction in which the particular filing is specifically required by securities legislation. Unless otherwise indicated, all jurisdictions are deemed to be applicable jurisdictions.

I Mutual Fund Issuers

A. Securities Offerings

1. **Repealed.** 17 May 2013 SR 32/2013 s3.
2. **Repealed.** 17 May 2013 SR 32/2013 s3.
3. **Repealed.** 17 May 2013 SR 32/2013 s3.
4. Preliminary Short Form Prospectus
5. Final Short Form Prospectus
6. **Repealed.** 17 May 2013 SR 32/2013 s3.
- 6.1. Base Short Form PREP Prospectus
- 6.2. Base Long Form PREP Prospectus
7. Preliminary Base Shelf Prospectus
8. Final Base Shelf Prospectus
9. Shelf Prospectus Supplement

B. Continuous Disclosure

1. Annual Financial Statements
2. Interim Financial Statements/Reports
3. Annual Report
4. Compliance Reports – Sale and Redemption of Securities
5. Compliance Reports – Commingling of Money
6. News Release
7. Material Change Report
- 8.1. Annual Management Report of Fund Performance
- 8.2. Interim Management Report of Fund Performance
9. Notice of Securityholders’ Meeting and Record Date
10. Management Proxy Circular/Information Circular
11. Change of Auditor Filings

Que

12. Change in Year End Filings
13. Labour Sponsored Investment Fund  
Valuation Reports
14. Report of Management Company  
– Transactions  
with related persons or companies  
(Form 81-903F – British Columbia,  
Form 38 – Alberta and Ontario,  
Form 36 – Saskatchewan,  
Form 39 – Nova Scotia, and  
Form 37 – Newfoundland)  
BC, Alta, Sask,  
Ont, NS & Nfld
15. Annual Information Form
16. Change in Legal Structure Filings
- 16.1. Supplemented Short Form PREP Prospectus
17. Material Contracts
18. Report by Independent Review Committee
19. Manager - transactions in securities of related issuers
20. Manager - transactions under Part 4 of NI 81-102
21. Manager - notification under Part 5 of NI 81-107
- C. Exemption and Other Applications
  1. Applications Pursuant to a National Instrument  
or National Policy Regulating Mutual Funds
- D. Exempt Market Offerings and Disclosure
  1. Form 45-106F1 *Report of  
Exempt Distribution*  
Alta, Sask,  
Man, Que, NB,  
PEI, NS, Nfld,  
YK, NWT, NU
  2. Material required to be filed or  
delivered under section 2.9 of  
National Instrument 45-106  
*Prospectus Exemptions*  
Alta, Sask,  
Man, Que, NB,  
PEI, NS, Nfld,  
YK, NWT, NU
  3. Disclosure document delivered to  
subscribers under section 37.2  
of the *Securities Regulation* (Québec)  
Que

## II Other Issuers (Reporting/Non-reporting)

### A. Securities Offerings

#### (a) General Filings:

1. Initial Annual Information Form – Prompt Offering Qualification System (“POP” System)
2. Revised Annual Information Form – POP System
3. Renewal Annual Information Form – POP System
4. Preliminary Short Form Prospectus – POP System
5. Final Short Form Prospectus – POP System
6. Supplemented Short Form PREP Prospectus
7. Preliminary Short Form Prospectus – Shelf
8. Final Short Form Prospectus – Shelf
9. Prospectus Supplement – Shelf
10. Preliminary Prospectus – Multijurisdictional Disclosure System (“MJDS”)
11. Final Prospectus – MJDS
12. Prospectus Supplement – MJDS
13. Preliminary Long Form Prospectus
14. Pro Forma Long Form Prospectus
15. Final Long Form Prospectus
16. Supplemented Long Form PREP Prospectus
17. **Repealed.** 9 Sep 2016 SR 76/2016 s3.
18. **Repealed.** 9 Sep 2016 SR 76/2016 s3.
19. Rights Offering - Circular
20. Rights Offering - Minimal Connection

#### (b) **Repealed.** 17 May 2013 SR 32/2013 s3.

#### (c) Québec Filings:

1. Prospectus – Distribution outside Québec (QC sec. 12 Act)
2. **Repealed.** 17 May 2013 SR 32/2013 s3.

#### (d) **Repealed.** 17 May 2013 SR 32/2013 s3.

Que



B. Continuous Disclosure

(a) General Filings:

1. News Release
2. Material Change Report
3. Annual Financial Statements
4. Interim Financial Statements/Reports
5. Annual Report Que
6. Annual Information Form (Non-POP System)
7. Management's Discussion & Analysis BC, Ont & Que
8. Annual Management Report of Fund Performance
9. Interim Management Report of Fund Performance
10. Notice of Securityholders' Meeting and Record Date
11. Management Proxy Circular/Information Circular
12. Report of Finance Company BC, Alta, Sask  
& Ont  
(Form 29 – British Columbia, Alberta  
and Ontario, Form 27 - Saskatchewan)
13. Change of Auditor Filings
14. Future Oriented Financial Information Filings
15. Changes in Year End Filings
16. Form 1 (Resale Rule)
17. Change in Corporate/Legal Structure Filings
18. Material Documents/Contracts
19. Oil and Gas Annual Disclosure (NI-51-101)
20. Report by Independent Review Committee
21. Manager - transactions in securities of related issuers
22. Manager - transactions under Part 4 of NI 81-102
23. Manager - notification under Part 5 of NI 81-107

(b) Ontario Filings:

1. Junior Natural Resource Issuer Filings Ont

C. Securities Acquisitions

1. Issuer Bid Circular
2. Notice of Change or Variation
3. Issuer Bid Reports Ont & Que

**D. Going Private and Related party Transactions**

- |                                      |           |
|--------------------------------------|-----------|
| 1. Going Private Transaction Filings | Ont & Que |
| 2. Related Party Transaction Filings | Ont & Que |

**III Third Party Filers**

- |   |  |
|---|--|
| 1. Take-over Bid Circular   |  |
| 2. Notice of Change or Variation                                      |  |
| 3. Directors' Circular  |  |
| 4. Director's or Officer's Circular (Individual)                      |  |
| 5. Take-over Bid Reports  | Ont & Que                                      |
| 6. Securities Acquisition (Early Warning)<br>Press Release and Report | BC, Alta, Sask,<br>Man, Ont, Que,<br>NS & Nfld |
| 7. Proxy Solicitation Materials                                       |  |

**E. Exempt Market Offerings and Disclosure**

- |   |   |
|---|---|
| 1. Form 45-106F1 <i>Report of<br/>Exempt Distribution</i>   | Alta, Sask,<br>Man, Que, NB,<br>PEI, NS, Nfld,<br>YK, NWT, NU |
| 2. Material required to be filed or<br>delivered under section 2.9 of<br>National Instrument 45-106<br><i>Prospectus Exemptions</i>   | Alta, Sask,<br>Man, Que, NB,<br>PEI, NS, Nfld,<br>YK, NWT, NU |
| 3. Disclosure document delivered to<br>subscribers under section 37.2<br>of the <i>Securities Regulation</i> (Québec)   | Que   |
| 4. Form 5 – <i>Start-up Crowdfunding – Report<br/>of Exempt Distribution</i> and offering<br>document required to be filed or<br>delivered under the start-up<br>crowdfunding prospectus and<br>registration exemptions | Sask, Man,<br>Que, NB, NS                                     |
| 5. Offering document, distribution materials,<br>financial statements and notices required<br>to be filed or delivered by an issuer under<br>Multilateral Instrument 45-108 <i>Crowdfunding</i>                         | Sask, Man,<br>Que, NB, NS                                     |

2 Jan 2004 SR 124/2004 s3; 16 Apr 2004 SR  
14/2004 s4; 10 Jne 2005 SR 49/2005 s4; 9 Sep  
2005 SR 84/2005 s4; 10 Nov 2006 SR 104/2006  
s4; 8 Jly 2011 SR 41/2011 s5; 17 May 2013 SR  
32/2013 s3; 3 Jne 2016 SR 36/2016 s3; 9 Sep  
2016 SR 76/2016 s3.

PART V  
[clause 2(e)]

NATIONAL INSTRUMENT 81-101  
MUTUAL FUND PROSPECTUS DISCLOSURE

PART 1 DEFINITIONS, INTERPRETATION AND APPLICATION

1.1 Definitions

In this Instrument:

**“Aequitas personal information form”** means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time;

**“business day”** means any day other than a Saturday, a Sunday or a statutory holiday;

**“commodity pool”** means a mutual fund, other than a precious metals fund, that has adopted fundamental investment objectives that permit it to use:

- (a) specified derivatives other than as permitted by National Instrument 81-102 *Investment Funds*; or
- (b) physical commodities other than as permitted by that Instrument;

**“educational material”** means material containing general information about one or more of investing in general, mutual funds, portfolio management, capital markets, retirement savings, income or education saving plans and financial planning, if the material does not promote a particular mutual fund or mutual fund family or the products or services offered by a particular mutual fund or mutual fund family;

**“executive officer”** means, for a mutual fund, a manager of a mutual fund or a promoter of a mutual fund, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or product development; or
- (c) performing a policy-making function;

**“financial statements”** includes interim financial reports

**“financial year”** includes the first completed financial period of a mutual fund beginning with the inception of the mutual fund and ending on the date of its first financial year end;

**“fund facts document”** means a completed Form 81-101F3 *Contents of Fund Facts Document*;

**“Form 81-101F1”** means Form 81-101F1, Contents of Simplified Prospectus, as set out in Appendix A to this National Instrument;

**“Form 81-101F2”** means Form 81-101F2, Contents of Annual Information Form, as set out in Appendix B to this National Instrument;

**“independent review committee”** means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;

**“managed account”** has the meaning ascribed to that term in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

**“material contract”** means, for a mutual fund, a contract listed in the annual information form of the mutual fund in response to Item 16 of Form 81-101F2 Contents of Annual Information Form;

**“multiple AIF”** means a document containing two or more annual information forms that have been consolidated in accordance with section 5.4;

**“multiple SP”** means a document containing two or more simplified prospectuses that have been consolidated in accordance with subsection 5.1(1);

**“Part A section”** means the section of a simplified prospectus that contains the disclosure required by Part A of Form 81-101F1 Contents of Simplified Prospectus;

**“Part B section”** means the section of a simplified prospectus that contains the disclosure required by Part B of Form 81-101F1;

**“permitted client”** has the meaning ascribed to that term in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

**“personal information form”** means:

- (a) a completed Schedule 1 of Appendix A to National Instrument 41-101 *General Prospectus Requirements*;
- (b) a completed TSX/TSXV personal information form submitted by an individual to the Toronto Stock Exchange or to the TSX Venture Exchange to which is attached a completed certificate and consent in the form set out in Schedule 1 - Part B of Appendix A to National Instrument 41-101 *General Prospectus Requirements*; or
- (c) a completed Aequis personal information form submitted by an individual to Aequis NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 - Part B of Appendix A to National Instrument 41-101 *General Prospectus Requirements*;

**“plain language”** means language that can be understood by a reasonable person, applying a reasonable effort;

**“precious metals fund”** means a mutual fund that has adopted fundamental investment objectives, and received all required regulatory approvals, that permit it to invest in precious metals or in entities that invest in precious metals and that otherwise complies with National Instrument 81-102 *Investment Funds*;

**“predecessor personal information form”** means:

- (a) a completed Schedule 1 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* in the form that was in effect from March 17, 2008 until May 14, 2013; or

(b) a completed TSX/TSXV personal information form to which is attached a completed certificate and consent in the form that was in effect between March 17, 2008 and May 14, 2013;

**“pre-authorized purchase plan”** means a contract or other arrangement for the purchase of securities of a mutual fund, by payments of a specified amount, on a regularly scheduled basis, and which can be terminated at any time;

**“single AIF”** means an annual information form that has not been consolidated with another annual information form under section 5.4;

**“single SP”** means a simplified prospectus that has not been consolidated with another simplified prospectus under subsection 5.1(1);

**“statutory right of action”** means:

- (a) in Alberta, paragraph 206(a) of the *Securities Act* (Alberta);
- (b) in British Columbia, section 135 of the *Securities Act* (British Columbia);
- (c) in Manitoba, section 141.2 of the *Securities Act* (Manitoba);
- (d) in New Brunswick, section 155 of the *Securities Act* (New Brunswick);
- (e) in Northwest Territories, section 116 of the *Securities Act* (Northwest Territories);
- (f) in Nunavut, section 116 of the *Securities Act* (Nunavut);
- (g) in Saskatchewan, section 141(2) of *The Securities Act, 1988* (Saskatchewan); and
- (h) in Yukon, section 116 of the *Securities Act* (Yukon);

**“statutory right of withdrawal”** means:

- (a) in Alberta, subsection 130(1) of the *Securities Act* (Alberta);
- (b) in British Columbia, subsections 83(3) and (5) of the *Securities Act* (British Columbia);
- (c) in Manitoba, sections 1.2 and 1.5 of Local Rule 41-502 *Prospectus Delivery Requirement* (Manitoba);
- (d) in New Brunswick, subsection 88(2) of the *Securities Act* (New Brunswick);
- (e) in Northwest Territories, section 101(2) of the *Securities Act* (Northwest Territories);
- (f) in Nunavut, subsection 101(2) of the *Securities Act* (Nunavut);
- (g) in Saskatchewan, section 79(3) of *The Securities Act, 1988* (Saskatchewan); and
- (h) in Yukon, subsection 101(2) of the *Securities Act* (Yukon); and

**“TSX/TSXV personal information form”** means a completed personal information form of an individual in compliance with the requirements of Form 4 for the Toronto Stock Exchange or Form 2A for the TSX Venture Exchange, as applicable, each as amended from time to time.

## 1.2 Interpretation

Terms defined in National Instrument 81-102 *Investment Funds* or National Instrument 81-105 *Mutual Fund Sales Practices* and used in this Instrument have the respective meanings ascribed to them in those Instruments.

## 1.3 Application

This Instrument does not apply to mutual funds that are:

- (a) labour-sponsored venture capital corporations;
- (b) commodity pools; or
- (c) listed and posted for trading on a stock exchange or quoted on an over-the-counter market.

# PART 2 DISCLOSURE DOCUMENTS

## 2.1 Filing of Disclosure Documents

(1) A mutual fund:

(a) that files a preliminary prospectus must file the preliminary prospectus in the form of a preliminary simplified prospectus prepared in accordance with Form 81-101F1 and concurrently file:

(i) a preliminary annual information form prepared and certified in accordance with Form 81-101F2; and

(ii) a preliminary fund facts document for each class or series of securities of the mutual fund prepared in accordance with Form 81-101F3;

(b) that files a *pro forma* prospectus must file the *pro forma* prospectus in the form of a *pro forma* simplified prospectus prepared in accordance with Form 81-101F1 and concurrently file:

(i) a *pro forma* annual information form prepared in accordance with Form 81-101F2; and

(ii) a *pro forma* fund facts document for each class or series of securities of the mutual fund prepared in accordance with Form 81-101F3;

(c) that files a prospectus must file the prospectus in the form of a simplified prospectus prepared in accordance with Form 81-101F1 and concurrently file:

(i) an annual information form prepared and certified in accordance with Form 81-101F2; and

(ii) a fund facts document for each class or series of securities of the mutual fund prepared in accordance with Form 81-101F3;

(d) that files an amendment to a prospectus must:

(i) file an amendment:

(A) to the simplified prospectus and concurrently file an amendment to the related annual information form; or

(B) to the related annual information form if changes are made only to the annual information form;

- (ii) if the amendment relates to the information contained in a fund facts document, concurrently file an amendment to the fund facts document; and
  - (iii) if the amendment relates to a new class or series of securities of the mutual fund that is referable to the same portfolio of assets, concurrently file a fund facts document for the new class or series; and
  - (e) must file an amendment to a fund facts document, if a material change occurs that relates to the information contained in the fund facts document, as soon as practicable and, in any event, within 10 days after the day the change occurs.
- (2) A mutual fund must not file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus that relates to the prospectus.

## **2.2 Amendments to Disclosure Documents**

- (1) An amendment to a simplified prospectus or to an annual information form may consist of either:
- (a) an amendment that does not fully restate the text of the simplified prospectus or annual information form; or
  - (b) an amended and restated simplified prospectus or annual information form.
- (2) Notwithstanding subsection (1), an amendment to the Part B section that is separately bound from the Part A section of a simplified prospectus must be effected only by way of an amended and restated Part B section.
- (3) An amendment to a simplified prospectus or to an annual information form must be identified and dated as follows:
- (a) for an amendment that does not restate the text of a simplified prospectus or annual information form:  
“Amendment No. [insert amendment number] dated [insert date of amendment] to [identify document] dated [insert date of document being amended]”;
  - (b) for an amended and restated simplified prospectus, other than an amendment to which subsection (2) applies, or annual information form:  
“Amended and Restated [identify document] dated [insert date of amendment], amending and restating [identify document] dated [insert date of document being amended]”.
- (4) An amendment to a fund facts document must be prepared in accordance with Form 81-101F3 without any further identification and dated as of the date the fund facts document is being amended.

### **2.2.1 Amendment to a Preliminary Simplified Prospectus**

- (1) Except in Ontario, if, after a receipt for a preliminary simplified prospectus is issued but before a receipt for the simplified prospectus is issued, a material adverse change occurs, an amendment to the preliminary simplified prospectus must be filed as soon as practicable, but in any event within 10 days after the change occurs.



- (2) The regulator must issue a receipt for an amendment to a preliminary simplified prospectus as soon as practicable after the amendment is filed.

### **2.2.2 Delivery of Amendments**

Except in Ontario, a mutual fund must deliver an amendment to a preliminary simplified prospectus as soon as practicable to each recipient of the preliminary simplified prospectus according to the record of recipients required to be maintained under securities legislation.

### **2.2.3 Amendment to a Simplified Prospectus**

- (1) Except in Ontario, if, after a receipt for a simplified prospectus is issued but before the completion of the distribution under the simplified prospectus, a material change occurs, a mutual fund must file an amendment to the simplified prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.
- (2) Except in Ontario, if, after a receipt for a simplified prospectus or an amendment February 4, 2008 to a simplified prospectus is issued but before the completion of the distribution under the simplified prospectus or the amendment to the simplified prospectus, securities in addition to the securities previously disclosed in the simplified prospectus or the amendment to the simplified prospectus are to be distributed, an amendment to the simplified prospectus disclosing the additional securities must be filed, as soon as practicable, but in any event within 10 days after the decision to increase the number of securities offered.
- (3) Except in Ontario, the regulator must issue a receipt for an amendment to a simplified prospectus filed under this section unless the regulator considers that there are grounds set out in securities legislation that would cause the regulator not to issue the receipt for a simplified prospectus.
- (4) Except in Ontario, the regulator must not refuse to issue a receipt under subsection (3) without giving the mutual fund that filed the simplified prospectus an opportunity to be heard.

## **2.3 Supporting Documents**

- (1) A mutual fund must:
- (a) file with a preliminary simplified prospectus, a preliminary annual information form and a preliminary fund facts document for each class or series of securities of the mutual fund:
    - (i) a copy of the preliminary annual information form certified in accordance with Part 5.1;
    - (ii) a submission to the jurisdiction and appointment of an agent for service of process of the manager of the mutual fund in the form set out in Appendix C to National Instrument 41-101 *General Prospectus Requirements*, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada;
    - (iii) a copy of any material contract and a copy of any amendment to a material contract that have not previously been filed, other than a contract entered into in the ordinary course of business;



- (iv) a copy of the following documents and a copy of any amendment to the following documents that have not previously been filed:
    - (A) by-laws or other corresponding instruments currently in effect;
    - (B) any securityholder or voting trust agreement that the mutual fund has access to and that can reasonably be regarded as material to an investor in securities of the mutual fund; and
    - (C) any other contract of the mutual fund that creates or can reasonably be regarded as materially affecting the rights or obligations of the mutual fund's securityholders generally; and
  - (v) any other supporting documents required to be filed under securities legislation; and
- (b) at the time a preliminary simplified prospectus, a preliminary annual information form and a preliminary fund facts document for each class or series of securities of the mutual fund are filed, deliver or send to the securities regulatory authority:
- (i) for:
    - (A) a new mutual fund, a copy of a draft opening statement of financial position of the mutual fund; and
    - (B) an existing mutual fund, a copy of the latest audited financial statements of the mutual fund;
  - (ii) a personal information form for:
    - (A) each director and executive officer of the mutual fund;
    - (B) each director and executive officer of the manager of the mutual fund;
    - (C) each promoter of the mutual fund;
    - (D) if the promoter is not an individual, each director and executive officer of the promoter;
  - (iii) a signed letter to the regulator from the auditor of the mutual fund prepared in accordance with the form suggested for this circumstance by the Handbook, if a financial statement of the mutual fund incorporated by reference in the preliminary simplified prospectus is accompanied by an unsigned auditor's report; and
  - (iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.
- (1.1) Despite subparagraph (1)(b)(ii), a mutual fund is not required to deliver to the regulator a personal information form for an individual if the mutual fund, the mutual fund's manager, another issuer or the manager of another investment fund issuer, previously delivered a personal information form for the individual and all of the following are satisfied:
- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund;

(b) the responses given by the individual to questions 6 through 10 of the individual's personal information form are correct as at a date that is no earlier than 30 days before the filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund;

(c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.

(1.2) Until May 14, 2016, subparagraph (1)(b)(ii) does not apply to a mutual fund in respect of the delivery of a personal information form for an individual if the mutual fund, the mutual fund's manager, another issuer or the manager of another investment fund issuer previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:

(a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund;

(b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual's predecessor personal information form are correct as at a date that is no earlier than 30 days before the filing of the preliminary simplified prospectus, preliminary annual information form and preliminary fund facts document for each class or series of securities of the mutual fund.

(2) A mutual fund must:

(a) file with a *pro forma* simplified prospectus, a *pro forma* annual information form and a *pro forma* fund facts document for each class or series of securities of the mutual fund:

(i) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed;

(ii) a submission to the jurisdiction and appointment of an agent for service of process of the manager of the mutual fund in the form set out in Appendix C to National Instrument 41-101 *General Prospectus Requirements*, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada and if that document has not already been filed;

(ii.1) a copy of the following documents and a copy of any amendment to the following documents that have not previously been filed:

- (A) by-laws or other corresponding instruments currently in effect;
- (B) any securityholder or voting trust agreement that the mutual fund has access to and that can reasonably be regarded as material to an investor in securities of the mutual fund; and
- (iii) any other supporting documents required to be filed under securities legislation; and
- (b) at the time a *pro forma* simplified prospectus, a *pro forma* annual information form and a *pro forma* fund facts document for each class or series of securities of the mutual fund are filed, deliver or send to the securities regulatory authority:
  - (i) a copy of the *pro forma* simplified prospectus, black lined to show changes and the text of deletions from the latest simplified prospectus previously filed;
  - (ii) a copy of the *pro forma* annual information form, black lined to show changes and the text of deletions from the latest annual information form previously filed;
  - (ii.1) a copy of the *pro forma* fund facts document for each class or series of securities of the mutual fund, blacklined to show changes, including the text of deletions, from the latest fund facts document previously filed;
  - (iii) **Repealed.** 17 May 2013 SR 32/2013 s4.
  - (iv) a personal information form for:
    - (A) each director and executive officer of the mutual fund;
    - (B) each director and executive officer of the manager of the mutual fund;
    - (C) each promoter of the mutual fund;
    - (D) if the promoter is not an individual, each director and executive officer of the promoter; and
  - (v) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(2.1) Despite subparagraph (2)(b)(iv), a mutual fund is not required to deliver to the regulator a personal information form for an individual if the mutual fund, the mutual fund's manager, another issuer or the manager of another investment fund issuer previously delivered a personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund;
- (b) the responses given by the individual to questions 6 through 10 of the individual's personal information form are correct as at a date that is no earlier than 30 days before the filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund;

(c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.

(2.2) Until May 14, 2016, subparagraph (2)(b)(iv) does not apply to a mutual fund in respect of the delivery of a personal information form for an individual if the mutual fund, the mutual fund's manager, another issuer or the manager of another investment fund issuer previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:

(a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund;

(b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual's predecessor personal information form are correct as at a date that is no earlier than 30 days before the filing of the *pro forma* simplified prospectus, *pro forma* annual information form and *pro forma* fund facts document for each class or series of securities of the mutual fund.

(3) A mutual fund must:

(a) file with a simplified prospectus, an annual information form and a fund facts document for each class or series of securities of the mutual fund:

(i) a copy of any material contract, and a copy of any amendment to a material contract, of the mutual fund and not previously filed;

(i.1) a copy of the following documents and a copy of any amendment to the following documents that have not previously been filed:

(A) by-laws or other corresponding instruments currently in effect;

(B) any securityholder or voting trust agreement that the mutual fund has access to and that can reasonably be regarded as material to an investor in securities of the mutual fund;

(ii) for a new mutual fund, a copy of the audited statement of financial position of the mutual fund;

(iii) a copy of the annual information form certified in accordance with Part 5.1;

(iv) a submission to the jurisdiction and appointment of an agent for service of process of the manager of the mutual fund in the form set out in Appendix C to National Instrument 41-101 *General Prospectus Requirements*, if the manager of the mutual fund is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada and if that document has not already been filed;

- (v) any consents required by section 2.6;
  - (vi) a copy of each report or valuation referred to in the simplified prospectus, for which a consent is required to be filed under section 2.6 and that has not previously been filed; and
  - (vii) any other supporting documents required to be filed under securities legislation; and; and
- (b) at the time a simplified prospectus is filed, deliver or send to the securities regulatory authority:
  - (i) a copy of the simplified prospectus, black lined to show changes and the text of deletions from the preliminary or *pro forma* simplified prospectus;
  - (ii) a copy of the annual information form, black lined to show changes and the text of deletions from the preliminary or *pro forma* annual information form;
  - (ii.1) a copy of the fund facts document for each class or series of securities of the mutual fund, blacklined to show changes, including the text of deletions, from the preliminary or *pro forma* fund facts document;
  - (iii) details of any changes to the personal information required to be delivered under subparagraph (1)(b)(ii) or (2)(b)(iv), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager; and
  - (iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.
- (4) A mutual fund must:
  - (a) file with an amendment to a simplified prospectus and an amendment to the annual information form:
    - (i) a copy of the amendment to the annual information form certified in accordance with Part 5.1;
    - (ii) any consents required by section 2.6;
    - (iii) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed;
    - (iii.1) if the amendment relates to the information contained in a fund facts document, an amendment to the fund facts document, and
    - (iv) any other supporting documents required to be filed under securities legislation; and
  - (b) at the time an amendment to a simplified prospectus is filed, deliver or send to the securities regulatory authority:
    - (i) if the amendment to the simplified prospectus is in the form of an amended and restated simplified prospectus, a copy of that document black lined to show changes and the text of deletions from the simplified prospectus;
    - (ii) if the amendment to the annual information form is in the form of an amended and restated annual information form, a copy of the amended annual information form, black lined to show changes and the text of deletions from the annual information form;

(ii.1) if an amendment to a fund facts document is filed, a copy of the fund facts document, blacklined to show changes, including the text of deletions, from the latest fund facts document previously filed;

(iii) details of any changes to the personal information required to be delivered under subparagraph (1)(b)(ii), (2)(b)(iv) or (3)(b)(iii), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager; and

(iv) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(5) A mutual fund must:

(a) file with an amendment to an annual information form in circumstances in which the corresponding simplified prospectus is not amended:

(i) a copy of the amendment to the annual information form certified in accordance with Part 5.1;

(ii) any consents required by section 2.6;

(iii) a copy of any material contract of the mutual fund, and a copy of any amendment to a material contract of the mutual fund, not previously filed;

(iii.1) if the amendment relates to the information contained in a fund facts document, an amendment to the fund facts document, and

(iv) any other supporting documents required to be filed under securities legislation; and

(b) at the time an amendment to an annual information form is filed, deliver or send to the securities regulatory authority:

(i) details of any changes to the personal information required to be delivered under subparagraph (1)(b)(ii), (2)(b)(iv) or (3)(b)(iii), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager;

(ii) if the amendment is in the form of an amended and restated annual information form, a copy of the amended and restated annual information form blacklined to show changes and the text of deletions from the annual information form;

(ii.1) if an amendment to a fund facts document is filed, a copy of the fund facts document, blacklined to show changes, including the text of deletions, from the latest fund facts document previously filed; and

(iii) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.

(5.1) A mutual fund must:

(a) file the following documents with an amendment to a fund facts document unless subsection (4) or (5) applies:

(i) an amendment to the corresponding annual information form, certified in accordance with Part 5.1;

(ii) any other supporting documents required to be filed under securities legislation; and



- (b) at the time an amendment to a fund facts document is filed, deliver or send to the securities regulatory authority:
  - (i) details of any changes to the personal information required to be delivered under subparagraph (1)(b)(ii), (2)(b)(iv) or (3)(b)(iii), in the form of the Personal Information Form and Authorization, since the delivery of that information in connection with the filing of the simplified prospectus of the mutual fund or another mutual fund managed by the manager;
  - (ii) a copy of the amended and restated fund facts document blacklined to show changes, including the text of deletions, from the most recently filed fund facts document; and
  - (iii) any other supporting documents required to be delivered or sent to the securities regulatory authority under securities legislation.
- (6) Despite any other provision of this section, a mutual fund may:
  - (a) omit or mark to be unreadable certain provisions of a material contract or an amendment to a material contract filed under this section:
    - (i) if the manager of the mutual fund reasonably believes that disclosure of those provisions would be seriously prejudicial to the interests of the mutual fund or would violate confidentiality provisions; and
    - (ii) if a provision is omitted or marked to be unreadable under subparagraph (i), the mutual fund must include a description of the type of information that has been omitted or marked to be unreadable immediately after the provision that is omitted or marked to be unreadable in the copy of the material contract or amendment to the material contract filed by the mutual fund; and
  - (b) delete commercial or financial information from the copy of an agreement of the mutual fund, its manager or trustee with a portfolio adviser or portfolio advisers of the mutual fund filed under this section if the disclosure of that information could reasonably be expected to:
    - (i) prejudice significantly the competitive position of a party to the agreement; or
    - (ii) interfere significantly with negotiations in which parties to the agreement are involved.

### **2.3.1 Websites**

- (1) If a mutual fund or the mutual fund's family has a website, the mutual fund must post to at least one of those websites a fund facts document filed under this Part as soon as practicable and, in any event, within 10 days after the date that the document is filed.
- (2) A fund facts document posted to the website referred to in subsection (1) must:
  - (a) be displayed in a manner that would be considered prominent to a reasonable person; and
  - (b) not be attached to or bound with another fund facts document.
- (3) Subsection (1) does not apply if the fund facts document is posted to a website of the manager of the mutual fund in the manner required under subsection (2).

## 2.4 Simplified Prospectus

A simplified prospectus is a prospectus for the purposes of securities legislation.

## 2.5 Lapse Date

- (1) This section does not apply in Ontario.
- (2) In this section, “**lapse date**” means, with reference to the distribution of a security that has been qualified under a simplified prospectus, the date that is 12 months after the date of the most recent simplified prospectus relating to the security.
- (3) A mutual fund must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the mutual fund files a new simplified prospectus that complies with securities legislation and a receipt for that new simplified prospectus is issued by the regulator.
- (4) Despite subsection (3), a distribution may be continued for a further 12 months after a lapse date if:
  - (a) the mutual fund delivers a *pro forma* simplified prospectus not less than 30 days before the lapse date of the previous simplified prospectus;
  - (b) the mutual fund files a new final simplified prospectus not later than 10 days after the lapse date of the previous simplified prospectus; and
  - (c) a receipt for the new final simplified prospectus is issued by the regulator within 20 days after the lapse date of the previous simplified prospectus.
- (5) The continued distribution of securities after the lapse date does not contravene subsection (3) unless and until any of the conditions of subsection (4) are not complied with.
- (6) Subject to any extension granted under subsection (7), if a condition in subsection (4) is not complied with, a purchaser may cancel a purchase made in a distribution after the lapse date in reliance on subsection (4) within 90 days after the purchaser first became aware of the failure to comply with the condition.
- (7) The regulator may, on an application of a mutual fund, extend, subject to such terms and conditions as it may impose, the times provided by subsection (4) where in its opinion it would not be prejudicial to the public interest to do so.

## 2.6 Consents of Experts

- (1) A mutual fund must file the written consent of:
  - (a) any solicitor, auditor, accountant, engineer, or appraiser;
  - (b) any notary in Québec; and
  - (c) any person or company whose profession or business gives authority to a statement made by that person or company;  
if that person or company is named in a simplified prospectus or an amendment to a simplified prospectus, directly or, if applicable, in a document incorporated by reference;
  - (d) as having prepared or certified any part of the simplified prospectus or the amendment;



- (e) as having opined on financial statements from which selected information included in the simplified prospectus has been derived and which audit opinion is referred to in the simplified prospectus directly or in a document incorporated by reference; or
  - (f) as having prepared or certified a report, valuation, statement or opinion referred to in the simplified prospectus or the amendment, directly or in a document incorporated by reference.
- (2) The consent referred to in subsection (1) must:
- (a) be filed no later than the time the simplified prospectus or the amendment to the simplified prospectus is filed or, for the purposes of future financial statements that have been incorporated by reference in a simplified prospectus, no later than the date that those financial statements are filed;
  - (b) state that the person or company being named consents:
    - (i) to being named; and
    - (ii) to the use of that person or company's report, valuation, statement or opinion;
  - (c) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion; and
  - (d) contain a statement that the person or company being named:
    - (i) has read the simplified prospectus; and
    - (ii) has no reason to believe that there are any misrepresentations in the information contained in it that are:
      - (A) derived from the report, valuation, statement or opinion; or
      - (B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.
- (3) In addition to any other requirement of this section, the consent of an auditor or accountant must also state:
- (a) the dates of the financial statements on which the report of the auditor or accountant is made; and
  - (b) that the auditor or accountant has no reason to believe that there are any misrepresentations in the information contained in the simplified prospectus that are:
    - (i) derived from the financial statements on which the auditor or accountant has reported; or
    - (ii) within the knowledge of the auditor or accountant as a result of the audit of the financial statements.
- (4) Subsection (1) does not apply to a designated rating organization or its DRO affiliate that issues a rating to the securities being distributed under the simplified prospectus.

## **2.7 Language of Documents**

(1) A mutual fund must file a simplified prospectus and any other document required to be filed under this Instrument in French or in English.

(2) In Québec, a simplified prospectus and any document required to be incorporated by reference into a simplified prospectus must be in French or in French and English.

(3) Despite subsection (1), if a mutual fund files a document only in French or only in English but delivers to a securityholder or prospective securityholder a version of the document in the other language, the mutual fund must file that other version not later than when it is first delivered to the securityholder or prospective securityholder.

## **2.8 Statement of Rights**

Except in Ontario, a simplified prospectus must contain a statement of the rights given to a purchaser under securities legislation in case of a failure to deliver the simplified prospectus or in case of a misrepresentation in the simplified prospectus.

# **PART 3 DOCUMENTS INCORPORATED BY REFERENCE AND DELIVERY TO SECURITYHOLDERS**

## **3.1 Documents Incorporated by Reference**

The following documents must, by means of a statement to that effect, be incorporated by reference into, and form part of, a simplified prospectus:

1. The annual information form that is filed concurrently with the simplified prospectus.

1.1 The most recently filed fund facts document for each class or series of securities of the mutual fund, filed either concurrently with or after the date of the simplified prospectus.

1.2 If the mutual fund has not yet filed comparative annual financial statements of the mutual fund, the most recently filed interim financial report of the mutual fund that was filed before or after the date of the simplified prospectus.

1.3 If the mutual fund has not yet filed an interim financial report or comparative annual financial statements of the mutual fund, the audited statement of financial position that was filed with the simplified prospectus.

1.4 If the mutual fund has not yet filed an annual management report of fund performance of the mutual fund, the most recently filed interim management report of fund performance of the mutual fund that was filed before or after the date of the simplified prospectus.

2. The most recently filed comparative annual financial statements of the mutual fund, together with the accompanying report of the auditor, filed either before or after the date of the simplified prospectus.

3. The most recently filed interim financial report of the mutual fund that was filed before or after the date of the simplified prospectus and that pertains to a period after the period to which the annual financial statements then incorporated by reference in the simplified prospectus pertain.

4. The most recently filed annual management report of fund performance of the mutual fund that was filed before or after the date of the simplified prospectus.
5. The most recently filed interim management report of fund performance of the mutual fund that was filed before or after the date of the simplified prospectus and that pertains to a period after the period to which the annual management report of fund performance then incorporated by reference in the simplified prospectus pertains.

### 3.1.1 Audit of Financial Statements

Any financial statements, other than interim financial reports, incorporated by reference in a simplified prospectus must meet the audit requirements in Part 2 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

### 3.1.2 Review of Unaudited Financial Statements

Any unaudited financial statements incorporated by reference in a simplified prospectus at the date of filing of the simplified prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the mutual fund's auditor or a review of financial statements by a public accountant.

### 3.1.3 Approval of Financial Statements and Related Documents

A mutual fund must not file a simplified prospectus unless each financial statement and each management report of fund performance incorporated by reference in the simplified prospectus has been approved in accordance with the requirements in Part 2 and Part 4 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.

## 3.2 Delivery of Preliminary Simplified Prospectus and Simplified Prospectus

(1) The requirement under securities legislation to deliver or send a preliminary prospectus of a mutual fund to a person or company is satisfied by delivering or sending a preliminary simplified prospectus for the mutual fund filed under this Instrument, prepared in accordance with Form 81-101F1, either with or without the documents incorporated by reference.

(2) **Repealed.** 13 Mar 2015 SR 17/2015 s3.

(2.1) The requirement under securities legislation to deliver or send a prospectus does not apply if a fund facts document is delivered or sent under subsection (2).

(2.2) In Nova Scotia, a fund facts document is a disclosure document prescribed under subsection 76(1A) of the *Securities Act* (Nova Scotia).

(2.3) In Ontario, a fund facts document is a disclosure document prescribed under subsection 71(1.1) of the *Securities Act* (Ontario).

(3) Except in Ontario, any dealer distributing a security during the waiting period must:

- (a) send a copy of the preliminary simplified prospectus to each prospective purchaser who indicates an interest in purchasing the security and requests a copy of such preliminary simplified prospectus; and
- (b) maintain a record of the names and addresses of all persons and companies to whom the preliminary simplified prospectus has been forwarded.

**3.2.01 Pre-Sale Delivery of Fund Facts Document**

- (1) If securities legislation requires a dealer to deliver or send a prospectus in connection with a purchase of a security of a mutual fund, the dealer must, unless the dealer has previously done so, deliver to the purchaser the fund facts document most recently filed under this Instrument for the applicable class or series of securities of the mutual fund before the dealer accepts an instruction from the purchaser for the purchase of the security.
- (2) In Nova Scotia, a fund facts document is a disclosure document prescribed under subsection 76(1A) of the *Securities Act* (Nova Scotia).
- (3) In Ontario, a fund facts document is a disclosure document prescribed under subsection 71(1.1) of the *Securities Act* (Ontario).
- (4) The requirement under securities legislation to deliver or send a prospectus in connection with a purchase of a security of a mutual fund does not apply if
  - (a) a fund facts document for the applicable class or series of securities of the mutual fund is
    - (i) delivered to the purchaser before the dealer accepts an instruction from the purchaser for the purchase of the security, or
    - (ii) delivered or sent to the purchaser in accordance with section 3.2.02 or 3.2.04 and the conditions set out in the applicable section are satisfied, or
  - (b) section 3.2.03 applies and the conditions set out in that section are satisfied.

**3.2.02 Exception to Pre-Sale Delivery of Fund Facts Document**

- (1) Despite subsection 3.2.01(1), a dealer may deliver or send to the purchaser the most recently filed fund facts document for the applicable class or series of securities of the mutual fund not later than midnight on the second business day after entering into the purchase of a security of the mutual fund, if all of the following apply:
  - (a) the purchaser instructs the dealer that the purchase must be completed immediately or by a specified time;
  - (b) it is not reasonably practicable for the dealer to deliver the fund facts document before the time specified by the purchaser under paragraph (a);
  - (c) before the instruction from the purchaser for the purchase of a security of the mutual fund is accepted,
    - (i) the dealer informs the purchaser of the existence and purpose of the fund facts document and explains the dealer's obligation to deliver the fund facts document,
    - (ii) the purchaser consents to the dealer delivering or sending the fund facts document after entering into the purchase, and

(iii) the dealer verbally discloses to the purchaser a summary of all of the following:

- (A) the fundamental features of the mutual fund, and what it primarily invests in, as set out under the heading “What does the fund invest in?” in Item 3 of Part I of the fund facts document;
- (B) the investment risk level of the mutual fund as set out under the heading “How risky is it?” in Item 4 of Part I of the fund facts document;
- (C) the suitability of the mutual fund for particular investors as set out under the heading “Who is this fund for?” in Item 7 of Part I of the fund facts document;
- (D) any costs associated with buying, owning and selling a security of the mutual fund as set out under the heading “How much does it cost?” in Item I of Part II of the fund facts document;
- (E) any applicable withdrawal rights or rescission rights that the purchaser is entitled to under securities legislation, as set out under the heading “What if I change my mind?” in Item 2 of Part II of the fund facts document.

(2) For the purposes of subparagraph (1)(c)(ii), the consent must be given in respect of a specific instruction to purchase a security of a mutual fund and, for greater certainty, cannot be in the form of blanket consent from the purchaser.

### **3.2.03 Delivery of Fund Facts for Subsequent Purchases Under a Pre-authorized Purchase Plan**

Despite subsection 3.2.01(1), a dealer is not required to deliver the fund facts document to a purchaser in connection with a purchase of a security of a mutual fund made pursuant to a pre-authorized purchase plan if all of the following apply:

- (a) the purchase is not the first purchase under the plan;
- (b) the dealer has provided a notice to the purchaser that states,
  - (i) subject to paragraph (c), the purchaser will not receive a fund facts document after the date of the notice, unless the purchaser specifically requests it,
  - (ii) the purchaser is entitled to receive upon request, at no cost to the purchaser, the most recently filed fund facts document by calling a specified toll-free number, or by sending a request by mail or e-mail to a specified address or e-mail address,
  - (iii) how to access the fund facts document electronically,
  - (iv) the purchaser will not have a right of withdrawal under securities legislation for subsequent purchases of a security of a mutual fund under the plan, but will continue to have a right of action if there is a misrepresentation in the prospectus or any document incorporated by reference into the prospectus, and
  - (v) the purchaser may terminate the plan at any time;

(c) at least annually during the term of the plan, the dealer notifies the purchaser in writing of how the purchaser can request the most recently filed fund facts document; and

(d) the dealer delivers or sends the most recently filed fund facts document to the purchaser if the purchaser requests it.

#### **3.2.04 Delivery of Fund Facts for Managed Accounts and Permitted Clients**

Despite subsection 3.2.01(1), a dealer may deliver or send to the purchaser of a security of a mutual fund the most recently filed fund facts document for the applicable class or series of securities of the mutual fund not later than midnight on the second business day after entering into the purchase of a security of the mutual fund if

(a) the purchase is made in a managed account, or

(b) the purchaser is a permitted client that is not an individual.

#### **3.2.05 Electronic Delivery of the Fund Facts Document**

(1) If the purchaser of a security of a mutual fund consents, a fund facts document that may be or is required to be delivered or sent under this Part may be delivered or sent electronically.

(2) For the purposes of subsection (1), a fund facts document may be delivered or sent to the purchaser by means of an e-mail that contains

(a) the fund facts document as an attachment, or

(b) a hyperlink that leads directly to the fund facts document.

#### **3.2.1 Fund facts document - purchaser's right of withdrawal**

(1) A purchaser has a right of withdrawal in respect of a fund facts document that was delivered or sent under sections 3.2.01, 3.2.02 or 3.2.04, as the purchaser would otherwise have when a prospectus is required to be delivered or sent under securities legislation and, for that purpose, a fund facts document is a prescribed document under the statutory right of withdrawal.

(2) In Nova Scotia, instead of subsection (1), subsection 76(2) of the *Securities Act* (Nova Scotia) applies.

(3) In Ontario, instead of subsection (1), subsection 71(2) of the *Securities Act* (Ontario) applies.

(4) In Québec, instead of subsection (1), section 30 of the *Securities Act* (Québec) applies.

#### **3.2.2 Fund facts document - purchaser's right of action for failure to deliver or send**

(1) A purchaser has a right of action if a fund facts document is not delivered or sent as required by sections 3.2.01, 3.2.02 or 3.2.04, as the purchaser would otherwise have when a prospectus is not delivered or sent as required under securities legislation and, for that purpose, a fund facts document is a prescribed document under the statutory right of action.

(2) In Nova Scotia, instead of subsection (1), subsection 141(1) of the *Securities Act* (Nova Scotia) applies.

(3) In Ontario, instead of subsection (1), section 133 of the *Securities Act* (Ontario) applies.

(4) In Québec, instead of subsection (1), section 214 of the *Securities Act* (Québec) applies.

### **3.3 Documents to be Delivered or Sent upon Request**

(1) A mutual fund must deliver or send to any person or company that requests the simplified prospectus of the mutual fund or any of the documents incorporated by reference into the simplified prospectus, a copy of the simplified prospectus or requested document.

(2) A mutual fund must deliver or send, to any person or company that requests the annual information form of the mutual fund, the current simplified prospectus of the mutual fund with the annual information form, unless the mutual fund has previously delivered or sent that simplified prospectus to that person or company.

(3) A mutual fund must deliver or send all documents requested under this section within three business days of receipt of the request and free of charge.

### **3.4 Toll-Free Telephone Number or Collect Telephone Calls**

A mutual fund must have a toll-free telephone number for, or accept collect telephone calls from, persons or companies that want to receive a copy of the simplified prospectus of the mutual fund and any or all documents incorporated by reference into the simplified prospectus.

### **3.5 Soliciting Expressions of Interest Prohibited**

Neither a multiple SP that includes both a *pro forma* simplified prospectus and a preliminary simplified prospectus nor a multiple AIF that includes both a *pro forma* annual information form and a preliminary annual information form may be used to solicit expressions of interest.

## **PART 4 PLAIN LANGUAGE AND PRESENTATION**

### **4.1 Plain Language and Presentation**

(1) A simplified prospectus, annual information form and fund facts document must be prepared using plain language and be in a format that assists in readability and comprehension.

(2) A simplified prospectus:

- (a) must present all information briefly and concisely;
- (b) must present the items listed in the Part A section of Form 81-101F1 and the items listed in the Part B section of Form 81-101F1 in the order stipulated in those parts;
- (c) may, unless the Part B section is being bound separately from the Part A section as permitted by subsection 5.3(1), place the Part B section of the simplified prospectus in any location in the simplified prospectus;
- (d) must use the headings and sub-headings stipulated in Form 81-101F1, and may use sub-headings in items for which no sub-headings are stipulated;
- (e) must contain only educational material or the information that is specifically mandated or permitted by Form 81-101F1; and



- (f) must not incorporate by reference into the simplified prospectus, from any other document, information that is required to be included in a simplified prospectus.
- (3) A fund facts document must:
  - (a) be prepared for each class and each series of securities of a mutual fund in accordance with Form 81-101F3;
  - (b) present the items listed in the Part I section of Form 81-101F3 and the items listed in the Part II section of Form 81-101F3 in the order stipulated in those parts;
  - (c) use the headings and sub-headings stipulated in Form 81-101F3;
  - (d) contain only the information that is specifically required or permitted to be in Form 81-101F3;
  - (e) not incorporate any information by reference; and
  - (f) not exceed four pages in length.

#### **4.2 Preparation in the Required Form**

Despite provisions in securities legislation relating to the presentation of the content of a prospectus, a simplified prospectus, an annual information form and a fund facts document must be prepared in accordance with this Instrument.

### **PART 5 PACKAGING**

#### **5.1 Combinations of Documents**

- (1) A simplified prospectus must not be consolidated with one or more other simplified prospectuses to form a multiple SP unless the Part A sections of each simplified prospectus are substantially similar.
- (2) A multiple SP must be prepared in accordance with the applicable requirements of Form 81-101F1.
- (3) **Repealed.** 24 Jan 2014 SR 2/2014 s3.

#### **5.2 Combinations of Fund Facts Documents for Delivery Purposes**

- (1) If a fund facts document for a particular class or series of securities of a mutual fund is delivered under subsection 3.2.01(1), the fund facts document must not be combined with any other materials or documents.
- (2) Despite subsection (1), a fund facts document may be combined with one or more other fund facts documents if the combination of documents is not so extensive as to cause a reasonable person to conclude that the combination of documents prevents the information from being presented in a simple, accessible and comparable format.
- (3) Despite subsection (2), if multiple fund facts documents are being delivered electronically at the same time, those fund facts documents cannot be combined into a single e-mail attachment or a single document accessible through a hyperlink.
- (4) A fund facts document delivered or sent under section 3.2.02, 3.2.03, or 3.2.04 must not be combined with any other materials or documents including, for greater certainty, another fund facts document, except one or more of the following:
  - (a) a general front cover pertaining to the package of attached or bound materials and documents;



- (b) a trade confirmation which discloses the purchase of securities of the mutual fund;
  - (c) a fund facts document of another mutual fund if that fund facts document is also being delivered or sent under section 3.2.02, 3.2.03, or 3.2.04;
  - (d) the simplified prospectus or the multiple SP of the mutual fund;
  - (e) any material or document incorporated by reference into the simplified prospectus or the multiple SP of the mutual fund;
  - (f) an account application document;
  - (g) a registered tax plan application or related document.
- (5) If a trade confirmation referred to in paragraph (4)(b) is combined with a fund facts document, any other disclosure documents required to be delivered or sent to satisfy a regulatory requirement for purchases listed in the trade confirmation may be combined with the fund facts document.
- (6) If a fund facts document is combined with any of the materials or documents referred to in subsection (4), a table of contents specifying all documents must be combined with the fund facts document, unless the only other documents combined with the fund facts document are the general front cover permitted under paragraph (4)(a) or the trade confirmation permitted under paragraph (4)(b).
- (7) If one or more fund facts documents are combined with any of the materials or documents referred to in subsection (4), only the general front cover permitted under paragraph (4)(a), the table of contents required under subsection (6) and the trade confirmation permitted under paragraph (4)(b) may be placed in front of the fund facts documents.

### **5.3 Separate Binding of Part B Sections of a Multiple SP**

- (1) The Part B sections of a multiple SP may be bound separately from the Part A section of that document.
- (2) If a Part B section of a multiple SP is bound separately from the Part A section of the multiple SP:
- (a) all of the Part B sections of the multiple SP must be bound separately from the Part A section; and
  - (b) all or some of the Part B sections may be bound together with each other or separately.

### **5.4 Annual Information Forms**

- (1) An annual information form must be consolidated with one or more other annual information forms into a multiple AIF if the related simplified prospectuses are consolidated into a multiple SP.
- (2) A multiple AIF must be prepared in accordance with the applicable requirements of Form 81-101F2.

### **5.5 Combinations of Fund Facts Documents for Filing Purposes**

For the purposes of section 2.1, a fund facts document may be combined with another fund facts document of a mutual fund in a simplified prospectus or, if a multiple SP, another fund facts document of a mutual fund combined in the multiple SP.

## 5.6 Expiration of exemptions and waivers

Any exemption from or waiver of a provision of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* in relation to the prospectus or fund facts document delivery requirements for mutual funds expires on May 30, 2016.

## 5.7 Transition for pre-authorized purchase plans

(1)(a) For the purposes of section 3.2.03 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, as enacted by section 4 of this Instrument, the first purchase of a security of a mutual fund made pursuant to a pre-authorized purchase plan on or after May 30, 2016, is considered to be the first purchase transaction under the plan.

(b) Subsection (1) does not apply to a pre-authorized purchase plan established prior to May 30, 2016, if a notice in a form substantially similar to the notice contemplated under paragraph 3.2.03(c) was delivered or sent to the purchaser between May 30, 2015 and May 30, 2016.

# PART 5.1 CERTIFICATES

## 5.1.1 Interpretation

For the purposes of this Part:

“**manager certificate form**” means a certificate in the form set out in Item 20 of Form 81-101F2 and attached to the annual information form;

“**mutual fund certificate form**” means a certificate in the form set out in Item 19 of Form 81-101F2 and attached to the annual information form;

“**principal distributor certificate form**” means a certificate in the form set out in Item 22 of Form 81-101F2 and attached to the annual information form; and

“**promoter certificate form**” means a certificate in the form set out in Item 21 of Form 81-101F2 and attached to the annual information form.

## 5.1.2 Date of Certificates

The date of the certificates required by this Instrument must be within 3 business days before the filing of the preliminary simplified prospectus, the simplified prospectus, the amendment to the simplified prospectus, the amendment to the annual information form or the amendment to the fund facts document, as applicable.

## 5.1.3 Certificate of the Mutual Fund

(1) Except in Ontario, a simplified prospectus of a mutual fund must be certified by the mutual fund.

(2) A mutual fund must certify its simplified prospectus in the form of the mutual fund certificate form.

## 5.1.4 Certificate of Principal Distributor

A simplified prospectus of a mutual fund must be certified by each principal distributor in the form of the principal distributor certificate form.

## 5.1.5 Certificate of the Manager

A simplified prospectus of a mutual fund must be certified by the manager of the mutual fund in the form of the manager certificate form.

#### 5.1.6 Certificate of Promoter

- (1) Except in Ontario, a simplified prospectus of a mutual fund must be certified by each promoter of the mutual fund.
- (2) A prospectus certificate required under this Instrument or other securities legislation to be signed by a promoter must be in the form of the promoter certificate form.
- (3) Except in Ontario, the regulator may require any person or company who was a promoter of the mutual fund within the two preceding years to sign a certificate in the promoter certificate form.
- (4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the *Securities Act* (British Columbia).
- (5) Except in Ontario, with the consent of the regulator, a certificate of a promoter for a simplified prospectus may be signed by an agent duly authorized in writing by the person or company required to sign the certificate.

#### 5.1.7 Certificates of Corporate Mutual Funds

- (1) Except in Ontario, if the mutual fund is a company, the certificate of the mutual fund required under section 5.1.3 must be signed:
  - (a) by the chief executive officer and the chief financial officer of the mutual fund; and
  - (b) on behalf of the board of directors of the mutual fund, by:
    - (i) any two directors of the mutual fund, other than the persons referred to in paragraph (a) above; or
    - (ii) if the mutual fund has only three directors, two of whom are the persons referred to in paragraph (a) above, all the directors of the mutual fund.
- (2) Except in Ontario, if the regulator is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a simplified prospectus, the regulator may accept a certificate signed by another officer.

### PART 6 EXEMPTIONS

#### 6.1 Grant of Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

#### 6.2 Evidence of exemption

- (1) Subject to subsection (2) and without limiting the manner in which an exemption may be evidenced, the granting under this Part of an exemption from any form or content requirements relating to a simplified prospectus, annual information form or fund facts document, may be evidenced by the issuance of a receipt for a simplified prospectus and annual information form, or an amendment to a simplified prospectus or annual information form.

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(2) The issuance of a receipt for a simplified prospectus and annual information form or an amendment to a simplified prospectus or annual information form is not evidence that the exemption has been granted unless:

(a) the person or company that sought the exemption sent to the regulator or securities regulatory authority a letter or memorandum describing the matters relating to the exemption and indicating why consideration should be given to the granting of the exemption:

(i) on or before the date of the filing of the preliminary or pro forma simplified prospectus and annual information form;

(ii) at least 10 days before the issuance of the receipt in the case of an amendment to a simplified prospectus or annual information form; or

(iii) after the date of the filing of the preliminary or pro forma simplified prospectus and annual information form and received a written acknowledgement from the regulator or securities regulatory authority that the exemption may be evidenced in the manner set out in subsection (1); and

(b) the regulator or securities regulatory authority has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

**PART 7 TRANSITIONAL AND EFFECTIVE DATE**

7(1) A mutual fund must, on or before July 8, 2011, file a fund facts document for each class or series of securities of the mutual fund that, on that date, are the subject of disclosure under a simplified prospectus.

(2) Subsection (1) does not apply in respect of a class or series of securities of a mutual fund for which a fund facts document was, on or before July 8, 2011, filed under section 2.1.

(3) The date of a fund facts document filed under subsection (1) must be the date on which it was filed.

(4) Until April 8, 2011:

(a) the requirement to file a fund facts document under subparagraph 2.1(1)(a)(ii), (b)(ii), (c)(ii), (d)(ii) or (iii) of National Instrument 81-101 Mutual Fund Prospectus Disclosure does not apply to a mutual fund; and

(b) section 2.3 applies to a mutual fund except to the extent that section imposes requirements relating to a fund facts document.

(5) This Instrument comes into force on January 1, 2011.

## APPENDIX A

### FORM 81-101F1 CONTENTS OF SIMPLIFIED PROSPECTUS

#### GENERAL INSTRUCTIONS:

##### *General*

- (1) This Form describes the disclosure required in a simplified prospectus of a mutual fund. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are printed in italic type.*
- (2) Terms defined in National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Investment Funds or National Instrument 81-105 Mutual Fund Sales Practices and used in this Form have the meanings that they have in those national instruments.*
- (3) A simplified prospectus shall state the required information concisely and in plain language. Reference should be made to Part 3 of Companion Policy 81-101CP for a discussion concerning plain language and presentation.*
- (4) Respond as simply and directly as is reasonably possible and include only as much information as is necessary for an understanding of the fundamental and particular characteristics of the mutual fund. Brevity is especially important in describing practices or aspects of a mutual fund's operations that do not differ materially from those of other mutual funds.*
- (5) National Instrument 81-101 requires the simplified prospectus to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format to achieve these goals. However, mutual funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.*
- (6) Each Item shall be presented under the heading or sub-heading stipulated in this Form; references to the relevant Item number are optional. If no sub-heading for an Item is stipulated in this Form, a mutual fund may include sub-headings, under the required headings, at its option.*
- (7) A simplified prospectus may contain photographs and artwork only if they are relevant to the business of the mutual fund, mutual fund family or members of the organization of the mutual fund and are not misleading.*
- (8) Any footnotes to tables provided for under any Item in this Form may be deleted if the substance of the footnotes is otherwise provided.*

##### *Contents of a Simplified Prospectus*

- (9) A simplified prospectus shall pertain to one mutual fund, and shall consist of two sections, a Part A section and a Part B section.*
- (10) The Part A section of a simplified prospectus contains the response to the Items in Part A of this Form and contains introductory information about the mutual fund, general information about mutual funds and information applicable to the mutual funds managed by the mutual fund organization.*
- (11) The Part B section of a simplified prospectus contains the response to the Items in Part B of this Form and contains specific information about the mutual fund to which the simplified prospectus pertains.*

(12) *Notwithstanding securities legislation, a simplified prospectus shall present each Item in the Part A section and each Item in the Part B section in the respective order provided for in this Form. However, the Part B section of the simplified prospectus may be placed in any location in the simplified prospectus. For a single SP, this means that the Part B section may be placed before the Part A section, somewhere in the middle of the Part A section or after the Part A section, except for the covers.*

(13) *Subsection 5.1(3) of National Instrument 81-101 permits certain documents to be attached to, or bound with, a simplified prospectus. Those documents consist of the documents incorporated by reference into the simplified prospectus, educational material, account application documents, registered tax plan applications and documents and any point of sale disclosure documents required by securities legislation. No other documents may be attached to, or bound with, a simplified prospectus.*

*Consolidation of Simplified Prospectuses into a Multiple SP*

(14) *Subsection 5.1(1) of National Instrument 81-101 states that simplified prospectuses shall not be consolidated to form a multiple SP unless the Part A sections of each simplified prospectus are substantially similar. The Part A sections in a consolidated document need not be repeated. These provisions permit a mutual fund organization to create a document that contains the disclosure for a number of mutual funds in the same family.*

(15) *As with a single SP, a multiple SP will consist of two Parts:*

(a) *a Part A section that contains general information about the mutual funds, or the mutual fund family, described in the document; and*

(b) *a number of Part B sections, each of which will provide specific information about one mutual fund. The Part B sections shall not be consolidated with each other so that, in a multiple SP, information about each of the mutual funds described in the document shall be provided on a fund by fund or catalogue basis and shall set out for each mutual fund separately the information required by Part B of this Form. Each Part B section shall start on a new page.*

(16) *For a multiple SP in which the Part A and Part B sections are bound together, the Part B sections may be placed at any location in the document; that is, before the Part A section, somewhere in the middle of the Part A section or after the Part A section, except for the back cover. If the Part B sections are bound with the Part A section, the Part B sections shall be kept together in the document.*

(17) *Section 5.3 of National Instrument 81-101 permits the Part B sections of a multiple SP to be bound separately from the Part A section of the document. If one Part B section is bound separately from the Part A section of the document, all Part B sections must be separate from the Part A section of the document.*

(18) *Subsection 5.3(2) of National Instrument 81-101 permits Part B sections that have been bound separately from the related Part A section to either be bound individually or together, at the option of the mutual fund organization. There is no prohibition against the same Part B section of a multiple SP being bound by itself for distribution to some investors, and also being bound with the Part B section of other mutual funds for distribution to other investors.*



(19) Section 3.2 of National Instrument 81-101 provides that the requirement under securities legislation to deliver a prospectus for a mutual fund will be satisfied by the delivery of a simplified prospectus, either with or without the documents incorporated by reference. Mutual fund organizations that bind separately the Part B sections of a multiple SP from the Part A section are reminded that, since a simplified prospectus consists of a Part A section and a Part B section, delivery of both sections is necessary in order to satisfy the delivery obligations in connection with the sale of securities of a particular mutual fund.

(20) In Items 1 through 4 of Part A of this Form, specific instructions are provided for a single SP and a multiple SP and in some cases for a multiple SP for which the Part A section is either bound with, or separate from, the Part B sections of the document. The remainder of Part A of this Form generally refers to disclosure required for “a mutual fund” in a “simplified prospectus”. This disclosure should be modified as appropriate to reflect multiple mutual funds covered by a multiple SP.

#### *Multi-Class Mutual Funds*

(21) A mutual fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate mutual fund for purposes of this Form, or may combine disclosure of one or more of the classes or series in one simplified prospectus. If disclosure pertaining to more than one class or series is combined in one simplified prospectus, separate disclosure in response to each Item in this Form must be provided for each class or series unless the responses would be identical for each class or series.

(22) As provided in National Instrument 81-102, a section, part, class or series of a class of securities of a mutual fund that is referable to a separate portfolio of assets is considered to be a separate mutual fund. Those principles are applicable to National Instrument 81-101 and this Form.

### **PART A GENERAL DISCLOSURE**

#### **Item 1: Front Cover Disclosure**

##### **1.1 For a Single SP**

(1) Indicate on the front cover whether the document is a preliminary simplified prospectus, a *pro forma* simplified prospectus or a simplified prospectus.

(2) Indicate on the front cover the name of the mutual fund to which the simplified prospectus pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the simplified prospectus.

(3) Notwithstanding securities legislation, state on the front cover of a preliminary simplified prospectus the following:

“A copy of this Simplified Prospectus has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but the Simplified Prospectus has not yet become final for the purpose of a distribution. Information contained in this Simplified Prospectus may not be complete and may have to be amended. The [units/shares] described in this Simplified Prospectus may not be sold to you until a receipt for the Simplified Prospectus is obtained by the mutual fund from the securities regulatory [authority(ies)]”.

- (4) If a commercial copy of the preliminary simplified prospectus is prepared, print the legend referred to in subsection (3) in red ink.
- (5) For a preliminary simplified prospectus or simplified prospectus, indicate the date of the document, which shall be the date of the certificates contained in the related annual information form. This date shall be within three business days of the date the document is filed with the securities regulatory authority. Write the date in full, writing the name of the month in words. A *pro forma* simplified prospectus need not be dated, but may reflect the anticipated date of the simplified prospectus.
- (6) State, in substantially the following words:  

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise”.

### **INSTRUCTION**

*Complete the bracketed information in subsection (3) above by:*

- (a) *inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;*
- (b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) *identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions])*

### **1.2 For a Multiple SP in which the Part A section and the Part B sections are bound together**

- (1) Indicate on the front cover whether the document is a preliminary simplified prospectus, a *pro forma* simplified prospectus or a simplified prospectus for each of the mutual funds to which the document pertains.
- (2) Indicate on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family, to which the document pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the simplified prospectus.
- (3) Notwithstanding securities legislation, state on the front cover of a document that contains a preliminary simplified prospectus the following:  

“A copy of this document has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of a distribution. Information contained in this document may not be complete and may have to be amended. The [units/shares] described in this document may not be sold to you until receipts for this document are obtained by the mutual fund from the securities regulatory [authority(ies)]”.
- (4) If a commercial copy of the document that contains a preliminary simplified prospectus is prepared, print the legend referred to in subsection (3) in red ink.



(5) If the document contains a preliminary simplified prospectus or a simplified prospectus, indicate the date of the document, which shall be the date of the certificates contained in the related multiple AIF. This date shall be within three business days of the date the document is filed with the securities regulatory authority. Write the date in full, writing the name of the month in words. A document that is a *pro forma* multiple SP need not be dated, but may reflect the anticipated date of the multiple SP.

(6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise”.

### INSTRUCTION

*Complete the bracketed information in subsection (3) above by:*

(a) *inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;*

(b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*

(c) *identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*

### 1.3 For a Multiple SP in which the Part A section is bound separately from the Part B sections

(1) Comply with Item 1.2.

(2) State prominently, in substantially the following words:

“A complete simplified prospectus for the mutual funds listed on this page consists of this document and an additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the [name of mutual fund family] funds. You must be provided with the additional disclosure document”.

### Item 2: Table of Contents

#### 2.1 For a Single SP

(1) Notwithstanding securities legislation, at the option of the mutual fund, include a table of contents.

(2) If a table of contents is included, begin it on a new page, which may be the inside front cover of the document.

#### 2.2 For a Multiple SP in which the Part A section and the Part B sections are bound together

(1) Include a table of contents.

(2) Include in the table of contents, under the heading “Fund Specific Information”, a list of all of the mutual funds to which the document pertains, with the numbers of the pages where information about each mutual fund can be found.

(3) Begin the table of contents on a new page, which may be the inside front cover of the document.

#### 2.3 For a Multiple SP in which the Part A section is bound separately from the Part B sections

(1) Include a table of contents for the Part A section of the multiple SP.

(2) Begin the table of contents on a new page, which may be the inside front cover of the document.

(3) Include, immediately following the table of contents and on the same page, a list of the mutual funds to which the multiple SP pertains and details on how the Part B disclosure for each mutual fund will be provided.

### **Item 3: Introductory Disclosure**

#### **3.1 For a Single SP**

Provide, either on a new page or immediately under the table of contents, under the heading “Introduction”, the following statement in substantially the following words:

“ This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights.

“ This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund.

“ Additional information about the Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer.

“ [If applicable] These documents are available on the [mutual fund’s/mutual fund family’s] Internet site at [insert mutual fund’s Internet site address], or by contacting the [mutual fund/mutual fund family] at [insert mutual fund’s/mutual fund family’s e-mail address].

“ These documents and other information about the Fund are available on the Internet at [www.sedar.com](http://www.sedar.com)”.

#### **3.2 For a Multiple SP**

Provide, either on a new page or immediately under the table of contents, under the heading “Introduction” the following statement in substantially the following words:

“ This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

“ This document is divided into two parts. The first part, [from pages through ], contains general information applicable to all of the [name of fund family] Funds. The second part, [from pages through ] [which is separately bound], contains specific information about each of the Funds described in this document.

“ Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer.

“ [If applicable] These documents are available on the [mutual funds'/mutual fund family's] Internet site at [insert mutual funds'/mutual fund family's Internet site address], or by contacting the [mutual funds/mutual fund family] at [insert e-mail address].

“ These documents and other information about the Funds are available at [www.sedar.com](http://www.sedar.com)”.

#### **Item 4: General Investment Risks**

(1) Disclose under the heading “What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?”:

- (a) a brief general description of the nature of a mutual fund; and
- (b) the risk factors or other investment considerations that an investor should take into account that are associated with investing in mutual funds generally.

(2) For a multiple SP, at the option of the mutual fund, disclose the risk factors and investment considerations that are applicable to more than one of those mutual funds.

(3) At a minimum, in response to the requirements of subsection (1), include disclosure in substantially the following words:

“ Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's [units/shares] may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

“ [If applicable], The full amount of your investment in any [name of mutual fund family] mutual fund is not guaranteed.

“ Unlike bank accounts or GICs, mutual fund [units/shares] are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer”.

(4) State that, under exceptional circumstances, a mutual fund may suspend redemptions. Provide a reference to the disclosure provided in response to Item 6(2) of Part A of this Form.

**INSTRUCTIONS:**

*(1) Examples of the risks that may be disclosed under subsection (2) are stock market risk, interest rate risk, foreign security risk, foreign currency risk, specialization risk and risk associated with the use of derivatives. If this risk disclosure is provided under this subsection, the fund-specific disclosure about each mutual fund described in the document should contain a reference to the appropriate parts of this risk disclosure.*

*(2) In providing disclosure under subsection (1), follow the instructions under Item 9 of Part B of this Form, as appropriate.*

**Item 5: Organization and Management Details for a Multiple SP**

(1) Provide, under the heading “Organization and Management of the [name of mutual fund family]”, information about the manager, trustee, portfolio adviser, principal distributor, custodian, registrar, auditor and securities lending agent of the mutual funds to which the document relates in the form of a diagram or table.

(2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.

(3) For each entity listed in the diagram or table, other than the manager of the mutual funds, provide the municipality and the province or country where it principally provides its services to the mutual funds. Provide the complete municipal address for the manager of the mutual funds.

(3.1) Under a separate sub-heading “Independent Review Committee” in the diagram or table, briefly describe the independent review committee of the mutual funds, including:

- (a) an appropriate summary of its mandate;
- (b) its composition;
- (c) that it prepares at least annually a report of its activities for securityholders which is available on the [mutual fund’s/mutual fund family’s] Internet site at [insert mutual fund’s Internet site address], or at the securityholder’s request at no cost, by contacting the [mutual fund/mutual fund family] at [insert mutual fund’s /mutual fund family’s e-mail address]; and
- (d) that additional information about the independent review committee, including the names of the members, is available in the mutual fund’s Annual Information Form.

(4) At the option of the mutual fund, provide, under a separate sub-heading, details of the manager of the mutual fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the mutual funds for which it acts as manager.

(4.1) If a mutual fund holds, in accordance with section 2.5 of National Instrument 81-102 *Investment Funds*, securities of another mutual fund that is managed by the same manager or an affiliate or associate of the manager, disclose:

- (a) that the securities of the other mutual fund held by the mutual fund will not be voted; and
- (b) if applicable, that the manager may arrange for the securities of the other mutual fund to be voted by the beneficial holders of the securities of the mutual fund.

(5) Notwithstanding subsection (1), if the information required by subsection (1) is not the same for substantially all of the mutual funds described in the document, provide in the diagram or table contemplated by subsection (1) only that information that is the same for substantially all of the mutual funds and provide the remaining disclosure required by that subsection in the diagram or table required by Item 4(1) of Part B of this Form.

(6) Despite subsection (3.1), if the information required by subsection (3.1) is not the same for substantially all of the mutual funds described in the document, provide only that information that is the same for substantially all of the mutual funds and provide the remaining disclosure required by that subsection under Item 4(3.1) of Part B of this Form.

**INSTRUCTIONS:**

(1) *The information required to be disclosed in this Item shall be presented prominently, using enough space so that it is easy to read.*

(2) *The descriptions of the services provided by the listed entities should be brief. For instance, the manager may be described as “manages the overall business and operations of the funds”, a portfolio adviser may be described as “provides investment advice to the manager about the investment portfolio of the funds” or “manages the investment portfolio of the funds”, and a “principal distributor” may be described as “markets the securities of the funds and sells securities [through brokers and dealers] [for its own sales force]”.*

(3) *The information about the independent review committee should be brief. For instance, its mandate may in part be described as “reviewing, and providing input on, the manager’s written policies and procedures which deal with conflict of interest matters for the manager and reviewing such conflict of interest matters.” A cross-reference to the annual information form for additional information on the independent review committee and fund governance should be included.*

**Item 6: Purchases, Switches and Redemptions**

(1) Briefly describe, under the heading “Purchases, Switches and Redemptions”, how an investor can purchase and redeem the securities of the mutual fund or switch them for securities of other mutual funds, how often the mutual fund is valued, and state that the issue and redemption price of those securities is based on the mutual fund’s net asset value of a security of that class, or series of a class, next determined after the receipt by the mutual fund of the purchase order or redemption order.

(2) State that, under extraordinary circumstances, the rights of investors to redeem securities may be suspended by the mutual fund, and describe the circumstances when the suspension of redemption rights could occur.

- (3) For a new mutual fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the mutual fund will begin issuing and redeeming securities based on the net asset value per security of the mutual fund.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and, if applicable, that the choice of different purchase options affects the amount of compensation paid by a member of the organization of the mutual fund to a dealer. Include cross-references to the disclosure provided under Items 8 and 9 of Part A of this Form.
- (5) Under the sub-heading “Short-term Trading”:
- (a) describe the adverse effects, if any, that short-term trades in securities of the mutual fund by an investor may have on other investors in the mutual fund;
  - (b) describe the restrictions, if any, that may be imposed by the mutual fund to deter short-term trades, including the circumstances, if any, under which such restrictions may not apply;
  - (c) where the mutual fund does not impose restrictions on short-term trades, state the specific basis for the view of the manager that it is appropriate for the mutual fund not to do so; and
  - (d) if applicable, state that the annual information form includes a description of all arrangements, whether formal or informal, with any person or company, to permit short-term trades of securities of the mutual fund.

**INSTRUCTION:**

*In the disclosure required by subsection (5), include a brief description of the short-term trading activities in the mutual fund that are considered by the manager to be inappropriate or excessive. Where the manager imposes a short-term trading fee, include a cross-reference to the disclosure provided under Item 8 of Part A of this Form.*

**Item 7: Optional Services Provided by the Mutual Fund Organization**

If applicable, under the heading “Optional Services”, describe the optional services that may be obtained by typical investors from the mutual fund organization.

**INSTRUCTION:**

*Disclosure in this Item should include, for example, any asset allocation services, registered tax plans, foreign content monitoring plans, regular investment and withdrawal plans, U.S. dollar purchase plans, periodic purchase plans, contractual plans, periodic withdrawal plans or switch privileges.*

**Item 8: Fees and Expenses**

**8.1 General Disclosure**

- (1) Set out information about the fees and expenses payable by the mutual fund and by investors in the mutual fund under the heading “Fees and Expenses”.
- (1.1) If the mutual fund holds securities of other mutual funds, disclose that with respect to securities of another mutual fund:
- (a) there are fees and expenses payable by the other mutual fund in addition to the fees and expenses payable by the mutual fund;



- (b) no management fees or incentive fees are payable by the mutual fund that, to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service;
  - (c) no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of the securities of the other mutual fund if the other mutual fund is managed by the manager or an affiliate or associate of the manager of the mutual fund; and
  - (d) no sales fees or redemption fees are payable by the mutual fund in relation to its purchases or redemptions of securities of the other mutual fund that, to a reasonable person, would duplicate a fee payable by an investor in the mutual fund.
- (2) The information required by this Item shall first be a summary of the fees, charges and expenses of the mutual fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:
- “This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the mutual fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund”.
- (3) Include the fees for any optional services provided by the mutual fund organization, as described by Item 7 of Part A of this Form, in the table.
- (3.1) Under “Operating Expenses” in the table, include a description of the fees and expenses payable in connection with the independent review committee.
- (4) If management fees are payable directly by investors, add a line item in the table to disclose the maximum percentage that could be paid by investors.
- (5) If the manager permits negotiation of a management fee rebate, provide disclosure of these arrangements. If these arrangements are not available for each mutual fund described in the document, make this disclosure in the description of fees and expenses required for each fund by Item 5 of Part B of this Form and include a cross-reference to that information in the table required by this Item.
- (6) Despite subsection (3.1), if the information required by subsection (3.1) is not the same for each mutual fund described in the document, make this disclosure in the description of fees and expenses required for each fund by Item 5 of Part B of this Form and include a cross-reference to that information in the table required by this Item.

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

**S-42.2 REG 3**

<b>Fees and Expenses Payable by the Fund</b>	
Management Fees	<i>[See Instruction (1)] [disclosure re management fee rebate program]</i>
Operating Expenses	<i>[See Instructions (2) and (3)] Fund[s] pay[s] all operating expenses, including _____</i>
<b>Fees and Expenses Payable Directly by You</b>	
Sales Charges	<i>[specify percentage, as a percentage of _____ ]</i>
Switch Fees	<i>[specify percentage, as a percentage of _____, or specify amount]</i>
Redemption Fees	<i>[specify percentage, as a percentage of _____, or specify amount]</i>
Short-term Trading Fee	<i>[specify percentage, as a percentage of _____ ]</i>
Registered Tax Plan Fees <i>[include this disclosure and specify the type of fees if the registered tax plan is sponsored by the mutual fund and is described in the simplified prospectus]</i>	<i>[specify amount]</i>
Other Fees and Expenses <i>[specify type]</i>	<i>[specify amount]</i>

**INSTRUCTIONS:**

(1) If the table pertains to more than one mutual fund and not all of the mutual funds pay the same management fees, under "Management Fees" in the table, either:

(a) state that the management fees are unique to each mutual fund, include management fee disclosure for each mutual fund as a separate line item in the table required by Item 5 of Part B of this Form for that mutual fund, and include a cross-reference to that table; or

(b) list the amount of the management fee, including any performance or incentive fee, for each mutual fund separately.

(2) If the table pertains to more than one mutual fund and not all of the mutual funds have the same obligations to pay operating expenses, either:

(a) state that the operating expenses payable by the mutual funds are unique to each mutual fund, include the description of the operating expenses payable by each mutual fund as a separate line item in the table required by Item 5 of Part B of this Form for that mutual fund, and include a cross-reference to that table; or

(b) provide the disclosure concerning the operating expenses for each mutual fund contemplated by this Item separately.



(3) Under “Operating Expenses”, state whether the mutual fund pays all of its operating expenses and list the main components of those expenses. If the mutual fund pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the mutual fund.

(4) Show all fees or expenses payable by the mutual fund, even if it is expected that the manager of the mutual fund or other member of the organization of the mutual fund will waive or absorb some or all of those fees and expenses.

(5) If the management fees of a mutual fund are payable directly by a securityholder and vary so that specific disclosure of the amount of the management fees cannot be disclosed in the simplified prospectus of the mutual fund, or cannot be derived from disclosure in the simplified prospectus, provide as much disclosure as is possible about the management fees to be paid by securityholders, including the highest possible rate or range of those management fees.

## 8.2 Illustrations of Different Purchase Options

(1) Under the sub-heading “Impact of Sales Charges” provide information, substantially in the form of the following table, concerning the amount of fees payable by an investor under the available purchase options and introduced using substantially the following words:

“The following table shows the amount of fees that you would have to pay under the different purchase options available to you if you made an investment of \$1,000 in the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period”.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Sales Charge Option	\$ •	---	---	---	---
Redemption Charge Option <sup>(1)</sup>	---	\$ •	\$ •	\$ •	\$ •
No Load Option	---	---	---	---	---
[Other purchase options]	\$ •	\$ •	\$ •	\$ •	\$ •

<sup>(1)</sup>Redemption charges may apply only if you redeem your [units/shares] in a particular year. Redemption charges are shown under “Fees and Expenses” above.

(2) In preparing the table contemplated by this Item, assume, in determining the fees paid under the sales charge option, that:

- (a) the maximum sales commission disclosed in the simplified prospectus is paid by the investor; and
- (b) if the mutual fund has a deferred sales charge option in which the amount paid by an investor at the time of a redemption of securities is based upon the net asset value of those securities at that time, an annual return of five percent since time of purchase, and disclose that assumption in a footnote to the table.

### **Item 9: Dealer Compensation**

#### **9.1 General**

Provide, under the heading “Dealer Compensation”, the disclosure of sales practices and equity interests required by sections 8.1 and 8.2 of National Instrument 81-105.

#### **INSTRUCTIONS:**

*(1) Briefly state the compensation paid and the sales practices followed by the members of the organization of the mutual fund in a concise and explicit manner, without explaining the requirements and parameters for permitted compensation contained in National Instrument 81-105.*

*(2) For example, if the manager of the mutual fund pays an up-front sales commission to participating dealers, so state and include the range of commissions paid. If the manager permits participating dealers to retain the sales commissions paid by investors as compensation, so state and include the range of commissions that can be retained. If the manager or another member of the mutual fund’s organization pays trailing commissions, so state and provide an explanation of the basis of calculation of these commissions and the range of the rates of such commissions. If the mutual fund organization from time to time pays the permitted marketing expenses of participating dealers on a co-operative basis, so state. If the mutual fund organization from time to time holds educational conferences that sales representatives of participating dealers may attend or from time to time pays certain of the expenses incurred by participating dealers in holding educational conferences for sales representatives, so state.*

*(3) If the members of the organization of the mutual funds follow any other sales practices permitted by National Instrument 81-105, briefly describe these sales practices.*

*(4) Include a brief summary of the equity interests between the members of the organization of the mutual fund and participating dealers and representatives as required by section 8.2 of National Instrument 81-105. This disclosure may be provided by means of a diagram or table.*

#### **9.2 Dealer Compensation from Management Fees**

Disclose, under the heading “Dealer Compensation from Management Fees”, the approximate percentage obtained from a fraction:

(a) the numerator of which is the aggregate amount of cash paid to registered dealers in the last completed financial year of the manager of the mutual fund, for payments made:

(i) by:

- (A) the manager of the mutual fund; or
- (B) an affiliate of the manager;

(ii) in order to:

- (A) pay compensation to registered dealers in connection with the distribution of securities of the mutual fund or mutual funds that are members of the same mutual fund family as the mutual fund; or
- (B) pay for any marketing, fund promotion or educational activity in connection with the mutual fund or mutual funds that are members of the same mutual fund family as the mutual fund; and

- (b) the denominator of which is the aggregate amount of management fees received by the managers of the mutual fund and all other mutual funds in the same mutual fund family as the mutual fund in the last completed financial year of the manager.

**INSTRUCTION:**

- (1) *The disclosure presented under this Item should be described as information about the approximate percentage of management fees paid by mutual funds in the same family as the mutual fund that were used to fund commissions or other promotional activities of the mutual fund family in the most recently completed financial year of the manager of the mutual fund.*
- (2) *The calculations made under this Item should take into account the payment of sales and trailing commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.*
- (3) *Amounts paid out by a mutual fund organization as sales commissions should be netted against amounts received from deferred sales charges.*

**Item 10: Income Tax Considerations for Investors**

- (1) Briefly describe under the heading “Income Tax Considerations for Investors” the income tax consequences for investors of income and capital gains distributions made by the mutual fund, as well as of the gains or losses that occur on the disposition of securities of the mutual fund by the investor.
- (2) This description shall explain the different tax treatment applicable to mutual fund securities held in a registered tax plan as compared to mutual fund securities held in non-registered accounts.
- (3) Describe the impact of the mutual fund’s distribution policy on a taxable investor who acquires securities of the mutual fund late in a calendar year.
- (4) If material, describe the potential impact of the mutual fund’s anticipated portfolio turnover rate on a taxable investor.
- (5) Describe how the adjusted cost base of a security of a mutual fund can be calculated by those investors holding outside a registered tax plan.

**INSTRUCTION:**

- (1) *If management fees are paid directly by investors, describe generally the income tax consequences to taxable investors of this arrangement.*
- (2) *Subsection (2) is particularly relevant for investors who hold their mutual fund investments through RRSPs, if they have invested in a mutual fund that requires management fees to be paid directly by the investors. Detailed disclosure of the tax consequences of this arrangement on those investors should be made by such mutual funds.*

**Item 11: Statement of Rights**

Provide a brief explanation, under the heading “What are your Legal Rights?”, of an investor’s statutory rights of rescission and damages, including the right of action for misrepresentations contained in the simplified prospectus and in any documents incorporated by reference into the simplified prospectus, in substantially the following words:

“Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund [units/shares] and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult a lawyer”.

**Item 12: Additional Information**

- (1) Provide any specific disclosure required or permitted to be disclosed in a prospectus under securities legislation or by an order or ruling of the securities regulatory authority pertaining to the mutual fund that is not otherwise required to be disclosed by this Form.
- (2) This Item does not apply to the requirements of securities legislation that are form requirements for a prospectus.

**INSTRUCTIONS:**

- (1) An example of a provision of securities legislation that may be relevant to this Item is the requirement contained in the conflict of interest provisions of the Canadian securities legislation of a number of jurisdictions to the effect that a mutual fund shall not make an investment in respect of which a related person will receive any fee or compensation except for fees paid pursuant to a contract disclosed in, among other things, a prospectus. Another example is the requirement of some jurisdictions that certain statements be included in a simplified prospectus of a mutual fund with a non-Canadian manager.*
- (2) For a single SP, provide this disclosure either under this Item or under Item 14 of Part B of this Form, whichever is more appropriate.*
- (3) For a multiple SP, this disclosure should be provided under this Item if the disclosure pertains to all of the mutual funds described in the document. If the disclosure does not pertain to all of those funds, the disclosure should be provided in the fund-specific disclosure required or permitted under Item 14 of Part B of this Form.*

**Item 13: Part B Introduction**

- (1) For a multiple SP, at the option of the mutual fund, include in a separate section any explanatory information that would otherwise be repeated identically in each Part B section of the document.
- (2) Any information included in an introductory section under subsection (1) may be omitted elsewhere in the Part B section of the document.

**INSTRUCTION:**

- (1) *This Item may be used to avoid the need for repetition of standard information in each Part B section of a multiple SP.*
- (2) *Examples of the type of information that may be moved to an introductory section from other parts of the Part B section are:*
  - (a) *definitions or explanations of terms used in each Part B section, such as “portfolio turnover rate” and “management expense ratio”; and*
  - (b) *discussion or explanations of the tables or charts that are required in each Part B section of the document.*
- (3) *A similar Item is contained in Item 3 of Part B of this Form. A mutual fund organization may include this section either at the end of the Part A section of the multiple SP or at the beginning of the Part B section, at its option.*

**Item 14: Back Cover**

- (1) State on the back cover the name of the mutual fund or funds included in the document or the mutual fund family, as well as the name, address and telephone number of the manager of the mutual fund or funds.
- (2) State, in substantially the following words:

“ Additional information about the Fund[s] is available in the Fund[“s/s”] Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

“ You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer or by e-mail at [insert e-mail address].

“ These documents and other information about the Fund[s], such as information circulars and material contracts, are also available [on the [insert name of mutual fund manager] internet site at [insert website address] or] at [www.sedar.com](http://www.sedar.com)”.
- (3) For a multiple SP in which the Part A section is bound separately from the Part B sections, state, in substantially the following words:

“A complete simplified prospectus for the mutual funds listed on this cover consists of this document and any additional disclosure document that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the [name of mutual fund family] funds. When you request a simplified prospectus, you must be provided with the additional disclosure document”.

**PART B FUND-SPECIFIC INFORMATION**

**Item 1:General**

- (1) For a multiple SP in which the Part B sections are bound separately from the Part A section, include at the bottom of each page of a Part B section a footer in substantially the following words and in a type size consistent with the rest of the document:

“This document provides specific information about [name of Fund]. It should be read in conjunction with the rest of the simplified prospectus of the [name of mutual fund family] dated [insert date]. This document and the document that provides general information about [name of mutual fund family] together constitute the simplified prospectus”.

- (2) If the Part B section is an amended and restated document, add to the footer required by subsection (1) a statement that the document has been amended and restated on [insert date].

**Item 2: Introductory**

**2.1 For a Single SP**

Include at the top of the first page of the Part B section of the simplified prospectus, the heading “Specific Information about the [name of Fund]”.

**2.2 For a Multiple SP in which the Part A section and the Part B sections are bound together**

Include:

- (a) at the top of the first page of the first Part B section in the document, the heading “Specific Information about Each of the Mutual Funds Described in this Document”; and
- (b) at the top of each page of a Part B section of the document, a heading consisting of the name of the mutual fund described on that page.

**2.3 For a Multiple SP in which the Part A section is bound separately from the Part B sections**

Include at the top of each page of a Part B section of the document, a heading consisting of the name of the mutual fund described on that page.

**Item 3: General Information**

- (1) For a multiple SP, at the option of the mutual fund, include in an introductory section any explanatory information that would otherwise be repeated identically in each Part B section of the document.
- (2) Any information included in an introductory section under subsection (1) may be omitted elsewhere in the Part B section of the document.

**INSTRUCTIONS:**

- (1) *See the Instruction to Item 13 of Part A of this Form.*
- (2) *If the disclosure contemplated by this Item is included in Part A of the multiple SP under Item 13 of Part A of this Form, include in the introduction section of each Part B section of the multiple SP a cross-reference to where this disclosure is located in the Part A section of the multiple SP.*

**Item 4: Organization and Management Details**

- (1) For a single SP, under the heading “Organization and Management of the [name of mutual fund]”, provide information about the manager, trustee, portfolio adviser, principal distributor, custodian, registrar, auditor and securities lending agent of the mutual fund in the form of a diagram or table.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.
- (3) For each entity listed in the diagram or table, other than the manager of the mutual fund, provide the municipality and the province or country where it principally provides its services to the mutual funds. Provide the complete municipal address for the manager of the mutual fund.



(3.1) Under a separate sub-heading “Independent Review Committee” in the diagram or table, briefly describe the independent review committee of the mutual funds, including:

- (a) an appropriate summary of its mandate;
- (b) its composition;
- (c) that it prepares at least annually a report of its activities for securityholders which is available on the [mutual fund’s/mutual fund family’s] Internet site at [insert mutual fund’s Internet site address], or at securityholder’s request at no cost, by contacting the [mutual fund/mutual fund family] at [insert mutual fund’s /mutual fund family’s e-mail address]; and
- (d) that additional information about the independent review committee, including the names of the members, is available in the mutual fund’s Annual Information Form.

(4) At the option of the mutual fund, include under a separate sub-heading, details of the manager of the mutual fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with its mutual funds.

(4.1) If a mutual fund holds, in accordance with section 2.5 of National Instrument 81-102 *Investment Funds*, securities of another mutual fund that is managed by the same manager or an affiliate or associate of the manager, disclose that:

- (a) the securities of the other mutual fund held by the mutual fund shall not be voted; and
- (b) if applicable, that the manager may arrange for the securities of the other mutual fund to be voted by the beneficial holders of the securities of the mutual fund.

(5) Follow the requirements and instructions of Item 5 of Part A of this Form in connection with the diagram or table.

### Item 5: Fund Details

Under the heading “Fund Details”, disclose, in a table:

- (a) the type of mutual fund that the mutual fund is best characterized as;
- (b) the date on which the mutual fund was started;
- (c) the nature of the securities offered by the simplified prospectus;
- (d) whether the mutual fund is eligible as an investment for registered retirement savings plans, registered retirement income funds or deferred profit sharing plans;
- (e) **Repealed.** 29 Jne 2012 SR 43/2012 s3.
- (f) if this information is not contained in the table required by Item 8.1 of Part A of this Form:
  - (i) the amount of the management fee, including any performance or incentive fee, charged to the mutual fund;
  - (ii) details concerning the operating expenses paid by the mutual fund contemplated by Instruction (3) of Item 8.1 of Part A of this Form; and
  - (iii) the amount of the fees and expenses payable in connection with the independent review committee, charged to the mutual fund;
- (g) any information required by subsection (5) of Item 5 of Part A of this Form to be contained in Part B.

**INSTRUCTIONS:**

- (1) In disclosing the date on which the mutual fund started, use the date on which the securities of the mutual fund first became available to the public, which will be on, or about, the date of the issuance of the first receipt for a prospectus of the mutual fund. For a mutual fund that formerly offered its securities privately, disclose this fact.*
- (2) If the mutual fund pays a fee that is determined by the performance of the mutual fund, the disclosure required by clause 7.1(c) of National Instrument 81-102 to be described in a simplified prospectus of the mutual fund should be included in a footnote to the description of the incentive fee in the table.*
- (3) Examples of types of mutual funds that could be listed in response to clause (a) are money market, equity, bond or balanced funds related, if appropriate, to a geographical region, or any other description that accurately identifies the type of mutual fund.*
- (4) If the rights attached to the securities being offered are materially limited or qualified by those attached to any other class or series of securities of the mutual fund or if another class or series of securities of the mutual fund ranks ahead of or equally with the securities being offered, include, as part of the disclosure provided in response to clause (c), information regarding those other securities that will enable investors to understand the rights attaching to the securities being offered.*
- (5) In providing the disclosure contemplated by clause (f), provide any disclosure required by, and follow, the Instructions to Item 8.1 of Part A of this Form.*

**Item 6: Fundamental Investment Objectives**

- (1) Set out under the heading “What Does the Fund Invest In?” and under the sub-heading “Investment Objectives” the fundamental investment objectives of the mutual fund, including information that describes the fundamental nature of the mutual fund, or the fundamental features of the mutual fund, that distinguish it from other mutual funds.
- (2) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives of the mutual fund and any of the material investment strategies to be used to achieve those investment objectives.
- (3) Describe any restrictions on investments adopted by the mutual funds, beyond what is required under securities legislation, that pertain to the fundamental nature of the mutual fund.
- (4) If the mutual fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the mutual fund, include this fact as a fundamental investment objective of the mutual fund and:
  - (a) identify the person or company providing the guarantee or insurance;
  - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance;
  - (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the mutual fund at the time; and
  - (d) modify any other disclosure required by this section appropriately.



- (5) For an index mutual fund:
- (a) disclose the name or names of the permitted index or permitted indices on which the investments of the index mutual fund are based,
  - (b) briefly describe the nature of that permitted index or those permitted indices,
  - (c) **Repealed.** 2 Jan 2004 SR 123/2003 s4.
  - (d) **Repealed.** 2 Jan 2004 SR 123/2003 s4.

**INSTRUCTIONS:**

- (1) *State the type or types of securities, such as money market instruments, bonds, equity securities or securities of another mutual fund, in which the mutual fund will primarily invest under normal market conditions.*
- (2) *If the mutual fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest:*
- (a) *in a particular type of issuer, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;*
  - (b) *in a particular geographic location or industry segment; or*
  - (c) *in portfolio assets other than securities;*
- the mutual fund's fundamental investment objectives should so indicate.*
- (3) *If a particular investment strategy is an essential aspect of the mutual fund, as evidenced by the name of the mutual fund or the manner in which the mutual fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to a mutual fund that described itself as an "asset allocation fund" or a "mutual fund that invests primarily through the use of derivatives".*

**Item 7: Investment Strategies**

- (1) Describe under the heading "What Does The Fund Invest In?" and under the sub-heading "Investment Strategies":
- (a) the principal investment strategies that the mutual fund intends to use in achieving its investment objectives; and
  - (b) the process by which the mutual fund's portfolio adviser selects securities for the fund's portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow;
  - (c) if the mutual fund may hold securities of other mutual funds:
    - (i) whether the mutual fund intends to purchase securities of, or enter into specified derivative transactions for which the underlying interest is based on the securities of, other mutual funds;
    - (ii) whether or not the other mutual funds may be managed by the manager or an affiliate or associate of the manager of the mutual fund;
    - (iii) what percentage of the net asset value of the mutual fund is dedicated to the investment in the securities of, or the entering into of specified derivative transactions for which the underlying interest is based on the securities of, other mutual funds; and
    - (iv) the process or criteria used to select the other mutual funds.

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

**S-42.2 REG 3**

- (2) Indicate what types of securities, other than those held by the mutual fund in accordance with its fundamental investment objectives, may form part of the mutual fund's portfolio assets under normal market conditions.
- (3) If the mutual fund intends to use derivatives:
- (a) for hedging purposes only, state that the mutual fund may use derivatives for hedging purposes only;
  - (b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe:
    - (i) how derivatives are or will be used in conjunction with other securities to achieve the mutual fund's investment objectives;
    - (ii) the types of derivatives expected to be used and give a brief description of the nature of each type; and
    - (iii) the limits of the mutual fund's use of derivatives.
- (4) State whether any, and if so what proportion, of the assets of the mutual fund may or will be invested in foreign securities.
- (5) If the mutual fund is not a money market fund, and intends to engage in active and frequent trading of portfolio securities as a principal investment strategy to achieve its investment objectives such that the portfolio turnover rate of the mutual fund is expected to be more than 70 percent, describe:
- (a) the tax consequences to securityholders of an active portfolio turnover; and
  - (b) how the tax consequences of, or trading costs associated with, the mutual fund's portfolio turnover may affect the mutual fund's performance.
- (6) If the mutual fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the mutual fund's portfolio adviser may use or intends to use in response to such conditions.
- (7) Describe any restrictions on investments adopted by the mutual fund, beyond what is required under securities legislation, that do not pertain to the fundamental nature of the mutual fund.
- (8) If the mutual fund intends to enter into securities lending, repurchase or reverse repurchase transactions under sections 2.12, 2.13 or 2.14 of National Instrument 81-102:
- (a) state that the mutual fund may enter into securities lending, repurchase or reverse repurchase transactions; and
  - (b) briefly describe:
    - (i) how those transactions are or will be entered into in conjunction with other strategies and investments of the mutual fund to achieve the mutual fund's investment objectives;
    - (ii) the types of those transactions to be entered into and give a brief description of the nature of each type, and
    - (iii) the limits of the mutual fund's entering into of those transactions.

- (9) For an index mutual fund:
- (a) for the 12-month period immediately preceding the date of the simplified prospectus:
    - (i) indicate whether one or more securities represented more than 10% of the permitted index or permitted indices;
    - (ii) identify that security or those securities; and
    - (iii) disclose the maximum percentage of the permitted index or permitted indices that the security or securities represented in the 12-month period; and
  - (b) disclose the maximum percentage of the permitted index or permitted indices that the security or securities referred to in paragraph (a) represented at the most recent date for which that information is available.
- (10) If the mutual fund intends to sell securities short under section 2.6.1 of National Instrument 81-102 *Investment Funds*:
- (a) state that the mutual fund may sell securities short; and
  - (b) briefly describe:
    - (i) the short selling process; and
    - (ii) how short sales of securities are or will be entered into in conjunction with other strategies and investments of the mutual fund to achieve the mutual fund's investment objectives.

**INSTRUCTION:**

*A mutual fund may, in responding to this Item, provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the mutual fund.*

**Item 8: Repealed.** 10 Jne 2005 SR 49/2005 s5.

**Item 9: Risks**

- (1) Set out specific information concerning any material risks associated with an investment in the mutual fund, other than those risks previously discussed in response to Item 4 of Part A of this Form, under the heading "What are the Risks of Investing in the Fund?".
- (1.1) If securities of a mutual fund representing more than 10% of the net asset value of the mutual fund are held by a securityholder, including another mutual fund, the mutual fund must disclose:
- (a) the percentage of the net asset value of the mutual fund that those securities represent as at a date within 30 days of the date of the simplified prospectus of the mutual fund; and
  - (b) the risks associated with a possible redemption requested by the securityholder.
- (1.2) If the mutual fund may hold securities of a foreign mutual fund, in accordance with subsection 2.5(3)(b) of National Instrument 81-102 *Investment Funds*, disclose the risks associated with that investment.

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- (2) For a money market fund, include disclosure to the effect that although the mutual fund intends to maintain a constant price for its securities, there is no guarantee that the price will not go up and down.
- (3) Include specific cross-references to the risks described in response to clause (1)(b) of Item 4 of Part A of this Form that are applicable to the mutual fund.
- (4) If the mutual fund offers more than one class or series of securities, disclose the risks that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series, if applicable.
- (5) For an index mutual fund, disclose that the mutual fund may, in basing its investment decisions on one or more permitted indices, have more of its net asset value invested in one or more issuers than is usually permitted for mutual funds, and disclose the risks associated with that fact, including the possible effect of that fact on the liquidity and diversification of the mutual fund, its ability to satisfy redemption requests and on the volatility of the mutual fund.
- (6) If, at any time during the 12 month period immediately preceding the date that is 30 days before the date of the simplified prospectus, more than 10 percent of the net asset value of a mutual fund were invested in the securities of an issuer, other than a government security or a security issued by a clearing corporation, disclose:
  - (a) the name of the issuer and the securities;
  - (b) the maximum percentage of the net asset value of the mutual fund that securities of that issuer represented during the 12 month period; and
  - (c) disclose the risks associated with these matters, including the possible or actual effect of that fact on the liquidity and diversification of the mutual fund, its ability to satisfy redemption requests and on the volatility of the mutual fund.
- (7) As applicable, describe the risks associated with the mutual fund entering into:
  - (a) derivative transactions for non-hedging purposes;
  - (b) securities lending, repurchase or reverse repurchase transactions; and
  - (c) short sales of securities.

**INSTRUCTIONS:**

- (1) *Consider the mutual fund's portfolio investments as a whole.*
- (2) *Provide the disclosure in the context of the mutual fund's fundamental investment objectives and investment strategies, outlining the risks associated with any particular aspect of those fundamental investment objectives and investment strategies.*
- (3) *Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, credit, legal and operational risks, as appropriate.*
- (4) *Include a brief discussion of general investment risks, such as specific company developments, stock market conditions, general economic and financial conditions in those countries where the investments of the mutual fund are listed for trading, applicable to the particular mutual fund.*
- (5) **Repealed.** 29 Jne 2012 SR 43/2012 s3.

*(6) In responding to subsection (6) above, it is necessary to disclose only that at a time during the 12 month period referred to, more than 10 percent of the net assets of the mutual fund were invested in the securities of an issuer. Other than the maximum percentage required to be disclosed under paragraph (6)(b), the mutual fund is not required to provide particulars or a summary of any such occurrences.*

**Item 9.1: Investment Risk Classification Methodology**

For a mutual fund,

- (a) state in words substantially similar to the following:

The investment risk level of this mutual fund is required to be determined in accordance with a standardized risk classification methodology that is based on the mutual fund's historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund;

- (b) if the mutual fund has less than 10 years of performance history and complies with Item 4 of Appendix F *Investment Risk Classification Methodology* to National Instrument 81-102 *Investment Funds*, provide a brief description of the other mutual fund or reference index, as applicable; if the other mutual fund or reference index has been changed since the most recently filed prospectus, provide details of when and why the change was made; and
- (c) disclose that the standardized risk classification methodology used to identify the investment risk level of the mutual fund is available on request, at no cost, by calling [toll free/collect call telephone number] or by writing to [address].

**INSTRUCTION:**

*Include a brief description of the formulas, methods or criteria used by the manager of the mutual fund in identifying the investment risk level of the mutual fund.*

**Item 10: Suitability**

Provide a brief statement of the suitability of the mutual fund for particular investors under the heading "Who Should Invest in this Fund?", describing either or both of the characteristics of the investor for whom the mutual fund may or may not be an appropriate investment, and the portfolios for which the mutual fund is suited or for which the mutual fund should not be used.

**INSTRUCTIONS:**

- (1) *In responding to the disclosure required by this Item, indicate the level of investor risk tolerance that would be appropriate for investment in the mutual fund.*
- (1.1) *Briefly describe how the manager has determined the level of investor risk tolerance that would be appropriate for investment in the mutual fund.*
- (2) *If the mutual fund is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the mutual fund, and disclose both the types of investors who should not invest in the mutual fund, with regard to investments on both a short and long term basis, and the types of portfolios that should not invest in the mutual fund. Conversely, it might be appropriate to discuss whether the mutual fund is particularly suitable for particular investment objectives.*

**Item 11: Repealed.** 10 Jne 2005 SR 49/2005 s5.

**Item 12: Distribution Policy**

State under the heading “Distribution Policy” whether distributions are made by the mutual fund in cash or reinvested in securities of the mutual fund, and indicate when distributions are made.

**Item 13: Financial Highlights**

**13.1 Repealed.** 10 Jne 2005 SR 49/2005 s5.

**13.2 Illustration of Fund Expenses Indirectly Borne by Investors**

- (1) Under the heading “Fund Expenses Indirectly Borne by Investors”, provide an example of the share of the expenses of the mutual fund indirectly borne by investors, containing the information and based on the assumptions described in (2).
- (2) The information to be provided under this Item shall be an investor’s cumulative proportional share of the fees and expenses paid by the mutual fund, in dollars, over a period of one, three, five and 10 years, assuming:
  - (a) an initial investment of \$1,000;
  - (b) a total annual return of the mutual fund of five percent in each year, calculated in accordance with section 15 of National Instrument 81-102;
  - (c) a management expense ratio of the mutual fund the same throughout the 10 year period as they were in the last completed financial year of the mutual fund, excluding any performance fees paid in a year which would not have been paid had the mutual fund earned a total return of five percent in that last completed financial year.
- (3) Provide an introduction to the disclosure that explains that the disclosure is intended to help an investor compare the cost of investing in the mutual fund with the cost of investing in other mutual funds, shows the amount of fees and expenses paid by the mutual fund that are indirectly borne by an investor, and describes the assumptions used.
- (4) The management expense ratio used in calculating the disclosure provided under this Item must be the management expense ratio calculated in accordance with Part 15 of National Instrument 81-106 *Investment Fund Continuous Disclosure*.
- (5) Provide a cross-reference to the disclosure provided under Item 8 of Part A of this Form for information about fees and expenses paid directly by the investor which are not included in the calculation of the management expense ratio.

**Item 14: Additional Information**

- (1) Provide any specific disclosure required or permitted to be disclosed in a prospectus under securities legislation or by an order or ruling of the securities regulatory authority pertaining to the mutual fund that is not otherwise required to be disclosed by this Form.
- (2) This Item does not apply to requirements of securities legislation that are form requirements for a prospectus.

**INSTRUCTIONS:**

- (1) See Instruction (1) to Item 12 of Part A of this Form for examples of disclosure that might appropriately be made under these Items.
- (2) For a simplified prospectus that is not part of a multiple SP, provide this disclosure either under this Item or under Item 12 of Part A of this Form, whichever is more appropriate.



(3) *For a multiple SP, this disclosure should be provided under this Item if the disclosure does not pertain to all of the mutual funds described in the document. If the disclosure pertains to all of those funds, the disclosure should be provided in the fund-specific disclosure required or permitted under Item 12 of Part A of this Form.*

## APPENDIX B

### FORM 81-101F2 CONTENTS OF ANNUAL INFORMATION FORM

#### GENERAL INSTRUCTIONS:

##### *General*

(1) *This Form describes the disclosure that is required in an annual information form of a mutual fund. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are printed in italic type.*

(2) *Terms defined in National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Investment Funds or National Instrument 81-105 Mutual Fund Sales Practices and used in this Form have the meanings that they have in those national instruments.*

(3) *An annual information form is intended to supplement the information contained in the related simplified prospectus. Information contained in the related simplified prospectus need not be repeated except as required to make the annual information form comprehensible as an independent document. Generally speaking, all of the disclosure required to be provided in connection with a particular requirement of Form 81-101F1 ("the SP Form") in order to satisfy statutory disclosure requirements should be contained in the simplified prospectus. For some Items, it may be appropriate to expand in the annual information form on matters discussed in the simplified prospectus; for instance, a mutual fund organization may wish to describe in an annual information form some of its optional services in more detail than in the simplified prospectus. Generally speaking, however, an annual information form is intended to provide disclosure about different matters than those discussed in the simplified prospectus, which may be of assistance or interest to some investors.*

(4) *Unless otherwise required by this Form, information may be presented in a different format and style in an annual information form than in a simplified prospectus. An annual information form is required by National Instrument 81-101 to be presented in a format that assists in readability and comprehension. This Form generally does not mandate the use of a specific format to achieve this goal and mutual funds are encouraged to use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the disclosure clearly.*

(5) *An annual information form may contain photographs and artwork only if they are relevant to the business of the mutual fund, mutual fund family or members of the organization of the mutual fund and are not misleading.*

(6) *As with a simplified prospectus, an annual information form is to be prepared using plain language. Reference should be made to Part 3 of Companion Policy 81-101CP for a discussion concerning plain language and presentation.*

(7) *Any footnotes provided for under any Item of this Form may be deleted if the substance of the footnotes is otherwise provided.*

#### *Contents of an Annual Information Form*



(8) *An annual information form pertains to one mutual fund but, unlike a simplified prospectus, is not required to be divided into a discrete Part A section, pertaining to general disclosure, and a Part B section, pertaining to fund-specific disclosure.*

(9) *It is not necessary to disclose the Items required by this Form in an annual information form in any particular order or under any particular heading. This is unlike the rule for a simplified prospectus, which provides that information contained in a simplified prospectus must be in the order and under the headings required by the SP Form.*

*Consolidation of Annual Information Forms into a Multiple AIF*

(10) *Section 5.4 of National Instrument 81-101 requires an annual information form to be consolidated with one or more other annual information forms into a multiple AIF if the related simplified prospectuses are consolidated into a multiple SP. As the Instrument does not prevent the consolidation of annual information forms even if the related simplified prospectuses are not consolidated, a mutual fund organization may prepare one multiple AIF that pertains to all of its mutual funds, even if the simplified prospectuses for those mutual funds are not fully or even partially consolidated.*

(11) *Unlike the situation with a multiple SP, National Instrument 81-101 does not permit parts of a multiple AIF to be bound separately.*

(12) *Unlike the requirements for a multiple SP, there are no requirements that disclosure concerning each mutual fund described in a multiple AIF be organized in any particular manner or order. In particular, it is not necessary to use the catalogue approach required to be used in a multiple SP in which disclosure about individual mutual funds is required to be separately presented. Information may be presented separately for each mutual fund, or consolidated, at the option of the mutual fund organization.*

(13) *The requirements in this Form generally speak of “a mutual fund”. These requirements apply to each mutual fund to which a multiple AIF pertains.*

*Multi-Class Mutual Funds*

(14) *A mutual fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate mutual fund for purposes of this Form, or may combine disclosure of one or more of the classes or series in one annual information form. If disclosure pertaining to more than one class or series is combined in one annual information form, separate disclosure in response to each Item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*

(15) *As provided in National Instrument 81-102, a section, party, class or series of a class of securities of a mutual fund that is referable to a separate portfolio of assets is considered to be a separate mutual fund. Those principles are applicable to National Instrument 81-101 and this Form.*

**Item 1: Front Cover Disclosure**

**1.1 For a Single AIF**

(1) Indicate on the front cover whether the document is a preliminary annual information form, a *pro forma* annual information form or an annual information form.

(2) Indicate on the front cover the name of the mutual fund to which the annual information form pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the annual information form.

(3) Notwithstanding securities legislation, state on the front cover of a preliminary annual information form the following:

“A copy of this annual information form has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of a distribution. Information contained in this annual information form may not be complete and may have to be amended. The securities described in this annual information form may not be sold to you until a receipt for the annual information form is obtained by the mutual fund from the securities regulatory [authority(ies)]”.

(4) If a commercial copy of the preliminary annual information form is prepared, print the legend referred to in subsection (3) in red ink.

(5) For a preliminary annual information form or annual information form, indicate the date of the document, which shall be the date of the certificates for the document. This date shall be within three business days of the date it is filed with the securities regulatory authority. Write the date of the document in full, writing the name of the month in words. *Apro forma* annual information form need not be dated, but may reflect the anticipated date of the annual information form.

(6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise”.

#### INSTRUCTION

*Complete the bracketed information in subsection (3) above by:*

- (a) inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;*
- (b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions])*

#### 1.2 For a Multiple AIF

(1) Indicate on the front cover whether the document is a preliminary annual information form, a *pro forma* annual information form or an annual information form for each of the mutual funds to which the document pertains.

(2) Indicate on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family to which the document pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the document.

(3) Notwithstanding securities legislation, state on the front cover of a document that contains a preliminary annual information form the following:

“A copy of this annual information form has been filed with [the securities authority(ies) in each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of a distribution. Information contained in this annual information form may not be complete and may have to be amended. The securities described in this annual information form may not be sold to you until a receipt for the annual information form is obtained by the mutual fund from the securities regulatory [authority(ies)]”.

(4) If a commercial copy of a document that contains a preliminary annual information form is prepared, print the legend referred to in subsection (3) in red ink.

(5) If the document contains a preliminary annual information form or annual information form, indicate the date of the document, which shall be the date of the certificates for the document. This date shall be within three business days of the date it is filed with the securities regulatory authority. Write the date of the document in full, writing the name of the month in words. A document that is a *pro forma* multiple AIF need not be dated, but may reflect the anticipated date of the multiple AIF.

(6) State, in substantially the following words:

“No securities regulatory authority has expressed an opinion about these [units/shares] and it is an offence to claim otherwise”.

#### **INSTRUCTION**

*Complete the bracketed information in subsection (3) above by:*

- (a) *inserting the name of each jurisdiction of Canada in which the mutual fund intends to offer securities under the prospectus;*
- (b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) *identifying the filing jurisdictions of Canada by exception (i.e. every province of Canada or every province and territory of Canada, except [excluded jurisdictions])*

#### **Item 2: Table of Contents**

Include a table of contents.

#### **Item 3: Name, Formation and History of the Mutual Fund**

- (1) State the full name of the mutual fund and the address of its head or registered office.
- (2) State the laws under which the mutual fund was formed and the date and manner of its formation.
- (3) Identify the constating documents of the mutual fund and, if material, state whether the constating documents have been amended in the last 10 years and describe the amendments.
- (4) If the mutual fund's name has been changed in the last 10 years, state the mutual fund's former name or names and the date on which it was changed.

- (5) Disclose, and provide details about, any major events affecting the mutual fund in the last 10 years. Include information, if applicable, about:
- (a) the mutual fund having participated in, or been formed from, an amalgamation or merger with one or more other mutual funds;
  - (b) the mutual fund having participated in any reorganization or transfer of assets in which the securityholders of another issuer became securityholders of the mutual fund;
  - (c) any changes in fundamental investment objectives or material investment strategies;
  - (d) any changes in the portfolio adviser or changes in, or of control of, the manager; and
  - (e) the mutual fund, before it filed a prospectus as a mutual fund, having existed as a closed-end investment fund, non-public mutual fund or other entity.

**Item 4: Investment Restrictions**

- (1) Include a statement to the effect that the mutual fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102, which are designed in part to ensure that the investments of the mutual fund are diversified and relatively liquid and to ensure the proper administration of the mutual fund, and state that the mutual fund is managed in accordance with these restrictions and practices.
- (2) If the mutual fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, including National Instrument 81-102, provide details of the permitted variations.
  - (2.1) If the mutual fund has relied on the approval of the independent review committee and the relevant requirements of NI 81-107 to vary any of the investment restrictions and practices contained in securities legislation, including NI 81-102, provide details of the permitted variations.
  - (2.2) If the mutual fund has relied on the approval of the independent review committee to implement a reorganization with, or transfer of assets to, another mutual fund or to proceed with a change of auditor of the mutual fund as permitted by NI 81-102, provide details.
- (3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.
- (4) State the restrictions on the investment objectives and strategies that arise out of any of the following matters:
  - (a) whether the securities of the mutual fund are or will be a qualified investment within the meaning of the ITA for retirement savings plans, retirement income funds, education savings plans, deferred profit sharing plans or other plans registered under the ITA;
  - (b) whether the securities of the mutual fund are or will be recognized as a registered investment within the meaning of the ITA;
  - (c) **Repealed.** 29 Jne 2012 SR 43/2012 s3.

(5) State whether the mutual fund has deviated in the last year from the rules under the ITA that apply to the status of its securities as:

- (a) qualified investments within the meaning of the ITA for retirement savings plans, retirement income funds, education savings plans, deferred profit sharing plans or other plans registered under the ITA; or
- (b) registered investments within the meaning of the ITA;
- (c) **Repealed.** 29 Jne 2012 SR 43/2012 s3.

(6) State the consequences of any deviation described in response to subsection (5).

**Item 5: Description of Securities Offered by the Mutual Fund**

(1) State the description or the designation of securities, or the series or classes of securities, offered by the mutual fund under the related simplified prospectus and describe the securities or all material attributes and characteristics, including:

- (a) dividend or distribution rights;
- (b) voting rights;
- (c) liquidation or other rights upon the termination of the mutual fund;
- (d) conversion rights;
- (e) redemption rights; and
- (f) provisions as to amendment of any of these rights or provisions.

(2) Describe the rights of securityholders to approve:

- (a) the matters set out in section 5.1 of National Instrument 81-102; and
- (b) any matters provided for in the constating documents of the mutual fund.

**Item 6: Valuation of Portfolio Securities**

(1) Describe the methods used to value the various types or classes of portfolio assets of the mutual fund and its liabilities for the purpose of calculating net asset value.

(1.1) If the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences.

(2) If the manager has discretion to deviate from the mutual fund's valuation practices described in subsection (1), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

**Item 7: Calculation of Net Asset Value**

(1) State that the issue and redemption price of securities of the mutual fund is based on the mutual fund's net asset value next determined after the receipt of a purchase order and a redemption order. Describe the method followed or to be followed by the mutual fund in determining the net asset value.

(2) State the frequency at which the net asset value is determined and the date and time of day at which it is determined.

(2.1) Describe the manner in which the net asset value and net asset value per security of the mutual fund will be made available to the public and state that the information will be available at no cost to the public.

(3) If a money market mutual fund intends to maintain a constant net asset value per security, disclose this intention and disclose how the mutual fund intends to maintain this constant net asset value.

#### **Item 8: Purchases and Switches**

(1) Describe the procedure followed or to be followed by investors who desire to purchase securities of the mutual fund or switch them for securities of other mutual funds.

(2) State that the issue price of securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the mutual fund of the purchase order.

(3) Describe how the securities of the mutual fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.

(4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and, if applicable, that the choice of different purchase options affects the amount of compensation paid by a member of the organization of the mutual fund to the dealer.

(5) Disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the mutual fund caused by the investor.

(6) For a mutual fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the mutual fund will begin issuing securities at the net asset value per security of the mutual fund.

#### **Item 9: Redemption of Securities**

(1) Describe the procedures followed, or to be followed, by an investor who desires to redeem securities of the mutual fund, specifying the procedures to be followed and documents to be delivered before a redemption order pertaining to securities of the mutual fund is accepted by the mutual fund for processing and before payment of the proceeds of redemption is made by the mutual fund.

(2) State that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the mutual fund of the redemption order.

(3) Disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with any failure of the investor to satisfy the requirements of the mutual fund or securities legislation for a redemption of securities of the mutual fund.

(4) Discuss the circumstances under which the mutual fund may suspend redemptions of the securities of the mutual fund.



**Item 10: Responsibility for Mutual Fund Operations****10.1 General**

Describe how each of the following aspects of the operations of the mutual fund are administered and who administers those functions:

- (a) the management and administration of the mutual fund, including valuation services, fund accounting and securityholder records, other than the management of the portfolio assets;
- (b) the management of the portfolio assets, including the provision of investment analysis or investment recommendations and the making of investment decisions;
- (c) the purchase and sale of portfolio assets by the mutual fund and the making of brokerage arrangements relating to the portfolio assets;
- (d) the distribution of the securities of the mutual fund;
- (e) if the mutual fund is a trust, the trusteeship of the mutual fund;
- (f) if the mutual fund is a corporation, the oversight of the affairs of the mutual fund by the directors of the mutual fund;
- (g) the custodianship of the assets of the mutual fund; and
- (h) the oversight of the manager of the mutual fund by the independent review committee.

**INSTRUCTION:**

*The disclosure required under Item 10.1 may be provided separately from, or combined with, the detailed disclosure concerning the persons or companies that provide services to the mutual fund required by Items 10.2 through 10.10.*

**10.2 Manager**

- (1) State the name, address, telephone number, e-mail address and, if applicable, website address of the manager of the mutual fund.
- (2) List the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, and the respective positions and offices held with the manager and their respective principal occupations at, and within the five years preceding, the date of the annual information form, of all partners, directors and executive officers of the manager of the mutual fund at the date of the annual information form.
- (3) If a partner, director or executive officer of the manager of the mutual fund has held more than one office with the manager of the mutual fund within the past five years, state only the current office held.
- (4) If the principal occupation of a director or executive officer of the manager of the mutual fund is with an organization other than the manager of the mutual fund, state the principal business in which the organization is engaged.
- (5) Describe the circumstances under which any agreement with the manager of the mutual fund may be terminated, and include a brief description of the essential terms of this agreement.



### 10.3 Portfolio Adviser

- (1) If the manager of the mutual fund provides the portfolio management services in connection with the mutual fund, so state.
- (2) If the manager does not provide portfolio management services, state the names and municipality of the principal or head office for each portfolio adviser of the mutual fund.
- (3) State:
  - (a) the extent to which investment decisions are made by certain individuals employed by the manager or a portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee; and
  - (b) the name, title, and length of time of service of the person or persons employed by or associated with either the manager or a portfolio adviser of the mutual fund who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the mutual fund, implementing a particular material strategy or managing a particular segment of the portfolio of the mutual fund, and each person's business experience in the last five years.
- (4) Describe the circumstances under which any agreement with a portfolio adviser of the mutual fund may be terminated, and include a brief description of the essential terms of this agreement.

### 10.4 Brokerage Arrangements

- (1) If any brokerage transactions involving the client brokerage commissions of the mutual fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state:
  - (a) the process for, and factors considered in, selecting a dealer to effect securities transactions for the mutual fund, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;
  - (b) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;
  - (c) each type of good or service, other than order execution, that might be provided; and
  - (d) the method by which the portfolio adviser makes a good faith determination that the mutual fund, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.
- (2) Since the date of the last annual information form, if any brokerage transactions involving the client brokerage commissions of the mutual fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or third party, other than order execution, state:
  - (a) each type of good or service, other than order execution, that has been provided to the manager or the portfolio adviser of the mutual fund; and

(b) the name of any affiliated entity that provided any good or service referred to in paragraph (a), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity.

(3) If any brokerage transactions involving the client brokerage commissions of the mutual fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (2)(a), that was not disclosed under paragraph (2)(b), will be provided upon request by contacting the mutual fund or mutual fund family at [insert telephone number] or at [insert mutual fund or mutual fund family e-mail address].

**INSTRUCTIONS:**

*Terms defined in NI 23-102 – Use of Client Brokerage Commissions have the same meaning where used in this Item.*

**10.5 Principal Distributor**

- (1) If applicable, state the name and address of the principal distributor of the mutual fund.
- (2) Describe the circumstances under which any agreement with the principal distributor of the mutual fund may be terminated, and include a brief description of the essential terms of this agreement.

**10.6 Directors, Executive Officers and Trustees**

- (1) List the names and home addresses in full or, alternatively, solely the municipality of residence or postal address, and the principal occupations at, or within the five years preceding, the date of the annual information form, of all directors or executive officers of an incorporated mutual fund or of the individual trustee or trustees, if any, of a mutual fund that is a trust.
- (2) State, for a mutual fund that is a trust, the names and municipality of residence for each person or company that is responsible for performing the trusteeship function of the mutual fund.
- (3) Indicate, for an incorporated mutual fund, all positions and offices with the mutual fund then held by each person named in response to subsection (1).
- (4) If the principal occupation of a director, executive officer or trustee is that of a partner, director or executive officer of a company other than the mutual fund, state the business in which the company is engaged.
- (5) If a director or executive officer of an incorporated mutual fund has held more than one position in the mutual fund, state only the first and last position held.
- (6) For a mutual fund that is a limited partnership, provide the information required by this Item for the general partner of the mutual fund, modified as appropriate.

**10.7 Custodian**

- (1) State the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the mutual fund.
- (2) Describe generally the sub-custodian arrangements of the mutual fund.

**INSTRUCTION:**

*A “principal sub-custodian” is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the mutual fund.*

**10.8 Auditor**

State the name and municipality of the auditor of the mutual fund.

**10.9 Registrar**

If applicable, state the name of the registrar of securities of the mutual fund and the municipalities in which the register of securities of the mutual fund are kept.

**10.9.1 Securities Lending Agent**

- (1) State the name of each securities lending agent of the mutual fund and the municipality of each securities lending agent’s principal or head office.
- (2) State whether any securities lending agent of the mutual fund is an affiliate or associate of the manager of the mutual fund.
- (3) Briefly describe the essential terms of each agreement with each securities lending agent. Include the amount of collateral required to be delivered in connection with a securities lending transaction as a percentage of the market value of the loaned securities, and briefly describe any indemnities provided in, and the termination provisions of, each such agreement.

**10.10 Other Service Providers**

State the name, municipality of the principal or head office, and the nature of business of each other person or company that provides services relating to portfolio valuation, securityholder records, fund accounting, or other material services, in respect of the mutual fund, and describe the material features of the contractual arrangements by which the person or company has been retained.

**Item 11: Conflicts of Interest**

**11.1 Principal Holders of Securities**

- (1) The information required in response to this Item shall be given as of a specified date within 30 days before the date of the annual information form.
- (2) Disclose the number and percentage of securities of each class or series of voting securities of the mutual fund and of the manager of the mutual fund owned of record or beneficially, directly or indirectly, by each person or company that owns of record, or is known by the mutual fund or the manager to own beneficially, directly or indirectly, more than 10 percent of any class or series of voting securities, and disclose whether the securities are owned both of record and beneficially, of record only, or beneficially only.
- (3) For any entity that is named in response to subsection (2), disclose the name of any person or company of which that entity is a “controlled entity”.
- (4) If any person or company named in respect of subsection (2) owns of record or beneficially, directly or indirectly, more than 10 percent of any class of voting securities of the principal distributor of the mutual fund, disclose the number and percentage of securities of the class so owned.

(5) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the directors, senior officers and trustees:

- (a) of the mutual fund:
  - (i) in the mutual fund if the aggregate level of ownership exceeds 10 percent;
  - (ii) in the manager; or
  - (iii) in any person or company that provides services to the mutual fund or the manager; and
- (b) of the manager:
  - (i) in the mutual fund if the aggregate level of ownership exceeds 10 percent;
  - (ii) in the manager; or
  - (iii) in any person or company that provides services to the mutual fund or the manager.

(6) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned, directly or indirectly, in aggregate, by all the independent review committee members of the mutual fund:

- (a) in the mutual fund, if the aggregate level of ownership exceeds 10%;
- (b) in the manager; or
- (c) in any person or company that provides services to the mutual fund or the manager.

### **11.2 Affiliated Entities**

- (1) State whether any person or company that provides services to the mutual fund or the manager in relation to the mutual fund is an affiliated entity of the manager, and show the relationships of those affiliated entities in the form of an appropriately labelled diagram.
- (2) State that disclosure of the amount of fees received from the mutual fund by each person or company described in subsection (1) is contained in the audited financial statements of the mutual fund.
- (3) Identify any individual who is a director or senior officer of the mutual fund or partner, director or officer of the manager and also of any affiliated entity of the manager described in response to subsection (1), and give particulars of the relationship.

#### **INSTRUCTIONS:**

- (1) *A person or company is an “affiliated entity” of another person or company if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or company or if each of them is a controlled entity of the same person or company.*
- (2) *A person or company is a “controlled entity” of a person or company if:*
  - (a) *in the case of a person or company:*
    - (i) *voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company; and*
    - (ii) *the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;*

- (b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or*
- (c) in the case of a limited partnership, the general partner is the second-mentioned person or company.*
- (3) *A person or company is a “subsidiary entity” of another person or company if:*
  - (a) it is a controlled entity of:*
    - (i) that other;*
    - (ii) that other and one or more persons or companies, each of which is a controlled entity of that other; or*
    - (iii) two or more persons or companies, each of which is a controlled entity of that other; or*
  - (b) it is a subsidiary entity of a person or company that is that other’s subsidiary entity.*
- (4) For the purposes of subsection (1) of Item 11.2, the provision of services includes the provision of brokerage services in connection with execution of portfolio transactions for the mutual fund.*

### 11.3 Dealer Manager Disclosure

If the mutual fund is dealer managed, disclose this fact and that the mutual fund is subject to the restrictions set out in section 4.1 of National Instrument 81-102, and summarize section 4.1 of National Instrument 81-102.

### Item 12: Fund Governance

- (1) Provide detailed information concerning the governance of the mutual fund, including information concerning:
  - (a) the mandate and responsibilities of the independent review committee and the reasons for any change in the composition of the independent review committee since the date of the most recently filed annual information form;
  - (a.1) any other body or group that has responsibility for fund governance and the extent to which its members are independent of the manager of the mutual fund; and
  - (b) descriptions of the policies, practices or guidelines of the mutual fund or the manager relating to business practices, sales practices, risk management controls and internal conflicts of interest, and if the mutual fund or the manager have no such policies, practices or guidelines, a statement to that effect.
- (2) If the mutual fund intends to use derivatives or sell securities short, describe the policies and practices of the mutual fund to manage the risks associated with engaging in those types of transactions.
- (3) In the disclosure provided under subsection (2), include disclosure of:
  - (a) whether there are written policies and procedures in place that set out the objectives and goals for derivatives trading and short selling and the risk management procedures applicable to those transactions;
  - (b) who is responsible for setting and reviewing the policies and procedures referred to in clause (a), how often are the policies and procedures reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;

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- (c) whether there are trading limits or other controls on derivative trading or short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;
  - (d) whether there are individuals or groups that monitor the risks independent of those who trade; and
  - (e) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions.
- (4) If the mutual fund intends to enter into securities lending, repurchase or reverse repurchase transactions, describe the policies and practices of the mutual fund to manage the risks associated with those transactions.
- (5) In the disclosure provided under subsection (4), include disclosure of:
  - (a) the involvement of an agent to administer the transactions on behalf of the mutual fund, and the details of the instructions provided by the mutual fund to the agent under the agreement between the mutual fund and the agent;
  - (b) whether there are written policies and procedures in place that set out the objectives and goals for securities lending, repurchase transactions or reverse repurchase transactions, and the risk management procedures applicable to the mutual fund's entering into of those transactions;
  - (c) who is responsible for setting and reviewing the agreement referred to in paragraph (a) and the policies and procedures referred to in paragraph (b), how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;
  - (d) whether there are limits or other controls in place on the entering into of those transactions by the mutual fund and who is responsible for authorizing those limits or other controls on those transactions;
  - (e) whether there are individuals or groups that monitor the risks independent of those who enter into those transactions on behalf of the mutual fund; and
  - (f) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions.
- (6) If the mutual fund held securities of other mutual funds during the year, provide details on how the manager of the mutual fund exercised its discretion with regard to the voting rights attached to the securities of the other mutual funds when the securityholders of the other mutual funds were called upon to vote.
- (7) Unless the mutual fund invests exclusively in non-voting securities, describe the policies and procedures that the mutual fund follows when voting proxies relating to portfolio securities including:
  - (a) the procedures followed when a vote presents a conflict between the interests of securityholders and those of the mutual fund's manager, portfolio adviser, or any affiliate or associate of the mutual fund, its manager or its portfolio adviser;
  - (b) any policies and procedures of the mutual fund's portfolio adviser, or any other third party, that the mutual fund follows, or that are followed on the mutual fund's behalf, to determine how to vote proxies relating to portfolio securities.



State that the policies and procedures that the mutual fund follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling [toll-free/collect call telephone number] or by writing to [address].

(8) State that the mutual fund's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the mutual fund upon request at any time after August 31 of that year. If the proxy voting record is available on the mutual fund's website, provide the website address.

(9) Describe the policies and procedures of the mutual fund relating to the monitoring, detection and deterrence of short-term trades of mutual fund securities by investors. If the mutual fund has no such policies and procedures, provide a statement to that effect.

(10) Describe any arrangements, whether formal or informal, with any person or company, to permit short-term trades in securities of the mutual fund, including:

- (a) the name of such person or company; and
- (b) the terms of such arrangements, including:
  - (i) any restrictions imposed on the short-term trades; and
  - (ii) any compensation or other consideration received by the manager, the mutual fund or any other party pursuant to such arrangements.

**INSTRUCTION:**

*(1) The mutual fund's proxy voting policies and procedures must address the requirements of section 10.2 of National Instrument 81-106 Investment Fund Continuous Disclosure.*

*(2) If the mutual fund has an independent review committee, state in the disclosure provided under clause (1)(b) that NI 81-107 requires the manager to have policies and procedures relating to conflicts of interest.*

**Item 13: Fees and Expenses**

**13.1 Management Fee Rebate or Distribution Programs**

(1) Disclose details of all arrangements that are in effect or will be in effect during the currency of the annual information form that will result, directly or indirectly, in one securityholder in the mutual fund paying as a percentage of the securityholder's investment in the mutual fund a management fee that differs from that payable by another securityholder.

(2) In the disclosure required by subsection (1), describe:

- (a) who pays the management fee;
- (b) whether a reduced fee is paid at the relevant time or whether the full fee is paid at that time with a repayment of a portion of the management fee to follow at a later date;
- (c) who funds the reduction or repayment of management fees, when the reduction or repayment is made and whether it is made in cash or in securities of the mutual fund;
- (d) whether the differing management fees are negotiable or calculated in accordance with a fixed schedule;
- (e) if the management fees are negotiable, the factors or criteria relevant to the negotiations and state who negotiates the fees with the investor;



- (f) whether the differing management fees payable are based on the number or value of the securities of the mutual fund purchased during a specified period or the number or value of the securities of the mutual fund held at a particular time; and
  - (g) any other factors that could affect the amount of the management fees payable.
- (3) Disclose the income tax consequences to the mutual fund and its securityholders of a management fee structure that results in one securityholder paying a management fee that differs from another.

**Item 14: Income Tax Considerations**

- (1) State in general terms the bases upon which the income and capital receipts of the mutual fund are taxed.
- (2) State in general terms the income tax consequences to the holders of the securities offered of:
- (a) any distribution to the holders in the form of dividends or otherwise, including amounts reinvested in securities of the mutual fund;
  - (b) the redemption of securities;
  - (c) the issue of securities; and
  - (d) any transfers between mutual funds.

**Item 15: Remuneration of Directors, Officers and Trustees**

- (1) If the management functions of the mutual fund are carried out by employees of the mutual fund, provide for those employees the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.
- (2) Describe any arrangements under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund, for the services of directors of the mutual fund, members of an independent board of governors or advisory board of the mutual fund and members of the independent review committee of the mutual fund, including the amounts paid, the name of the individual and any expenses reimbursed by the mutual fund to the individual:
- (a) in that capacity, including any additional amounts payable for committee participation or special assignments; and
  - (b) as consultant or expert.
- (3) For a mutual fund that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund for the services of the trustee or trustees of the mutual fund.

**INSTRUCTION:**

*The disclosure required under Item 15(1) regarding executive compensation for management functions carried out by employees of a mutual fund must be made in accordance with the disclosure requirements of Form 51-102F6 Statement of Executive Compensation.*

**Item 16: Material Contracts**

- (1) List and provide particulars of:
  - (a) the articles of incorporation, continuation or amalgamation, the declaration of trust or trust agreement of the mutual fund, the limited partnership agreement or any other constating or establishing documents of the mutual fund;
  - (b) any agreement of the mutual fund or trustee with the manager of the mutual fund;
  - (c) any agreement of the mutual fund, the manager or trustee with the portfolio adviser or portfolio advisers of the mutual fund;
  - (d) any agreement of the mutual fund, the manager or trustee with the custodian of the mutual fund;
  - (e) any agreement of the mutual fund, the manager or trustee with the principal distributor of the mutual fund; and
  - (f) any other contract or agreement that is material to the mutual fund.
- (2) State a reasonable time at which and place where the contracts or agreements listed in response to subsection (1) may be inspected by prospective or existing securityholders.
- (3) Include, in describing particulars of contracts, the date of, parties to, consideration paid by the mutual fund under, termination provisions of, and general nature of, the contracts.

**INSTRUCTION:**

*This Item does not require disclosure of contracts entered into in the ordinary course of business of the mutual fund.*

**Item 17: Legal and Administrative Proceedings**

- (1) Describe briefly any ongoing legal and administrative proceedings material to the mutual fund, to which the mutual fund, its manager or principal distributor is a party.
- (2) For all matters disclosed under subsection (1), disclose:
  - (a) the name of the court or agency having jurisdiction;
  - (b) the date on which the proceeding was instituted;
  - (c) the principal parties to the proceeding;
  - (d) the nature of the proceeding and, if applicable, the amount claimed; and
  - (e) whether the proceedings are being contested and the present status of the proceedings.
- (3) Provide similar disclosure about any proceedings known to be contemplated.

(4) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if the manager of the mutual fund, or a director or officer of the mutual fund or the partner, director or officer of the manager of the mutual fund has:

(a) in the 10 years before the date of the simplified prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a publicly-traded mutual fund, or theft or fraud, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in determining whether to purchase securities of the mutual fund; or

(b) in the 10 years before the date of the simplified prospectus but after the date that National Instrument 81-101 came into force, entered into a settlement agreement with a court, securities regulatory or other regulatory body, in relation to any of the matters referred to in clause (a).

(5) If the manager of the mutual fund, or a director or officer of the mutual fund or the partner, director or officer of the manager of the mutual fund has, within the 10 years before the date of the simplified prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a publicly traded mutual fund, or theft or fraud, or has entered into a settlement agreement with a regulatory authority in relation to any of these matters, describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement.

**Item 18: Other Material Information**

(1) Give particulars of any other material facts relating to the securities proposed to be offered that are not otherwise required to be disclosed by this Form or the SP Form.

(2) Provide any specific disclosure required or permitted to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.

(3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

**INSTRUCTION:**

*The disclosure provided under subsection (2) may also be provided under Item 12 of Part A or Item 14 of Part B of the SP Form. If the disclosure is provided under one of these Items, it need not be provided under this Item.*

**Item 19: Certificate of the Mutual Fund**

(1) Include a certificate of the mutual fund that states:

(a) for a simplified prospectus and annual information form:

“This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations”;

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- (b) for an amendment to a simplified prospectus or annual information form that does not restate the simplified prospectus or annual information form:

“This amendment no. [specify amendment number and date], together with the [amended and restated] annual information form dated [specify], [amending and restating the annual information form dated [specify],] [as amended by (specify prior amendments and dates)] and the [amended and restated] simplified prospectus dated [specify], [amending and restating the simplified prospectus dated [specify],] [as amended by (specify prior amendments and dates)] and the documents incorporated by reference into the [amended and restated] simplified prospectus, [as amended,] constitute full, true and plain disclosure of all material facts relating to the securities offered by the [amended and restated] simplified prospectus, [as amended,] as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations”; and

- (c) for an amendment that amends and restates a simplified prospectus or annual information form:

“This amended and restated annual information form dated [specify], amending and restating the annual information form dated [specify] [as amended by (specify prior amendments and dates)], together with the [amended and restated] simplified prospectus dated [specify] [amending and restating the simplified prospectus dated [specify]] [as amended by (specify prior amendments and dates)] and the documents incorporated by reference into the [amended and restated] simplified prospectus, [as amended,] constitute full, true and plain disclosure of all material facts relating to the securities offered by the [amended and restated] simplified prospectus, [as amended,] as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations”.

(1.1) For a non-offering prospectus, change “securities offered by the simplified prospectus” to “securities previously issued by the mutual fund” wherever it appears in the statement in Item 19(1)(a).

(2) The certificate required to be signed by the mutual fund shall, if the mutual fund is established as a trust, be signed:

(a) if any trustee of the mutual fund is an individual, by each individual who is a trustee or by a duly authorized attorney of the individual; or

(b) if any trustee of the mutual fund is a body corporate, by the duly authorized signing officer or officers of the body corporate.

(3) Notwithstanding subsection (2), if the declaration of trust or trust agreement establishing the mutual fund delegates the authority to do so, or otherwise authorizes a person to do so, the certificate form required to be signed by the trustee or trustees of the mutual fund may be signed by the person to whom the authority is delegated or who is authorized.

(4) Notwithstanding subsections (2) and (3), if the trustee of the mutual fund is also its manager, the certificate shall indicate that it is being signed by the person or company both in its capacity of trustee and in its capacity as manager of the mutual fund and shall be signed in the manner prescribed by Item 20.

**Item 20: Certificate of the Manager of the Mutual Fund**

- (1) Include a certificate of the manager of the mutual fund in the same form as the certificate signed by the mutual fund.
- (2) The certificate shall, if the manager is a company, be signed by the chief executive officer and the chief financial officer of the manager, and on behalf of the board of directors of the manager by any two directors of the manager other than the chief executive officer or chief financial officer, duly authorized to sign.
- (3) Notwithstanding subsection (2), if the manager has only three directors, two of whom are the chief executive officer and chief financial officer, the certificate required by subsection (2) to be signed on behalf of the board of directors of the manager shall be signed by the remaining director of the manager.

**Item 21: Certificate of Each Promoter of the Mutual Fund**

- (1) Include a certificate of each promoter of the mutual fund in the same form as the certificate signed by the mutual fund.
- (2) The certificate to be signed by the promoter shall be signed by any officer or director of the promoter duly authorized to sign.

**Item 22: Certificate of the Principal Distributor of the Mutual Fund**

- (1) Include a certificate of the principal distributor of the mutual fund that states:  
“To the best of our knowledge, information and belief, this annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of [insert the jurisdictions in which qualified] and do not contain any misrepresentations”.
- (2) The certificate to be signed by the principal distributor shall be signed by any officer or director of the principal distributor duly authorized to sign.

**INSTRUCTION:**

*For a mutual fund that has a principal distributor, the certificate required by this Item is necessary to satisfy the requirements of securities legislation that an underwriter sign a certificate to a prospectus.*

**Item 23: Exemptions and Approvals**

- (1) Describe all exemptions from, or approvals under, this Instrument, National Instrument 81-102, National Instrument 81-105 or National Policy Statement No. 39, obtained by the mutual fund or the manager that continue to be relied upon by the mutual fund or the manager.
- (2) Include the disclosure required by subsection (1) in the section of the annual information form that describes the matter to which the exemption pertains.

**Item 24: Back Cover**

- (1) State on the back cover the name of the mutual fund or funds included in the annual information form or the mutual fund family, as well as the name, address and telephone number of the manager of the mutual fund or funds.

(2) State, in substantially the following words:

- “ Additional information about the Fund[s] is available in the Fund[“s/s”] Fund Facts, management reports of fund performance and financial statements.
- “ You can get a copy of these documents at no cost by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted, as required by section 3.4 of the Instrument], or from your dealer or by e-mail at [insert e-mail address].
- “ These documents and other information about the Fund[s], such as information circulars and material contracts, are also available [on the [insert name of mutual fund manager] internet site at [insert website address] or] at www.sedar.com”.

## APPENDIX C

### FORM 81-101F3 CONTENTS OF FUND FACTS DOCUMENT

#### GENERAL INSTRUCTIONS:

##### *General*

- (1) *This Form describes the disclosure required in a fund facts document for a mutual fund. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are in italic type.*
- (2) *Terms defined in National Instrument 81-101 Mutual Fund Prospectus Disclosure, National Instrument 81-102 Investment Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Form have the meanings that they have in those national instruments.*
- (3) *A fund facts document must state the required information concisely and in plain language.*
- (4) *Respond as simply and directly as is reasonably possible. Include only the information necessary for a reasonable investor to understand the fundamental and particular characteristics of the mutual fund.*
- (5) *National Instrument 81-101 Mutual Fund Prospectus Disclosure requires the fund facts document to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format or template to achieve these goals. However, mutual funds must use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.*
- (6) *This Form does not mandate the use of a specific font size or style but the font must be legible. Where the fund facts document is made available online, information must be presented in a way that enables it to be printed in a readable format.*
- (7) *A fund facts document can be produced in colour or in black and white, and in portrait or landscape orientation.*
- (8) *Except as permitted by subsection (8.1), a fund facts document must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub-heading stipulated in this Form.*



(8.1) *A fund facts document may contain a brief explanation of a material change or a proposed fundamental change. The disclosure may be included in a textbox before Item 2 of Part I or in the most relevant section of the fund facts document. If necessary, the mutual fund may provide a cross-reference to a more detailed explanation at the end of the fund facts document.*

(9) *A fund facts document must not contain design elements (e.g., graphics, photos, artwork) that detract from the information disclosed in the document.*

(9.1) *Any exemption from or waiver of a provision of Form 81-101F3 Contents of Fund Facts Document in relation to the disclosure under the heading “How Risky is it?” expires on September 1, 2017.*

#### *Contents of a Fund Facts Document*

(10) *A fund facts document must disclose information about only one class or series of securities of a mutual fund. Mutual funds that have more than one class or series that are referable to the same portfolio of assets must prepare a separate fund facts document for each class or series.*

(11) *The fund facts document must be prepared on letter-size paper and must consist of two Parts: Part I and Part II.*

(12) *The fund facts document must begin with the responses to the Items in Part I of this Form.*

(13) *Part I must be followed by the responses to the Items in Part II of this Form.*

(14) *Each of Part I and Part II must not exceed one page in length, unless the required information in any section causes the disclosure to exceed this limit. Where this is the case, a fund facts document must not exceed a total of four pages in length.*

(15) *A mutual fund must not attach or bind other documents to a fund facts document, except those documents permitted under Part 5 of National Instrument 81-101 Mutual Fund Prospectus Disclosure.*

#### *Consolidation of Fund Facts Document into a Multiple Fund Facts Document*

(16) *Fund facts documents must not be consolidated with each other to form a multiple fund facts document, except as permitted by Part 5 of National Instrument 81-101 Mutual Fund Prospectus Disclosure. When a multiple fund facts document is permitted under the Instrument, a mutual fund must provide information about each of the mutual funds described in the document on a fund-by-fund or catalogue basis and must set out for each mutual fund separately the information required by this Form. Each fund facts document must start on a new page, and may not share a page with another fund facts document.*

#### *Multi-Class Mutual Funds*

(17) *As provided in National Instrument 81-102 Investment Funds, a section, part, class or series of a class of securities of a mutual fund that is referable to a separate portfolio of assets is considered to be a separate mutual fund. Those principles apply to National Instrument 81-101 Mutual Fund Prospectus Disclosure and this Form.*



## PART I INFORMATION ABOUT THE FUND

### Item 1: Introduction

Include at the top of the first page a heading consisting of:

- (a) the title “Fund Facts”;
- (b) the name of the manager of the mutual fund;
- (c) the name of the mutual fund to which the fund facts document pertains;
- (c.1) if the mutual fund has more than one class or series of securities, the name of the class or series described in the fund facts document;
- (d) the date of the document;
- (e) a brief introduction to the document using wording substantially similar to the following:

“This document contains key information you should know about [insert name of the mutual fund]. You can find more details in the fund’s simplified prospectus. Ask your representative for a copy, contact [insert name of the manager of the mutual fund] at [insert if applicable the toll-free number and email address of the manager of the mutual fund] or visit [insert the website of the mutual fund, the mutual fund’s family or the manager of the mutual fund] [as applicable]”; and

- (f) state in bold type using wording substantially similar to the following:  
‘Before you invest in any fund, consider how the fund would work with your other investments and your tolerance for risk.

#### INSTRUCTION:

*The date for a fund facts document that is filed with a preliminary simplified prospectus or simplified prospectus must be the date of the certificate contained in the related annual information form. The date for a fund facts document that is filed with a pro forma simplified prospectus must be the date of the anticipated simplified prospectus. The date for an amended fund facts document must be the date of the certificate contained in the related amended annual information form.*

### Item 2: Quick Facts

Under the heading “Quick Facts”, include disclosure in the form of the following table:

<b>Fund code:</b> (see instruction 0.1)	<b>Fund manager:</b> (see instruction 3.1)
<b>Date [class/series] started:</b> (see instruction 1)	<b>Portfolio manager:</b> (see instruction 4)
<b>Total value of the fund on [date]:</b> (see instruction 2)	<b>Distributions:</b> (see instruction 5)
<b>Management expense ratio (MER):</b> (see instruction 3)	<b>Minimum investment:</b> (see instruction 6)

**INSTRUCTIONS:**

- (0.1) At the option of the mutual fund, include all recognized and publicly available identification codes for the class or series of the mutual fund.*
- (1) Use the date that the securities of the class or series of the mutual fund described in the fund facts document first became available to the public.*
- (2) Specify the net asset value of the mutual fund as at a date within 60 days before the date of the fund facts document. The amount disclosed must take into consideration all classes or series that are referable to the same portfolio of assets. For a newly established mutual fund, simply state that this information is not available because it is a new mutual fund.*
- (3) Use the management expense ratio (MER) disclosed in the most recently filed management report of fund performance (MRFP) for the mutual fund. The MER must be net of fee waivers or absorptions and, despite section 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, need not include any additional disclosure about the waivers or absorptions. For a newly established mutual fund that has not yet filed a management report of fund performance, state that the MER is not available because it is a new mutual fund.*
- (3.1) Specify the name of the manager of the mutual fund.*
- (4) Name the mutual fund's portfolio manager. The mutual fund may also name the specific individual(s) responsible for portfolio selection and if applicable, the name of the sub-advisor(s).*
- (5) Include disclosure under this element of the "Quick Facts" only if distributions are a fundamental feature of the mutual fund. Disclose the expected frequency and timing of distributions. If there is a targeted amount for distributions, the mutual fund may include this information.*
- (6) Specify both the minimum amount for an initial investment and for each additional investment. This can include minimum amounts for pre-authorized contribution plans.*

**Item 3: Investments of the Fund**

- (1) Briefly set out under the heading "What does the fund invest in?" a description of the fundamental nature of the mutual fund, or the fundamental features of the mutual fund that distinguish it from other mutual funds.*
- (2) For an index mutual fund:*
- (a) disclose the name or names of the permitted index or permitted indices on which the investments of the index mutual fund are based; and*
  - (b) briefly describe the nature of that permitted index or those permitted indices.*
- (3) Include an introduction to the information provided in response to subsection (4) and subsection (5) using wording similar to the following:*
- The charts below give you a snapshot of the fund's investments on [insert date]. The fund's investments will change.*
- (4) Include under the sub-heading "Top 10 investments [date]", a table disclosing the following:*
- (a) the top 10 positions held by the mutual fund, each expressed as a percentage of the net asset value of the mutual fund;*

- (b) the percentage of net asset value of the mutual fund represented by the top 10 positions; and
  - (c) the total number of positions held by the mutual fund.
- (5) Under the sub-heading “Investment mix [date]” include at least one, and up to two, charts or tables that illustrate the investment mix of the mutual fund’s investment portfolio.

**INSTRUCTIONS:**

- (1) *Include in the information under “What does this fund invest in?” a description of what the mutual fund primarily invests in, or intends to primarily invest in, or that its name implies that it will primarily invest in, such as:*
  - (a) *particular types of issuers, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;*
  - (b) *particular geographic locations or industry segments; or*
  - (c) *portfolio assets other than securities.*
- (2) *Include a particular investment strategy only if it is an essential aspect of the mutual fund, as evidenced by the name of the mutual fund or the manner in which the mutual fund is marketed.*
- (3) *If a mutual fund’s stated objective is to invest primarily in Canadian securities, specify the maximum exposure to investments in foreign markets.*
- (4) *The information under “Top 10 investments” and “Investment mix” is intended to give a snapshot of the composition of the mutual fund’s investment portfolio. The information required to be disclosed under these sub-headings must be as at a date within 60 days before the date of the fund facts document. The date shown must be the same as the one used in Item 2 for the total value of the mutual fund.*
- (5) *If the mutual fund owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.*
- (6) *Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.*
- (7) *Treat cash and cash equivalents as one separate discrete category.*
- (8) *In determining its holdings for purposes of the disclosure required by this Item, a mutual fund must, for each long position in a derivative that is held by the mutual fund for purposes other than hedging and for each index participation unit held by the mutual fund, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.*
- (9) *If a mutual fund invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other mutual fund, list the 10 largest holdings of the other mutual fund and show the percentage of the other mutual fund’s net asset value represented by the top 10 positions. If the mutual fund is not able to disclose this information as at a date within 60 days before the date of the fund facts document, the mutual fund must include this information as disclosed by the other mutual fund in the other mutual fund’s most recently filed fund facts document, or its most recently filed management report of fund performance, whichever is most recent.*

(10) *Indicate whether any of the mutual fund's top 10 positions are short positions.*

(11) *Each investment mix chart or table must show a breakdown of the mutual fund's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the mutual fund constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The mutual fund should use the most appropriate categories given the nature of the mutual fund. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the mutual fund's MRFP.*

(12) *In presenting the investment mix of the mutual fund, consider the most effective way of conveying the information to investors. All tables or charts must be clear and legible.*

(13) *For new mutual funds where the information required to be disclosed under "Top 10 investments" and "Investment mix" is not available, include the required sub-headings and provide a brief statement explaining why the required information is not available.*

#### **Item 4: Risks**

(1) Under the heading "How risky is it?", state the following:

The value of the fund can go down as well as up. You could lose money.

One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

(2) Under the sub-heading "Risk rating":

(a) using the investment risk classification methodology prescribed by Appendix F *Investment Risk Classification Methodology* to National Instrument 81-102 *Investment Funds*, identify the investment risk level on the following risk scale:

Low	Low to medium	Medium	Medium to high	High
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(b) unless the mutual fund is a newly established mutual fund, include an introduction to the risk scale which states the following:

[Insert name of manager of the mutual fund] has rated the volatility of this fund as [insert investment risk level identified in paragraph (a) in bold type].

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

- (c) for a newly established mutual fund, include an introduction to the risk scale which states the following:

[Insert name of manager of the mutual fund] has rated the volatility of this fund as [insert investment risk level identified in paragraph (a) in bold type].

Because this is a new fund, the risk rating is only an estimate by [insert name of manager of the mutual fund]. Generally, the rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.

- (d) following the risk scale, state using wording substantially similar to the following:

For more information about the risk rating and specific risks that can affect the fund's returns, see the [insert cross-reference to the appropriate section of the mutual fund's simplified prospectus] section of the fund's simplified prospectus.

- (3) Under the sub-heading "No guarantees", state using wording substantially similar to the following:

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

#### **INSTRUCTIONS:**

(1) *Based upon the investment risk classification methodology prescribed by Appendix F Investment Risk Classification Methodology to National Instrument 81-102 Investment Funds, as at the end of the period that ends within 60 days before the date of the fund facts document, identify where the mutual fund fits on the continuum of investment risk levels by showing the full investment risk scale set out in Item 4(2)(a) and highlighting the applicable category on the scale. Consideration should be given to ensure that the highlighted investment risk rating is easily identifiable.*

#### **Item 5: Past Performance**

- (1) Under the heading "How has the fund performed?", include an introduction using wording substantially similar to the following:

This section tells you how [name of class/series of securities described in the fund facts document] [units/shares] of the fund have performed over the past [insert number of calendar years shown in the bar chart required under paragraph (2)(a)] years. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

- (2) Under the sub-heading "Year-by-year returns",
- (a) provide a bar chart that shows the annual total return of the mutual fund, in chronological order with the most recent year on the right of the bar chart, for the lesser of:
    - (i) each of the 10 most recently completed calendar years; and
    - (ii) each of the completed calendar years in which the mutual fund has been in existence and which the mutual fund was a reporting issuer; and

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- (b) include an introduction to the bar chart using wording substantially similar to the following:

This chart shows how [name of class/series of securities described in the fund facts document] [units/shares] of the fund performed in each of the past [insert number of calendar years shown in the bar chart required under paragraph (a)]. The fund dropped in value in [for the particular years shown in the bar chart required under paragraph (a), insert the number of years in which the value of the mutual fund dropped] of the [insert number of calendar years shown in the bar chart required in paragraph (a)] years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.

- (3) Under the sub-heading “Best and worst 3-month returns”:

- (a) provide information for the period covered in the bar chart required under paragraph (2)(a) in the form of the following table:

	Return	3 months ending	If you invested \$1,000 at the beginning of the period
Best return	(see instruction 8)	(see instruction 10)	Your investment would [rise/drop] to (see instruction 12).
Worst return	(see instruction 9)	(see instruction 11)	Your investment would [rise/drop] to (see instruction 13).

- (b) include an introduction to the table using wording substantially similar to the following:

This table shows the best and worst returns for the [name of class/series of securities described in the fund facts document] [units/shares] of the fund in a 3-month period over the past [insert number of calendar years shown in the bar chart required under paragraph (2)(a)]. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

- (4) Under the sub-heading “Average return”, show the following:

- (a) the final value of a hypothetical \$1000 investment in the mutual fund as at the end of the period that ends within 60 days before the date of the fund facts document and consists of the lesser of:

- (i) 10 years; or
- (ii) the time since inception of the mutual fund;

- (b) the annual compounded rate of return that equates the hypothetical \$1000 investment to the final value.



## INSTRUCTIONS

- (1) *In responding to the requirements of this Item, a mutual fund must comply with the relevant sections of Part 15 of National Instrument 81-102 Investment Funds as if those sections applied to a fund facts document.*
- (2) *Use a linear scale for each axis of the bar chart required by this Item.*
- (3) *The x-axis and y-axis for the bar chart required by this Item must intersect at zero.*
- (4) *A mutual fund that distributes different classes or series of securities that are referable to the same portfolio of assets must show performance data related only to the specific class or series of securities being described in the fund facts document.*
- (5) *If the information required to be disclosed under this Item is not reasonably available, include the required sub-headings and provide a brief statement explaining why the required information is not available. Information relating to year-by-year returns in the bar chart will generally not be available for a mutual fund that has been distributing securities under a simplified prospectus for less than one calendar year. Information under 'Best and worst 3-month returns' and 'Average return' will generally not be available for a mutual fund that has been distributing securities under a simplified prospectus for less than 12 consecutive months.*
- (6) *The dollar amounts shown under this Item may be rounded up to the nearest dollar.*
- (7) *The percentage amounts shown under this Item may be rounded to one decimal place.*
- (8) *Show the best rolling 3-month return as at the end of the period that ends within 60 days before the date of the fund facts document.*
- (9) *Show the worst rolling 3-month return as at the end of the period that ends within 60 days before the date of the fund facts document.*
- (10) *Insert the end date for the best 3-month return period.*
- (11) *Insert the end date for the worst 3-month return period.*
- (12) *Insert the final value that would equate with a hypothetical \$1000 investment for the best 3-month return period shown in the table.*
- (13) *Insert the final value that would equate with a hypothetical \$1000 investment for the worst 3-month return period shown in the table.*

**Item 6: Repealed.** 24 Jan 2014 SR 2/2014 s3.

## Item 7: Suitability

(1) Provide a brief statement of the suitability of the mutual fund for particular investors under the heading "Who is this fund for?". Describe the characteristics of the investor for whom the mutual fund may or may not be an appropriate investment, and the portfolios for which the mutual fund is and is not suited.

(2) **Repealed.** 24 Jan 2014 SR 2/2014 s3.

## INSTRUCTION:

*If the mutual fund is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the mutual fund. Disclose both the types of investors who should not invest in the mutual fund, with regard to investments on both a short- and long-term basis, and the types of portfolios that should not invest in the mutual fund. If the mutual fund is particularly suitable for investors who have particular investment objectives, this can also be disclosed.*



**Item 8: Impact of Income Taxes on Investor Returns**

Under the heading “A word about tax” provide a brief explanation of the income tax consequences for investors using wording similar to the following:

In general, you’ll have to pay income tax on any money you make on a fund. How much you pay depends on the tax laws where you live and whether or not you hold the fund in a registered plan such as a Registered Retirement Savings Plan, or a Tax-Free Savings Account.

Keep in mind that if you hold your fund in a non-registered account, fund distributions are included in your taxable income, whether you get them in cash or have them reinvested.

**PART II COSTS, RIGHTS AND OTHER INFORMATION**

**Item 1: Costs of Buying, Owning and Selling the Fund**

**1.1 Introduction**

Under the heading ‘How much does it cost?’, state the following:

The following tables show the fees and expenses you could pay to buy, own and sell [name of the class/series of securities described in the fund facts document] [units/shares] of the fund. The fees and expenses - including any commissions - can vary among [classes/series] of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other funds and investments that may be suitable for you at a lower cost.

**1.2 Illustrations of Different Sales Charge Options**

(1) For a mutual fund with multiple sales charge options, include an introduction under the sub-heading “Sales charges” using wording similar to the following:

You have to choose a sales charge option when you buy the fund. Ask about the pros and cons of each option.

(2) Provide information about the sales charges payable by an investor under the available sales charge options in the form of the following table:

Sales charge option (see instruction 1)	What you pay		How it works (see instruction 4)
	in per cent (%)	in dollars (\$)	
	(see instruction 2)	(see instruction 3)	

(3) If the mutual fund has only one sales charge option, replace the introductory statement required in paragraph (1) above with a statement highlighting the sales charge option applicable to the mutual fund.

(4) If the mutual fund does not have any sales charges, replace the introductory statement and the table required in paragraph (1) and paragraph (2) above with a general statement explaining that no sales charges apply.

**INSTRUCTIONS:**

(1) *The mutual fund must disclose all sales charge options (e.g., initial sales charge, deferred sales charge) that apply to the class or series being described in the fund facts document. It is not necessary to disclose sales charge options that do not apply to the series or class to which the fund facts document relates.*

(2) *Specify each sales charge option as a percentage. For an initial sales charge, include a range for the amount that can be charged, if applicable. For a deferred sales charge, provide the full sales charge schedule.*

(3) *Specify each sales charge option in dollar terms. For an initial sales charge, include a range for the amount that can be charged on every \$1,000 investment, if applicable. For a deferred sales charge, include a range for the amount that can be charged on every \$1,000 redemption.*

(4) *Provide a brief overview of the key elements of how each sales charge option works including:*

- *whether the amount payable is negotiable;*
- *whether the amount payable is deducted from the amount paid at the time of purchase or from the amount received at the time of sale;*
- *who pays and who receives the amount payable under each sales charge option.*

*In the case of a deferred sales charge, the disclosure must also briefly state:*

- *any amount payable as an upfront sales commission;*
- *who pays and who receives the amount payable as the upfront sales commission;*
- *any free redemption amount and key details about how it works;*
- *whether switches can be made without incurring a sales charge; and*
- *how the amount paid by an investor at the time of a redemption of securities is calculated, for example, whether it is based on the net asset value of those securities at the time of redemption or another time.*

### 1.3 Fund expenses

(1) Under the sub-heading “Fund expenses” include an introduction using wording similar to the following:

You don’t pay these expenses directly. They affect you because they reduce the fund’s returns.

(2) Unless the mutual fund has not yet filed a management report of fund performance, provide information about the expenses of the mutual fund in the form of the following table:

	<b>Annual rate (as a % of the fund’s value)</b>
<b>Management expense ratio (MER)</b> This is the total of the fund’s management fee (including the trailing commission) and operating expenses. (see instruction 1)	(see instruction 2)
<b>Trading expense ratio (TER)</b> These are the fund’s trading costs.	(see instruction 3)
<b>Fund expenses</b>	(see instruction 4)

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(3) Unless the mutual fund has not yet filed a management report of fund performance, above the table required under subsection (2), include a statement using wording similar to the following:

As of [see instruction 5], the fund's expenses were [insert amount included in table required under subsection (2)]% of its value. This equals \$[see instruction 6] for every \$1,000 invested.

(4) For a mutual fund that has not yet filed a management report of fund performance, state the following:

The fund's expenses are made up of the management fee, operating expenses and trading costs. The [class'/series'] annual management fee is [see instruction 7]% of the [class'/series'] value. Because this [class'/series] is new, operating expenses and trading costs are not yet available.

(5) If the mutual fund pays an incentive fee that is determined by the performance of the mutual fund, provide a brief statement disclosing the amount of the fee and the circumstances in which the mutual fund will pay it.

(6) Under the sub-heading "More about the trailing commission", state whether the manager of the mutual fund or another member of the mutual fund's organization pays trailing commissions. If trailing commissions are paid, include a description using wording substantially similar to the following:

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and advice that your representative and their firm provide to you.

[Insert name of fund manager] pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The rate depends on the sales charge option you choose.

(7) If applicable, disclose the range of the rates of the trailing commission for each sales charge option disclosed under Item 1.2.

**INSTRUCTIONS:**

*(1) If any fees or expenses otherwise payable by the mutual fund were waived or otherwise absorbed by a member of the organization of the mutual fund, despite section 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, only include a statement in substantially the following words:*

*[Insert name of the manager of the mutual fund] waived some of the fund's expenses. If it had not done so, the MER would have been higher.*

*(2) Use the same MER that is disclosed in Item 2 of Part I of this Form.*

*(2.1) If applicable, include a reference to any fixed administration fees in the management expense ratio description required in the table under Item 1.3(2).*

*(3) Use the trading expense ratio disclosed in the most recently filed management report of fund performance (MRFP) for the mutual fund.*

*(4) The amount included for fund expenses is the amount arrived at by adding the MER and the trading expense ratio. Use a bold font or other formatting to indicate that fund expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the fund.*

- (5) *Insert the date of the most recently filed management report of fund performance.*
- (6) *Insert the equivalent dollar amount of the ongoing expenses of the fund for each \$1,000 investment.*
- (7) *The percentage disclosed for the management fee must correspond to the percentage shown in the fee table in the simplified prospectus.*
- (7.1) *For a mutual fund that is required to include the disclosure under subsection (4), in the description of the items that make up fund fees, include a reference to any fixed administrative fees, if applicable. Also disclose the amount of the fixed administration fee in the same manner as required for the management fee. The percentage disclosed for the fixed administration fee must correspond to the percentage shown in the fee table in the simplified prospectus.*
- (8) *In disclosing the range of rates of trailing commissions for each sales charge option, show both the percentage amount and the equivalent dollar amount for each \$1000 investment.*

#### 1.4 Other Fees

- (1) Under the sub-heading “Other fees”, provide an introduction using wording substantially similar to the following:

You may have to pay other fees when you buy, hold, sell or switch [units/shares] of the fund.

- (2) Provide information about the amount of fees, other than sales charges, payable by an investor when they buy, hold, sell or switch units or shares of the mutual fund, substantially in the form of the following table:

Fee	What you pay
(see instruction 1)	(see instruction 2)

#### INSTRUCTIONS:

- (1) *Under this Item, it is necessary to include only those fees that apply to the particular class or series of securities of the mutual fund. Examples include management fees and administration fees payable directly by investors, short-term trading fees, switch fees and change fees. This also includes any requirement for an investor to participate in a fee-based arrangement with their dealer in order to be eligible to purchase the particular class or series of securities of the mutual fund. If there are no other fees associated with buying, holding, selling or switching units or shares of the mutual fund, replace the table with a statement to that effect.*
- (2) *Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee. If the amount of the fee varies so that specific disclosure of the amount of the fee cannot be disclosed include, where possible, the highest possible rate or range for that fee.*

**Item 2: Statement of Rights**

Under the heading “What if I change my mind?”, state using wording substantially similar to the following:

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual funds within two business days after you receive a simplified prospectus or Fund Facts document; or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

**Item 3: More Information About the Fund**

(1) Under the heading “For more information”, state using wording substantially similar to the following:

Contact [insert name of the manager of the mutual fund] or your representative for a copy of the fund’s simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund’s legal documents.

(2) State the name, address and toll-free telephone number of the manager of the mutual fund. If applicable, also state the e-mail address and website of the manager of the mutual fund.

(3) State using wording substantially similar to the following:

To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at [www.securities-administrators.ca](http://www.securities-administrators.ca).

8 Jly 2011 SR 41/2011 s6; 29 Jne 2012 SR 43/2012 s3; 17 May 2013 SR 32/2013 s4; 17 May 2013 SR 33/2013 s4; 24 Jan 2014 SR 1/2014 s3 and SR 2/2014 s3; 12 Sep 2014 SR 77/2014 s5; 13 Mar 2015 SR 17/2015 s3; 4 Dec 2015 SR 104/2015 s3; 3 Mar 2017 SR 19/2017 s3.

PART VI  
[*clause 2(f)*]

NATIONAL INSTRUMENT 81-102 INVESTMENT FUNDS

PART 1 DEFINITIONS AND APPLICATION

1.1 Definitions

In this Instrument:

**“acceptable clearing corporation”** means a clearing corporation that is an acceptable clearing corporation under the Joint Regulatory Financial Questionnaire and Report;

**“advertisement”** means a sales communication that is published or designed for use on or through a public medium;

**“allocation service”** means an administrative service under which the investment of a person or company is allocated, in whole or in part, among mutual funds to which this Instrument applies and reallocated among those mutual funds and, if applicable, other assets according to an asset allocation strategy;

**“book-based system”** means a system for the central handling of securities or equivalent book-based entries under which all securities of a class or series deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery;

**“borrowing agent”** means any of the following:

- (a) a custodian or sub-custodian that holds assets in connection with a short sale of securities by an investment fund;
- (b) a qualified dealer from whom an investment fund borrows securities in order to sell them short;

**“cash cover”** means any of the following assets of a mutual fund that are held by the mutual fund, have not been allocated for specific purposes and are available to satisfy all or part of the obligations arising from a position in specified derivatives held by the mutual fund or from a short sale of securities made by the mutual fund:

- (a) cash;
- (b) cash equivalents;
- (c) synthetic cash;
- (d) receivables of the mutual fund arising from the disposition of portfolio assets, net of payables arising from the acquisition of portfolio assets;
- (e) securities purchased by the mutual fund in a reverse repurchase transaction under section 2.14, to the extent of the cash paid for those securities by the mutual fund;
- (f) each evidence of indebtedness that has a remaining term to maturity of 365 days or less and a designated rating;

- (g) each floating rate evidence of indebtedness if:
  - (i) the floating interest rate of the indebtedness is reset no later than every 185 days; and
  - (ii) the principal amount of the indebtedness will continue to have a market value of approximately par at the time of each change in the rate to be paid to the holders of the evidence of indebtedness;
- (h) securities issued by a money market fund;

**“cash equivalent”** means an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by:

- (a) the government of Canada or the government of a jurisdiction;
- (b) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has a designated rating; or
- (c) a Canadian financial institution, or a financial institution that is not incorporated or organized under the laws of Canada or of a jurisdiction if, in either case, evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a designated rating organization or its DRO affiliate have a designated rating;

**“clearing corporation”** means an organization through which trades in options or standardized futures are cleared and settled;

**“clearing corporation option”** means an option, other than an option on futures, issued by a clearing corporation;

**“clone fund”** means an investment fund that has adopted a fundamental investment objective to track the performance of another investment fund;

**“conventional convertible security”** means a security of an issuer that is, according to its terms, convertible into, or exchangeable for, other securities of the issuer, or of an affiliate of the issuer;

**“conventional floating rate debt instrument”** means an evidence of indebtedness of which the interest obligations are based upon a benchmark commonly used in commercial lending arrangements;

**“conventional warrant or right”** means a security of an issuer, other than a clearing corporation, that gives the holder the right to purchase securities of the issuer or of an affiliate of the issuer;

**“currency cross hedge”** means the substitution by an investment fund of a risk to one currency for a risk to another currency, if neither currency is a currency in which the investment fund determines its net asset value per security and the aggregate amount of currency risk to which the investment fund is exposed is not increased by the substitution;

**“custodian”** means the institution appointed by an investment fund to hold portfolio assets of the investment fund;

**“dealer managed investment fund”** means an investment fund the portfolio adviser of which is a dealer manager;



**“dealer manager”** means:

- (a) a specified dealer that acts as a portfolio adviser;
- (b) a portfolio adviser in which a specified dealer, or a partner, director, officer, salesperson or principal shareholder of a specified dealer, directly or indirectly owns of record or beneficially, or exercises control or direction over, securities carrying more than 10 percent of the total votes attaching to securities of the portfolio adviser; or
- (c) a partner, director or officer of a portfolio adviser referred to in clause (b);

**“debt-like security”** means a security purchased by a mutual fund, other than a conventional convertible security or a conventional floating rate debt instrument, that evidences an indebtedness of the issuer if:

- (a) either:
  - (i) the amount of principal, interest or principal and interest to be paid to the holder is linked in whole or in part by a formula to the appreciation or depreciation in the market price, value or level of one or more underlying interests on a predetermined date or dates; or
  - (ii) the security provides the holder with a right to convert or exchange the security into or for the underlying interest or to purchase the underlying interest; and
- (b) on the date of acquisition by the mutual fund, the percentage of the purchase price attributable to the component of the security that is not linked to an underlying interest is less than 80 percent of the purchase price paid by the mutual fund;

**“delta”** means the positive or negative number that is a measure of the change in market value of an option relative to changes in the value of the underlying interest of the option;

**“designated rating”** means:

- (a) for the purposes of paragraph 4.1(4)(b), a designated rating under paragraph (b) of the definition of “designated rating” in National Instrument 44-101 *Short Form Prospectus Distributions*, or
- (b) except as described in paragraph (a), a credit rating from a designated rating organization listed below, from a DRO affiliate of an organization listed below, from a designated rating organization that is a successor credit rating organization of an organization listed below or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories, or that is at or above a category that replaces one of the following corresponding rating categories, if:
  - (i) there has been no announcement from the designated rating organization, from a DRO affiliate of the organization, from a designated rating organization that is a successor credit rating organization or from a DRO affiliate of such successor credit rating organization, of which the investment fund or its manager is or reasonably should be aware that the credit rating of the security or instrument to which the designated rating was given may be down-graded to a rating category that would not be a designated rating, and

(ii) no designated rating organization listed below, no DRO affiliate of an organization listed below, no designated rating organization that is a successor credit rating organization of an organization listed below and no DRO affiliate of such successor credit rating organization, has rated the security or instrument in a rating category that is not a designated rating:

<b>Designated Rating Organization</b>	<b>Commercial Paper/ Short Term Debt</b>	<b>Long Term Debt</b>
DBRS Limited	R-1 (low)	A
Fitch Ratings, Inc.	F1	A
Moody's Canada Inc.	P-1	A2
S&P Global Ratings Canada	A-1 (Low)	A

**“designated rating organization”** means, if designated under securities legislation, any of

- (a) DBRS Limited, Fitch Ratings, Inc., Moody's Canada Inc. or S&P Global Ratings Canada, or
- (b) a successor credit rating organization of a credit rating organization listed in paragraph (a);

**“DRO affiliate”** has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*;

**“equivalent debt”** means, in relation to an option, swap, forward contract or debt-like security, an evidence of indebtedness of approximately the same term as, or a longer term than, the remaining term to maturity of the option, swap, contract or debt-like security and that ranks equally with, or subordinate to, the claim for payment that may arise under the option, swap, contract or debt-like security;

**“fixed portfolio ETF”** means an exchange-traded mutual fund not in continuous distribution that:

- (a) has fundamental investment objectives which include holding and maintaining a fixed portfolio of publicly traded equity securities of one or more issuers the names of which are disclosed in its prospectus; and
- (b) trades the securities referred to in paragraph (a) only in the circumstances disclosed in its prospectus;

**“floating rate evidence of indebtedness”** means an evidence of indebtedness that has a floating rate of interest determined over the term of the obligation by reference to a commonly used benchmark interest rate and that satisfies any of the following:

- (a) if the evidence of indebtedness was issued by a person or company other than a government or a permitted supranational agency, it has a designated rating;
- (b) the evidence of indebtedness was issued, or is fully and unconditionally guaranteed as to principal and interest, by any of the following:
  - (i) the government of Canada or the government of a jurisdiction of Canada;

(ii) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has a designated rating;

**“forward contract”** means an agreement, not entered into with, or traded on, a stock exchange or futures exchange or cleared by a clearing corporation, to do one or more of the following on terms or at a price established by or determinable by reference to the agreement and at or by a time in the future established by or determinable by reference to the agreement:

- (a) make or take delivery of the underlying interest of the agreement;
- (b) settle in cash instead of delivery;

**“fundamental investment objectives”** means the investment objectives of an investment fund that define both the fundamental nature of the investment fund and the fundamental investment features of the investment fund that distinguish it from other investment funds;

**“futures exchange”** means an association or organization operated to provide the facilities necessary for the trading of standardized futures;

**“government security”** means an evidence of indebtedness issued, or fully and unconditionally guaranteed as to principal and interest, by any of the government of Canada, the government of a jurisdiction or the government of the United States of America;

**“guaranteed mortgage”** means a mortgage fully and unconditionally guaranteed, or insured, by the government of Canada, by the government of a jurisdiction or by an agency of any of those governments or by a corporation approved by the Office of the Superintendent of Financial Institutions to offer its services to the public in Canada as an insurer of mortgages;

**“hedging”** means the entering into of a transaction, or a series of transactions, and the maintaining of the position or positions resulting from the transaction or series of transactions:

- (a) if:
  - (i) the intended effect of the transaction, or the intended cumulative effect of the series of transactions, is to offset or reduce a specific risk associated with all or a portion of an existing investment or position or group of investments or positions;
  - (ii) the transaction or series of transactions results in a high degree of negative correlation between changes in the value of the investment or position, or group of investments or positions, being hedged and changes in the value of the instrument or instruments with which the investment or position is hedged; and
  - (iii) there are reasonable grounds to believe that the transaction or series of transactions no more than offset the effect of price changes in the investment or position, or group of investments or positions, being hedged; or
- (b) if the transaction, or series of transactions, is a currency cross hedge;

**“IIROC”** means the Investment Industry Regulatory Organization of Canada;

**“illiquid asset”** means:

- (a) a portfolio asset that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the portfolio asset is valued in calculating the net asset value per security of the mutual fund; or
- (b) a restricted security held by a mutual fund, the resale of which is prohibited by a representation, undertaking or agreement by the mutual fund or by the predecessor in title of the mutual fund;

**“independent review committee”** means the independent review committee of the investment fund established under National Instrument 81-107 *Independent Review Committee for Investment Funds*;

**“index mutual fund”** means a mutual fund that has adopted fundamental investment objectives that require the mutual fund to:

- (a) hold the securities that are included in a permitted index or permitted indices of the mutual fund in substantially the same proportion as those securities are reflected in that permitted index or those permitted indices; or
- (b) invest in a manner that causes the mutual fund to replicate the performance of that permitted index or those permitted indices;

**“index participation unit”** means a security traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to:

- (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index; or
- (b) invest in a manner that causes the issuer to replicate the performance of that index;

**“investment fund conflict of interest investment restrictions”** means the provisions of securities legislation that are referred to in Appendix D;

**“investment fund conflict of interest reporting requirements”** means the provisions of securities legislation that are referred to in Appendix E;

**“investor fees”** means, in connection with the purchase, conversion, holding, transfer or redemption of securities of an investment fund, all fees, charges and expenses that are or may become payable by a securityholder of the investment fund to:

- (a) in the case of a mutual fund, a member of the organization of the mutual fund other than a member of the organization acting solely as a participating dealer; and
- (b) in the case of a non-redeemable investment fund, the manager of the non-redeemable investment fund;

**“Joint Regulatory Financial Questionnaire and Report”** means the Joint Regulatory Financial Questionnaire and Report of various Canadian SROs on the date that this Instrument comes into force and every successor to the form that does not materially lessen the criteria for an entity to be recognized as an “acceptable clearing corporation”;

**“long position”** means a position held by an investment fund that, for:

- (a) an option, entitles the investment fund to elect to purchase, sell, receive or deliver the underlying interest or, instead, pay or receive cash;
- (b) a standardized future or forward contract, obliges the investment fund to accept delivery of the underlying interest or, instead, pay or receive cash;
- (c) a call option on futures, entitles the investment fund to elect to assume a long position in standardized futures;
- (d) a put option on futures, entitles the investment fund to elect to assume a short position in standardized futures; and
- (e) a swap, obliges the investment fund to accept delivery of the underlying interest or receive cash;

**“management expense ratio”** means the ratio, expressed as a percentage, of the expenses of an investment fund to its average net asset value, calculated in accordance with Part 15 of National Instrument 81-106 *Investment Fund Continuous Disclosure*;

**“manager”** means an investment fund manager;

**“manager-prescribed number of units”** means, in relation to an exchange-traded mutual fund that is in continuous distribution, the number of units determined by the manager from time to time for the purposes of subscription orders, exchanges, redemptions or for other purposes;

**“material change”** has the meaning ascribed to that term in National Instrument 81-106 *Investment Fund Continuous Disclosure*;

**“member of the organization”** has the meaning ascribed to that term in National Instrument 81-105 Mutual Fund Sales Practices;

**“MFDA”** means the Mutual Fund Dealers Association of Canada;

**“money market fund”** means a mutual fund that invests its assets in accordance with section 2.18;

**“mortgage”** includes a hypothec or security that creates a charge on real property in order to secure a debt;

**“mutual fund rating entity”** means an entity:

- (a) that rates or ranks the performance of mutual funds or asset allocation services through an objective methodology that is:
  - (i) based on quantitative performance measurements;
  - (ii) applied consistently to all mutual funds or asset allocation services rated or ranked by it; and
  - (iii) disclosed on the entity’s website;

- (b) that is not a member of the organization of any mutual fund; and
- (c) whose services to assign a rating or ranking to any mutual fund or asset allocation service are not procured by the promoter, manager, portfolio adviser, principal distributor or participating dealer of any mutual fund or asset allocation service, or any of their affiliates;

**“net asset value”** means the value of the total assets of the investment fund less the value of the total liabilities, other than net assets attributable to securityholders, of the investment fund, as at a specific date, determined in accordance with Part 14 of National Instrument 81-106 *Investment Fund Continuous Disclosure*;

**“NI 81-107”** means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

**“non-resident sub-adviser”** means a person or company providing portfolio management advice:

- (a) whose principal place of business is outside of Canada;
- (b) that advises a portfolio adviser to an investment fund; and
- (c) that is not registered under securities legislation in the jurisdiction in which the portfolio adviser that it advises is located;

**“option”** means an agreement that provides the holder with the right, but not the obligation, to do one or more of the following on terms or at a price established by or determinable by reference to the agreement at or by a time established by the agreement:

- (a) receive an amount of cash determinable by reference to a specified quantity of the underlying interest of the option;
- (b) purchase a specified quantity of the underlying interest of the option;
- (c) sell a specified quantity of the underlying interest of the option;

**“option on futures”** means an option the underlying interest of which is a standardized future;

**“order receipt office”** means, for a mutual fund:

- (a) the principal office of the mutual fund;
- (b) the principal office of the principal distributor of the mutual fund; or
- (c) a location to which a purchase order or redemption order for securities of the mutual fund is required or permitted by the mutual fund to be delivered by participating dealers or the principal distributor of the mutual fund;

**“overall rating or ranking”** means a rating or ranking of a mutual fund or asset allocation service that is calculated from standard performance data for one or more performance measurement periods, which includes the longest period for which the mutual fund or asset allocation service is required under securities legislation to calculate standard performance data, other than the period since the inception of the mutual fund;

**“participating dealer”** means a dealer other than the principal distributor that distributes securities of a mutual fund;

**“participating fund”** means a mutual fund in which an asset allocation service permits investment;

**“performance data”** means a rating, ranking, quotation, discussion or analysis regarding an aspect of the investment performance of an investment fund, an asset allocation service, a security, an index or a benchmark;

**“permitted gold certificate”** means a certificate representing gold if the gold is:

- (a) available for delivery in Canada, free of charge, to or to the order of the holder of the certificate;
- (b) of a minimum fineness of 995 parts per 1,000;
- (c) held in Canada;
- (d) in the form of either bars or wafers; and
- (e) if not purchased from a bank listed in Schedule I, II or III of the *Bank Act* (Canada), fully insured against loss and bankruptcy by an insurance company licensed under the laws of Canada or a jurisdiction;

**“permitted index”** means, in relation to a mutual fund, a market index that is:

- (a) both:
  - (i) administered by an organization that is not affiliated with any of the mutual fund, its manager, its portfolio adviser or its principal distributor; and
  - (ii) available to persons or companies other than the mutual fund; or
- (b) widely recognized and used;

**“permitted supranational agency”** means the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development and the International Finance Corporation;

**“physical commodity”** means, in an original or processed state, an agricultural product, forest product, product of the sea, mineral, metal, hydrocarbon fuel product, precious stone or other gem;

**“portfolio adviser”** means a person or company that provides investment advice or portfolio management services under a contract with the investment fund or with the manager of the investment fund;

**“portfolio asset”** means an asset of an investment fund;

**“pricing date”** means, for the sale of a security of a mutual fund, the date on which the net asset value per security of the mutual fund is calculated for the purpose of determining the price at which that security is to be issued;



**“principal distributor”** means a person or company through whom securities of a mutual fund are distributed under an arrangement with the mutual fund or its manager that provides:

- (a) an exclusive right to distribute the securities of the mutual fund in a particular area; or
- (b) a feature that gives or is intended to give the person or company a material competitive advantage over others in the distribution of the securities of the mutual fund;

**“public quotation”** includes, for the purposes of calculating the amount of illiquid assets held by a mutual fund, any quotation of a price for a fixed income security made through the inter-dealer bond market;

**“purchase”** means, in connection with an acquisition of a portfolio asset by an investment fund, an acquisition that is the result of a decision made and action taken by the investment fund;

**“qualified security”** means:

- (a) an evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest, by:
  - (i) the government of Canada or the government of a jurisdiction;
  - (ii) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state, or a permitted supranational agency, if, in each case, the evidence of indebtedness has a designated rating; or
  - (iii) a Canadian financial institution or a financial institution that is not incorporated or organized under the laws of Canada or of a jurisdiction if, in either case, evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a designated rating organization or its DRO affiliate have a designated rating; or
- (b) commercial paper that has a term to maturity of 365 days or less and a designated rating and that was issued by a person or company other than a government or permitted supranational agency;

**“report to securityholders”** means a report that includes annual financial statements or interim financial reports, or an annual or interim management report of fund performance, and that is delivered to securityholders of an investment fund;

**“restricted security”** means a security, other than a specified derivative, the resale of which is restricted or limited by a representation, undertaking or agreement by the mutual fund or by the mutual fund’s predecessor in title, or by law;

**“sales communication”** means a communication relating to, and by, an investment fund or asset allocation service, its promoter, manager, portfolio adviser, principal distributor, a participating dealer or a person or company providing services to any of them, that:

- (a) is made:
  - (i) to a securityholder of the investment fund or participant in the asset allocation service; or

- (ii) to a person or company that is not a securityholder of the investment fund or participant in the asset allocation service, to induce the purchase of securities of the investment fund or the use of the asset allocation service; and
- (b) in the case of an investment fund, is not contained in any of the following documents of the investment fund:
  - 1. A prospectus or preliminary or *pro forma* prospectus.
  - 2. An annual information form or preliminary or *pro forma* annual information form.
  - 3. A fund facts document or preliminary or *pro forma* fund facts document.
  - 4. Financial statements, including the notes to the financial statements and the auditor's report on the financial statements.
  - 5. A trade confirmation.
  - 6. A statement of account.
  - 7. Annual or interim management report of fund performance;

**“scholarship plan”** has the meaning ascribed to that term in section 1.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure*;

**“short position”** means a position held by an investment fund that, for:

- (a) an option, obliges the investment fund, at the election of another, to purchase, sell, receive or deliver the underlying interest, or, instead, pay or receive cash;
- (b) a standardized future or forward contract, obliges the investment fund, at the election of another, to deliver the underlying interest or, instead, pay or receive cash;
- (c) a call option on futures, obliges the investment fund, at the election of another, to assume a short position in standardized futures; and
- (d) a put option on futures, obliges the investment fund, at the election of another, to assume a long position in standardized futures;

**“special warrant”** means a security that, by its terms or the terms of an accompanying contractual obligation, entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of the special warrant or the other security to undertake efforts to file a prospectus to qualify the distribution of the other security;

**“specified asset-backed security”** means a security that:

- (a) is primarily serviced by the cash flows of a discrete pool of receivables or other financial assets, either fixed or revolving, that by their terms convert into cash within a finite time, and any rights or assets designed to assure the servicing or timely distribution of proceeds to securityholders; and
- (b) by its terms entitles an investor in that security to a return of the investment of that investor at or by a time established by or determinable by reference to an agreement, except as a result of losses incurred on, or the non-performance of, the financial assets;

**“specified dealer”** means a dealer other than a dealer whose activities as a dealer are restricted by the terms of its registration to one or both of:

- (a) acting solely in respect of mutual fund securities;
- (b) acting solely in respect of transactions in which a person or company registered in the category of exempt market dealer in a jurisdiction is permitted to engage;

**“specified derivative”** means an instrument, agreement or security, the market price, value or payment obligations of which are derived from, referenced to or based on an underlying interest, other than:

- (a) a conventional convertible security;
- (b) a specified asset-backed security;
- (c) an index participation unit;
- (d) a government or corporate strip bond;
- (e) a capital, equity dividend or income share of a subdivided equity or fixed income security;
- (f) a conventional warrant or right; or
- (g) a special warrant;

**“standardized future”** means an agreement traded on a futures exchange pursuant to standardized conditions contained in the by-laws, rules or regulations of the futures exchange, and cleared by a clearing corporation, to do one or more of the following at a price established by or determinable by reference to the agreement and at or by a time established by or determinable by reference to the agreement:

- (a) make or take delivery of the underlying interest of the agreement;
- (b) settle the obligation in cash instead of delivery of the underlying interest;

**“sub-custodian”** means, for an investment fund, an entity that has been appointed to hold portfolio assets of the investment fund in accordance with section 6.1 by either the custodian or a sub-custodian of the investment fund;

**“successor credit rating organization”** means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization

**“swap”** means an agreement that provides for:

- (a) an exchange of principal amounts;
- (b) the obligation to make, and the right to receive, cash payments based upon the value, level or price, or on relative changes or movements of the value, level or price, of one or more underlying interests, which payments may be netted against each other; or
- (c) the right or obligation to make, and the right or obligation to receive, physical delivery of an underlying interest instead of the cash payments referred to in clause (b);

**“synthetic cash”** means a position that in aggregate provides the holder with the economic equivalent of the return on a banker’s acceptance accepted by a bank listed in Schedule I of the *Bank Act* (Canada) and that consists of:

- (a) a long position in a portfolio of shares and a short position in a standardized future of which the underlying interest consists of a stock index, if:
  - (i) there is a high degree of positive correlation between changes in the value of the portfolio of shares and changes in the value of the stock index; and
  - (ii) the ratio between the value of the portfolio of shares and the standardized future is such that, for any change in the value of one, a change of similar magnitude occurs in the value of the other;
- (b) a long position in the evidences of indebtedness issued, or fully and unconditionally guaranteed as to principal and interest, by any of the government of Canada or the government of a jurisdiction and a short position in a standardized future of which the underlying interest consists of evidences of indebtedness of the same issuer and same term to maturity, if:
  - (i) there is a high degree of positive correlation between changes in the value of the portfolio of evidences of indebtedness and changes in the value of the standardized future; and
  - (ii) the ratio between the value of the evidences of indebtedness and the standardized future is such that, for any change in the value of one, a change of similar magnitude occurs in the value of the other; or
- (c) a long position in securities of an issuer and a short position in a standardized future of which the underlying interest is securities of that issuer, if the ratio between the value of the securities of that issuer and the position in the standardized future is such that, for any change in the value of one, a change of similar magnitude occurs in the value of the other;

**“underlying interest”** means, for a specified derivative, the security, commodity, financial instrument, currency, interest rate, foreign exchange rate, economic indicator, index, basket, agreement, benchmark or any other reference, interest or variable, and, if applicable, the relationship between any of the foregoing, from, to or on which the market price, value or payment obligation of the specified derivative is derived, referenced or based; and

**“underlying market exposure”** means, for a position of an investment fund in:

- (a) an option, the quantity of the underlying interest of the option position multiplied by the market value of one unit of the underlying interest, multiplied, in turn, by the delta of the option;
- (b) a standardized future or forward contract, the quantity of the underlying interest of the position multiplied by the current market value of one unit of the underlying interest; or
- (c) a swap, the underlying market exposure, as calculated under clause (b), for the long position of the investment fund in the swap.

## 1.2 Application

- (1) This Instrument applies only to:
  - (a) a mutual fund that offers or has offered securities under a prospectus for so long as the mutual fund remains a reporting issuer;
  - (a.1) a non-redeemable investment fund that is a reporting issuer; and
  - (b) a person or company in respect of activities pertaining to an investment fund referred to in paragraphs (a) and (a.1) or pertaining to the filing of a prospectus to which subsection 3.1(1) applies.
- (2) Despite subsection (1), this Instrument does not apply to a scholarship plan.
- (3) Despite subsection (1), in Québec, in respect of investment funds organized under an Act to establish the *Fonds de solidarité des travailleurs du Québec (F.T.Q.)* (chapter F-3.2.1), an Act to establish *Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi* (chapter F-3.1.2), or an Act constituting *Capital régional et coopératif Desjardins* (chapter C-6.1), the following requirements apply:
  - (a) sections 2.12 to 2.17;
  - (b) Part 6;
  - (c) Part 15, except for paragraph 15.8(2)(b);
  - (d) Part 19;
  - (e) Part 20.
- (4) For greater certainty, in British Columbia, if a provision of this Instrument conflicts or is inconsistent with a provision of the *Employee Investment Act* (British Columbia) or the *Small Business Venture Capital Act* (British Columbia), the provision of the *Employee Investment Act* or the *Small Business Venture Capital Act*, as the case may be, prevails.

## 1.3 Interpretation

- (1) Each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund for purposes of this Instrument.
- (2) An investment fund that renews or extends a securities lending, repurchase or reverse repurchase transaction is entering into a securities lending, repurchase or reverse repurchase agreement for the purposes of section 2.12, 2.13 or 2.14.

## PART 2 INVESTMENTS

### 2.1 Concentration Restriction

- (1) A mutual fund must not purchase a security of an issuer, enter into a specified derivatives transaction or purchase index participation units if, immediately after the transaction, more than 10 percent of its net asset value, would be invested in securities of any issuer.

- (2) Subsection (1) does not apply to the purchase of any of the following:
- (a) a government security;
  - (b) a security issued by a clearing corporation;
  - (c) a security issued by a mutual fund if the purchase is made in accordance with the requirements of section 2.5;
  - (d) an index participation unit that is a security of a mutual fund;
  - (e) an equity security if the purchase is made by a fixed portfolio ETF in accordance with its investment objectives.
- (3) In determining a mutual fund's compliance with the restrictions contained in this section, the mutual fund must, for each long position in a specified derivative that is held by the mutual fund for purposes other than hedging and for each index participation unit held by the mutual fund, consider that it holds directly the underlying interest of that specified derivative or its proportionate share of the securities held by the issuer of the index participation unit.
- (4) Notwithstanding subsection (3), the mutual fund must not include in the determination referred to in subsection (3) a security or instrument that is a component of, but that represents less than 10 percent of:
- (a) a stock or bond index that is the underlying interest of a specified derivative; or
  - (b) the securities held by the issuer of an index participation unit.
- (5) Despite subsection (1), an index mutual fund, the name of which includes the word "index", may, in order to satisfy its fundamental investment objectives, purchase a security, enter into a specified derivatives transaction or purchase index participation units if its prospectus contains the disclosure referred to in subsection (5) of Item 6 and subsection (5) of Item 9 of Part B of Form 81-101F1 Contents of Simplified Prospectus.

## **2.2 Control Restrictions**

- (1) An investment fund must not purchase a security of an issuer:
- (a) if, immediately after the purchase, the investment fund would hold securities representing more than 10% of:
    - (i) the votes attaching to the outstanding voting securities of the issuer; or
    - (ii) the outstanding equity securities of the issuer; or
  - (b) for the purpose of exercising control over, or management of, the issuer.
- (1.1) Subsection (1) does not apply to the purchase of any of the following:
- (a) a security issued by an investment fund if the purchase is made in accordance with section 2.5;
  - (b) an index participation unit that is a security of an investment fund.

- (2) If an investment fund acquires a security of an issuer other than as the result of a purchase, and the acquisition results in the investment fund exceeding the limits described in clause (1)(a), the investment fund must as quickly as is commercially reasonable, and in any event no later than 90 days after the acquisition, reduce its holdings of those securities so that it does not hold securities exceeding those limits.
- (3) In determining its compliance with the restrictions contained in this section, an investment fund must:
- (a) assume the conversion of special warrants held by it; and
  - (b) consider that it holds directly the underlying securities represented by any American depositary receipts held by it.

### **2.3 Restrictions Concerning Types of Investments**

- (1) A mutual fund must not:
- (a) purchase real property;
  - (b) purchase a mortgage, other than a guaranteed mortgage;
  - (c) purchase a guaranteed mortgage if, immediately after the purchase, more than 10 percent of its net asset value would be made up of guaranteed mortgages;
  - (d) purchase a gold certificate, other than a permitted gold certificate;
  - (e) purchase gold or a permitted gold certificate if, immediately after the purchase, more than 10 percent of its net asset value would be made up of gold and permitted gold certificates;
  - (f) except to the extent permitted by clauses (d) and (e), purchase a physical commodity;
  - (g) purchase, sell or use a specified derivative other than in compliance with sections 2.7 to 2.11;
  - (h) purchase, sell or use a specified derivative the underlying interest of which is:
    - (i) a physical commodity other than gold; or
    - (ii) a specified derivative of which the underlying interest is a physical commodity other than gold; or
  - (i) purchase an interest in a loan syndication or loan participation if the purchase would require the mutual fund to assume any responsibilities in administering the loan in relation to the borrower.
- (2) A non-redeemable investment fund must not do any of the following:
- (a) purchase real property;
  - (b) purchase a mortgage, other than a guaranteed mortgage;
  - (c) purchase an interest in a loan syndication, or loan participation, if the purchase would require the non-redeemable investment fund to assume any responsibilities in administering the loan in relation to the borrower.



## 2.4 Restrictions Concerning Illiquid Assets

- (1) A mutual fund must not purchase an illiquid asset if, immediately after the purchase, more than 10 percent of its net asset value would be made up of illiquid assets.
- (2) A mutual fund must not have invested, for a period of 90 days or more, more than 15 percent of its net asset value, in illiquid assets.
- (3) If more than 15 percent of the net asset value of a mutual fund is made up of illiquid assets, the mutual fund must, as quickly as is commercially reasonable, take all necessary steps to reduce the percentage of its net asset value made up of illiquid assets to 15 percent or less.

## 2.5 Investments in Other Investment Funds

- (1) For the purposes of this section, an investment fund is considered to be holding a security of another investment fund if:
  - (a) it holds securities issued by the other investment fund; or
  - (b) it is maintaining a position in a specified derivative for which the underlying interest is a security of the other investment fund.
- (2) An investment fund must not purchase or hold a security of another investment fund unless:
  - (a) if the investment fund is a mutual fund, the other investment fund is a mutual fund that is subject to this Instrument and offers or has offered securities under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;
    - (a.1) if the investment fund is a non-redeemable investment fund, one or both of the following apply:
      - (i) the other investment fund is subject to this Instrument;
      - (ii) the other investment fund complies with the provisions of this Instrument applicable to a non-redeemable investment fund;
    - (b) at the time of the purchase of that security, the other investment fund holds no more than 10% of its net asset value in securities of the other investment funds;
    - (c) if the investment fund is a mutual fund, the investment fund and the other investment fund are reporting issuers in the local jurisdiction;
      - (c.1) if the investment fund is a non-redeemable investment fund, the other investment fund is a reporting issuer in a jurisdiction in which the investment fund is a reporting issuer;
    - (d) no management fees or incentive fees are payable by the investment fund that, to a reasonable person, would duplicate a fee payable by the other investment fund for the same service;
    - (e) no sales fees or redemption fees are payable by the investment fund in relation to its purchases or redemptions of the securities of the other investment fund if the other investment fund is managed by the manager or an affiliate or associate of the manager of the investment fund; and

- (f) no sales fees or redemption fees are payable by the investment fund in relation to its purchases or redemptions of securities of the other investment fund that, to a reasonable person, would duplicate a fee payable by an investor in the investment fund.
- (3) Paragraphs (2)(a), (a.1), (c) and (c.1) do not apply if the security:
  - (a) is an index participation unit issued by an investment fund; or
  - (b) is issued by another investment fund established with the approval of the government of a foreign jurisdiction and the only means by which the foreign jurisdiction permits investment in the securities of issuers of that foreign jurisdiction is through that type of investment fund.
- (4) Paragraph (2)(b) does not apply if the other investment fund:
  - (a) is a clone fund; or
  - (b) in accordance with this section purchases or holds securities:
    - (i) of a money market fund; or
    - (ii) that are index participation units issued by an investment fund.
- (5) Paragraphs (2)(e) and (f) do not apply to brokerage fees incurred for the purchase or sale of an index participation unit issued by an investment fund.
- (6) An investment fund that holds securities of another investment fund that is managed by the same manager or an affiliate or associate of the manager:
  - (a) must not vote any of those securities; and
  - (b) may, if the manager so chooses, arrange for all of the securities it holds of the other investment fund to be voted by the beneficial holders of securities of the investment fund.
- (7) The investment fund conflict of interest investment restrictions and the investment fund conflict of interest reporting requirements do not apply to an investment fund which purchases or holds securities of another investment fund if the purchase or holding is made in accordance with this section.

## 2.6 Investment Practices

An investment fund must not:

- (a) in the case of a mutual fund, borrow cash or provide a security interest over any of its portfolio assets unless:
  - (i) the transaction is a temporary measure to accommodate requests for the redemption of securities of the mutual fund while the mutual fund effects an orderly liquidation of portfolio assets, or to permit the mutual fund to settle portfolio transactions and, after giving effect to all transactions undertaken under this subclause, the outstanding amount of all borrowings of the mutual fund does not exceed five percent of its net asset value at the time of the borrowing;
  - (ii) the security interest is required to enable the mutual fund to effect a specified derivative transaction or short sale of securities under this Instrument, is made in accordance with industry practice for that type of transaction and relates only to obligations arising under the particular specified derivatives transaction or short sale;

- (iii) the security interest secures a claim for the fees and expenses of the custodian or a sub-custodian of the mutual fund for services rendered in that capacity as permitted by subsection 6.4(3); or
- (iv) in the case of an exchange-traded mutual fund that is not in continuous distribution, the transaction is to finance the acquisition of its portfolio securities and the outstanding amount of all borrowings is repaid on the closing of its initial public offering;
- (b) in the case of a mutual fund, purchase securities on margin, unless permitted by section 2.7 or 2.8;
- (c) in the case of a mutual fund, sell securities short other than in compliance with section 2.6.1, unless permitted by section 2.7 or 2.8;
- (d) purchase a security, other than a specified derivative, that by its terms may require the investment fund to make a contribution in addition to the payment of the purchase price;
- (e) engage in the business of underwriting, or marketing to the public, securities of any other issuer;
- (f) lend cash or portfolio assets other than cash;
- (g) guarantee securities or obligations of a person or company; or
- (h) purchase securities other than through market facilities through which these securities are normally bought and sold unless the purchase price approximates the prevailing market price or the parties are at arm's length in connection with the transaction.

### 2.6.1 Short Sales

- (1) A mutual fund may sell a security short if:
  - (a) the security sold short is sold for cash;
  - (b) the security sold short is not any of the following:
    - (i) a security that the mutual fund is otherwise not permitted by securities legislation to purchase at the time of the short sale transaction;
    - (ii) an illiquid asset;
    - (iii) a security of an investment fund other than an index participation unit; and
  - (c) at the time the mutual fund sells the security short:
    - (i) the mutual fund has borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale;
    - (ii) the aggregate market value of all securities of the issuer of the securities sold short by the mutual fund does not exceed 5% of the net asset value of the mutual fund; and
    - (iii) the aggregate market value of all securities sold short by the mutual fund does not exceed 20% of the net asset value of the mutual fund.

(2) A mutual fund that sells securities short must hold cash cover in an amount that, together with portfolio assets deposited with borrowing agents as security in connection with short sales of securities by the mutual fund, is at least 150% of the aggregate market value of all securities sold short by the mutual fund on a daily mark-to-market basis.

(3) A mutual fund must not use the cash from a short sale to enter into a long position in a security, other than a security that qualifies as cash cover.

## **2.7 Transactions in Specified Derivatives for Hedging and Non-hedging Purposes**

(1) A mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, any of the following apply:

- (a) in the case of an option, the option is a clearing corporation option;
- (b) the option, debt-like security, swap or contract, has a designated rating;
- (c) the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has a designated rating.

(2) If the credit rating of an option that is not a clearing corporation option, the credit rating of a debt-like security, swap or forward contract, or the credit rating of the equivalent debt of the writer or guarantor of the option, debt-like security, swap or contract, falls below the level of designated rating while the option, debt-like security, swap or contract is held by a mutual fund, the mutual fund must take the steps that are reasonably required to close out its position in the option, debt-like security, swap or contract in an orderly and timely fashion.

(3) Notwithstanding any other provisions contained in this Part, a mutual fund may enter into a trade to close out all or part of a position in a specified derivative, in which case the cash cover held to cover the underlying market exposure of the part of the position that is closed out may be released.

(4) The mark-to-market value of the exposure of a mutual fund under its specified derivatives positions with any one counter party other than an acceptable clearing corporation or a clearing corporation that clears and settles transactions made on a futures exchange listed in Appendix A, calculated in accordance with subsection (5), must not exceed, for a period of 30 days or more, 10 percent of the net asset value of the mutual fund.

(5) The mark-to-market value of specified derivatives positions of a mutual fund with any one counter party shall be, for the purposes of subsection (4):

- (a) if the mutual fund has an agreement with the counter party that provides for netting or the right of set-off, the net mark-to-market value of the specified derivatives positions of the mutual fund; and
- (b) in all other cases, the aggregated mark-to-market value of the specified derivative positions of the mutual fund.

## 2.8 Transactions in Specified Derivatives for Purposes Other than Hedging

- (1) A mutual fund must not:
  - (a) purchase a debt-like security that has an options component or an option, unless, immediately after the purchase, not more than 10 percent of its net asset value would be made up of those instruments held for purposes other than hedging;
  - (b) write a call option, or have outstanding a written call option, that is not an option on futures unless, as long as the position remains open, the mutual fund holds:
    - (i) an equivalent quantity of the underlying interest of the option;
    - (ii) a right or obligation, exercisable at any time that the option is exercisable, to acquire an equivalent quantity of the underlying interest of the option, and cash cover that, together with margin on account for the position, is not less than the amount, if any, by which the strike price of the right or obligation to acquire the underlying interest exceeds the strike price of the option; or
    - (iii) a combination of the positions referred to in subclauses (i) and (ii) that is sufficient, without recourse to other assets of the mutual fund, to enable the mutual fund to satisfy its obligations to deliver the underlying interest of the option;
  - (c) write a put option, or have outstanding a written put option, that is not an option on futures, unless, as long as the position remains open, the mutual fund holds:
    - (i) a right or obligation, exercisable at any time that the option is exercisable, to sell an equivalent quantity of the underlying interest of the option, and cash cover in an amount that, together with margin on account for the position, is not less than the amount, if any, by which the strike price of the option exceeds the strike price of the right or obligation to sell the underlying interest;
    - (ii) cash cover that, together with margin on account for the option position, is not less than the strike price of the option; or
    - (iii) a combination of the positions referred to in subclauses (i) and (ii) that is sufficient, without recourse to other assets of the mutual fund, to enable the mutual fund to acquire the underlying interest of the option;
  - (d) open or maintain a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract, unless the mutual fund holds cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;
  - (e) open or maintain a short position in a standardized future or forward contract, unless the mutual fund holds:
    - (i) an equivalent quantity of the underlying interest of the future or contract;

(ii) a right or obligation to acquire an equivalent quantity of the underlying interest of the future or contract and cash cover that together with margin on account for the position is not less than the amount, if any, by which the strike price of the right or obligation to acquire the underlying interest exceeds the forward price of the contract; or

(iii) a combination of the positions referred to in subclauses (i) and (ii) that is sufficient, without recourse to other assets of the mutual fund, to enable the mutual fund to deliver the underlying interest of the future or contract; or

(f) enter into, or maintain, a swap position unless:

(i) for periods when the mutual fund would be entitled to receive payments under the swap, the mutual fund holds cash cover in an amount that, together with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap; and

(ii) for periods when the mutual fund would be required to make payments under the swap, the mutual fund holds:

(A) an equivalent quantity of the underlying interest of the swap;

(B) a right or obligation to acquire an equivalent quantity of the underlying interest of the swap and cash cover that, together with margin on account for the position, is not less than the aggregate amount of the obligations of the mutual fund under the swap; or

(C) a combination of the positions referred to in paragraphs (A) and (B) that is sufficient, without recourse to other assets of the mutual fund, to enable the mutual fund to satisfy its obligations under the swap.

(2) A mutual fund must treat any synthetic cash position on any date as providing the cash cover equal to the notional principal value of a banker's acceptance then being accepted by a bank listed in Schedule I of the *Bank Act* (Canada) that would produce the same annualized return as the synthetic cash position is then producing.

## **2.9 Transactions in Specified Derivatives for Hedging Purposes**

(1) Sections 2.1, 2.2, 2.4 and 2.8 do not apply to the use of specified derivatives by a mutual fund for hedging purposes.

(2) Section 2.2 does not apply to the use of specified derivatives by a non-redeemable investment fund for hedging purposes.

## **2.10 Adviser Requirements**

(1) If a portfolio adviser of an investment fund receives advice from a non-resident sub-adviser concerning the use of options or standardized futures by the investment fund, the investment fund must not invest in or use options or standardized futures unless:

(a) the obligations and duties of the non-resident sub-adviser are set out in a written agreement with the portfolio adviser; and

- (b) the portfolio adviser contractually agrees with the investment fund to be responsible for any loss that arises out of the failure of the non-resident sub-adviser:
  - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the investment fund; and
  - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
- (2) An investment fund must not relieve a portfolio adviser of the investment fund from liability for loss for which the portfolio adviser has assumed responsibility under clause (1)(b) that arises out of the failure of the relevant non-resident sub-adviser:
  - (a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the investment fund; or
  - (b) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
- (3) Notwithstanding subsection 4.4(3), an investment fund may indemnify a portfolio adviser against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that person or company in connection with services provided by a non-resident sub-adviser for which the portfolio adviser has assumed responsibility under clause (1)(b), only if:
  - (a) those fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in subsection (1) or (2); and
  - (b) the investment fund has reasonable grounds to believe that the action or inaction that caused the payment of the fees, judgments and amounts paid in settlement was in the best interests of the investment fund.
- (4) An investment fund must not incur the cost of any portion of liability insurance that insures a person or company for a liability except to the extent that the person or company may be indemnified for that liability under this section.

#### **2.11 Commencement of Use of Specified Derivatives and Short Selling by an Investment Fund**

- (1) An investment fund that has not used specified derivatives must not begin using specified derivatives, and an investment fund that has not sold a security short in accordance with section 2.6.1 must not sell a security short, unless:
  - (a) in the case of a mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, its prospectus contains the disclosure required for a mutual fund intending to engage in the activity;
  - (a.1) in the case of an exchange-traded mutual fund that is not in continuous distribution or of a non-redeemable investment fund, the investment fund issues a news release that contains both of the following:
    - (i) the disclosure required in a prospectus for an exchange-traded mutual fund that is not in continuous distribution, or a non-redeemable investment fund, intending to engage in the activity;
    - (ii) the date on which the activity is intended to begin; and



- (b) the investment fund has provided to its securityholders, not less than 60 days before it begins the intended activity, written notice that discloses its intent to engage in the activity and the disclosure referred to in paragraph (a) or (a.1), as applicable.
- (2) A mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, is not required to provide the notice referred to in paragraph (1)(b) if each prospectus of the mutual fund since its inception has contained the disclosure referred to in paragraph (1)(a).
- (3) Subsection (1) does not apply to an exchange-traded mutual fund that is not in continuous distribution, or to a non-redeemable investment fund, if each prospectus of the investment fund filed since its inception has contained the disclosure referred to in paragraph (1)(a.1).

## **2.12 Securities Loans**

- (1) Despite any other provision of this Instrument, an investment fund may enter into a securities lending transaction as lender if the following conditions are satisfied for the transaction:
  - 1. The transaction is administered and supervised in the manner required by sections 2.15 and 2.16.
  - 2. The transaction is made under a written agreement that implements the requirements of this section.
  - 3. Securities are loaned by the investment fund in exchange for collateral.
  - 4. The securities transferred, either by the investment fund or to the investment fund as collateral, as part of the transaction are immediately available for good delivery under applicable legislation.
  - 5. The collateral to be delivered to the investment fund at the beginning of the transaction
    - (a) is received by the investment fund either before or at the same time as it delivers the loaned securities; and
    - (b) has a market value equal to at least 102 percent of the market value of the loaned securities.
  - 6. The collateral to be delivered to the investment fund is one or more of
    - (a) cash;
    - (b) qualified securities;
    - (c) securities that are immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and the same term, if applicable, as the securities that are being loaned by the investment fund, and in at least the same number as those loaned by the investment fund; or
    - (d) irrevocable letters of credit issued by a Canadian financial institution that is not the counter party, or an affiliate of the counter party, of the investment fund in the transaction, if evidences of indebtedness of the Canadian financial institution that are rated as short term debt by a designated rating organization or its DRO affiliate have a designated rating.

7. The collateral and loaned securities are marked to market on each business day, and the amount of collateral in the possession of the investment fund is adjusted on each business day to ensure that the market value of collateral maintained by the investment fund in connection with the transaction is at least 102 percent of the market value of the loaned securities.
  8. If an event of default by a borrower occurs, the investment fund, in addition to any other remedy available under the agreement or applicable law, has the right under the agreement to retain and dispose of the collateral to the extent necessary to satisfy its claims under the agreement.
  9. The borrower is required to pay promptly to the investment fund amounts equal to and as compensation for all dividends and interest paid, and all distributions made, on the loaned securities during the term of the transaction.
  10. The transaction is a “securities lending arrangement” under section 260 of the ITA.
  11. The investment fund is entitled to terminate the transaction at any time and recall the loaned securities within the normal and customary settlement period for securities lending transactions in the market in which the securities are lent.
  12. Immediately after the investment fund enters into the transaction, the aggregate market value of all securities loaned by the investment fund in securities lending transactions and not yet returned to it or sold by the investment fund in repurchase transactions under section 2.13 and not yet repurchased does not exceed 50% of the net asset value of the investment fund.
- (2) An investment fund may hold all cash delivered to it as the collateral in a securities lending transaction or may use the cash to purchase:
- (a) qualified securities having a remaining term to maturity no longer than 90 days;
  - (b) securities under a reverse repurchase agreement permitted by section 2.14; or
  - (c) a combination of the securities referred to in paragraphs (a) and (b).
- (3) An investment fund, during the term of a securities lending transaction, must hold all, and must not invest or dispose of any, non-cash collateral delivered to it as collateral in the transaction.

### **2.13 Repurchase Transactions**

- (1) Despite any other provision of this Instrument, an investment fund may enter into a repurchase transaction if the following conditions are satisfied for the transaction:
1. The transaction is administered and supervised in the manner required by sections 2.15 and 2.16.
  2. The transaction is made under a written agreement that implements the requirements of this section.

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3. Securities are sold for cash by the investment fund, with the investment fund assuming an obligation to repurchase the securities for cash.
  4. The securities transferred by the investment fund as part of the transaction are immediately available for good delivery under applicable legislation.
  5. The cash to be delivered to the investment fund at the beginning of the transaction
    - (a) is received by the investment fund either before or at the same time as it delivers the sold securities; and
    - (b) is in an amount equal to at least 102 percent of the market value of the sold securities.
  6. The sold securities are marked to market on each business day, and the amount of sale proceeds in the possession of the investment fund is adjusted on each business day to ensure that the amount of cash maintained by the investment fund in connection with the transaction is at least 102 percent of the market value of the sold securities.
  7. If an event of default by a purchaser occurs, the investment fund, in addition to any other remedy available under the agreement or applicable law, has the right under the agreement to retain or dispose of the sale proceeds delivered to it by the purchaser to the extent necessary to satisfy its claims under the agreement.
  8. The purchaser of the securities is required to pay promptly to the investment fund amounts equal to and as compensation for all dividends and interest paid, and all distributions made, on the sold securities during the term of the transaction.
  9. The transaction is a “securities lending arrangement” under section 260 of the ITA.
  10. The term of the repurchase agreement, before any extension or renewal that requires the consent of both the investment fund and the purchaser, is not more than 30 days.
  11. Immediately after the investment fund enters into the transaction, the aggregate market value of all securities loaned by the investment fund in securities lending transactions under section 2.12 and not yet returned to it or sold by the investment fund in repurchase transactions and not yet repurchased does not exceed 50% of the net asset value of the investment fund.
- (2) An investment fund may hold cash delivered to it as consideration for sold securities in a repurchase transaction or may use the cash to purchase:
- (a) qualified securities having a remaining term to maturity no longer than 30 days;
  - (b) securities under a reverse repurchase agreement permitted by section 2.14; or
  - (c) a combination of the securities referred to in paragraphs (a) and (b).

#### **2.14 Reverse Repurchase Transactions**

(1) Despite any other provision of this Instrument, an investment fund may enter into a reverse repurchase transaction if the following conditions are satisfied for the transaction:

1. The transaction is administered and supervised in the manner required by sections 2.15 and 2.16.
2. The transaction is made under a written agreement that implements the requirements of this section.
3. Qualified securities are purchased for cash by the investment fund, with the investment fund assuming the obligation to resell them for cash.
4. The securities transferred as part of the transaction are immediately available for good delivery under applicable legislation.
5. The securities to be delivered to the investment fund at the beginning of the transaction
  - (a) are received by the investment fund either before or at the same time as it delivers the cash used by it to purchase those securities; and
  - (b) have a market value equal to at least 102 percent of the cash paid for the securities by the mutual fund.
6. The purchased securities are marked to market on each business day, and either the amount of cash paid for the purchased securities or the amount of purchased securities in the possession of the seller or the investment fund is adjusted on each business day to ensure that the market value of purchased securities held by the investment fund in connection with the transaction is not less than 102 percent of the cash paid by the investment fund.
7. If an event of default by a seller occurs, the investment fund, in addition to any other remedy available in the agreement or applicable law, has the right under the agreement to retain or dispose of the purchased securities delivered to it by the seller to the extent necessary to satisfy its claims under the agreement.
8. The transaction is a “securities lending arrangement” under section 260 of the ITA.
9. The term of the reverse repurchase agreement, before any extension or renewal that requires the consent of both the seller and the investment fund, is not more than 30 days.

#### **2.15 Agent for Securities Lending, Repurchase and Reverse Repurchase Transactions**

- (1) The manager of an investment fund must appoint an agent or agents to act on behalf of the investment fund to administer the securities lending and repurchase transactions entered into by the investment fund.
- (2) The manager of an investment fund may appoint an agent or agents to act on behalf of the investment fund to administer the reverse repurchase transactions entered into by the investment fund.
- (3) The custodian or a sub-custodian of the investment fund must be the agent appointed under subsection (1) or (2).

(4) The manager of an investment fund must not authorize an agent to enter into a securities lending, repurchase or, if applicable, reverse repurchase transactions on behalf of the investment fund until the agent enters into a written agreement with the manager and the investment fund in which:

- (a) the investment fund and the manager provide instructions to the agent on the parameters to be followed in entering into the type of transactions to which the agreement pertains;
- (b) the agent agrees to comply with this Instrument, accepts the standard of care referred to in subsection (5) and agrees to ensure that all transactions entered into by it on behalf of the investment fund will comply with this Instrument; and
- (c) the agent agrees to provide to the investment fund and the manager regular, comprehensive and timely reports summarizing the investment fund's securities lending, repurchase and reverse repurchase transactions, as applicable.

(5) An agent appointed under this section, in administering the securities lending, repurchase and, if applicable, reverse repurchase transactions of the investment fund must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

#### **2.16 Controls and Records**

(1) An investment fund must not enter into transactions under sections 2.12, 2.13 or 2.14 unless:

- (a) for transactions to be entered into through an agent appointed under section 2.15, the manager has reasonable grounds to believe that the agent has established and maintains appropriate internal controls and procedures and records; and
- (b) for reverse repurchase transactions directly entered into by the investment fund without an agent, the manager has established and maintains appropriate internal controls, procedures and records.

(2) The internal controls, procedures and records referred to in subsection (1) must include:

- (a) a list of approved borrowers, purchasers and sellers based on generally accepted creditworthiness standards;
- (b) as applicable, transaction and credit limits for each counter party; and
- (c) collateral diversification standards.

(3) The manager of an investment fund must, on a periodic basis not less frequently than annually:

- (a) review the agreements with any agent appointed under section 2.15 to determine if the agreements are in compliance with this Instrument;
- (b) review the internal controls described in subsection (2) to ensure their continued adequacy and appropriateness;

- (c) make reasonable enquiries as to whether the agent is administering the securities lending, repurchase or reverse repurchase transactions of the investment fund in a competent and responsible manner, in conformity with the requirements of this Instrument and in conformity with the agreement between the agent, the manager and the investment fund entered into under subsection 2.15(4);
- (d) review the terms of any agreement between the investment fund and an agent entered into under subsection 2.15(4) in order to determine if the instructions provided to the agent in connection with the securities lending, repurchase or reverse repurchase transactions of the investment fund continue to be appropriate; and
- (e) make or cause to be made any changes that may be necessary to ensure that:
  - (i) the agreements with agents are in compliance with this Instrument;
  - (ii) the internal controls described in subsection (2) are adequate and appropriate;
  - (iii) the securities lending, repurchase or reverse repurchase transactions of the investment fund are administered in the manner described in paragraph (c); and
  - (iv) the terms of each agreement between the investment fund and an agent entered into under subsection 2.15(4) are appropriate.

**2.17 Commencement of Securities Lending, Repurchase and Reverse Repurchase Transactions by an Investment Fund**

- (1) An investment fund must not enter into securities lending, repurchase or reverse repurchase transactions unless:
  - (a) in the case of a mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, its prospectus contains the disclosure required for mutual funds entering into those types of transactions;
  - (b) in the case of an exchange-traded mutual fund that is not in continuous distribution or of a non-redeemable investment fund, the investment fund issues a news release that contains both of the following:
    - (i) the disclosure required in a prospectus for an exchange-traded mutual fund that is not in continuous distribution, or a non-redeemable investment fund, entering into those types of transactions;
    - (ii) the date on which the investment fund intends to begin entering into those types of transactions; and
  - (c) the investment fund provides to its securityholders, at least 60 days before it begins entering into those types of transactions, written notice that discloses its intent to begin entering into those types of transactions and the disclosure referred to in paragraph (a) or (b), as applicable.

(2) Paragraph (1)(c) does not apply to a mutual fund that has entered into reverse repurchase agreements as permitted by a decision of the securities regulatory authority or regulator.

(3) Paragraph (1)(c) does not apply to a mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, if each prospectus of the mutual fund filed since its inception contains the disclosure referred to in paragraph (1)(a).

(4) Subsection (1) does not apply to an exchange-traded mutual fund that is not in continuous distribution, or to a non-redeemable investment fund, if each prospectus of the investment fund filed since its inception contains the disclosure referred to in paragraph (1)(b).

### 2.18 Money Market Fund

(1) A mutual fund must not describe itself as a “money market fund” in its prospectus, a continuous disclosure document or a sales communication unless:

- (a) it has all of its assets invested in one or more of the following:
  - (i) cash;
  - (ii) cash equivalents;
  - (iii) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and a designated rating;
  - (iv) a floating rate evidence of indebtedness if:
    - (A) the floating interest rate of the indebtedness is reset no later than every 185 days; and
    - (B) the principal amount of the indebtedness will continue to have a market value of approximately par at the time of each change in the rate to be paid to the holders of the evidence of indebtedness; or
  - (v) securities issued by one or more money market funds;
- (b) it has a portfolio of assets, excluding a security described in subparagraph (a)(v), with a dollar-weighted average term to maturity not exceeding:
  - (i) 180 days; and
  - (ii) 90 days when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting;
- (c) not less than 95% of its assets invested in accordance with paragraph (a) are denominated in a currency in which the net asset value per security of the mutual fund is calculated; and
- (d) it has not less than:
  - (i) 5% of its assets invested in cash or readily convertible into cash within one day; and
  - (ii) 15% of its assets invested in cash or readily convertible into cash within one week.



(2) Despite any other provision of this Instrument, a mutual fund that describes itself as a “money market fund” must not use a specified derivative or sell securities short.

(3) A non-redeemable investment fund must not describe itself as a “money market fund”.

### **PART 3 NEW MUTUAL FUNDS**

#### **3.1 Initial Investment in a New Mutual Fund**

(1) A person or company must not file a prospectus for a newly established mutual fund unless:

(a) an investment of at least \$150,000 in securities of the mutual fund has been made, and those securities are beneficially owned, before the time of filing by:

(i) the manager, a portfolio adviser, a promoter or a sponsor of the mutual fund;

(ii) the partners, directors, officers or securityholders of any of the manager, a portfolio adviser, a promoter or a sponsor of the mutual fund; or

(iii) a combination of the persons or companies referred to subclauses (i) and (ii); or

(b) the prospectus of the mutual fund states that the mutual fund will not issue securities other than those referred to in clause (a) unless subscriptions aggregating not less than \$500,000 have been received by the mutual fund from investors other than the persons and companies referred to in clause (a) and accepted by the mutual fund.

(2) A mutual fund must not redeem a security issued upon an investment in the mutual fund referred to in clause (1)(a) until \$500,000 has been received from persons or companies other than the persons and companies referred to in clause (1)(a).

#### **3.2 Prohibition Against Distribution**

If a prospectus of a mutual fund contains the disclosure described in clause 3.1(1)(b), the mutual fund must not distribute any securities unless the subscriptions described in that disclosure, together with payment for the securities subscribed for, have been received.

#### **3.3 Prohibition Against Reimbursement of Organization Costs**

(1) The costs of incorporation, formation or initial organization of a mutual fund, or of the preparation and filing of any of the preliminary prospectus, preliminary annual information form, preliminary fund facts document, initial prospectus, annual information form or fund facts document of the mutual fund must not be borne by the mutual fund or its securityholders.

(2) Subsection (1) does not apply to an exchange-traded mutual fund unless the fund is in continuous distribution.

**PART 4**  
**CONFLICTS OF INTEREST**

**4.1 Prohibited Investments**

(1) A dealer managed investment fund must not knowingly make an investment in a class of securities of an issuer during, or for 60 days after, the period in which the dealer manager of the investment fund, or an associate or affiliate of the dealer manager of the investment fund, acts as an underwriter in the distribution of securities of that class of securities, except as a member of the selling group distributing five percent or less of the securities underwritten.

(2) A dealer managed investment fund must not knowingly make an investment in a class of securities of an issuer of which a partner, director, officer or employee of the dealer manager of the investment fund, or a partner, director, officer or employee of an affiliate or associate of the dealer manager, is a partner, director or officer, unless the partner, director, officer or employee:

- (a) does not participate in the formulation of investment decisions made on behalf of the dealer managed investment fund;
- (b) does not have access before implementation to information concerning investment decisions made on behalf of the dealer managed investment fund; and
- (c) does not influence, other than through research, statistical and other reports generally available to clients, the investment decisions made on behalf of the dealer managed investment fund.

(3) Subsections (1) and (2) do not apply to an investment in a class of securities issued or fully and unconditionally guaranteed by the government of Canada or the government of a jurisdiction.

(4) Subsection (1) does not apply to an investment in a class of securities of an issuer if, at the time of each investment:

- (a) the independent review committee of the dealer managed investment fund has approved the transaction under subsection 5.2(2) of NI 81-107;
- (b) in a class of debt securities of an issuer other than a class of securities mentioned in subsection (3), the security has been given, and continues to have, a designated rating by a designated rating organization or its DRO affiliate;
- (c) in any other class of securities of an issuer:
  - (i) the distribution of the class of equity securities is made by prospectus filed with one or more securities regulatory authorities or regulators in Canada; and
  - (ii) during the 60-day period mentioned in subsection (1) the investment is made on an exchange on which the class of equity securities of the issuer is listed and traded; and
- (d) no later than the time the dealer managed investment fund files its annual financial statements, the manager of the dealer managed investment fund files the particulars of each investment made by the dealer managed investment fund during its most recently completed financial year.

(4.1) **Repealed.** 1 Jne 2018 SR 38/2018 s3.

(5) The provisions of securities legislation that are mentioned in Appendix C do not apply with respect to an investment in a class of securities of an issuer mentioned in subsection (4) if the investment is made in accordance with that subsection.

#### **4.2 Self-Dealing**

(1) An investment fund must not purchase a security from, sell a security to, or enter into a securities lending, repurchase or reverse repurchase transaction under section 2.12, 2.13 or 2.14 with, any of the following persons or companies:

1. The manager, portfolio adviser or trustee of the investment fund.
2. A partner, director or officer of the investment fund or of the manager, portfolio adviser or trustee of the investment fund.
3. An associate or affiliate of a person or company referred to in paragraph 1 or 2.
4. A person or company, having fewer than 100 securityholders of record, of which a partner, director or officer of the investment fund or a partner, director or officer of the manager or portfolio adviser of the investment fund is a partner, director, officer or securityholder.

(2) Subsection (1) applies in the case of a sale of a security to, or a purchase of a security from, an investment fund only if the person or company that would be selling to, or purchasing from, the investment fund would be doing so as principal.

#### **4.3 Exception**

(1) Section 4.2 does not apply to a purchase or sale of a security by an investment fund if the price payable for the security is:

- (a) not more than the ask price of the security as reported by any available public quotation in common use, in the case of a purchase by the investment fund; or
- (b) not less than the bid price of the security as reported by any available public quotation in common use, in the case of a sale by the investment fund.

(2) Section 4.2 does not apply to a purchase or sale of a class of debt securities by an investment fund from, or to, another investment fund managed by the same manager or an affiliate of the manager, if, at the time of the transaction:

- (a) the investment fund is purchasing from, or selling to, another investment fund to which NI 81-107 applies;
- (b) the independent review committee of the investment fund has approved the transaction under subsection 5.2(2) of NI 81-107; and
- (c) the transaction complies with subsection 6.1(2) of NI 81-107.

#### **4.4 Liability and Indemnification**

(1) An agreement or declaration of trust by which a person or company acts as manager of an investment fund must provide that the manager is responsible for any loss that arises out of the failure of the manager, or of any person or company retained by the manager or the investment fund to discharge any of the manager's responsibilities to the investment fund:

- (a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the investment fund; and
  - (b) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
- (2) An investment fund must not relieve the manager of the investment fund from liability for loss that arises out of the failure of the manager, or of any person retained by the manager or the investment fund to discharge any of the manager's responsibilities to the investment fund:
  - (a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the investment fund; or
  - (b) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
- (3) An investment fund may indemnify a person or company providing services to it against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that person or company in connection with services provided by that person or company to the investment fund, if:
  - (a) those fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in subsection (1) or (2); and
  - (b) the investment fund has reasonable grounds to believe that the action or inaction that caused the payment of the fees, judgments and amounts paid in settlement was in the best interests of the mutual fund.
- (4) An investment fund must not incur the cost of any portion of liability insurance that insures a person or company for a liability except to the extent that the person or company may be indemnified for that liability under this section.
- (5) This section does not apply to any losses to an investment fund or securityholder arising out of an action or inaction by any of the following:
  - (a) a director of the investment fund;
  - (b) a custodian or sub-custodian of the investment fund, except as set out in subsection (6).
- (6) This section applies to any losses to an investment fund or securityholder arising out of an action or inaction by a custodian or sub-custodian acting as agent of the investment fund in administering the securities lending, repurchase or reverse repurchase transactions of the investment fund.

## **PART 5 FUNDAMENTAL CHANGES**

### **5.1 Matters Requiring Securityholder Approval**

- (1) The prior approval of the securityholders of an investment fund, given as provided in section 5.2, is required before the occurrence of each of the following:
  - (a) the basis of the calculation of a fee or expense that is charged to the investment fund or directly to its securityholders by the investment fund or its manager in connection with the holding of securities of the investment fund is changed in a way that could result in an increase in charges to the investment fund or to its securityholders;

- (a.1) a fee or expense, to be charged to the investment fund or directly to its securityholders by the investment fund or its manager in connection with the holding of securities of the investment fund that could result in an increase in charges to the investment fund or to its securityholders, is introduced;
  - (b) the manager of the investment fund is changed, unless the new manager is an affiliate of the current manager;
  - (c) the fundamental investment objectives of the investment fund are changed;
  - (e) the investment fund decreases the frequency of the calculation of its net asset value per security;
  - (f) the investment fund undertakes a reorganization with, or transfers its assets to, another issuer, if:
    - (i) the investment fund ceases to continue after the reorganization or transfer of assets; and
    - (ii) the transaction results in the securityholders of the investment fund becoming securityholders in the other issuer;
  - (g) the investment fund undertakes a reorganization with, or acquires assets from, another issuer, if:
    - (i) the investment fund continues after the reorganization or acquisition of assets;
    - (ii) the transaction results in the securityholders of the other issuer becoming securityholders in the investment fund; and
    - (iii) the transaction would be a material change to the investment fund;
  - (h) the investment fund implements any of the following:
    - (i) in the case of a non-redeemable investment fund, a restructuring into a mutual fund;
    - (ii) in the case of a mutual fund, a restructuring into a non-redeemable investment fund;
    - (iii) a restructuring into an issuer that is not an investment fund.
- (2) An investment fund must not bear any of the costs or expenses associated with a restructuring referred to in paragraph (1)(h).

## 5.2 Approval of Securityholders

- (1) Unless a greater majority is required by the constating documents of the investment fund, the laws applicable to the investment fund or an applicable agreement, the approval of the securityholders of the investment fund to a matter referred to in subsection 5.1(1) must be given by a resolution passed by at least a majority of the votes cast at a meeting of the securityholders of the investment fund duly called and held to consider the matter.
- (2) Notwithstanding subsection (1), the holders of securities of a class or series of a class of securities of an investment fund must vote separately as a class or series of a class on a matter referred to in subsection 5.1(1) if that class or series of a class is affected by the action referred to in subsection 5.1(1) in a manner different from holders of securities of other classes or series of a class.

(3) Notwithstanding subsection 5.1(1) and subsections (1) and (2), if the constating documents of the investment fund so provide, the holders of securities of a class or series of a class of securities of an investment fund must not be entitled to vote on a matter referred to in subsection 5.1(1) if they, as holders of the class or series of a class, are not affected by the action referred to in subsection 5.1(1).

### **5.3 Circumstances in Which Approval of Securityholders Not Required**

(1) Notwithstanding subsection 5.1(1), the approval of securityholders of an investment fund is not required to be obtained for a change referred to in paragraphs 5.1(1)(a) and (a.1):

- (a) if:
  - (i) the investment fund is at arm's length to the person or company charging the fee or expense to the investment fund referred to in paragraphs 5.1(1)(a) and (a.1);
  - (ii) the prospectus of the investment fund discloses that, although the approval of securityholders will not be obtained before making the changes, securityholders will be sent a written notice at least 60 days before the effective date of the change that is to be made that could result in an increase in charges to the investment fund; and
  - (iii) the notice referred to in subclause (ii) is actually sent at least 60 days before the effective date of the change; or
- (b) if, in the case of a mutual fund:
  - (i) the mutual fund is permitted by this Instrument to be described as a "no-load" fund;
  - (ii) the prospectus of the mutual fund discloses that securityholders will be sent a written notice at least 60 days before the effective date of a change that is to be made that could result in an increase in charges to the mutual fund; and
  - (iii) the notice referred to in subclause (ii) is actually sent at least 60 days before the effective date of the change.

(2) Despite subsection 5.1(1), the approval of securityholders of an investment fund is not required to be obtained for a change referred to in paragraph 5.1(1)(f) if either of the following paragraphs apply:

- (a) all of the following apply:
  - (i) the independent review committee of the investment fund has approved the change under subsection 5.2(2) of NI 81-107;
  - (ii) the investment fund is being reorganized with, or its assets are being transferred to, another investment fund to which this Instrument and NI 81-107 apply and that is managed by the manager, or an affiliate of the manager, of the investment fund;
  - (iii) the reorganization or transfer of assets of the investment fund complies with the criteria in paragraphs 5.6(1)(a), (b), (c), (d), (g), (h), (i), (j) and (k);

- (iv) the prospectus of the investment fund discloses that, although the approval of securityholders may not be obtained before making the change, securityholders will be sent a written notice at least 60 days before the effective date of the change;
- (v) the notice referred to in subparagraph (iv) to securityholders is sent at least 60 days before the effective date of the change;
- (b) all of the following apply:
  - (i) the investment fund is a non-redeemable investment fund that is being reorganized with, or its assets are being transferred to, a mutual fund that is:
    - (A) a mutual fund to which this Instrument and NI 81-107 apply;
    - (B) managed by the manager, or an affiliate of the manager, of the investment fund;
    - (C) not in default of any requirement of securities legislation; and
    - (D) a reporting issuer in the local jurisdiction and the mutual fund has a current prospectus in the local jurisdiction;
  - (ii) the transaction is a tax-deferred transaction under subsection 85(1) of the ITA;
  - (iii) the securities of the investment fund do not give securityholders of the investment fund the right to request that the investment fund redeem the securities;
  - (iv) since its inception, there has been no market through which securityholders of the investment fund could sell securities of the investment fund;
  - (v) every prospectus of the investment fund discloses that:
    - (A) securityholders of the investment fund, other than the manager, promoter or an affiliate of the manager or promoter, will cease to be securityholders of the investment fund within 30 months following the completion of the initial public offering by the investment fund; and
    - (B) the investment fund will, within 30 months following the completion of the initial public offering of the investment fund, undertake a reorganization with, or transfer its assets to, a mutual fund that is managed by the manager of the investment fund or by an affiliate of the manager of the investment fund;
  - (vi) the mutual fund bears none of the costs and expenses associated with the transaction;
  - (vii) the reorganization or transfer of assets of the investment fund complies with subparagraphs 5.3(2)(a)(i), (iv) and (v) and paragraphs 5.6(1)(d) and (k).



### **5.3.1 Change of Auditor of an Investment Fund**

The auditor of an investment fund must not be changed unless:

- (a) the independent review committee of the investment fund has approved the change of auditor under subsection 5.2(2) of NI 81-107;
- (b) the prospectus of the investment fund discloses that, although the approval of securityholders will not be obtained before making the change, securityholders will be sent a written notice at least 60 days before the effective date of the change; and
- (c) the notice mentioned in paragraph (b) to securityholders is sent 60 days before the effective date of the change.

### **5.4 Formalities Concerning Meetings of Securityholders**

- (1) A meeting of securityholders of an investment fund called to consider any matter referred to in subsection 5.1(1) must be called on written notice sent at least 21 days before the date of the meeting.
- (2) The notice referred to in subsection (1) must contain or be accompanied by a statement that includes:
  - (a) a description of the change or transaction proposed to be made or entered into and, if the matter is one referred to in paragraphs 5.1(1)(a) or (a.1), the effect that the change would have had on the management expense ratio of the investment fund had the change been in force throughout the investment fund's last completed financial year;
  - (b) the date of the proposed implementation of the change or transaction; and
  - (c) all other information and documents necessary to comply with the applicable proxy solicitation requirements of securities legislation for the meeting.

### **5.5 Approval of Securities Regulatory Authority**

- (1) The approval of the securities regulatory authority or regulator is required before:
  - (a) the manager of an investment fund is changed, unless the new manager is an affiliate of the current manager;
  - (a.1) a change of control of the manager of an investment fund occurs;
  - (b) a reorganization or transfer of assets of an investment fund is implemented, if the transaction will result in the securityholders of the investment fund becoming securityholders in another issuer;
  - (c) a change of the custodian of an investment fund is implemented, if there has been or will be, in connection with the proposed change, a change of the type referred to in clause (a); or
  - (d) an investment fund suspends, other than under section 10.6, the rights of securityholders to request that the investment fund redeem their securities.
- (3) Despite subsection (1), in Ontario only the regulator may grant an approval referred to in subsection (1).

**5.6 Pre-Approved Reorganizations and Transfers**

(1) Despite subsection 5.5(1), the approval of the securities regulatory authority or regulator is not required to implement a transaction referred to in paragraph 5.5(1)(b) if all of the following paragraphs apply:

(a) the investment fund is being reorganized with, or its assets are being transferred to, another investment fund to which this Instrument applies and that:

(i) is managed by the manager, or an affiliate of the manager, of the investment fund;

(ii) a reasonable person would consider to have substantially similar fundamental investment objectives, valuation procedures and fee structure as the investment fund;

(iii) is not in default of any requirement of securities legislation; and

(iv) is a reporting issuer in the local jurisdiction and, if it is a mutual fund, also has a current prospectus in the local jurisdiction;

(b) the transaction is a “qualifying exchange” within the meaning of section 132.2 of the ITA or is a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the ITA;

(c) the transaction contemplates the wind-up of the investment fund as soon as reasonably possible following the transaction;

(d) the portfolio assets of the investment fund to be acquired by the other investment fund as part of the transaction:

(i) may be acquired by the other investment fund in compliance with this Instrument; and

(ii) are acceptable to the portfolio adviser of the other investment fund and consistent with the other investment fund’s fundamental investment objectives;

(e) the transaction is approved:

(i) by the securityholders of the investment fund in accordance with paragraph 5.1(1)(f), unless subsection 5.3(2) applies; and

(ii) if required, by the securityholders of the other investment fund in accordance with paragraph 5.1(1)(g);

(f) the materials sent to securityholders of the investment fund in connection with the approval under paragraph 5.1(1)(f) include:

(i) a circular that, in addition to other requirements prescribed by law, describes the proposed transaction, the investment fund into which the investment fund will be reorganized, the income tax considerations for the investment funds participating in the transaction and their securityholders, and, if the investment fund is a corporation and the transaction involves its shareholders becoming securityholders of an investment fund that is established as a trust, a description of the material differences between being a shareholder of a corporation and being a securityholder of a trust;

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(ii) if the other investment fund is a mutual fund, the most recently filed fund facts document for the other investment fund; and

(iii) a statement that securityholders may, in respect of the reorganized investment fund:

(A) obtain all of the following documents at no cost by contacting the reorganized investment fund at an address or telephone number specified in the statement:

(I) if the reorganized investment fund is a mutual fund, the current prospectus;

(II) the most recently filed annual information form, if one has been filed;

(III) as applicable, the most recently filed fund facts document;

(IV) the most recently filed annual financial statements and interim financial reports;

(V) the most recently filed annual and interim management reports of fund performance; or

(B) access those documents at a website address specified in the statement;

(g) the investment fund has complied with Part 11 of National Instrument 81-106 *Investment Fund Continuous Disclosure* in connection with the making of the decision to proceed with the transaction by the board of directors of the manager of the investment fund or of the investment fund;

(h) the investment funds participating in the transaction bear none of the costs and expenses associated with the transaction;

(i) if the investment fund is a mutual fund, securityholders of the investment fund continue to have the right to redeem securities of the investment fund up to the close of business on the business day immediately before the effective date of the transaction;

(j) if the investment fund is a non-redeemable investment fund, all of the following apply:

(i) the investment fund issues and files a news release that discloses the transaction;

(ii) securityholders of the investment fund may redeem securities of the investment fund at a date that is after the date of the news release referred to in subparagraph (i) and before the effective date of the transaction;

(iii) the securities submitted for redemption in accordance with subparagraph (ii) are redeemed at a price equal to their net asset value per security on the redemption date;

(k) the consideration offered to securityholders of the investment fund for the transaction has a value that is equal to the net asset value of the investment fund calculated on the date of the transaction.

(1.1) Despite subsection 5.5(1), the approval of the securities regulatory authority or regulator is not required to implement a transaction referred to in paragraph 5.5(1)(b) if all the conditions in paragraph 5.3(2)(b) are satisfied and the independent review committee of the mutual fund involved in the transaction has approved the transaction in accordance with subsection 5.2(2) of NI 81-107.

(2) An investment fund that has continued after a transaction described in clause 5.5(1)(b) must, if the audit report accompanying its audited financial statements for its first completed financial year after the transaction contains a modified opinion in respect of the value of the portfolio assets acquired by the investment fund in the transaction, send a copy of those financial statements to each person or company that was a securityholder of an investment fund that was terminated as a result of the transaction and that is not a securityholder of the investment fund.

## 5.7 Applications

- (1) An application for an approval required under section 5.5 must contain:
  - (a) if the application is required by clause 5.5(1)(a) or (a.1):
    - (i) details of the proposed transaction;
    - (ii) details of the proposed new manager or the person or company proposing to acquire control of the manager;
    - (iii) as applicable, the names, residence addresses and birth dates of:
      - (A) all proposed new partners, directors or officers of the manager;
      - (B) all partners, directors or officers of the person or company proposing to acquire control of the manager;
      - (C) any proposed new individual trustee of the investment fund; and
      - (D) any new directors or officers of the investment fund;
    - (iv) all information necessary to permit the securities regulatory authority or regulator to conduct security checks on the individuals referred to in subclause (iii);
    - (v) sufficient information to establish the integrity and experience of the persons or companies referred to in subclauses (ii) and (iii); and
    - (vi) details of how the proposed transaction will affect the management and administration of the investment fund;
  - (b) if the application is required by clause 5.5(1)(b):
    - (i) details of the proposed transaction;
    - (ii) details of the total annual returns of the investment fund and, if the other issuer is an investment fund, the other issuer for each of the previous five years;

- (iii) a description of the differences between, as applicable, the fundamental investment objectives, investment strategies, valuation procedures and fee structure of the investment fund and the other issuer and any other material differences between the investment fund and the other issuer; and
    - (iv) a description of those elements of the proposed transaction that make section 5.6 inapplicable;
  - (c) if the application is required by clause 5.5(1)(c), sufficient information to establish that the proposed custodial arrangements will be in compliance with Part 6;
  - (d) if the application relates to a matter that would constitute a material change for the investment fund, a draft amendment to the prospectus and, if applicable, to the fund facts document of the investment fund reflecting the change; and
  - (e) if the matter is one that requires the approval of securityholders, confirmation that the approval has been obtained or will be obtained before the change is implemented.
- (2) An investment fund that applies for an approval under clause 5.5(1)(d) must:
- (a) make that application to the securities regulatory authority or regulator in the jurisdiction in which the head office or registered office of the investment fund is situated; and
  - (b) concurrently file a copy of the application so made with the securities regulatory authority or the regulator in the local jurisdiction if the head office or registered office of the investment fund is not situated in the local jurisdiction.
- (3) An investment fund that has complied with subsection (2) in the local jurisdiction may suspend the right of securityholders to request that the investment fund redeem their securities if:
- (a) the securities regulatory authority or regulator in the jurisdiction in which the head office or registered office of the investment fund is situated has granted approval to the application made under clause (2)(a); and
  - (b) the securities regulatory authority or regulator in the local jurisdiction has not notified the investment fund, by the close of business on the business day immediately following the day on which the copy of the application referred to in clause (2)(b) was received, either that:
    - (i) the securities regulatory authority or regulator has refused to grant approval to the application; or
    - (ii) this subsection may not be relied upon by the investment fund in the local jurisdiction.

## **5.8 Matters Requiring Notice**

- (1) A person or company must not continue to act as manager of an investment fund following a direct or indirect change of control of the person or company unless:
- (a) notice of the change of control was given to all securityholders of the investment fund at least 60 days before the change; and

- (b) the notice referred to in clause (a) contains the information that would be required by law to be provided to securityholders if securityholder approval of the change were required to be obtained.
- (2) A mutual fund must not terminate unless notice of the termination is given to all securityholders of the mutual fund at least 60 days before termination.
- (3) The manager of a mutual fund that has terminated must give notice of the termination to the securities regulatory authority within 30 days of the termination.

#### **5.8.1 Termination of a Non-Redeemable Investment Fund**

- (1) A non-redeemable investment fund must not terminate unless the investment fund first issues and files a news release that discloses the termination.
- (2) A non-redeemable investment fund must not terminate earlier than 15 days or later than 90 days after the filing of the news release under subsection (1).
- (3) Subsections (1) and (2) do not apply in respect of a transaction referred to in paragraph 5.1(1)(f).

#### **5.9 Relief from Certain Regulatory Requirements**

- (1) The investment fund conflict of interest investment restrictions and the investment fund conflict of interest reporting requirements do not apply to a transaction referred to in clause 5.5(1)(b) if the approval of the securities regulatory authority or regulator has been given to the transaction.
- (2) The investment fund conflict of interest investment restrictions and the investment fund conflict of interest reporting requirements do not apply to a transaction described in section 5.6.

### **PART 6 CUSTODIANSHIP OF PORTFOLIO ASSETS**

#### **6.1 General**

- (1) Except as provided in sections 6.8, 6.8.1 and 6.9, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirements of section 6.2.
- (2) Except as provided in subsection 6.5(3) and sections 6.8, 6.8.1 and 6.9, portfolio assets of an investment fund must be held:
  - (a) in Canada by the custodian or a sub-custodian of the investment fund; or
  - (b) outside Canada by the custodian or a sub-custodian of the investment fund, if appropriate to facilitate portfolio transactions of the investment fund outside Canada.
- (3) The custodian or a sub-custodian of an investment fund may appoint one or more sub-custodians to hold portfolio assets of the investment fund, if:
  - (a) in the case of an appointment by the custodian, the investment fund consents in writing to the appointment;

- (a.1) in the case of an appointment by a sub-custodian, the investment fund and the custodian of the investment fund consent in writing to the appointment;
  - (b) the sub-custodian that is to be appointed is an entity described in section 6.2 or 6.3, as applicable;
  - (c) the arrangements under which a sub-custodian is appointed are such that the investment fund may enforce rights directly, or require the custodian or a sub-custodian to enforce rights on behalf of the investment fund, to the portfolio assets held by the appointed sub-custodian; and
  - (d) the appointment is otherwise in compliance with this Instrument.
- (4) The written consent referred to in paragraphs (3)(a) and (a.1) may be in the form of a general consent, contained in the agreement governing the relationship between the investment fund and the custodian, or the custodian and the sub-custodian, to the appointment of entities that are part of an international network of sub-custodians within the organization of the appointed custodian or sub-custodian.
- (5) A custodian or sub-custodian must provide to the investment fund a list of all entities that are appointed sub-custodians under a general consent referred to in subsection (4).
- (6) Notwithstanding any other provisions of this Part, the manager of an investment fund must not act as custodian or sub-custodian of the investment fund.

## **6.2 Entities Qualified to Act as Custodian or Sub-Custodian for Assets Held in Canada**

If portfolio assets are held in Canada by a custodian or sub-custodian, the custodian or sub-custodian must be one of the following:

1. a bank listed in Schedule I, II or III of the *Bank Act* (Canada);
2. a trust company that is incorporated under the laws of Canada or a jurisdiction and licensed or registered under the laws of Canada or a jurisdiction, and that has equity, as reported in its most recent audited financial statements, of not less than \$10,000,000;
3. a company that is incorporated under the laws of Canada or of a jurisdiction, and that is an affiliate of a bank or trust company referred to in paragraph 1 or 2, if either of the following applies:
  - (a) the company has equity, as reported in its most recent audited financial statements that have been made public, of not less than \$10,000,000;
  - (b) the bank or trust company has assumed responsibility for all of the custodial obligations of the company for that investment fund.

## **6.3 Entities Qualified to Act as Sub-Custodian for Assets Held outside Canada**

If portfolio assets are held outside of Canada by a sub-custodian, the sub-custodian must be one of the following:

1. an entity referred to in section 6.2;



2. an entity that:
  - (a) is incorporated or organized under the laws of a country, or a political subdivision of a country, other than Canada;
  - (b) is regulated as a banking institution or trust company by the government, or an agency of the government, of the country under the laws of which it is incorporated or organized, or a political subdivision of that country; and
  - (c) has equity, as reported in its most recent audited financial statements, of not less than the equivalent of \$100,000,000;
3. an affiliate of an entity referred to in paragraph 1 or 2 if either of the following applies:
  - (a) the affiliate has equity, as reported in its most recent audited financial statements that have been made public, of not less than the equivalent of \$100,000,000;
  - (b) the entity referred to in paragraph 1 or 2 has assumed responsibility for all of the custodial obligations of the affiliate for that investment fund.

#### **6.4 Contents of Custodian and Sub-Custodian Agreements**

- (1) All custodian agreements and sub-custodian agreements of an investment fund must provide for:
  - (a) the location of portfolio assets;
  - (b) any appointment of a sub-custodian;
  - (c) requirements concerning lists of sub-custodians;
  - (d) the method of holding portfolio assets;
  - (e) the standard of care and responsibility for loss; and
  - (f) requirements concerning review and compliance reports.
- (2) A sub-custodian agreement concerning the portfolio assets of an investment fund must provide for the safekeeping of portfolio assets on terms consistent with the custodian agreement of the investment fund.
  - (2.1) An agreement referred to under subsections (1) and (2) must comply with the requirements of this Part.
- (3) A custodian agreement or sub-custodian agreement concerning the portfolio assets of an investment fund must not:
  - (a) provide for the creation of any security interest on the portfolio assets of the investment fund except for a good faith claim for payment of the fees and expenses of the custodian or a sub-custodian for acting in that capacity or to secure the obligations of the investment fund to repay borrowings by the investment fund from the custodian or a sub-custodian for the purpose of settling portfolio transactions; or
  - (b) contain a provision that would require the payment of a fee to the custodian or a sub-custodian for the transfer of the beneficial ownership of portfolio assets of the investment fund, other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

**6.5 Holding of Portfolio Assets and Payment of Fees**

- (1) Except as provided in subsections (2) and (3) and sections 6.8, 6.8.1 and 6.9, portfolio assets of an investment fund not registered in the name of the investment fund must be registered in the name of the custodian or a sub-custodian of the investment fund, or any of their respective nominees, with an account number or other designation in the records of the custodian sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.
- (2) The custodian or a sub-custodian of an investment fund, or an applicable nominee, must segregate portfolio assets issued in bearer form to show that the beneficial ownership of the property is vested in the investment fund.
- (3) The custodian or a sub-custodian of an investment fund may deposit portfolio assets of the investment fund with a depository, or a clearing agency, that operates a book-based system.
- (4) The custodian or a sub-custodian of an investment fund arranging for the deposit of portfolio assets of the investment fund with, and their delivery to, a depository, or clearing agency, that operates a book-based system must ensure that the records of any of the applicable participants in that book-based system or of the custodian contain an account number or other designation sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.
- (5) An investment fund must not pay a fee to the custodian or a sub-custodian of the investment fund for the transfer of beneficial ownership of portfolio assets of the investment fund other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

**6.6 Standard of Care**

- (1) The custodian and each sub-custodian of an investment fund, in carrying out their duties concerning the safekeeping of, and dealing with, the portfolio assets of the investment fund, must exercise:
  - (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or
  - (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in clause (a).
- (2) An investment fund must not relieve the custodian or a sub-custodian of the investment fund from liability to the investment fund or to a securityholder of the investment fund for loss that arises out of the failure of the custodian or sub-custodian to exercise the standard of care imposed by subsection (1).
- (3) An investment fund may indemnify the custodian or a sub-custodian against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that entity in connection with custodial or sub-custodial services provided by that entity to the investment fund, if those fees, judgments and amounts were not incurred as a result of a breach of the standard of care imposed by subsection (1).
- (4) An investment fund must not incur the cost of any portion of liability insurance that insures the custodian or a sub-custodian for a liability, except to the extent that the custodian or sub-custodian may be indemnified for that liability under this section.

## **6.7 Review and Compliance Reports**

- (1) The custodian of an investment fund must, on a periodic basis not less frequently than annually:
  - (a) review the custodian agreement and all sub-custodian agreements of the investment fund to determine if those agreements are in compliance with this Part;
  - (b) make reasonable enquiries as to whether each sub-custodian satisfies the applicable requirements of section 6.2 or 6.3; and
  - (c) make or cause to be made any changes that may be necessary to ensure that:
    - (i) the custodian and sub-custodian agreements are in compliance with this Part; and
    - (ii) all sub-custodians of the investment fund satisfy the applicable requirements of section 6.2 or 6.3.
- (2) The custodian of an investment fund must, within 60 days after the end of each financial year of the investment fund, advise the investment fund in writing:
  - (a) of the names and addresses of all sub-custodians of the investment fund;
  - (b) whether the custodian and sub-custodian agreements are in compliance with this Part; and
  - (c) whether, to the best of the knowledge and belief of the custodian, each sub-custodian satisfies section 6.2 or 6.3, as applicable.
- (3) A copy of the report referred to in subsection (2) must be delivered by or on behalf of the investment fund to the securities regulatory authority within 30 days after the filing of the annual financial statements of the investment fund.

## **6.8 Custodial Provisions relating to Derivatives and Securities Lending, Repurchase and Reverse Repurchase Agreements**

- (1) An investment fund may deposit portfolio assets as margin for transactions in Canada involving clearing corporation options, options on futures or standardized futures with a dealer that is a member of an SRO that is a participating member of CIPF if the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10 percent of the net asset value of the investment fund as at the time of deposit.
- (2) An investment fund may deposit portfolio assets with a dealer as margin for transactions outside Canada involving clearing corporation options, options on futures or standardized futures if:
  - (a) in the case of standardized futures and options on futures, the dealer is a member of a futures exchange or, in the case of clearing corporation options, is a member of a stock exchange, and, as a result in either case, is subject to a regulatory audit;
  - (b) the dealer has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million; and

(c) the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10 percent of the net asset value of the investment fund as at the time of deposit.

(3) An investment fund may deposit with its counter party portfolio assets over which it has granted a security interest in connection with a particular specified derivatives transaction.

(4) The agreement by which portfolio assets are deposited in accordance with subsection (1), (2) or (3) must require the person or company holding the portfolio assets to ensure that its records show that the investment fund is the beneficial owner of the portfolio assets.

(5) An investment fund may deliver portfolio assets to a person or company in satisfaction of its obligations under a securities lending, repurchase or reverse purchase agreement that complies with this Instrument if the collateral, cash proceeds or purchased securities that are delivered to the investment fund in connection with the transaction are held under the custodianship of the custodian or a sub-custodian of the investment fund in compliance with this Part.

#### **6.8.1 Custodial Provisions relating to Short Sales**

(1) Except where the borrowing agent is the investment fund's custodian or sub-custodian, if an investment fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the market value of portfolio assets deposited with the borrowing agent must not, when aggregated with the market value of portfolio assets already held by the borrowing agent as security for outstanding short sales of securities by the investment fund, exceed 10% of the net asset value of the investment fund at the time of deposit.

(2) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer in Canada unless the dealer is a registered dealer and is a member of IIROC.

(3) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer outside of Canada unless that dealer:

- (a) is a member of a stock exchange and is subject to a regulatory audit; and
- (b) has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million.

#### **6.9 Separate Account for Paying Expenses**

An investment fund may deposit cash in Canada with an entity referred to in clause (a) or (b) of section 6.2 to facilitate the payment of regular operating expenses of the investment fund.

## **PART 7 INCENTIVE FEES**

### **7.1 Incentive Fees**

A mutual fund must not pay, or enter into arrangements that would require it to pay, and securities of a mutual fund must not be sold on the basis that an investor would be required to pay, a fee that is determined by the performance of the mutual fund, unless:

- (a) the fee is calculated with reference to a benchmark or index that:
  - (i) reflects the market sectors in which the mutual fund invests according to its fundamental investment objectives;
  - (ii) is available to persons or companies other than the mutual fund and persons providing services to it; and
  - (iii) is a total return benchmark or index;
- (b) the payment of the fee is based upon a comparison of the cumulative total return of the mutual fund against the cumulative total percentage increase or decrease of the benchmark or index for the period that began immediately after the last period for which the performance fee was paid; and
- (c) the method of calculation of the fee and details of the composition of the benchmark or index are described in the prospectus of the mutual fund.

### **7.2 Multiple Portfolio Advisers**

Section 7.1 applies to fees payable to a portfolio adviser of a mutual fund that has more than one portfolio adviser, if the fees are calculated on the basis of the performance of the portfolio assets under management by that portfolio adviser, as if those portfolio assets were a separate mutual fund.

## **PART 8 CONTRACTUAL PLANS**

### **8.1 Contractual Plans**

A person or company must not sell securities of a mutual fund by way of a contractual plan unless:

- (a) the contractual plan was established, and its terms described in a prospectus that was filed with the securities regulatory authority, before the date that this Instrument came into force;
- (b) there have been no changes made to the contractual plan or the rights of securityholders under the contractual plan since the date that this Instrument came into force; and
- (c) the contractual plan has continued to be operated in the same manner after the date that this Instrument came into force as it was on that date.

## **PART 9 SALE OF SECURITIES OF AN INVESTMENT FUND**

### **9.0.1 Application**

This Part, other than subsection 9.3(2), does not apply to an exchange-traded mutual fund that is not in continuous distribution.

### 9.1 Transmission and Receipt of Purchase Orders

(0.1) This section does not apply to an exchange-traded mutual fund.

(1) Each purchase order for securities of a mutual fund received by a participating dealer at a location that is not its principal office must, on the day the order is received, be sent by same day or next day courier, same day or next day priority post, telephone or electronic means, without charge to the person or company placing the order or to the mutual fund, to the principal office of the participating dealer or a person or company providing services to the participating dealer.

(2) Each purchase order for securities of a mutual fund received by a participating dealer at its principal office, a person or company providing services to the participating dealer, or by the principal distributor of the mutual fund at a location that is not an order receipt office of the mutual fund must, on the day the order is received, be sent by same day or next day courier, same day or next day priority post, telephone or electronic means, without charge to the person or company placing the order or to the mutual fund, to an order receipt office of the mutual fund.

(3) Notwithstanding subsections (1) and (2), a purchase order for securities of a mutual fund received at a location referred to in those subsections after normal business hours on a business day, or on a day that is not a business day, may be sent, in the manner and to the place required by those subsections, on the next business day.

(4) A participating dealer, a principal distributor or a person or company providing services to the participating dealer or principal distributor, that sends purchase orders electronically may:

(a) specify a time on a business day by which a purchase order must be received in order that it be sent electronically on that business day; and

(b) despite subsections (1) and (2), send electronically on the next business day a purchase order received after the time specified under paragraph (a).

(5) A mutual fund is deemed to have received a purchase order for securities of the mutual fund when the order is received at an order receipt office of the mutual fund.

(6) Notwithstanding subsection (5), a mutual fund may provide that a purchase order for securities of the mutual fund received at an order receipt office of the mutual fund after a specified time on a business day, or on a day that is not a business day, will be considered to be received by the mutual fund on the next business day following the day of actual receipt.

(7) A principal distributor or participating dealer must ensure that a copy of each purchase order received in a jurisdiction is sent, by the time it is sent to the order receipt office of the mutual fund under subsection (2), to a person responsible for the supervision of trades made on behalf of clients for the principal distributor or participating dealer in the jurisdiction.

### 9.2 Acceptance of Purchase Orders

A mutual fund may reject a purchase order for the purchase of securities of the mutual fund if:

(a) the rejection of the order is made no later than one business day after receipt by the mutual fund of the order;

- (b) on rejection of the order, all cash received with the order is refunded immediately; and
- (c) the prospectus of the mutual fund states that the right to reject a purchase order for securities of the mutual fund is reserved and reflects the requirements of clauses (a) and (b).

### **9.3 Issue Price of Securities**

- (1) The issue price of a security of a mutual fund to which a purchase order pertains must be the net asset value per security of that class, or series of a class, next determined after the receipt by the mutual fund of the order.
- (2) The issue price of a security of an exchange-traded mutual fund that is not in continuous distribution, or of a non-redeemable investment fund, must not:
  - (a) as far as reasonably practicable, be a price that causes dilution of the net asset value of other outstanding securities of the investment fund at the time the security is issued; and
  - (b) be a price that is less than the most recent net asset value per security of that class, or series of a class, calculated prior to the pricing of the offering.

### **9.4 Delivery of Funds and Settlement**

- (1) A principal distributor, a participating dealer, or a person or company providing services to the principal distributor or participating dealer must forward any cash or securities received for payment of the issue price of securities of a mutual fund to an order receipt office of the mutual fund so that the cash or securities arrive at the order receipt office as soon as practicable and in any event no later than the second business day after the pricing date.
- (2) Payment of the issue price of securities of a mutual fund must be made to the mutual fund on or before the second business day after the pricing date for the securities by using any or a combination of the following methods of payment:
  - (a) by paying cash in a currency in which the net asset value per security of the mutual fund is calculated;
  - (b) by making good delivery of securities if:
    - (i) the mutual fund would at the time of payment be permitted to purchase those securities;
    - (ii) the securities are acceptable to the portfolio adviser of the mutual fund and consistent with the mutual fund's investment objectives; and
    - (iii) the value of the securities is at least equal to the issue price of the securities of the mutual fund for which they are payment, valued as if the securities were portfolio assets of the mutual fund.
- (4) If payment of the issue price of the securities of a mutual fund to which a purchase order pertains is not made on or before the second business day after the pricing date or if the mutual fund has been paid the issue price by a cheque or method of payment that is subsequently not honoured:



- (a) the mutual fund must redeem the securities to which the purchase order pertains as if it had received an order for the redemption of the securities on the third business day after the pricing date or on the day on which the mutual fund first knows that the method of payment will not be honoured; and
  - (b) the amount of the redemption proceeds derived from the redemption must be applied to reduce the amount owing to the mutual fund on the purchase of the securities and any banking costs incurred by the mutual fund in connection with the dishonoured cheque.
- (5) If the amount of the redemption proceeds referred to in subsection (4) exceeds the aggregate of issue price of the securities and any banking costs incurred by the mutual fund in connection with the dishonoured cheque, the difference must belong to the mutual fund.
- (6) If the amount of the redemption proceeds referred to in subsection (4) is less than the issue price of the securities and any banking costs incurred by the mutual fund in connection with the dishonoured cheque:
- (a) if the mutual fund has a principal distributor, the principal distributor must pay, immediately upon notification by the mutual fund, to the mutual fund the amount of the deficiency; or
  - (b) if the mutual fund does not have a principal distributor, the participating dealer that delivered the relevant purchase order to the mutual fund must pay immediately, upon notification by the mutual fund, to the mutual fund the amount of the deficiency.

## **PART 9.1 WARRANTS AND SPECIFIED DERIVATIVES**

### **9.1.1 Issuance of Warrants or Specified Derivatives**

An investment fund must not:

- (a) issue a conventional warrant or right; or
- (b) enter into a position in a specified derivative the underlying interest of which is a security of the investment fund.

## **PART 10 REDEMPTION OF SECURITIES OF AN INVESTMENT FUND**

### **10.1 Requirements for Redemptions**

- (1) An investment fund must not pay redemption proceeds unless:
- (a) if the security of the investment fund to be redeemed is represented by a certificate, the investment fund has received the certificate or appropriate indemnities in connection with a lost certificate; and
  - (b) either:
    - (i) the investment fund has received a written redemption order, duly completed and executed by or on behalf of the securityholder; or
    - (ii) the investment fund permits the making of redemption orders by telephone or electronic means by, or on behalf of, a securityholder who has made prior arrangements with the investment fund in that regard and the relevant redemption order is made in compliance with those arrangements.

(2) An investment fund may establish reasonable requirements applicable to securityholders who wish to have the investment fund redeem securities, not contrary to this Instrument, as to procedures to be followed and documents to be delivered by the following times:

(a) in the case of a mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, by the time of delivery of a redemption order to an order receipt office of the mutual fund;

(a.1) in the case of an exchange-traded mutual fund that is not in continuous distribution or of a non-redeemable investment fund, by the time of delivery of a redemption order; or

(b) by the time of payment of redemption proceeds.

(3) A manager of an investment fund must provide to securityholders of the investment fund at least annually a statement containing the following:

(a) a description of the requirements referred to in subsection (1);

(b) a description of the requirements established by the investment fund under subsection (2);

(c) a detailed reference to all documentation required for redemption of securities of the investment fund;

(d) detailed instructions on the manner in which documentation is to be delivered to participating dealers, the investment fund or a person or company providing services to the investment fund to which a redemption order may be made;

(e) a description of all other procedural or communication requirements;

(f) an explanation of the consequences of failing to meet timing requirements.

(4) The statement referred to in subsection (3) is not required to be separately provided, in any year, if the requirements are described in any document that is sent to all securityholders in that year.

## **10.2 Transmission and Receipt of Redemption Orders**

(0.1) This section does not apply to an exchange-traded mutual fund.

(1) Each redemption order for securities of a mutual fund received by a participating dealer at a location that is not its principal office must, on the day the order is received, be sent by same day or next day courier, same day or next day priority post, telephone or electronic means, without charge to the relevant securityholder or to the mutual fund, to the principal office of the participating dealer or a person or company providing services to the participating dealer.

(2) Each redemption order for securities of a mutual fund received by a participating dealer at its principal office, by the principal distributor of the mutual fund at a location that is not an order receipt office of the mutual fund, or a person or company providing services to the participating dealer or principal distributor must, on the day the order is received, be sent by same day or next day courier, same day or next day priority post, telephone or electronic means, without charge to the relevant securityholder or to the mutual fund, to an order receipt office of the mutual fund.

- (3) Notwithstanding subsections (1) and (2), a redemption order for securities of a mutual fund received at a location referred to in those subsections after normal business hours on a business day, or on a day that is not a business day, may be sent, in the manner and to the place required by those subsections, on the next business day.
- (4) A participating dealer, a principal distributor, or a person or company providing services to the participating dealer or principal distributor, that sends redemption orders electronically may:
- (a) specify a time on a business day by which a redemption order must be received in order that it be sent electronically on that business day; and
  - (b) despite subsections (1) and (2), send electronically on the next business day a redemption order received after the time specified under paragraph (a).
- (5) A mutual fund is deemed to have received a redemption order for securities of the mutual fund when the order is received at an order receipt office of the mutual fund or all requirements of the mutual fund established under clause 10.1(2)(a) have been satisfied, whichever is later.
- (6) If a mutual fund determines that its requirements established under clause 10.1(2)(a) have not been satisfied, the mutual fund must notify the securityholder making the redemption order, by the close of business on the business day after the date of the delivery to the mutual fund of the incomplete redemption order, that its requirements established under clause 10.1(2)(a) have not been satisfied and must specify procedures still to be followed or the documents still to be delivered by that securityholder.
- (7) Notwithstanding subsection (5), a mutual fund may provide that orders for the redemption of securities that are received at an order receipt office of the mutual fund after a specified time on a business day, or on a day that is not a business day, will be considered to be received by the mutual fund on the next business day following the day of actual receipt.

### **10.3 Redemption Price of Securities**

- (1) The redemption price of a security of a mutual fund to which a redemption order pertains must be the net asset value per security of that class, or series of a class, next determined after the receipt by the mutual fund of the order.
- (2) Despite subsection (1), the redemption price of a security of an exchange-traded mutual fund that is not in continuous distribution may be a price that is less than the net asset value of the security and that is determined on a date specified in the exchange-traded mutual fund's prospectus or annual information form.
- (3) Despite subsection (1), the redemption price of a security of an exchange-traded mutual fund that is in continuous distribution may, if a securityholder redeems fewer than the manager-prescribed number of units, be a price that is calculated by reference to the closing price of the security on the stock exchange on which the security is listed and posted for trading, next determined after the receipt by the exchange-traded mutual fund of the redemption order.
- (4) The redemption price of a security of a non-redeemable investment fund must not be a price that is more than the net asset value of the security determined on a redemption date specified in the prospectus or annual information form of the investment fund.

#### 10.4 Payment of Redemption Proceeds

(1) Subject to subsection 10.1(1) and to compliance with any requirements established by the mutual fund under clause 10.1(2)(b), a mutual fund must pay the redemption proceeds for securities that are the subject of a redemption order:

- (a) within two business days after the date of calculation of the net asset value per security used in establishing the redemption price; or
- (b) if payment of the redemption proceeds was not made at the time referred to in clause (a) because a requirement established under clause 10.1(2)(b) or a requirement of subsection 10.1(1) had not been satisfied, within two business days of:
  - (i) the satisfaction of the relevant requirement; or
  - (ii) the decision by the mutual fund to waive the requirement, if the requirement was a requirement established under clause 10.1(2)(b).

(1.1) Despite subsection (1), an exchange-traded mutual fund that is not in continuous distribution must pay the redemption proceeds for securities that are the subject of a redemption order no later than 15 business days after the valuation date on which the redemption price was established.

(1.2) A non-redeemable investment fund must pay the redemption proceeds for securities that are the subject of a redemption order no later than 15 business days after the valuation date on which the redemption price was established.

(2) The redemption proceeds for a redeemed security, less any applicable investor fees, must be paid to or to the order of the securityholder of the security.

(3) An investment fund must pay the redemption proceeds for a redeemed security by using any or a combination of the following methods of payment:

- (a) by paying cash in the currency in which the net asset value per security of the redeemed security was calculated;
- (b) with the prior written consent of the securityholder for a redemption other than an exchange of a manager-prescribed number of units, by making good delivery to the securityholder of portfolio assets, the value of which is equal to the amount at which those portfolio assets were valued in calculating the net asset value per security used to establish the redemption price.

(5) If redemption proceeds for a redeemed security are paid in currency, an investment fund is deemed to have made payment:

- (a) when the investment fund, its manager or principal distributor mails a cheque or transmits funds in the required amount to or to the order of the securityholder of the securities; or
- (b) if the securityholder has requested that redemption proceeds be delivered in a currency other than that permitted in subsection (3), when the investment fund delivers the redemption proceeds to the manager or principal distributor of the investment fund for conversion into that currency and delivery forthwith to the securityholder.

### **10.5 Failure to Complete Redemption Order**

- (1) If a requirement of a mutual fund referred to in subsection 10.1(1) or established under clause 10.1(2)(b) has not been satisfied on or before the close of business on the tenth business day after the date of the redemption of the relevant securities, and, in the case of a requirement established under clause 10.1(2)(b), the mutual fund does not waive satisfaction of the requirement, the mutual fund must:
  - (a) issue, to the person or company that immediately before the redemption held the securities that were redeemed, a number of securities equal to the number of securities that were redeemed, as if the mutual fund had received from the person or company on the tenth business day after the redemption, and accepted immediately before the close of business on the tenth business day after the redemption, an order for the purchase of that number of securities; and
  - (b) apply the amount of the redemption proceeds to the payment of the issue price of the securities.
- (2) If the amount of the issue price of the securities referred to in subsection (1) is less than the redemption proceeds, the difference must belong to the mutual fund.
- (3) If the amount of the issue price of the securities referred to in subsection (1) exceeds the redemption proceeds:
  - (a) if the mutual fund has a principal distributor, the principal distributor must pay immediately to the mutual fund the amount of the deficiency;
  - (b) if the mutual fund does not have a principal distributor, the participating dealer that delivered the relevant redemption order to the mutual fund must pay immediately to the mutual fund the amount of the deficiency; or
  - (c) if the mutual fund has no principal distributor and no dealer delivered the relevant redemption order to the mutual fund, the manager of the mutual fund must pay immediately to the mutual fund the amount of the deficiency.

### **10.6 Suspension of Redemptions**

- (1) An investment fund may suspend the right of securityholders to request that the investment fund redeem its securities for the whole or any part of a period during which either of the following occurs:
  - (a) normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and posted for trading, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the investment fund without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the investment fund;
  - (b) in the case of a clone fund, the investment fund whose performance it tracks has suspended redemptions.
- (2) An investment fund that has an obligation to pay the redemption proceeds for securities that have been redeemed in accordance with subsection 10.4(1), (1.1) or (1.2) may postpone payment during a period in which the right of securityholders to request redemption of their securities is suspended, whether that suspension was made under subsection (1) or pursuant to an approval of the securities regulatory authority or regulator.

- (3) An investment fund must not accept a purchase order for securities of the investment fund during a period in which it is exercising rights under subsection (1) or at a time in which it is relying on an approval of the securities regulatory authority or regulator contemplated by clause 5.5(1)(d).

## **PART 11 COMMINGLING OF CASH**

### **11.1 Principal Distributors and Service Providers**

- (1) Cash received by a principal distributor of a mutual fund, by a person or company providing services to the mutual fund or the principal distributor, or by a person or company providing services to a non-redeemable investment fund, for investment in, or on the redemption of, securities of the investment fund, or on the distribution of assets of the investment fund, until disbursed as permitted by subsection (3):
- (a) must be accounted for separately and be deposited in a trust account or trust accounts established and maintained in accordance with the requirements of section 11.3; and
  - (b) may be commingled only with cash received by the principal distributor or service provider for the sale or on the redemption of other investment fund securities.
- (2) Except as permitted by subsection (3), the principal distributor, a person or company providing services to the mutual fund or principal distributor, or a person or company providing services to the non-redeemable investment fund must not use any of the cash referred to in subsection (1) to finance its own or any other operations in any way.
- (3) The principal distributor or person or company providing services to an investment fund or principal distributor may withdraw cash from a trust account referred to in clause (1)(a) for any of the following purposes:
- (a) remitting to the investment fund the amount or, if subsection (5) applies, the net amount, to be invested in the securities of the investment fund;
  - (b) remitting to the relevant persons or companies redemption or distribution proceeds being paid on behalf of the investment fund;
  - (c) paying fees, charges and expenses that are payable by an investor in connection with the purchase, conversion, holding, transfer or redemption of securities of the investment fund.
- (4) All interest earned on cash held in a trust account referred to in clause (1)(a) must be paid to securityholders or to each of the investment funds to which the trust account pertains, pro rata based on cash flow:
- (a) no less frequently than monthly if the amount owing to an investment fund or to a securityholder is \$10 or more; and
  - (b) no less frequently than once a year.
- (5) When making payments to an investment fund, the principal distributor or service provider may offset the proceeds of redemption of securities of the investment fund or amounts held for distributions to be paid on behalf of the investment fund held in the trust account against amounts held in the trust account for investment in the investment fund.



**11.2 Participating Dealers**

- (1) Cash received by a participating dealer, or by a person or company providing services to a participating dealer, for investment in, or on the redemption of, securities of a mutual fund, or on the distribution of assets of a mutual fund, until disbursed as permitted by subsection (3):
  - (a) must be accounted for separately and must be deposited in a trust account or trust accounts established and maintained in accordance with section 11.3; and
  - (b) may be commingled only with cash received by the participating dealer or service provider for the sale or on the redemption of other mutual fund securities.
- (2) Except as permitted by subsection (3), the participating dealer or person or company providing services to the participating dealer must not use any of the cash referred to in subsection (1) to finance its own or any other operations in any way.
- (3) A participating dealer or person or company providing services to the participating dealer may withdraw cash from a trust account referred to in clause (1)(a) for the purpose of:
  - (a) remitting to the mutual fund or the principal distributor of the mutual fund the amount or, if subsection (5) applies, the net amount, to be invested in the securities of the mutual fund;
  - (b) remitting to the relevant persons or companies redemption or distribution proceeds being paid on behalf of the mutual fund; or
  - (c) paying fees, charges and expenses that are payable by an investor in connection with the purchase, conversion, holding, transfer or redemption of securities of the mutual fund.
- (4) All interest earned on cash held in a trust account referred to in clause (1)(a) must be paid to securityholders or to each of the mutual funds to which the trust account pertains, pro rata based on cash flow:
  - (a) no less frequently than monthly if the amount owing to a mutual fund or to a securityholder is \$10 or more; and
  - (b) no less frequently than once a year.
- (5) When making payments to a mutual fund, a participating dealer or service provider may offset the proceeds of redemption of securities of the mutual fund and amounts held for distributions to be paid on behalf of a mutual fund held in the trust account against amounts held in the trust account for investment in the mutual fund.
- (6) A participating dealer or person providing services to the participating dealer must permit the mutual fund and the principal distributor, through their respective auditors or other designated representatives, to examine the books and records of the participating dealer to verify the compliance with this section of the participating dealer or person providing services.



### 11.3 Trust Accounts

A principal distributor or participating dealer, a person or company providing services to the principal distributor or participating dealer, or a person or company providing services to an investment fund, that deposits cash into a trust account in accordance with section 11.1 or 11.2 must:

- (a) advise, in writing, the financial institution with which the account is opened at the time of the opening of the account and annually thereafter; that
  - (i) the account is established for the purpose of holding client funds in trust;
  - (ii) the account is to be labelled by the financial institution as a “trust account”;
  - (iii) the account is not to be accessed by any person other than authorized representatives of the principal distributor or participating dealer, of a person or company providing services to the principal distributor or participating dealer or of a person or company providing services to the investment fund; and
  - (iv) the cash in the trust account may not be used to cover shortfalls in any accounts of the principal distributor or participating dealer, of a person or company providing services to the principal distributor or participating dealer or of a person or company providing services to the investment fund;
- (b) ensure that the trust account bears interest at rates equivalent to comparable accounts of the financial institution; and
- (c) ensure that any charges against the trust account are not paid or reimbursed out of the trust account.

### 11.4 Exemption

- (1) Sections 11.1 and 11.2 do not apply to a member of IIROC.
  - (1.1) Except in Québec, sections 11.1 and 11.2 do not apply to a member of the MFDA.
  - (1.2) In Québec, sections 11.1 and 11.2 do not apply to a mutual fund dealer.
  - (1.3) Section 11.1 does not apply to CDS Clearing and Depository Services Inc.
- (2) A participating dealer that is a member of an SRO referred to in subsection (1) or (1.1) or, in Québec, that is a mutual fund dealer, must permit the mutual fund and the principal distributor, through their respective auditors or other designated representatives, to examine the books and records of the participating dealer to verify the participating dealer’s compliance with the requirements of its association or exchange, or the requirements applicable to the mutual fund dealer under the regulations in Québec, that relate to the commingling of cash.

### **11.5 Right of Inspection**

The investment fund, its trustee, manager and principal distributor must ensure that all contractual arrangements made between any of them and any person or company providing services to the investment fund permit the representatives of the investment fund, its manager and trustee to examine the books and records of those persons or companies in order to monitor compliance with this Instrument.

## **PART 12 COMPLIANCE REPORTS**

### **12.1 Compliance Reports**

- (1) A mutual fund, other than an exchange-traded mutual fund that is not in continuous distribution, that does not have a principal distributor must complete and file, within 140 days after the financial year end of the mutual fund:
  - (a) a report in the form contained in Appendix B-1 describing compliance by the mutual fund during that financial year with the applicable requirements of Parts 9, 10 and 11; and
  - (b) a report by the auditor of the mutual fund, in the form contained in Appendix B-1, concerning the report referred to in clause (a).
- (2) The principal distributor of a mutual fund must complete and file, within 90 days after the financial year end of the principal distributor:
  - (a) a report in the form contained in Appendix B-2 describing compliance by the principal distributor during that financial year with the applicable requirements of Parts 9, 10 and 11; and
  - (b) a report by the auditor of the principal distributor or by the auditor of the mutual fund, in the form contained in Appendix B-2, concerning the report referred to in clause (a).
- (3) Each participating dealer that distributes securities of a mutual fund in a financial year of the participating dealer must complete and file, within 90 days after the end of that financial year:
  - (a) a report in the form contained in Appendix B-3 describing compliance by the participating dealer during that financial year with the applicable requirements of Parts 9, 10 and 11 in connection with its distribution of securities of all mutual funds in that financial year; and
  - (b) a report by the auditor of the participating dealer, in the form contained in Appendix B-3, concerning the report referred to in clause (a).
- (4) Subsections (2) and (3) do not apply to a member of IIROC.
  - (4.1) Except in Québec, subsections (2) and (3) do not apply to a member of the MFDA.
  - (4.2) In Québec, subsections (2) and (3) do not apply to a mutual fund dealer.

## **PART 14 RECORD DATE**

### **14.0.1 Application**

This Part does not apply to an exchange-traded mutual fund.

#### **14.1 Record Date**

The record date for determining the right of securityholders of a mutual fund to receive a dividend or distribution by the mutual fund must be one of:

- (a) the day on which the net asset value per security is determined for the purpose of calculating the amount of the payment of the dividend or distribution;
- (b) the last day on which the net asset value per security of the mutual fund was calculated before the day referred to in clause (a); or
- (c) if the day referred to in clause (b) is not a business day, the last day on which the net asset value per security of the mutual fund was calculated before the day referred to in clause (b).

### **PART 15 SALES COMMUNICATIONS AND PROHIBITED REPRESENTATIONS**

#### **15.1 Ability to Make Sales Communications**

Sales communications pertaining to an investment fund must be made by a person or company in accordance with this Part.

#### **15.2 Sales Communications - General Requirements**

- (1) Notwithstanding any other provision of this Part, a sales communication must not:
  - (a) be untrue or misleading; or
  - (b) include a statement that conflicts with information that is contained in the preliminary prospectus, the preliminary annual information form, the preliminary fund facts document, the prospectus, the annual information form or the fund facts document, as applicable:
    - (i) of an investment fund; or
    - (ii) in which an asset allocation service is described.

- (2) All performance data or disclosure specifically required by this Instrument and contained in a written sales communication must be at least as large as 10-point type.

#### **15.3 Prohibited Disclosure in Sales Communications**

- (1) A sales communication must not compare the performance of an investment fund or asset allocation service with the performance or change of any benchmark or investment unless:
  - (a) it includes all facts that, if disclosed, would be likely to alter materially the conclusions reasonably drawn or implied by the comparison;
  - (b) it presents data for each subject of the comparison for the same period or periods;
  - (c) it explains clearly any factors necessary to make the comparison fair and not misleading; and
  - (d) in the case of a comparison with a benchmark:
    - (i) the benchmark existed and was widely recognized and available during the period for which the comparison is made; or
    - (ii) the benchmark did not exist for all or part of the period, but a reconstruction or calculation of what the benchmark would have been during that period, calculated on a basis consistent with its current basis of calculation, is widely recognized and available.

(2) A sales communication for a mutual fund or asset allocation service that is prohibited by paragraph 15.6(1)(a) from disclosing performance data must not provide performance data for any benchmark or investment other than a mutual fund or asset allocation service under common management with the mutual fund or asset allocation service to which the sales communication pertains.

(2.1) A sales communication for a non-redeemable investment fund that is restricted by paragraph 15.6(1)(a) from disclosing performance data must not provide performance data for any benchmark or investment, other than a non-redeemable investment fund under common management with the non-redeemable investment fund to which the sales communication pertains.

(3) Notwithstanding subsection (2), a sales communication for an index mutual fund may provide performance data for the index on which the investments of the mutual fund are based if the index complies with the requirements for benchmarks contained in clause (1)(d).

(4) A sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless:

- (a) the rating or ranking is prepared by a mutual fund rating entity;
- (b) standard performance data is provided for any mutual fund or asset allocation service for which a performance rating or ranking is given;
- (c) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund;
- (d) the rating or ranking is based on a published category of mutual funds that:
  - (i) provides a reasonable basis for evaluating the performance of the mutual fund or asset allocation service; and
  - (ii) is not established or maintained by a member of the organization of the mutual fund or asset allocation service;
- (e) the sales communication contains the following disclosure:
  - (i) the name of the category within which the mutual fund or asset allocation service is rated or ranked, including the name of the organization that maintains the category;
  - (ii) the number of mutual funds in the applicable category for each period of standard performance data required under paragraph (c);
  - (iii) the name of the mutual fund rating entity that provided the rating or ranking;
  - (iv) the length of the period or the first day of the period on which the rating or ranking is based, and its ending date;
  - (v) a statement that the rating or ranking is subject to change every month;
  - (vi) the criteria on which the rating or ranking is based; and
  - (vii) if the rating or ranking consists of a symbol rather than a number, the meaning of the symbol; and

- (f) the rating or ranking is to the same calendar month end that is:
  - (i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included; and
  - (ii) not more than three months before the date of first publication of any other sales communication in which it is included.
- (4.1) Despite clause (4)(c), a sales communication may refer to an overall rating or ranking of a mutual fund or asset allocation service in addition to each rating or ranking required under clause (4)(c) if the sales communication otherwise complies with the requirements of subsection (4).
- (5) A sales communication must not refer to a credit rating of securities of an investment fund unless:
  - (a) the rating is current and was prepared by a designated rating organization or its DRO affiliate;
  - (b) there has been no announcement by the designated rating organization or any of its DRO affiliates of which the investment fund or its manager is or ought to be aware that the credit rating of the securities may be down-graded; and
  - (c) no designated rating organization or any of its DRO affiliates is currently rating the securities at a lower level.
- (6) A sales communication must not refer to a mutual fund as, or imply that it is, a money fund, cash fund or money market fund unless, at the time the sales communication is used and for each period for which money market fund standard performance data is provided, the mutual fund is and was a money market fund under this Instrument.
- (7) A sales communication must not state or imply that a registered retirement savings plan, registered retirement income fund or registered education savings plan in itself, rather than the investment fund to which the sales communication relates, is an investment.

#### 15.4 Required Disclosure and Warnings in Sales Communications

- (1) A written sales communication must:
  - (a) bear the name of the dealer that distributed the sales communication; and
  - (b) if the sales communication is not an advertisement, contain the date of first publication of the sales communication.
- (2) A sales communication that includes a rate of return or a mathematical table illustrating the potential effect of a compound rate of return must contain a statement in substantially the following words:

“[The rate of return or mathematical table shown] is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of [the investment fund or asset allocation service] or returns on investment [in the investment fund or from the use of the asset allocation service]”.

(3) A sales communication, other than a report to securityholders, of a mutual fund that is not a money market fund and that does not contain performance data must contain a warning in substantially the following words:

“Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated”.

(3.1) A sales communication, other than a report to securityholders, of a non-redeemable investment fund that does not contain performance data must contain a warning in substantially the following words:

*[If the securities of the non-redeemable investment fund are listed or quoted on an exchange or other market, state the following:]* “You will usually pay brokerage fees to your dealer if you purchase or sell [units or shares] of the investment fund on *[state the exchange or other market on which the securities of the investment fund are listed or quoted]*. If the [units or shares] are purchased or sold on *[state the exchange or other market]*, investors may pay more than the current net asset value when buying [units or shares] of the investment fund and may receive less than the current net asset value when selling them.”

*[State the following in all cases:]* “There are ongoing fees and expenses associated with owning [units or shares] of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the fund in these documents. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.”

(4) A sales communication, other than a report to securityholders, of a money market fund that does not contain performance data must contain a warning in substantially the following words:

“Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated”.

(5) A sales communication for an asset allocation service that does not contain performance data must contain a warning in substantially the following words:

“Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Please read the prospectus of the mutual funds in which investment may be made under the asset allocation service before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated”.

(6) A sales communication, other than a report to securityholders, of a mutual fund that is not a money market fund and that contains performance data must contain a warning in substantially the following words:

“Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rate[s] of return is [are] the historical annual compounded total return[s] including changes in [share or unit] value and reinvestment of all [dividends or distributions] and does [do] not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated”.

(6.1) A sales communication, other than a report to securityholders, of a non-redeemable investment fund that contains performance data must contain a warning in substantially the following words:

*[If the securities of the non-redeemable investment fund are listed or quoted on an exchange or other market, state the following:]* “You will usually pay brokerage fees to your dealer if you purchase or sell [units or shares] of the investment fund on *[state the exchange or other market on which the securities of the investment fund are listed or quoted]*. If the [units or shares] are purchased or sold on *[state the exchange or other market]*, investors may pay more than the current net asset value when buying [units or shares] of the investment fund and may receive less than the current net asset value when selling them.”

*[State the following in all cases:]* “There are ongoing fees and expenses associated with owning [units or shares] of an investment fund. An investment fund must prepare disclosure documents that contain key information about the fund. You can find more detailed information about the fund in these documents. The indicated rate[s] of return is [are] the historical annual compounded total return[s] including changes in [share or unit] value and reinvestment of all [dividends or distributions] and does [do] not take into account *[state the following, as applicable:]* [certain fees such as redemption fees or optional charges or] income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.”

(7) A sales communication, other than a report to securityholders, of a money market fund that contains performance data must contain:

(a) a warning in substantially the following words:

“Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated”; and



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(b) a statement in substantially the following words, immediately following the performance data:

“This is an annualized historical yield based on the seven day period ended on [date] [annualized in the case of effective yield by compounding the seven day return] and does not represent an actual one year return”.

(8) A sales communication for an asset allocation service that contains performance data must contain a warning in substantially the following words:

“Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Please read the prospectus of the mutual funds in which investment may be made under the asset allocation service before investing. The indicated rate[s] of return is [are] the historical annual compounded total return[s] assuming the investment strategy recommended by the asset allocation service is used and after deduction of the fees and charges in respect of the service. The return[s] is [are] based on the historical annual compounded total returns of the participating funds including changes in [share] [unit] value and reinvestment of all [dividends or distributions] and does [do] not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder in respect of a participating fund that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated”.

(9) A sales communication distributed after the issue of a receipt for a preliminary prospectus of the mutual fund described in the sales communication but before the issue of a receipt for its simplified prospectus must contain a warning in substantially the following words:

“A preliminary prospectus relating to the fund has been filed with certain Canadian securities commissions or similar authorities. You cannot buy [units] [shares] of the fund until the relevant securities commissions or similar authorities issue receipts for the simplified prospectus of the fund”.

(10) A sales communication for an investment fund or asset allocation service that purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the investment fund or asset allocation service must:

- (a) identify the person or company providing the guarantee or insurance;
- (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance;
- (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value per security of the investment fund at the time; and
- (d) modify any other disclosure required by this section appropriately.

(11) The warnings referred to in this section must be communicated in a manner that a reasonable person would consider clear and easily understood at the same time as, and through the medium by which, the related sales communication is communicated.

### **15.5 Disclosure Regarding Distribution Fees**

(1) A person or company must not describe a mutual fund in a sales communication as a “no-load fund” or use words of like effect if on a purchase or redemption of securities of the mutual fund investor fees are payable by an investor or if any fees, charges or expenses are payable by an investor to a participating dealer of the mutual fund named in the sales communication, other than:

- (a) fees and charges related to specific optional services;
- (b) for a mutual fund that is not a money market fund, redemption fees on the redemption of securities of the mutual fund that are redeemed within 90 days after the purchase of the securities, if the existence of the fees is disclosed in the sales communication, or in the prospectus of the mutual fund; or
- (c) costs that are payable only on the set-up or closing of a securityholder’s account and that reflect the administrative costs of establishing or closing the account, if the existence of the costs is disclosed in the sales communication, or in the prospectus of the mutual fund.

(2) If a sales communication describes a mutual fund as “no-load” or uses words to like effect, the sales communication must:

- (a) indicate the principal distributor or a participating dealer through which an investor may purchase the mutual fund on a no-load basis;
- (b) disclose that management fees and operating expenses are paid by the mutual fund; and
- (c) disclose the existence of any trailing commissions paid by a member of the organization of the mutual fund.

(3) A sales communication containing a reference to the existence or absence of fees or charges, other than the disclosure required by section 15.4 or a reference to the term “no-load”, must disclose the types of fees and charges that exist.

(4) The rate of sales charges or commissions for the sale of securities of a mutual fund or the use of an asset allocation service must be expressed in a sales communication as a percentage of the amount paid by the purchaser and as a percentage of the net amount invested if a reference is made to sales charges or commissions.

### **15.6 Performance Data - General Requirements**

(1) A sales communication pertaining to an investment fund or asset allocation service must not contain performance data of the investment fund or asset allocation service unless all of the following paragraphs apply:

- (a) one of the following subparagraphs applies:
  - (i) in the case of a mutual fund, either of the following applies:
    - (A) the mutual fund has distributed securities under a prospectus in a jurisdiction for a period of at least 12 consecutive months;

- (B) the mutual fund previously existed as a non-redeemable investment fund and has been a reporting issuer in a jurisdiction for a period of at least 12 consecutive months;
- (ii) in the case of a non-redeemable investment fund, the non-redeemable investment fund has been a reporting issuer in a jurisdiction for at least 12 consecutive months;
- (iii) in the case of an asset allocation service, the asset allocation service has been operated for at least 12 consecutive months and has invested only in participating funds each of which has distributed securities under a prospectus in a jurisdiction for at least 12 consecutive months;
- (iv) if the sales communication pertains to an investment fund or asset allocation service that does not satisfy subparagraph (i), (ii) or (iii), the sales communication is sent only to one of the following:
  - (A) securityholders of the investment fund or participants in the asset allocation service;
  - (B) securityholders of an investment fund or participants in an asset allocation service under common management with the investment fund or asset allocation service;
- (b) the sales communication includes standard performance data of the investment fund or asset allocation service and, in the case of a written sales communication, the standard performance data is presented in type size that is equal to or larger than that used to present the other performance data;
- (c) the performance data reflects or includes references to all elements of return;
- (d) except as permitted by subsection 15.3(3), the sales communication does not contain performance data for a period that is:
  - (i) in the case of a mutual fund, before the time when the mutual fund offered its securities under a prospectus;
  - (ii) in the case of a non-redeemable investment fund, before the non-redeemable investment fund was a reporting issuer;
  - (iii) in the case of an asset allocation service, before the asset allocation service commenced operation.
- (2) Despite subparagraph (1)(d)(i), a sales communication pertaining to a mutual fund referred to in clause (1)(a)(i)(B) that contains performance data of the mutual fund must include performance data for the period that the fund existed as a non-redeemable investment fund and was a reporting issuer.

### **15.7 Advertisements**

An advertisement for a mutual fund or asset allocation service must not compare the performance of the mutual fund or asset allocation service with any benchmark or investment other than:

- (a) one or more mutual funds or asset allocation services that are under common management or administration with the mutual fund or asset allocation service to which the advertisement pertains;

- (b) one or more mutual funds or asset allocation services that have fundamental investment objectives that a reasonable person would consider similar to the mutual fund or asset allocation service to which the advertisement pertains; or
- (c) an index.

#### **15.7.1 Advertisements for Non-Redeemable Investment Funds**

An advertisement for a non-redeemable investment fund must not compare the performance of the non-redeemable investment fund with any benchmark or investment other than any of the following:

- (a) one or more non-redeemable investment funds that are under common management or administration with the non-redeemable investment fund to which the advertisement pertains;
- (b) one or more non-redeemable investment funds that have fundamental investment objectives that a reasonable person would consider similar to the non-redeemable investment fund to which the advertisement pertains;
- (c) an index.

#### **15.8 Performance Measurement Periods Covered by Performance Data**

- (1) A sales communication, other than a report to securityholders, that relates to a money market fund may provide standard performance data only if:
  - (a) the standard performance data has been calculated for the most recent seven day period for which it is practicable to calculate, taking into account publication deadlines; and
  - (b) the seven day period does not start more than 45 days before the date of the appearance, use or publication of the sales communication.
- (2) A sales communication, other than a report to securityholders, that relates to an asset allocation service, or to an investment fund other than a money market fund, must not provide standard performance data unless:
  - (a) to the extent applicable, the standard performance data has been calculated for 10, 5, 3 and one year periods;
    - (a.1) in the case of a mutual fund that has been offering securities by way of prospectus for more than one and less than 10 years, the standard performance data has been calculated for the period since the inception of the mutual fund;
    - (a.2) in the case of a non-redeemable investment fund that has been a reporting issuer for more than one and less than 10 years, the standard performance data has been calculated for the period since the inception of the non-redeemable investment fund; and
  - (b) the periods referred to in paragraphs (a), (a.1) and (a.2) end on the same calendar month end that is:
    - (i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included; and
    - (ii) not more than three months before the date of first publication of any other sales communication in which it is included.

- (3) A report to securityholders must not contain standard performance data unless:
  - (a) to the extent applicable, the standard performance data has been calculated for 10, 5, 3 and one year periods;
  - (a.1) in the case of a mutual fund that has been offering securities by way of prospectus for more than one and less than 10 years, the standard performance data has been calculated for the period since the inception of the mutual fund;
  - (a.2) in the case of a non-redeemable investment fund that has been a reporting issuer for more than one and less than 10 years, the standard performance data has been calculated for the period since the inception of the non-redeemable investment fund; and
  - (b) the periods referred to in paragraphs (a), (a.1) and (a.2) end on the day as of which the statement of financial position of the financial statements contained in the report to securityholders was prepared.
- (4) A sales communication must clearly identify the periods for which performance data is calculated.

#### **15.9 Changes affecting Performance Data**

- (1) If, during or after a performance measurement period of performance data contained in a sales communication, there have been changes in the business, operations or affairs of the investment fund or asset allocation service to which the sales communication pertains that could have materially affected the performance of the investment fund or asset allocation service, the sales communication must contain:
  - (a) summary disclosure of the changes, and of how those changes could have affected the performance had those changes been in effect throughout the performance measurement period; and
  - (b) for a money market fund that during the performance measurement period did not pay or accrue the full amount of any fees and charges of the type described under clause 15.11(1)(a), disclosure of the difference between the full amounts and the amounts actually charged, expressed as an annualized percentage on a basis comparable to current yield.
- (2) If an investment fund has, in the last 10 years, undertaken a reorganization with, or acquired assets from, another investment fund in a transaction that was a material change for the investment fund or would have been a material change for the investment fund had this Instrument been in force at the time of the transaction, then, in any sales communication of the investment fund:
  - (a) the investment fund must provide summary disclosure of the transaction;
  - (b) the investment fund may include its performance data covering any part of a period before the transaction only if it also includes the performance data for the other fund for the same periods;
  - (c) the investment fund must not include its performance data for any part of a period after the transaction unless:
    - (i) 12 months have passed since the transaction; or
    - (ii) the investment fund includes in the sales communication the performance data for itself and the other investment fund referred to in clause (b); and

- (d) the investment fund must not include any performance data for any period that is composed of both time before and after the transaction.

#### 15.10 Formula for Calculating Standard Performance Data

- (1) The standard performance data of an investment fund must be calculated in accordance with this Part.

- (2) In this Part:

**“current yield”** means the yield of a money market fund expressed as a percentage and determined by applying the following formula:

$$\text{current yield} = [\text{seven day return} \times 365/7] \times 100;$$

**“effective yield”** means the yield of a money market fund expressed as a percentage and determined by applying the following formula:

$$\text{effective yield} = [(\text{seven day return} + 1)^{365/7} - 1] \times 100;$$

**“seven day return”** means the income yield of an account of a securityholder in a money market fund that is calculated by:

- (a) determining the net change, exclusive of new subscriptions other than from the reinvestment of distributions or proceeds of redemption of securities of the money market fund, in the value of the account;
- (b) subtracting all fees and charges of the type referred to in clause 15.11(1)(c) for the seven day period; and
- (c) dividing the result by the value of the account at the beginning of the seven day period;

**“standard performance data”** means, as calculated in each case in accordance with this Part:

- (a) for a money market fund, either of the following:
  - (i) the current yield;
  - (ii) the current yield and effective yield, if the effective yield is reported in a type size that is at least equal to that of the current yield; and
- (b) for any investment fund other than a money market fund, the total return; and

**“total return”** means the annual compounded rate of return for an investment fund for a period that would equate the initial value to the redeemable value at the end of the period, expressed as a percentage, and determined by applying the following formula:

$$\text{total return} = [(\text{redeemable value}/\text{initial value})^{(1/N)} - 1] \times 100$$

where N = the length of the performance measurement period in years, with a minimum value of 1.

(3) If there are fees and charges of the type described in clause 15.11(1)(a) relevant to the calculation of redeemable value and initial value of the securities of an investment fund, the redeemable value and initial value of securities of an investment fund must be the net asset value of one unit or share of the investment fund at the beginning or at the end of the performance measurement period, minus the amount of those fees and charges calculated by applying the assumptions referred to in that clause to a hypothetical securityholder account.

(4) If there are no fees and charges of the type described in clause 15.11(1)(a) relevant to a calculation of total return, the calculation of total return for an investment fund may assume a hypothetical investment of one security of the investment fund and be calculated as follows:

(a) **“initial value”** means the net asset value of one unit or share of an investment fund at the beginning of the performance measurement period; and

(b) **“redeemable value”** =

$$R \times (1 + D_1/P_1) \times (1 + D_2/P_2) \times (1 + D_3/P_3) \dots \times (1 + D_n/P_n)$$

where:

R = the net asset value of one unit or security of the investment fund at the end of the performance measurement period;

D = the dividend or distribution amount per security of the investment fund at the time of each distribution;

P = the dividend or distribution reinvestment price per security of the investment fund at the time of each distribution; and

n = the number of dividends or distributions during the performance measurement period.

(5) Standard performance data of an asset allocation service must be based upon the standard performance data of its participating funds.

(6) Performance data:

(a) for an investment fund other than a money market fund must be calculated to the nearest one-tenth of one percent; and

(b) for a money market fund must be calculated to the nearest one-hundredth of one percent.

### **15.11 Assumptions for Calculating Standard Performance Data**

(1) The following assumptions must be made in the calculation of standard performance data of an investment fund:

1. Recurring fees and charges that are payable by all securityholders:

(a) are accrued or paid in proportion to the length of the performance measurement period;

(b) if structured in a manner that would result in the performance information being dependent on the size of an investment, are calculated on the basis of an investment equal to the greater of \$10,000 or the minimum amount that may be invested; and

(c) if fully negotiable, are calculated on the basis of the average fees paid by accounts of the size referred to in paragraph (b).



2. There are no fees and charges related to specific optional services.
  3. All fees and charges payable by the investment fund are accrued or paid.
  4. Dividends or distributions by the investment fund are reinvested in the investment fund at the net asset value per security of the investment fund on the reinvestment dates during the performance measurement period.
  5. There are no non-recurring fees and charges that are payable by some or all securityholders and no recurring fees and charges that are payable by some but not all securityholders.
  6. In the case of a mutual fund, a complete redemption occurs at the end of the performance measurement period, so that the ending redeemable value includes elements of return that have been accrued but not yet paid to securityholders.
  7. In the case of a non-redeemable investment fund, a complete redemption occurs at the net asset value of one security at the end of the performance measurement period so that the ending redeemable value includes elements of return that have been accrued but not yet paid to securityholders.
- (2) The following assumptions must be made in the calculation of standard performance data of an asset allocation service:
- (a) fees and charges that are payable by participants in the asset allocation service:
    - (i) are accrued or paid in proportion to the length of the performance measurement period;
    - (ii) if structured in a manner that would result in the performance information being dependent on the size of an investment, are calculated on the basis of an investment equal to the greater of \$10,000 or the minimum amount that may be invested; and
    - (iii) if fully negotiable, are calculated on the basis of the average fees paid by accounts of the size referred to in subclause (i);
  - (b) there are no fees and charges related to specific optional services;
  - (c) the investment strategy recommended by the asset allocation service is utilized for the performance measurement period;
  - (d) transfer fees are:
    - (i) accrued or paid;
    - (ii) if structured in a manner that would result in the performance information being dependent on the size of an investment, calculated on the basis of an account equal to the greater of \$10,000 or the minimum amount that may be invested; and
    - (iii) if the fees and charges are fully negotiable, calculated on the basis of the average fees paid by an account of the size referred to in subclause (ii);
  - (e) a complete redemption occurs at the end of the performance measurement period so that the ending redeemable value includes elements of return that have been accrued but not yet paid to securityholders.

(3) The calculation of standard performance data must be based on actual historical performance and the fees and charges payable by the investment fund and securityholders, or the asset allocation service and participants, in effect during the performance measurement period.

#### **15.12 Sales Communications During the Waiting Period**

If a sales communication is used after the issue of a receipt for a preliminary simplified prospectus of the mutual fund described in the sales communication but before the issue of a receipt for its prospectus, the sales communication must state only:

- (a) whether the security represents a share in a corporation or an interest in a non-corporate entity;
- (b) the name of the mutual fund and its manager;
- (c) the fundamental investment objectives of the mutual fund;
- (d) without giving details, whether the security is or will be a qualified investment for a registered retirement savings plan, registered retirement income fund or registered education savings plan or qualifies or will qualify the holder for special tax treatment; and
- (e) any additional information permitted by securities legislation.

#### **15.13 Prohibited Representations**

- (1) Securities issued by an unincorporated investment fund must be described by a term that is not and does not include the word “shares”.
- (2) A communication by an investment fund or asset allocation service, its promoter, manager, portfolio adviser, principal distributor, participating dealer or a person providing services to the investment fund or asset allocation service must not describe the investment fund as a commodity pool or as a vehicle for investors to participate in the speculative trading of, or leveraged investment in, derivatives, unless the investment fund is a commodity pool as defined in National Instrument 81-104 *Commodity Pools*.

**15.14 Sales Communication - Multi-Class Investment Funds** - A sales communication for an investment fund that distributes different classes or series of securities that are referable to the same portfolio must not contain performance data unless the sales communication complies with the following requirements:

- 1. The sales communication clearly specifies the class or series of security to which any performance data contained in the sales communication relates.
- 2. If the sales communication refers to more than one class or series of security and provides performance data for any one class or series, the sales communication must provide performance data for each class or series of security referred to in the sales communication and must clearly explain the reasons for different performance data among the classes or series.
- 3. A sales communication for a new class or series of security and an existing class or series of security must not contain performance data for the existing class or series unless the sales communication clearly explains any differences between the new class or series and the existing class or series that could affect performance.

## **PART 15.1 INVESTMENT RISK CLASSIFICATION METHODOLOGY**

### **15.1.1 Use of Investment Risk Classification Methodology - A mutual fund must**

- (a) determine its investment risk level, at least annually, in accordance with Appendix F *Investment Risk Classification Methodology* and
- (b) disclose its investment risk level in the fund facts document in accordance with Part I, Item 4 of Form 81-101F3, or the ETF facts document in accordance with Part I, Item 4 of Form 41-101F4, as applicable.

## **PART 18 SECURITYHOLDER RECORDS**

### **18.1 Maintenance of Records**

An investment fund that is not a corporation must maintain, or cause to be maintained, up to date records of:

- (a) the names and latest known addresses of each securityholder of the investment fund;
- (b) the number and class or series of a class of securities held by each securityholder of the investment fund; and
- (c) the date and details of each issue and redemption of securities, and each distribution, of the investment fund.

### **18.2 Availability of Records**

(1) An investment fund that is not a corporation must make, or cause to be made, the records referred to in section 18.1 available for inspection, free of charge, during normal business hours at its principal or head office by a securityholder or a representative of a securityholder, if the securityholder has agreed in writing that the information contained in the register will not be used by the securityholder for any purpose other than either of the following:

- (a) in the case of a mutual fund, attempting to influence the voting of securityholders of the mutual fund or a matter relating to the relationships among the mutual fund, the members of the organization of the mutual fund, and the securityholders, partners, directors and officers of those entities;
- (b) in the case of a non-redeemable investment fund, attempting to influence the voting of securityholders of the non-redeemable investment fund or a matter relating to the relationships among the non-redeemable investment fund, the manager and portfolio adviser of the non-redeemable investment fund and any of their affiliates, and the securityholders, partners, directors and officers of those entities.

(2) An investment fund must, upon written request by a securityholder of the investment fund, provide, or cause to be provided, to the securityholder a copy of the records referred to in clauses 18.1(a) and (b) if the securityholder:

- (a) has agreed in writing that the information contained in the register will not be used by the securityholder for any purpose other than attempting to influence the voting of securityholders of the investment fund or a matter relating to the administration of the investment fund; and
- (b) has paid a reasonable fee to the investment fund that does not exceed the reasonable costs to the investment fund of providing the copy of the register.

## **PART 19 EXEMPTIONS AND APPROVALS**

### **19.1 Exemption**

- (1) The regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Notwithstanding subsection (1), in Ontario only the regulator may grant such an exemption.

### **19.2 Exemption or Approval under Prior Policy**

- (1) A mutual fund that has obtained, from the regulator or securities regulatory authority, an exemption or waiver from, or approval under, a provision of National Policy Statement No. 39 before this Instrument came into force is exempt from any substantially similar provision of this Instrument, if any, on the same conditions, if any, as are contained in the earlier exemption or approval, unless the regulator or securities regulatory authority has revoked that exemption or waiver under authority provided to it in securities legislation.
- (2) Notwithstanding Part 7, a mutual fund that has obtained, from the regulator or securities regulatory authority, approval under National Policy Statement No. 39 to pay incentive fees may continue to pay incentive fees on the terms of that approval if disclosure of the method of calculation of the fees and details of the composition of the benchmark or index used in calculating the fees are described in the prospectus of the mutual fund.
- (3) A mutual fund that intends to rely upon subsection (1) must, at the time of the first filing of its *pro forma* prospectus after this Instrument comes into force, send to the regulator a letter or memorandum containing:
  - (a) a brief description of the nature of the exemption from, or approval under, National Policy Statement No. 39 previously obtained; and
  - (b) the provision in the Instrument that is substantially similar to the provision in National Policy Statement No. 39 from or under which the exemption or approval was previously obtained.

### **19.3 Revocation of exemptions**

- (1) A mutual fund that has obtained an exemption or waiver from, or approval under, National Policy Statement No. 39 or this Instrument before December 31, 2003, that relates to a mutual fund investing in other mutual funds, may no longer rely on the exemption, waiver or approval as of December 31, 2004.
- (2) In British Columbia, subsection (1) does not apply.

## **PART 20 TRANSITIONAL**

### **20.1 Sales Communications**

Sales communications, other than advertisements, that were printed before December 31, 1999 may be used until August 1, 2000, despite any requirements in this Instrument.

**20.2 Reports to Securityholders** - This Instrument does not apply to reports to securityholders:

- (a) printed before February 1, 2000; or
- (b) that include only financial statements that relate to financial periods that ended before February 1, 2000.

**20.3 Mortgage Funds**

(1) Clauses 2.3(1)(b) and (c) do not apply to a mutual fund that has adopted fundamental investment objectives to permit it to invest in mortgages in accordance with National Policy Statement No. 29 if:

- (a) a National Instrument replacing National Policy Statement No. 29 has not come into force;
- (b) the mutual fund was established, and has a prospectus for which a receipt was issued, before the date that this Instrument came into force; and
- (c) the mutual fund complies with National Policy Statement No. 29.

(2) If a non-redeemable investment fund has adopted fundamental investment objectives to permit it to invest in mortgages, paragraph 2.3(2)(b) does not apply to the non-redeemable investment fund if the non-redeemable investment fund was established, and has a prospectus for which a receipt was issued, on or before September 22, 2014.

**20.4 Delayed Coming into Force**

(1) Notwithstanding section 20.1, subsection 4.4(1) does not come into force until August 1, 2000.

(2) Notwithstanding section 20.1, the following provisions of this Instrument do not come into force until February 1, 2001:

- (a) subsection 2.4(2);
- (b) subsection 2.7(4);
- (c) subsection 6.4(1);
- (d) subsection 6.8(4).

**20.5 Coming into Force**

(1) Except in British Columbia, *The Securities Commission (Adoption of National Instruments) (NI 81-102 and NI 81-104) Amendment Regulations, 2017* come into force on the later of November 14, 2017 or, in the event that the amendments made to National Instrument 24-101 *Institutional Trade Matching and Settlement* come into force after November 14, 2017, the date on which such amendments come into force.

(2) For the purposes of subsection (1), ‘amendments to National Instrument 24-101 Institutional Trade Matching and Settlement’ means amendments made to National Instrument 24-101 *Institutional Trade Matching and Settlement* published on April 27, 2017 to facilitate the shortening the standard settlement cycle for equity and long-term debt market trades in Canada from 3 days after the date of a trade to 2 days after the date of a trade.

**NATIONAL INSTRUMENT 81-102**

**APPENDIX A**

**Futures Exchanges for the Purpose of Subsection 2.7(4) - Derivative  
Counter party Exposure Limits**

**Futures Exchanges**

**Australia**

Sydney Futures Exchange

Australian Financial Futures Market

**Austria**

Oesterreichische Termin-und Option Borse (OTOB - The Austrian Options and Futures Exchange)

**Belgium**

Belfox CV (Belgium Futures and Options Exchange)

**Brazil**

Bolsa Brasileira de Futuros

Bolsa de Mercadorias & Futuros

Bolsa de Valores de Rio de Janeiro

**Canada**

The Winnipeg Commodity Exchange

The Toronto Futures Exchange

The Montreal Exchange

**Denmark**

Kobenhavns Fondsbors (Copenhagen Stock Exchange)

Garanti fonden for Danskse Optioner og Futures (Guarantee Fund for Danish Options and Futures)

Futop (Copenhagen Stock Exchange)

**Finland**

Helsinki Stock Exchange

Oy Suomen Optiopörssi (Finnish Options Exchange)

Suomen Optionmeklarit Oy (Finnish Options Market)

**France**

Marché à terme international de France S.A. (MATIF S.A.)

Marché des option négociables à Paris (MUNCP)

**Germany**

DTB Deutsche Terminbörse GmbH

EUREX

**Hong Kong**

Hong Kong Futures Exchange Limited

**Ireland**

Irish Futures and Options Exchange

**Italy**

Milan Italiano Futures Exchange

**Japan**

Osaka Shoken Torihikisho (Osaka Securities Exchange)

The Tokyo Commodity Exchange for Industry

The Tokyo International Financial Futures Exchange

Tokyo Grain Exchange

Tokyo Stock Exchange

**Netherlands**

AEX Options & Futures Exchange

EOE-Optiebeurs (European Options Exchange)

Financiële Termijnmarkt Amsterdam N.V.

**New Zealand**

New Zealand Futures and Options Exchange

**Norway**

Oslo Stock Exchange

**Philippines**

Manila International Futures Exchange

**Portugal**

Borsa de Derivatives de Porto

**Singapore**

Singapore Commodity Exchange (SICOM)

Singapore International Monetary Exchange Limited (SIMEX)

**Spain**

Meff Renta Fija

Meff Renta Variable



**Sweden**

OM Stockholm Fondkommission AB

**Switzerland**

EUREX

**United Kingdom**

International Petroleum Exchange (IPE)

London International Financial Futures and Options Exchange (LIFFE)

London Metal Exchange (LME)

OM London

**United States**

Chicago Board of Options Exchange (CBOE)

Chicago Board of Trade (CBOT)

Chicago Mercantile Exchange (CME)

Commodity Exchange, Inc. (COMEX)

Financial Instrument Exchange (Finex) a division of the New York Cotton Exchange

Board of Trade of Kansas City, Missouri, Inc.

Mid-America Commodity Exchange

Minneapolis Grain Exchange (MGE)

New York Futures Exchange, Inc. (NYFE)

New York Mercantile Exchange (NYMECX)

New York Board of Trade (NYBOT)

Pacific Stock Exchange

Philadelphia Board of Trade (PBOT)

Twin Cities Board of Trade

**NATIONAL INSTRUMENT 81-102**

**APPENDIX B-1**

**Compliance Report**

TO: [The appropriate securities regulatory authorities]  
FROM: [Name of mutual fund]  
RE: Compliance Report on National Instrument 81-102  
For the year ended [insert date]

We hereby confirm that we have complied with the applicable requirements of Parts 9, 10 and 11 of National Instrument 81-102 for the year ended [insert date] [except as follows:] [list exceptions, if any].

[NAME of mutual fund]

---

Signature

---

Name and office of the person  
executing this report

---

Date

## NATIONAL INSTRUMENT 81-102

## APPENDIX B-1

## Audit Report

TO: [The appropriate securities regulatory authorities]  
RE: Compliance Report on National Instrument 81-102  
For the year ended [insert date]

We have audited [name of mutual fund]'s report made under section 12.1 of National Instrument 81-102 regarding its compliance for the year ended [insert date] with the applicable requirements of Parts 9, 10 and 11 of that National Instrument. Compliance with these requirements is the responsibility of the management of [name of mutual fund] (the "Fund"). Our responsibility is to express an opinion on management's compliance report based on our audit.

We conducted our audit in accordance with standards for assurance engagements set out in the CICA Handbook - Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance as a basis for our opinion. Such an audit includes examining, on a test basis, evidence supporting the assertions in management's compliance report.

In our opinion, the Fund's statement of compliance for the year ended [insert date] complies, in all material respects, with the applicable requirements of Parts 9, 10 and 11 of National Instrument 81-102.

This report is provided solely for the purpose of assisting the securities regulatory authority[ies] to which it is addressed in discharging its [their] responsibilities and should not be used for any other purpose.

---

City

---

Date

---

Chartered Accountants

**NATIONAL INSTRUMENT 81-102**

**Compliance Report**

TO: [The appropriate securities regulatory authorities]  
FROM: [Name of principal distributor] (the “Distributor”)  
RE: Compliance Report on National Instrument 81-102  
For the year ended [insert date]  
FOR: [Name(s) of the mutual fund (the “Fund[s]”)]

We hereby confirm that we have complied with the applicable requirements of Parts 9, 10 and 11 of National Instrument 81-102 in respect of the Fund[s] for the year ended [insert date] [except as follows:] [list exceptions, if any].

[NAME of the Distributor]

---

Signature

---

Name and office of the person  
executing this report

---

Date

## NATIONAL INSTRUMENT 81-102

## APPENDIX B-2

## Audit Report

TO: [The appropriate securities regulatory authorities]

RE: Compliance Report on National Instrument 81-102

For the year ended [insert date]

We have audited [name of principal distributor]'s report made under section 12.1 of National Instrument 81-102 regarding its compliance for the year ended [insert date] with the applicable requirements of Parts 9, 10 and 11 of that National Instrument in respect of the [name of mutual funds] (the "Funds"). Compliance with these requirements is the responsibility of the management of [name of principal distributor] (the "Company"). Our responsibility is to express an opinion on management's compliance report based on our audit.

We conducted our audit in accordance with standards for assurance engagements set out in the CICA Handbook - Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance as a basis for our opinion. Such an audit includes examining, on a test basis, evidence supporting the assertions in management's compliance report.

In our opinion, the Company's statement of compliance for the year ended [insert date] complies, in all material respects, with the applicable requirements of Parts 9, 10 and 11 of National Instrument 81-102 in respect of the Funds.

This report is provided solely for the purpose of assisting the securities regulatory authority [ies] to which it is addressed in discharging its [their] responsibilities and should not be used for any other purpose.

---

City

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Date

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Chartered Accountants

**NATIONAL INSTRUMENT 81-102**

**APPENDIX B-3**

**Compliance Report**

TO: [The appropriate securities regulatory authorities]

FROM: [Name of participating dealer] (the “Distributor”)

RE: Compliance Report on National Instrument 81-102

For the year ended [insert date]

We hereby confirm that we have sold mutual fund securities to which National Instrument 81-102 is applicable. In connection with our activities in distributing these securities, we have complied with the applicable requirements of Parts 9, 10 and 11 of National Instrument 81-102 for the year ended [insert date] [except as follows:] [list exceptions, if any].

[NAME of the Distributor]

---

Signature

---

Name and office of the person  
executing this report

---

Date

## NATIONAL INSTRUMENT 81-102

## APPENDIX B-3

## Audit Report

TO: [The appropriate securities regulatory authorities]  
RE: Compliance Report on National Instrument 81-102  
For the year ended [insert date]

We have audited [name of participating dealer]'s report made under section 12.1 of National Instrument 81-102 regarding its compliance for the year ended [insert date] with the applicable requirements of Parts 9, 10 and 11 of that National Instrument in respect of sales of mutual fund securities. Compliance with these requirements is the responsibility of the management of [name of participating dealer] (the "Company"). Our responsibility is to express an opinion on management's compliance report based on our audit.

We conducted our audit in accordance with standards for assurance engagements set out in the CICA Handbook - Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance as a basis for our opinion. Such an audit includes examining, on a test basis, evidence supporting the assertions in management's compliance report.

In our opinion, the Company's statement of compliance for the year ended [insert date] complies, in all material respects, with the applicable requirements of Parts 9, 10 and 11 of National Instrument 81-102 in respect of sales of mutual fund securities.

This report is provided solely for the purpose of assisting the securities regulatory authority [ies] to which it is addressed in discharging its [their] responsibilities and should not be used for any other purpose.

---

City

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Date

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Chartered Accountants



**NATIONAL INSTRUMENT 81-102**

**APPENDIX C**

**Provisions Contained in Securities Legislation for the Purpose  
of Subsection 4.1(5) - Prohibited Investments**

<b>JURISDICTION</b>	<b>SECURITIES LEGISLATION REFERENCE</b>
All Jurisdictions	s. 13.6 of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>
Newfoundland and Labrador	s. 191 of Reg 805/96

**NATIONAL INSTRUMENT 81-102**

**APPENDIX D**

**Investment Fund Conflict of Interest Investment Restrictions**

<b>Jurisdiction</b>	<b>Securities Legislation Reference</b>
All Jurisdictions	ss. 13.5(2)(a) and (b) of National Instrument 31-103 <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>
Alberta	ss. 185(2) and (3) of the <i>Securities Act</i> (Alberta)
British Columbia	s. 6(2) of BC Instrument 81-513 <i>Self-Dealing</i>
New Brunswick	s. 137(2) of the <i>Securities Act</i> (New Brunswick)
Newfoundland and Labrador	ss. 112(2), 112(3), 119(2)(a) and 119(2)(b) of the <i>Securities Act</i> (Newfoundland and Labrador)
Nova Scotia	ss. 119(2) and (3) of the <i>Securities Act</i> (Nova Scotia)
Ontario	ss. 111(2) and (3) of the <i>Securities Act</i> (Ontario)
Saskatchewan	ss. 120(2) and (3) of the <i>The Securities Act, 1988</i> (Saskatchewan)

## NATIONAL INSTRUMENT 81-102

## APPENDIX E

## Investment Fund Conflict of Interest Reporting Requirements

<b>Jurisdiction</b>	<b>Securities Legislation Reference</b>
Alberta	s. 191(1)(a) of the <i>Securities Act</i> (Alberta)
British Columbia	s. 9(a) of BC Instrument 81-513 <i>Self-Dealing</i>
New Brunswick	s. 143(1)(a) of the <i>Securities Act</i> (New Brunswick)
Newfoundland and Labrador	s. 118(1)(a) of the <i>Securities Act</i> (Newfoundland and Labrador)
Nova Scotia	s. 125(1)(a) of the <i>Securities Act</i> (Nova Scotia)
Ontario	s. 117(1)(a) of the <i>Securities Act</i> (Ontario)
Saskatchewan	s. 126(1)(a) of the <i>The Securities Act, 1988</i> (Saskatchewan)

## APPENDIX F

### Investment Risk Classification Methodology

#### *Commentary*

*This Appendix contains rules and accompanying commentary on those rules. Each member jurisdiction of the CSA has made these rules under authority granted to it under the securities legislation of its jurisdiction.*

*The commentary explains the implications of a rule, offers examples or indicates different ways to comply with a rule. It may expand on a particular subject without being exhaustive. The commentary is not legally binding, but it does reflect the views of the CSA. Commentary always appears in italics and is titled ‘Commentary.’*

#### **Item 1 Investment risk level**

- (1) Subject to subsection (2), to determine the ‘investment risk level’ of a mutual fund,
- (a) determine the mutual fund’s standard deviation in accordance with Item 2 and, as applicable, Item 3, 4 or 5,
- (b) in the table below, locate the range of standard deviation within which the mutual fund’s standard deviation falls, and
- (c) identify the investment risk level set opposite the applicable range.

Standard Deviation Range	Investment Risk Level
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

- (2) Despite subsection (1), the investment risk level of a mutual fund may be increased if doing so is reasonable in the circumstances.
- (3) A mutual fund must keep and maintain records that document:
  - (a) how the investment risk level of a mutual fund was determined, and
  - (b) if the investment risk level of a mutual fund was increased, why it was reasonable to do so in the circumstances.

#### *Commentary:*

- (1) *The investment risk level may be determined more frequently than annually. Generally, the investment risk level must be determined again whenever it is no longer reasonable in the circumstances.*
- (2) *Generally, a change to the mutual fund’s investment risk level disclosed on the most recently filed fund facts document or ETF facts document, as applicable, would be a material change under securities legislation in accordance with Part 11 of National Instrument 81-106 Investment Fund Continuous Disclosure.*

**Item 2 Standard deviation**

- (1) A mutual fund must calculate its standard deviation for the most recent 10 years as follows:

<i>Standard Deviation</i>	$\sqrt{12} \times \sqrt{\frac{1}{n-1} \sum_{i=1}^n (R_i - \bar{R})^2}$
<i>where</i>	<p><math>n</math> = 120 months</p> <p><math>R_i</math> = return on investment in month <math>i</math></p> <p><math>\bar{R}</math> = average monthly return on investment</p>

- (2) For the purposes of subsection (1), a mutual fund must make the calculation with respect to the series or class of securities of the mutual fund that first became available to the public and calculate the “return on investment” for each month using:
- (a) the net asset value of the mutual fund, assuming the reinvestment of all income and capital gain distributions in additional securities of the mutual fund, and
  - (b) the same currency in which the series or class is offered.

*Commentary:*

*For the purposes of Item 2, except for seed capital, the date on which the series or class of securities “first became available to the public” corresponds or approximately corresponds to the date on which the securities of the series or class were first issued to investors.*

**Item 3 Difference in classes or series of securities of a mutual fund**

Despite Item 2(2), if a series or class of securities of the mutual fund has an attribute that results in a different investment risk level for the series or class than the investment risk level of the mutual fund, the “return on investment” for that series or class of securities must be used to calculate the standard deviation of that particular series or class of securities.

*Commentary:*

*Generally, all series or classes of securities of a mutual fund will have the same investment risk level as determined by Items 1 and 2. However, a particular series or class of securities of a mutual fund may have a different investment risk level than the other series or classes of securities of the same mutual fund if that series or class of securities has an attribute that differs from the other. For example, a series or class of securities that employs currency hedging or that is offered in the currency of the United States of America (if the mutual fund is otherwise offered in the currency of Canada) has an attribute that could result in a different investment risk level than that of the mutual fund.*

**Item 4 Mutual funds with less than 10 years of history**

- (1) For the purposes of Item 2, if it has been less than 10 years since securities of the mutual fund were first available to the public, and if the mutual fund is a clone fund and the underlying fund has 10 years of performance history, or if there is another mutual fund with 10 years of performance history which is subject to this Instrument, and has the same fund manager, portfolio manager, investment objectives and investment strategies as the mutual fund, then in either case the mutual fund must calculate the standard deviation of the mutual fund in accordance with Item 2 by
  - (a) using the available return history of the mutual fund, and
  - (b) imputing the return history of the underlying fund or the other mutual fund, respectively, for the remainder of the 10 year period.
- (2) For the purposes of Item 2, if it has been less than 10 years since securities of the mutual fund were first available to the public, and paragraph (1) above does not apply, then the mutual fund must select a reference index in accordance with Item 5, and calculate the standard deviation of the mutual fund in accordance with Item 2 by
  - (a) using the return history of the mutual fund, and
  - (b) imputing the return history of the reference index for the remainder of the 10 year period.

*Commentary:*

*Generally, if a mutual fund that is structured as a mutual fund trust does not have 10 years of performance history, the past performance of a corporate class version of that mutual fund should be used to fill in the missing past performance information required to calculate standard deviation. Likewise, if a mutual fund that is structured as a corporate class fund does not have 10 years of performance history, the past performance of a mutual fund trust version of that mutual fund should be used to fill in the missing past performance information required to calculate standard deviation.*

**Item 5 Reference index**

- (1) For the purposes of Item 4(2), the mutual fund must select a reference index that reasonably approximates, or for a newly established mutual fund, is expected to reasonably approximate, the standard deviation of the mutual fund.
- (2) When using a reference index, a mutual fund must
  - (a) monitor the reasonableness of the reference index on an annual basis or more frequently if necessary,
  - (b) disclose in the mutual fund's prospectus in Part B, Item 9.1 of Form 81-101F1 or Part B, Item 12.2 of Form 41-101F2, as applicable
    - (i) a brief description of the reference index, and
    - (ii) if the reference index has changed since the last disclosure under this section, details of when and why the change was made.

*Instructions:*

- (1) *A reference index must be made up of one permitted index or, where necessary, to more reasonably approximate the standard deviation of a mutual fund, a composite of several permitted indices.*
- (2) *In selecting and monitoring the reasonableness of a reference index, a mutual fund must consider a number of factors, including whether the reference index*
  - (a) *contains a high proportion of the securities represented, or expected to be represented, in the mutual fund's portfolio,*
  - (b) *has returns, or is expected to have returns, highly correlated to the returns of the mutual fund,*
  - (c) *has risk and return characteristics that are, or expected to be, similar to the mutual fund,*
  - (d) *has its returns computed (total return, net of withholding taxes, etc.) on the same basis as the mutual fund's returns,*
  - (e) *is consistent with the investment objectives and investment strategies in which the mutual fund is investing,*
  - (f) *has investable constituents and has security allocations that represent investable position sizes, for the mutual fund, and*
  - (g) *is denominated in, or converted into, the same currency as the mutual fund's reported net asset value.*
- (3) *In addition to the factors listed in (2), the mutual fund may consider other factors if relevant to the specific characteristics of the mutual fund.*

*Commentary:*

*A mutual fund must consider each of the factors in (2), and may consider other factors, as appropriate, in selecting and monitoring the reasonableness of a reference index. However, a reference index that reasonably approximates, or is expected to reasonably approximate, the standard deviation of a mutual fund may not necessarily meet all of the factors in (2).*

**Item 6 Fundamental changes**

- (1) For the purposes of Item 2, if there has been a reorganization or transfer of assets of the mutual fund pursuant to paragraphs 5.1(1)(f) or (g) or subparagraph 5.1(1)(h)(i) of the Instrument, the standard deviation must be calculated using the monthly "return on investment" of the continuing mutual fund, as the case may be.
- (2) Despite subsection (1), if there has been a change to the fundamental investment objectives of the mutual fund pursuant to paragraph 5.1(1)(c) of the Instrument, for the purposes of Item 2, the standard deviation must be calculated using the monthly "return on investment" of the mutual fund starting from the date of that change.

PART VII  
[*clause 2(g)*]

NATIONAL INSTRUMENT 62-101  
CONTROL BLOCK DISTRIBUTION ISSUES

**Repealed.** 23 Sep 2005 SR 100/2005 s5.

PART VIII

**Repealed.** 16 Apr 2004 SR 14/2004 s13.

PART IX  
[*clause 2(i)*]

NATIONAL INSTRUMENT 62-103  
THE EARLY WARNING SYSTEM AND RELATED TAKE-OVER BID AND  
INSIDER REPORTING ISSUES

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) In this Instrument:

“**acquiror**” has the meaning ascribed to that term in Part 5 of NI 62-104;

“**acquiror’s securities**” has the meaning ascribed to that term in Part 5 of NI 62-104;

“**acquisition announcement provisions**” means the requirement in securities legislation for an acquiror to issue a news release if, during a formal bid for voting or equity securities of a reporting issuer by an entity other than the acquiror, the acquiror acquires ownership of, or control over, securities of the class subject to the bid that, together with the acquiror’s securities of the class, constitute an amount equal to or greater than the amount specified in securities legislation;

“**acting jointly or in concert**” has the meaning ascribed to that phrase in securities legislation, and, when used in connection with an entity, has the meaning ascribed in securities legislation as if the term ‘entity’ replaced the term ‘person or company’ or similar term;

“**applicable definitions**” means:

- (a) the definitions of ‘take-over bid’ and ‘offeror’s securities’ in the take-over provisions; and
- (b) the control block distribution definition;

“**applicable provisions**” means:

- (a) the early warning requirements;
- (b) Part 4;



- (c) the moratorium provisions;
- (d) the insider reporting requirement;
- (e) the acquisition announcement provisions; and
- (f) **Repealed.** 23 Sep 2005 SR 100/2005 s6.
- (g) **Repealed.** 16 Apr 2004 SR 14/2004 s7.

**“associate”** has the meaning ascribed to that term in section 1.1 of NI 62-104;

**“business unit”** means a legal entity or part of a legal entity, or a combination of legal entities or parts of legal entities, that engage in a distinct business or investment activity separately from other businesses and investment activities of the relevant entities;

**“class”** means, in relation to a security, a class or series of a class of the security;

**“control”** means, for a security:

- (a) when used in connection with the insider reporting requirements, the take-over bid requirements and related definitions and the early warning requirements, the power to exercise control or direction over the security, or similar term or expression used in securities legislation; and
- (b) when used in connection with the control block distribution definition, holding the security, or similar term or expression used in securities legislation;

**“control block distribution definition”** means the provisions of securities legislation listed in Appendix A;

**“early warning requirements”** means the requirements set out in section 5.2 of NI 62-104;

**“economic exposure”** has the meaning ascribed to that term in NI 55-104;

**“effective control”** means, for a reporting issuer, the control in fact of the reporting issuer by an entity through the ownership of, or control over, voting securities of the reporting issuer, other than securities held by way of security only;

**“eligible institutional investor”** means:

- (a) a financial institution;
- (b) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission of a jurisdiction, or a similar regulatory authority;
- (c) a mutual fund that is not a reporting issuer;
- (d) an investment manager in relation to securities over which it exercises discretion to vote, acquire or dispose without the express consent of the beneficial owner, subject to applicable legal requirements, general investment policies, guidelines, objectives or restrictions; or

(e) an entity referred to in clauses (D) or (F) of Rule 13d-1(b)(1)(ii) under the 1934 Act;

**“entity”** means a person or company or a business unit;

**“equity security”** has the meaning ascribed to that term in securities legislation;

**“financial institution”** means:

- (a) a Canadian financial institution;
- (b) an entity that is engaged in financial services activities and that is supervised and regulated under the banking, insurance, trust or similar laws of, and incorporated in, the United States of America or Japan; or
- (c) a credit institution, within the meaning of European Union Directive 77/780/EEC, whose home member state for purposes of that European Union Directive is France, Germany, Italy or the United Kingdom of Great Britain and Northern Ireland;

**“formal bid”** means a take-over bid or issuer bid made in accordance with Part 2 of NI 62-104;

**“investment manager”** means an entity that:

- (a) either:
  - (i) is registered or licensed to provide investment counselling, portfolio management or similar advisory services in respect of securities, or is exempt from the requirement to be so registered or licensed, under the securities laws of a jurisdiction or of Japan or under the Investment Advisers Act of 1940 of the United States of America, as amended; or
  - (ii) is subject to European Union Directive 93/22 on investment services in the securities field, and provides the portfolio management services referred to in Section A(3) of the Annex to that Directive, and whose home member state is France, Germany, Italy or the United Kingdom of Great Britain and Northern Ireland; and
- (b) provides the services referred to in clause (a) for valuable consideration under a contractual arrangement;

**“joint actor”** means, in relation to an entity and a security, another entity acting jointly or in concert with the entity in connection with the ownership of, or control over, the security;

**“moratorium provisions”** means the provisions set out in subsection 5.3(1) of NI 62-104;

**“news release”** includes a press release;

**“NI 55-104”** means National Instrument 55-104 *Insider Reporting Requirements and Exemptions*;

**“NI 62-104”** means National Instrument 62-104 *Take-Over Bids and Issuer Bids*;

**“ownership”** means, in relation to a security, the beneficial ownership of the security, and “owns”, “owned” and similar words have corresponding meanings;

**“pledgee”** includes a holder of any type of security interest;

**“portfolio adviser”** means an entity that provides investment advice or portfolio management services to, or for, an investment fund;

**“private mutual fund”** means:

- (a) a private investment club referred to in section 2.20 of National Instrument 45-106 *Prospectus Exemptions*; or
- (b) a private investment fund referred to in section 2.21 of National Instrument 45-106 *Prospectus Exemptions*;

**“related financial instrument”** has the meaning ascribed to that term in NI 55-104;

**“securities lending arrangement”** has the meaning ascribed to that term in Part 5 of NI 62-104;

**“securityholding percentage”** means, in relation to an entity and a class of securities, the percentage of the outstanding securities of the class owned, together with the percentage controlled by the entity, determined in accordance with the provisions of applicable securities legislation listed in Appendix D to this National Instrument and after application of any aggregation relief available under Part 5 that is relied on by the entity;

**“significant change in a related financial instrument position”** means, in relation to an entity and a related financial instrument that involves, directly or indirectly, a security of a reporting issuer, any change in the entity’s interest in, or rights or obligations associated with, the related financial instrument if the change has a similar economic effect to an increase or decrease in the entity’s securityholding percentage in a class of voting or equity securities of the reporting issuer by 2.5 percent or more;

**“take-over provisions”** means the provisions in securities legislation that regulate take-over bids and issuer bids; and

**“underwriting period”** means, for an entity acting as an underwriter of securities, the period commencing from the date of execution of an underwriting agreement or commitment until:

- (a) for securities acquired by the entity upon the exercise of an over-allotment option, four business days after the acquisition of those securities; and
- (b) for all other securities, the earlier of:
  - (i) the expiration of 40 days after the date of the closing of the purchase of the securities; and
  - (ii) the date of the completion of the distribution by the underwriter of the securities.

## 1.2 Deemed Effective Control

For the purposes of the definition of “effective control”, an entity that, either alone or together with one or more joint actors, owns or controls voting securities carrying more than 30 percent of the votes attached to all of the outstanding voting securities of a reporting issuer shall, in the absence of evidence to the contrary, be deemed to possess effective control over the reporting issuer.

## PART 2 GENERAL RELIANCE AND REPORTING PROVISIONS

### 2.1 Reliance on Reported Outstanding Shares

(1) Subject to subsection (2), in determining its securityholding percentage in a class of securities for the purposes of the early warning requirements or Part 4, an entity may rely upon information most recently provided by the issuer of the securities in a material change report or under section 5.4 of National Instrument 51-102 *Continuous Disclosure Obligations*, whichever contains the most recent relevant information.

(2) Subsection (1) does not apply if the entity has knowledge both:

- (a) that the information filed is inaccurate or has changed; and
- (b) of the correct information.

16 Apr 2004 SR 14/2004 s7; 29 Feb 2008 SR  
7/2008 s4.

### 2.2 Copies of News Release and Report

An entity that files a news release and report under the early warning requirements, or a report under Part 4, in relation to a reporting issuer shall immediately send a copy of each filing to the reporting issuer.

### 2.3 No Duplication of News Releases or Reports

(1) An entity that is required to issue a news release under both the early warning requirements and the acquisition announcement provisions is exempt from the requirement to issue the news release contained in the provision requiring the later release if:

- (a) the news release is filed under the provision with the earlier reporting requirement; and
- (b) the facts required to be contained in the two news releases are identical.

(2) An entity that is required to file a report under the acquisition announcement provisions and either the early warning requirements or Part 4 is exempt from the requirement to file the report under the provision requiring the later report if:

- (a) the report is filed under the provision requiring the earlier report; and
- (b) the facts required to be contained in the two reports are identical.

**PART 3 EARLY WARNING REQUIREMENTS****3.1 Contents of News Releases and Reports**

- (1) A news release and report required under the early warning requirements shall contain the information required by Form 62-103F1 *Required Disclosure under the Early Warning Requirements*.
- (2) Despite subsection (1), a news release required under the early warning requirements may omit the information otherwise required by Items 2.3, 3.3, 3.5 through 3.8, 4.2, 4.3, 6 and 9, and Item 7 to the extent that the information relates to those sections and items, of Form 62-103F1 *Required Disclosure under the Early Warning Requirements*, if:
- (a) the omitted information is included in the corresponding report required by the early warning requirements, and
  - (b) the news release indicates the name and telephone number of an individual to contact to obtain a copy of the report.
- (3) The acquiror shall send a copy of the report referred to in paragraph (2)(a) promptly to any entity requesting it.

**3.2 Filing Relief for Joint Actors**

The early warning requirements and the acquisition announcement provisions do not apply to a joint actor of an acquiror in connection with the obligation to make a specific filing of a news release or report if:

- (a) the acquiror files a news release or report at the time that the joint actor would be required to file; and
- (b) the news release or report filed discloses the information concerning the joint actor required by securities legislation.

**3.3 Exemption from Early Warning Requirements for Mutual Fund Securities**

The early warning requirements do not apply in connection with the ownership or control of securities issued by a mutual fund to which National Instrument 81-102 *Investment Funds* applies.

**PART 4 ALTERNATIVE MONTHLY REPORTING SYSTEM****4.1 Exemption from the Early Warning Requirements**

The early warning requirements do not apply to an eligible institutional investor for a reporting issuer if the eligible institutional investor:

- (a) is not disqualified by section 4.2 from filing reports under this Part for the reporting issuer; and

- (b) either:
  - (i) intends to file reports under this Part for the reporting issuer, if no reports are yet required to be filed; or
  - (ii) is not in arrears of filing reports under this Part for the reporting issuer, if a report has been required by this Part to be filed.

#### 4.2 Disqualification

(1) An eligible institutional investor shall not file reports under this Part for a reporting issuer if the eligible institutional investor, or a joint actor:

- (a) makes or intends to make a formal bid for securities of the reporting issuer;
- (b) proposes or intends to propose a reorganization, amalgamation, merger, arrangement or similar business combination with a reporting issuer that if completed would reasonably be expected to result in the eligible institutional investor, either alone or together with any joint actors, possessing effective control over the reporting issuer or a successor to all or a part of the business of the reporting issuer; or
- (c) solicits proxies from securityholders of the reporting issuer in any of the following circumstances:
  - (i) in support of the election of one or more persons as directors of the reporting issuer other than the persons proposed to be nominated by management of the reporting issuer;
  - (ii) in support for a reorganization, amalgamation, merger, arrangement or other similar corporate action involving the securities of the reporting issuer if that action is not supported by management of the reporting issuer;
  - (iii) in opposition to a reorganization, amalgamation, merger, arrangement or other similar corporate action involving the securities of the reporting issuer if that action is proposed by management of the reporting issuer.

(2) For the purposes of this section, “solicit” has the meaning ascribed to that term in National Instrument 51-102 *Continuous Disclosure Obligations*.

#### 4.3 Reporting and Filing Requirements

(1) If an eligible institutional investor is relying on the exemption in section 4.1 for a reporting issuer and becomes disqualified under section 4.2 from filing, or no longer intends to file, reports under this Part for the reporting issuer, the eligible institutional investor shall:

- (a) immediately issue and file a news release; and
- (b) within two business days after filing the news release, file a report.

(2) The news release and report required by subsection (1) shall contain the information required by Form 62-103F2 *Required Disclosure by an Eligible Institutional Investor under Section 4.3*.

(3) An eligible institutional investor that is required to file a report under subsection (1) for a reporting issuer is not exempt from the early warning requirements for that reporting issuer as of the date on which the news release required by subsection (1) is required to be filed.

(4) An eligible institutional investor that files reports under this Part for a reporting issuer and that controls securities of the reporting issuer that are owned by another entity shall:

- (a) on request by the entity, promptly advise the entity of the number of securities held on its behalf; and
- (b) if the eligible institutional investor has reason to believe that the securityholding percentage of the entity in a class of voting or equity securities of the reporting issuer equals 10 percent or more, promptly advise the entity of the number of securities held on its behalf.

#### 4.4 Restrictions on Acquisitions

An eligible institutional investor that has become disqualified under section 4.2 from filing reports under this Part for a reporting issuer, if the securityholding percentage of the eligible institutional investor in a class of voting or equity securities of the reporting issuer is 10 percent or more, shall not acquire ownership of, or control over, any additional securities of the reporting issuer for the period:

- (a) starting at the time that the news release referred to in clause 4.3(1)(a) is required to be filed; and
- (b) ending 10 days after the news release is filed.

#### 4.5 Filing Obligations under this Part

In order to rely on the exemption provided by section 4.1, an eligible institutional investor shall file a report:

- (a) within 10 days after the end of the month in which the eligible institutional investor elected to begin to file reports for the reporting issuer under this Part, if the securityholding percentage of the eligible institutional investor in a class of voting or equity securities of the reporting issuer at the end of the month is 10 percent or more;
- (b) within 10 days after the end of the month in which the securityholding percentage of the eligible institutional investor in a class of voting or equity securities of the reporting issuer, as at the end of the month, increased to 10 percent or more;
- (c) within 10 days after the end of the month in which the securityholding percentage of the eligible institutional investor in a class of voting or equity securities of the reporting issuer, as at the end of the month, increased or decreased past thresholds that are products of whole numbers multiplied by 2.5 percent of the outstanding securities of the class and that are in excess of 10 percent of the outstanding securities of the class; and



- (d) within 10 days after the end of the month in which the securityholding percentage of the eligible institutional investor in a class of voting or equity securities of the reporting issuer, as at the end of the month, decreased to less than 10 percent.

#### **4.6 Change Reports**

In addition to the filing requirements of section 4.5, an eligible institutional investor shall file a report within 10 days after the end of the month in which there has been a change in a material fact contained in the report of the eligible institutional investor most recently filed under this Part.

#### **4.7 Contents of Reports**

- (1) A report filed under this Part shall contain the information required by Form 62-103F3 *Required Disclosure by an Eligible Institutional Investor under Part 4* to this National Instrument.
- (2) Notwithstanding subsection (1), a report filed under clause 4.5(d) may be limited to:
  - (a) the name and address of the eligible institutional investor;
  - (b) the name of the reporting issuer and the designation and number or principal amount of voting or equity securities of the reporting issuer in respect of which the report is being filed and the securityholding percentage of the eligible institutional investor in the class of securities; and
  - (c) a statement that the eligible institutional investor is eligible to file reports under this Part.

#### **4.8 Exemptions**

The requirement to file a report under this Part does not apply to a joint actor with an eligible institutional investor in connection with a specific filing if:

- (a) the eligible institutional investor files a report under this Part at the time that the joint actor is required to file; and
- (b) the report discloses the information concerning the joint actor required by this Instrument.

### **PART 5 AGGREGATION RELIEF**

#### **5.1 Separate Business Units**

An eligible institutional investor, or an affiliate or associate of an eligible institutional investor, that conducts business or investment activities through business units may, for the purposes of the applicable provisions and securities legislation related to the applicable definitions, treat securities that are owned or controlled through a business unit, or securities into which those securities are convertible, exercisable or exchangeable, separately from securities owned or controlled through any other of its business units if:

- (a) decisions on each of the acquisition, disposition, holding or voting of the securities owned or controlled by a business unit are made in all circumstances by that business unit;
- (b) the business unit is not a joint actor with any other business unit with respect to the securities, determined without regard to the provisions of securities legislation that deem an affiliate, and presume an associate, to be acting jointly or in concert with an acquiror;
- (c) no entity that makes, advises on, participates in the formulation of, or exercises influence over, decisions on the acquisition, disposition, holding or voting of securities owned or controlled by or on behalf of a business unit also makes, advises on, participates in the formulation of or exercises influence over, decisions on the acquisition, disposition, holding or voting of securities owned or controlled by or on behalf of any other business unit, except for the purposes of:
  - (i) preparing research reports;
  - (ii) monitoring or ensuring compliance with regulatory requirements; or
  - (iii) setting, monitoring or ensuring compliance with general investment policies, guidelines, objectives or restrictions;
- (d) the eligible institutional investor or affiliate or associate has reasonable grounds for believing that each business unit complies with the applicable provisions and securities legislation related to the applicable definitions in connection with the securities owned or controlled by the business unit;
- (e) the eligible institutional investor or affiliate or associate has taken reasonable steps to ensure that each business unit complies with the requirements of this Part; and
- (f) the eligible institutional investor or affiliate or associate complies with section 5.3.

29 Feb 2008 SR 7/2008 s4.

## 5.2 Securities Held by an Investment Fund

An eligible institutional investor, or an affiliate or associate of an eligible institutional investor, may, for the purposes of the applicable provisions and securities legislation related to the applicable definitions, treat securities owned or controlled by an investment fund over which the eligible institutional investor, affiliate or associate exercises or shares control, or securities into which those securities are convertible, exercisable or exchangeable, separately from other securities owned or controlled by the eligible institutional investor or affiliate or associate if:

- (a) the investment fund is not a private mutual fund;
- (b) a portfolio adviser manages the investment fund on behalf of the eligible institutional investor under a written agreement;

- (c) the portfolio adviser has been identified as managing the investment fund in a document provided to an investor;
- (d) none of the eligible institutional investor, its affiliates or associates, or a director, officer, partner, employee or agent of the eligible institutional investor or its affiliates or associates, makes, advises on, participates in the formulation of, or exercises influence over, decisions made by the portfolio adviser on the acquisition, disposition, holding or voting of securities, except for the purposes of:
  - (i) preparing research reports;
  - (ii) monitoring or ensuring compliance with regulatory requirements; or
  - (iii) setting, monitoring or ensuring compliance with general investment policies, guidelines, objectives or restrictions;
- (e) the eligible institutional investor or affiliate or associate has reasonable grounds for believing that the portfolio adviser complies with the applicable provisions and securities legislation related to the applicable definitions in connection with securities owned or controlled by the investment fund;
- (f) the portfolio adviser neither controls nor is controlled by the eligible institutional investor or an affiliate or associate of the eligible institutional investor; and
- (g) the eligible institutional investor or affiliate or associate complies with section 5.3.

### **5.3 Reporting and Record Keeping**

- (1) In addition to the requirements of sections 5.1 and 5.2, in order to rely on section 5.1 or 5.2, an eligible institutional investor or an affiliate or associate shall indicate in any document released or filed under the applicable provisions or securities legislation related to the applicable definitions:
  - (a) its reliance on either section 5.1 or 5.2;
  - (b) the identity of the business units or investment funds for which ownership and control of the securities has been disclosed; and
  - (c) the fact that securities owned or controlled by other business units or investment funds have not been, or may not have been, disclosed.
- (2) An eligible institutional investor or affiliate or associate shall maintain records of the details concerning:
  - (a) business units of the entity that are treated separately, by reason of section 5.1, for the purposes of compliance with the applicable provisions and securities legislation related to the applicable definitions; and
  - (b) investment funds whose ownership of, or control over, securities are treated separately, by reason of section 5.2, for the purposes of compliance with the applicable provisions and securities legislation related to the applicable definitions.

#### **5.4 No Requirement to Satisfy Insider Reporting Requirement**

If an eligible institutional investor, or an affiliate or associate of an eligible institutional investor, is relying on this Part so that it is not subject to the insider reporting requirement for a reporting issuer, then every director or senior officer of the eligible institutional investor, or of the affiliate or associate of an eligible institutional investor, who is an insider of the reporting issuer solely as a result of being a director or senior officer of the eligible institutional investor, or the affiliate or associate of an eligible institutional investor, is not subject to the insider reporting requirement for the reporting issuer.

### **PART 6 ISSUER ACTIONS**

#### **6.1 Issuer Actions**

(1) An entity is exempt from the early warning requirements and the obligation to report under Part 4 in connection with an increase in the securityholding percentage of the entity in a class of securities of a reporting issuer that arises without any action being taken by the entity and solely from a reduction in outstanding securities that occurs as a result of redemptions, retractions or other repurchases by the reporting issuer, that affect or are offered to all security holders of the relevant class.

(2) An entity is exempt from the early warning requirements and the obligation to report under Part 4 in connection with a decrease in the securityholding percentage of the entity in a class of securities of a reporting issuer that arises without any action being taken by the entity and solely from an increase in outstanding securities that occurs as a result of treasury issuances of securities by the reporting issuer.

(3) An entity may rely upon an exemption provided by this section in connection with a class of securities only until the entity undertakes any transaction that changes the securityholding percentage of the entity in that class of securities.

(4) An entity that undertakes a transaction described in subsection (3) shall comply with the early warning requirements or Part 4 in connection with the class of securities referred to in that subsection in a manner that reflects the changes in the securityholding percentage of the entity in that class of securities since the last news release or report made or filed under the early warning requirements or Part 4.

### **PART 7 UNDERWRITING EXEMPTION**

#### **7.1 Underwriting Exemption**

An entity is exempt from the early warning requirements and the obligation to report under Part 4 in respect of securities owned by the entity in its capacity as underwriter or securities into which those securities are convertible, or exercisable or exchangeable, during the underwriting period, if:

- (a) the entity is engaged in the business of an underwriter of securities; and

(b) the entity or the issuer of the securities has issued and filed a news release that:

- (i) announces the proposed underwriting; and
- (ii) identifies the reporting issuer and the designation and number or principal amount of the securities underwritten.

## **PART 8 RELIEF FOR PLEDGEES**

### **8.1 Relief for Pledgees**

(1) For securities that are controlled by a person or company as a pledgee, and any securities into which those securities are convertible, exercisable or exchangeable, in either case that are pledged, mortgaged or otherwise encumbered as collateral for a debt under a written pledge agreement and in the ordinary course of the business of the person or company, the person or company is exempt from the applicable provisions, and those securities are not required to be taken into account for the purposes of securities legislation related to the applicable definitions.

(2) Subsection (1) does not apply at any time that the person or company is legally entitled to dispose of the securities as pledgee for the purpose of applying proceeds of realization in repayment of the secured debt.

### **8.2 Further Relief for de minimis Pledgees**

Notwithstanding subsection 8.1(2), for securities that are controlled by a person or company as a pledgee, and any securities into which those securities are convertible, exercisable or exchangeable, in either case that are or were pledged, mortgaged or otherwise encumbered as collateral for a debt, under a written pledge agreement and in the ordinary course of the business of the person or company, the person or company is exempt from the applicable provisions, and those securities are not required to be taken into account for the purposes of securities legislation related to the applicable definitions, even if the person or company is legally entitled to dispose of the securities as pledgee for the purpose of applying proceeds of realization in repayment of the secured debt, if:

- (a) the principal amount of the debt, together with the principal amount of all other debts of or guaranteed by the same borrower to the person or company, does not exceed \$2,000,000; and
- (b) the pledged securities, and securities into which the pledged securities are convertible, exercisable or exchangeable, constitute less than 10 percent of a class of voting or equity securities.

### **8.3 Corresponding Insider Reporting Relief**

If a person or company is exempt under section 8.1 or 8.2 from the insider reporting requirement for those securities of a reporting issuer that it controls as pledgee, every director or senior officer of the person or company who is an insider of the reporting issuer solely as a result of being a director or senior officer of the person or company that is an insider of the reporting issuer is exempt from the insider reporting requirement for those securities.

**PART 9 INSIDER REPORTING EXEMPTION****9.1 Insider Reporting Exemption**

- (1) Subject to subsections (3.1) and (4), an eligible institutional investor is exempt from the insider reporting requirement for a reporting issuer if:
- (a) the eligible institutional investor has filed the report required under the early warning requirements or Part 4 for the reporting issuer in connection with the current securityholding percentage of the eligible institutional investor in the classes of voting and equity securities of the reporting issuer;
  - (a.1) the report referred to in paragraph (a) discloses, in addition to any other required disclosure:
    - (i) the eligible institutional investor's interest in any related financial instrument involving a security of the reporting issuer that is not otherwise reflected in the current securityholding percentage of the eligible institutional investor; and
    - (ii) the material terms of the related financial instrument;
  - (b) the eligible institutional investor is not disqualified under section 4.2 from filing reports under Part 4;
  - (c) the eligible institutional investor does not have knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed;
  - (d) the eligible institutional investor does not receive in the ordinary course of its business and investment activities knowledge of any material fact or material change with respect to the reporting issuer that has not been generally disclosed;
  - (e) there are no directors or officers of the reporting issuer who were, or could reasonably be seen to have been, selected, nominated or designated by the eligible institutional investor or any joint actor; and
  - (f) the eligible institutional investor, either alone or together with any joint actors, does not possess effective control of the reporting issuer.
- (2) An eligible institutional investor relying on the exemption in subsection (1) shall maintain records that include the information that, absent this section, would have been required to be included in a report filed under the insider reporting requirement.
- (3) **Repealed.** 15 Jly 2016 SR 64/2016 s3.
- (3.1) Despite subsection (1), an eligible institutional investor that is filing reports under the early warning requirements or Part 4 for a reporting issuer may rely upon the exemption contained in subsection (1) only if the eligible institutional investor treats a significant change in a related financial instrument position as a change in a material fact for the purposes of securities legislation pertaining to the early warning requirements or section 4.6 of this Instrument.

(4) Notwithstanding subsection (1), an eligible institutional investor that is an insider of a reporting issuer may not rely upon the exemption contained in subsection (1) if:

- (a) the eligible institutional investor, either alone or with a joint actor or joint actors, purchased in the previous month, directly or indirectly, 50 percent or more of all of the securities of a class that were reported sold on stock exchanges, over-the-counter markets or both in the previous month; or
- (b) the eligible institutional investor, either alone or with a joint actor or joint actors, sold in the previous month, directly or indirectly, 50 percent or more of all of the securities of a class that were reported sold on stock exchanges, over-the-counter markets or both in the previous month.

(5) If an eligible institutional investor is exempt under subsection (1) from the insider reporting requirement for a reporting issuer, every director or senior officer of the eligible institutional investor who is an insider of the reporting issuer solely as a result of being director or senior officer of the eligible institutional investor is exempt from the insider reporting requirement for the reporting issuer.

19 Mar 2010 SR 11/2010 s5.

## **PART 10 MORATORIUM RELIEF**

### **10.1 Moratorium Relief**

- (1) An entity is exempt from the moratorium provisions in respect of the acquisition of, or offers to acquire, securities, if those acquisitions or offers are made by an investment manager acting on behalf of the entity without the direction or prior knowledge of the entity.
- (2) Subsection (1) does not apply to an investment manager acting as principal.
- (3) An entity is exempt from the moratorium provisions in respect of any acquisitions of, or offers to acquire, securities made solely in its capacity as an approved specialist, or market maker, recognized by a stock exchange or an over-the-counter market that represents a published market for the securities.
- (4) An eligible institutional investor is exempt from the moratorium provisions in respect of securities of a reporting issuer at any time in which:
  - (a) the eligible institutional investor is using the exemption in section 4.1 in connection with filings relating to securities of that reporting issuer; or
  - (b) the eligible institutional investor is subject to the restrictions contained in section 4.4.

## **PART 11 EXEMPTIONS**

### **11.1 Exemptions**

- (1) The regulator or the securities regulatory authority may grant an exemption to this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Notwithstanding subsection (1), in Ontario only the regulator may grant such an exemption.



**APPENDIX A  
CONTROL BLOCK DISTRIBUTION DEFINITION**

<b>JURISDICTION</b>	<b>SECURITIES LEGISLATION REFERENCE</b>
ALBERTA	Clause 1(p)(iii) of the <i>Securities Act</i> (Alberta)
BRITISH COLUMBIA	Clause (c) of the definition of ‘distribution’ contained in subsection 1(1) of the <i>Securities Act</i> (British Columbia)
MANITOBA	Clause 1(b) of the definition of ‘primary distribution to the public’ contained in subsection 1(1) of the <i>Securities Act</i> (Manitoba)
NEW BRUNSWICK	Paragraph (c) of the definition of “distribution” contained in section 1(1) of the <i>Securities Act</i> (New Brunswick)
NEWFOUNDLAND	Subclause 2(1)(l)(iii) of the <i>Securities Act</i> (Newfoundland)
NORTHWEST TERRITORIES	Paragraph (c) of the definition of “distribution” contained in subsection 1(1) of the <i>Securities Act</i> (Northwest Territories)
NOVA SCOTIA	Subclause 2(1)(l)(iii) of the <i>Securities Act</i> (Nova Scotia)
ONTARIO	Clause (c) of the definition of ‘distribution’ contained in subsection 1(1) of the <i>Securities Act</i> (Ontario)
QUEBEC	Subparagraph 9 of the definition of “distribution” contained in section 5 of the <i>Securities Act</i> (Quebec)
PRINCE EDWARD	Subclause (iii) of the definition of “distribution” contained in clause 1(k) of the <i>Securities Act</i> (Prince Edward Island)
SASKATCHEWAN	Subclause 2(1)(r)(iii) of <i>The Securities Act, 1988</i> (Saskatchewan)
YUKON TERRITORY	Paragraph (c) of the definition of “distribution” contained in subsection 1(1) of the <i>Securities Act</i> (Yukon Territory)

19 Mar 2010 SR 11/2010 s5.

**APPENDIX B  
EARLY WARNING REQUIREMENTS**

**Repealed.** 29 Feb 2008 SR 7/2008 s4.

**APPENDIX C  
MORATORIUM PROVISIONS**

**Repealed.** 29 Feb 2008 SR 7/2008 s4.

**APPENDIX D**  
**BENEFICIAL OWNERSHIP**

<b>JURISDICTION</b>	<b>SECURITIES LEGISLATION REFERENCE</b>
ALBERTA	Sections 5 and 6 of the <i>Securities Act</i> (Alberta) and sections 1.8 and 1.9 of NI 62-104
BRITISH COLUMBIA	Subsection 1(4) of the <i>Securities Act</i> (British Columbia) and sections 1.8 and 1.9 of NI 62-104
MANITOBA	Subsections 1(6) and 1(7) of the <i>Securities Act</i> (Manitoba) and sections 1.8 and 1.9 of NI 62-104
NEW BRUNSWICK	Subsections 1(5) and 1(6) of the <i>Securities Act</i> (New Brunswick) and sections 1.8 and 1.9 of NI 62-104
NEWFOUNDLAND AND LABRADOR	Subsections 2(5) and 2(6) of the <i>Securities Act</i> (Newfoundland and Labrador) and sections 1.8 and 1.9 of NI 62-104
NORTHWEST TERRITORIES	Section 11 of the <i>Securities Act</i> (Northwest Territories) and sections 1.8 and 1.9 of NI 62-104
NOVA SCOTIA	Subsections 2(5) and 2(6) of the <i>Securities Act</i> (Nova Scotia) and sections 1.8 and 1.9 of NI 62-104
NUNAVUT	Sections 1.8 and 1.9 of NI 62-104
ONTARIO	Subsections 1(5) and 1(6) of the <i>Securities Act</i> (Ontario) and sections 1.8 and 1.9 of NI 62-104
PRINCE EDWARD ISLAND	Section 11 of the <i>Securities Act</i> (Prince Edward Island) and sections 1.8 and 1.9 of NI 62-104
QUEBEC	Sections 1.8 and 1.9 of NI 62-104
SASKATCHEWAN	Subsections 2(5) and 2(6) of <i>The Securities Act, 1988</i> (Saskatchewan) and sections 1.8 and 1.9 of NI 62-104
YUKON TERRITORY	Section 11 of the <i>Securities Act</i> (Yukon Territory) and sections 1.8 and 1.9 of NI 62-104

**Form 62-103F1**  
**REQUIRED DISCLOSURE UNDER THE**  
**EARLY WARNING REQUIREMENTS**

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

**Item 1 – Security and Reporting Issuer**

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.
- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

**Item 2 – Identity of the Acquiror**

- 2.1 State the name and address of the acquiror.
- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.
- 2.3 State the names of any joint actors.

**INSTRUCTION**

*If the acquiror is a corporation, general partnership, limited partnership, syndicate or other group of persons, provide its name, the address of its head office, its jurisdiction of incorporation or organization, and its principal business.*

**Item 3 – Interest in Securities of the Reporting Issuer**

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.
- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.
- 3.3 If the transaction involved a securities lending arrangement, state that fact.
- 3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.
- 3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which
  - (a) the acquiror, either alone or together with any joint actors, has ownership and control,

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

#### INSTRUCTIONS

(i) *"Related financial instrument" has the meaning ascribed to that term in NI 55 104. Item 3.6 encompasses disclosure of agreements, arrangements or understandings where the economic interest related to a security beneficially owned or controlled has been altered.*

(ii) *For the purposes of Items 3.6, 3.7 and 3.8, a material term of an agreement, arrangement or understanding does not include the identity of the counterparty or proprietary or commercially sensitive information.*

(iii) *For the purposes of Item 3.8, any agreements, arrangements or understandings that have been disclosed under other items in this Form do not have to be disclosed under this item.*

#### Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

**Item 5 – Purpose of the Transaction**

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

**INSTRUCTIONS**

(i) *Agreements, arrangements or understandings that are described under Item 3 do not have to be disclosed under this item.*

(ii) *For the purposes of Item 6, the description of any agreements, arrangements, commitments or understandings does not include naming the persons with whom those agreements, arrangements, commitments or understandings have been entered into, or proprietary or commercially sensitive information.*

**Item 7 – Change in material fact**

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

**Item 8 – Exemption**

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

**Item 9 – Certification**

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Certificate**

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

.....  
Date

.....  
Signature

.....  
Name/Title

**Form 62-103F2**  
***REQUIRED DISCLOSURE BY AN ELIGIBLE***  
***INSTITUTIONAL INVESTOR UNDER SECTION 4.3***

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

**Item 1 – Security and Reporting Issuer**

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.
- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

**Item 2 – Identity of the Eligible Institutional Investor**

- 2.1 State the name and address of the eligible institutional investor.
- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.
- 2.3 State that the eligible institutional investor is ceasing to file reports under Part 4 for the reporting issuer.
- 2.4 Disclose the reasons for doing so.
- 2.5 State the names of any joint actors.

**Item 3 – Interest in Securities of the Reporting Issuer**

- 3.1 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities immediately before and after the transaction or other occurrence that triggered the requirement to file this report.
- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.
- 3.3 If the transaction involved a securities lending arrangement, state that fact.
- 3.4 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report and over which
  - (a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,
  - (b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and
  - (c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.



3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

#### INSTRUCTIONS

(i) "Related financial instrument" has the meaning ascribed to that term in NI 55 104. Item 3.5 encompasses disclosure of agreements, arrangements or understandings where the economic interest related to a security beneficially owned or controlled has been altered.

(ii) For the purposes of Items 3.5, 3.6 and 3.7, a material term of an agreement, arrangement or understanding does not include the identity of the counterparty or proprietary or commercially sensitive information.

(iii) For the purposes of Item 3.7, any agreements, arrangements or understandings that have been disclosed under other items in this Form do not have to be disclosed under this item.

#### Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the eligible institutional investor.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

**Item 5 – Purpose of the Transaction**

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to any securities of the reporting issuer, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

**INSTRUCTIONS**

*(i) Agreements, arrangements or understandings that are described under Item 3 do not have to be disclosed under this item.*

*(ii) For the purposes of Item 6, the description of any agreements, arrangements, commitments or understandings does not include naming the persons with whom those agreements, arrangements, commitments or understandings have been entered into, or proprietary or commercially sensitive information.*

**Item 7 – Change in material fact**

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

**Item 8 – Exemption**

If the eligible institutional investor relies on an exemption from the requirement in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

**Item 9 – Certification**

The eligible institutional investor must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Certificate**

The certificate must state the following:

I, as the eligible institutional investor, certify, or I, as the agent filing the report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

.....  
Date

.....  
Signature

.....  
Name/Title

**Form 62-103F3**  
***REQUIRED DISCLOSURE BY AN ELIGIBLE***  
***INSTITUTIONAL INVESTOR UNDER PART 4***

State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.

**Item 1 – Security and Reporting Issuer**

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.
- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

**Item 2 – Identity of the Eligible Institutional Investor**

- 2.1 State the name and address of the eligible institutional investor.
- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.
- 2.3 State the name of any joint actors.
- 2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

**Item 3 – Interest in Securities of the Reporting Issuer**

- 3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.
- 3.2 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.
- 3.3 If the transaction involved a securities lending arrangement, state that fact.
- 3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which
  - (a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,
  - (b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and
  - (c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

#### INSTRUCTIONS

(i) "Related financial instrument" has the meaning ascribed to that term in NI 55 104. Item 3.5 encompasses disclosure of agreements, arrangements or understandings where the economic interest related to a security beneficially owned or controlled has been altered.

(ii) An eligible institutional investor may omit the securityholding percentage from a report if the change in percentage is less than 1% of the class.

(iii) For the purposes of Item 3.5, 3.6 and 3.7, a material term of an agreement, arrangement or understanding does not include the identity of the counterparty or proprietary or commercially sensitive information.

(iv) For the purposes of Item 3.7, any agreements, arrangements or understandings that have been disclosed under other items in this Form do not have to be disclosed under this item.

#### Item 4 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;

- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (d) a material change in the present capitalization or dividend policy of the reporting issuer;
- (e) a material change in the reporting issuer's business or corporate structure;
- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (i) a solicitation of proxies from securityholders;
- (j) an action similar to any of those enumerated above.

**Item 5 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

**INSTRUCTIONS**

- (i) *Agreements, arrangements or understandings that are described under Item 3 do not have to be disclosed under this item.*
- (ii) *For the purposes of Item 5, the description of any agreements, arrangements, commitments or understandings does not include naming the persons with whom those agreements, arrangements, commitments or understandings have been entered into, or proprietary or commercially sensitive information.*

**Item 6 – Change in Material Fact**

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

**Item 7 – Certification**

The eligible institutional investor must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Certificate**

The certificate must state the following:

I, as the eligible institutional investor, certify, or I, as the agent filing the report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

.....  
Date

.....  
Signature

.....  
Name/Title.

12 May 2000 SR 28/2000 s4; 23 Sep 2005 SR  
100/2005 s6; 12 Sep 2014 SR 77/2014 s8; 8 May  
2015 SR 43/2015 s7; 10 Jne 2016 SR 37/2016 s3;  
15 Jly 2016 SR 64/2016 s3.





PART X  
[clause 2(j)]

NATIONAL INSTRUMENT 71-101  
THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM

PART 1 DEFINITIONS

1.1 Definitions – In this Instrument:

**“acting jointly or in concert”** has the same interpretation as in securities legislation;

**“affiliated party”**, for an issuer, means a person or company that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the issuer;

**“bid”** means a take-over bid or an issuer bid;

**“bid circular”** means a take-over bid circular or an issuer bid circular as those terms are used in securities legislation;

**“business combination”** means a statutory merger or consolidation or similar plan or acquisition requiring the vote or consent of security holders of a person or company, in which securities of the person or company or another person or company held by the security holders will become or be exchanged for securities of any other person or company;

**“commodity pool issuer”** means an issuer formed and operated for the purpose of investing in commodity futures contracts, commodity futures, related products, or a combination of them;

**“connected issuer”** has the meaning ascribed to the term **“connected issuer”** or **“connected party”** in securities legislation;

**“control”**, with respect to an issuer, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the issuer, whether through the ownership of voting securities, by contract or otherwise, and **“under common control with”** has a corresponding meaning;

**“convertible”**, for debt or preferred shares, means that the rights and attributes attaching to the securities include a right or option to purchase, convert into, exchange for or otherwise acquire a security of the issuer or of another issuer that is:

- (a) an equity share;
- (b) a debt or a preferred share not having an investment grade rating in the case of a debt or a preferred share having an investment grade rating; or
- (c) another security that itself has a right or option to purchase, convert into, exchange for or otherwise acquire a security of the issuer or another issuer that is an equity share, or a debt or a preferred share not having an investment grade rating in the case of a debt or a preferred share having an investment grade rating;

**“convert”** has a corresponding meaning to the term **“convertible”**;

**“dealer registration requirement”** means the requirement in securities legislation that prohibits a person or company from trading in a security unless the person or company is registered in the appropriate category of registration under securities legislation;

**“equity shares”** means common shares, non-voting equity shares and subordinate or restricted voting equity shares, but excludes preferred shares;

**“expertised statement”** means part of a disclosure document required to be filed for a distribution or bid made under this Instrument, a document that is incorporated by reference in the disclosure document, or a report used in or in connection with the disclosure document or any document incorporated by reference in the disclosure document, that in each case is purported to be made on the authority of an expert;

**“foreign issuer”** means an issuer that is not incorporated or organized under the laws of Canada or a jurisdiction, unless:

- (a) voting securities carrying more than 50% of the votes for the election of directors are held by persons or companies whose last address as shown on the books of the issuer is in Canada; and
- (b) any one or more of:
  - (i) the majority of the senior officers or directors of the issuer are citizens or residents of Canada;
  - (ii) more than 50% of the assets of the issuer are located in Canada; or
  - (iii) the business of the issuer is administered principally in Canada;

**“independent underwriter”** means a person or company that underwrites securities distributed by MJDS prospectus that is not the issuer and in respect of which:

- (a) if the person or company is a registrant, the issuer is not a connected issuer or related issuer; or
- (b) if the person or company is not a registrant, would not be a connected issuer or related issuer if the person or company was a registrant;

**“insider bid”** has the meaning ascribed to that term in securities legislation;

**“insider reporting requirement”** means the requirement in securities legislation for an insider of a reporting issuer to file reports disclosing the insider’s direct or indirect beneficial ownership of, or control or direction over, securities of the issuer;

**“intermediary”**, for purposes of section 18.1, means a registered dealer or adviser, a bank or trust company, a participant in a clearing agency, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the ITA, or a nominee of any of those persons, that holds a security on behalf of another person or company that is not the registered holder of the security, unless excluded from the definition of **“intermediary”** by National Policy Statement No. 41 or any successor instrument to that national policy statement;

**“investment grade rating”** means a provisional rating by a rating organization in one of its generic rating categories that signifies investment grade;

**“issuer tender offer statement”** means an issuer tender offer statement on Schedule 13E-4 under Section 13(e)(1) of the 1934 Act;

**“issuer bid”** has the meaning ascribed to that term in securities legislation;

**“majority-owned subsidiary”** means a person or company of which voting securities carrying more than 50% of the votes for the election of directors are held by any one or more of:

- (a) another person or company; and
- (b) the other majority-owned subsidiaries of that other person or company;

**“method 1”** means the first of the two alternative methods of providing prospectus certificates for rule 415 offerings made under this Instrument set forth in Appendix A to this National Instrument;

**“method 2”** means the second of the two alternative methods of providing prospectus certificates for rule 415 offerings made under this Instrument set forth in Appendix B to this National Instrument;

**“MJDS”** means the multijurisdictional disclosure system established by this Instrument;

**“MJDS directors’ circular”** means, for a take-over bid for a class of securities of a U.S. issuer made under this Instrument, a tender offer solicitation/recommendation statement, amendments to that statement and all other information and materials required or permitted to be disseminated to holders of the securities by the offeree issuer or its board of directors for a tender offer made for the securities under U.S. federal securities law, that in each case complies with the form and content requirements of subsection 12.4(2);

**“MJDS director’s or officer’s circular”** means, for a take-over bid for a class of securities of a U.S. issuer made under this Instrument, a tender offer solicitation/recommendation statement, amendments to that statement and all other information and materials required or permitted to be disseminated to holders of the securities by an individual director or officer for a tender offer made for the securities under U.S. federal securities law, that in each case complies with the form and content requirements of subsection 12.4(2);

**“MJDS issuer bid circular”** means, for an issuer bid for a class of securities of a U.S. issuer made under this Instrument, an issuer tender offer statement, amendments to that statement and all other information and materials required to be disseminated to holders of the securities by the issuer for an issuer tender offer made for the securities under U.S. federal securities law, that in each case complies with the form and content requirements of subsection 12.4(1);

**“MJDS prospectus”** means, for a distribution of securities under this Instrument other than under section 12.3, a U.S. prospectus that contains the additional information, legends and certificates required by, and otherwise complies with the disclosure requirements of, this Instrument;

**“MJDS take-over bid circular”** means, for a take-over bid for a class of securities of a U.S. issuer made under this Instrument, a tender offer statement, amendments to that statement and all other information and materials required to be disseminated to holders of the securities by the offeror for a tender offer made for the securities under U.S. federal securities law, that in each case complies with the form and content requirements of subsection 12.4(1);

**“MTN program”** means a continuous rule 415 offering of debt in which the specific variable terms of the individual securities and the offering of the securities are determined at the time of sale;

**“Nasdaq”** means the Nasdaq Stock Market;

**“NNM”** means the Nasdaq National Market;

**“non-convertible”** means securities that are not convertible;

**“offeree issuer”** has the meaning ascribed to that term in securities legislation;

**“offeror”** has the meaning ascribed to that term in securities legislation;

**“parent”**, for a majority-owned subsidiary, means a person or company that, alone or together with any one or more of the person or company’s other majority-owned subsidiaries, holds voting securities of the majority-owned subsidiary carrying more than 50% of the votes for the election of directors;

**“preliminary MJDS prospectus”** means, for a distribution of securities under this Instrument other than under section 12.3, a preliminary form of MJDS prospectus;

**“principal jurisdiction”** means the jurisdiction specified in accordance with section 5.1;

**“principal market”**, for a class of securities, means the single securities market with the largest aggregate trading volume for the class of securities in the preceding 12 calendar month period;

**“prospectus requirement”** means the prohibition in securities legislation from a person or company distributing a security unless a preliminary prospectus and prospectus for the distribution have been filed and receipts obtained for them;

**“public float”**, for a class of securities, means:

- (a) the aggregate market value of the securities held by persons or companies that are not affiliated parties of the issuer of the securities, calculated by using the price at which the securities were last sold in the principal market for the securities on the date specified in the applicable provision of this Instrument, or the average of the bid and asked prices of the securities in the principal market on that date if there were no sales on that date;
- (b) if there is no market for the class of securities, the book value of the securities held by persons or companies that are not affiliated parties of the issuer of the securities computed on that date; and
- (c) if the issuer of the class of securities is in bankruptcy or receivership or has an accumulated capital deficit, one-third of the principal amount, par value or stated value of the securities held by persons or companies that are not affiliated parties of the issuer of the securities computed on that date;

**“rating organization”** means each of CBRIS Inc., Dominion Bond Rating Service Limited, Moody’s Investors Service, Inc., Standard & Poor’s Corporation and any entity recognized by the SEC as a nationally recognized statistical rating organization as that term is used in Rule 15c3-1(c)(2)(vi)(F) under the 1934 Act;

**“related issuer”** has the meaning ascribed to the term **“related issuer”** or **“related party”** in securities legislation;

**“rule 415 offering”** means a distribution under Rule 415 under the 1933 Act that is made under this Instrument;

**“rule 415 prospectus supplement”** means a form of prospectus supplement prepared for a rule 415 offering;

**“rule 430A offering”** means a distribution under Rule 430A under the 1933 Act that is made under this Instrument;

**“rule 430A pricing prospectus”** means a MJDS prospectus prepared for a rule 430A offering that contains the information omitted from the U.S. prospectus included as part of the registration statement at the time of effectiveness of the registration statement, as permitted by Rule 430A under the 1933 Act;

**“securities exchange bid”** means a bid in which the consideration for the securities of the offeree issuer consists, in whole or in part, of securities of an offeror or other issuer;

**“specified predecessor”** means, for a successor issuer continuing after a business combination, a predecessor to the successor issuer whose assets and gross revenues in aggregate would contribute less than 20% of the total assets and gross revenues from continuing operations of the successor issuer, based on a *pro forma* combination of each predecessor’s financial position and results of operations for its most recently completed financial year ended before the business combination for which financial statements have been filed;

**“successor issuer”** means an issuer subsisting as an issuer after a business combination;

**“take-over bid”** has the meaning ascribed to that term in securities legislation;

**“tender offer solicitation/recommendation statement”** means a statement made under rule 14d-9 or 14e-2 under the 1934 Act;

**“tender offer statement”** means a tender offer statement on Schedule 14D-1 under section 14(d) of the 1934 Act;

**“U.S. federal securities law”** means the federal statutes of the United States of America concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes;

**“U.S. issuer”** means a foreign issuer that is incorporated or organized under the laws of the United States of America or any state or territory of the United States of America or the District of Columbia;

**“U.S. prospectus”** means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act, or if the offering is not being made contemporaneously in the U.S., as if the offering is being made on a registered basis in the United States of America;

**“voting securities”** means securities the holders of which have a present entitlement to vote for the election of directors;

**“1934 Act filings”** means all filings required to be made with the SEC under sections 13, 14 and 15(d) of the 1934 Act;

**“1940 Act”** means the *Investment Company Act of 1940* of the United States of America.

## **PART 2 GENERAL**

**2.1 Timing of Filing** – Unless otherwise provided in this Instrument, documents that must be filed under this Instrument that are also filed with the SEC shall be filed as nearly as practicable contemporaneously with the filing with the SEC.

**2.2 Successor Issuers** – A successor issuer satisfies the eligibility criteria set forth in subclauses 3.1(a)(iii), 3.1(b)(ii) and (iii) and clauses 12.3(1)(c) and 13.1(1)(c) if:

- (a) since the business combination the successor issuer has made all 1934 Act filings and, if applicable, has had a class of its securities listed on the New York Stock Exchange or the American Stock Exchange or quoted on NNM;
- (b) the successor issuer is in compliance with the obligations arising from the listing or quotation referred to in clause (a), if applicable; and
- (c) the filing, listing or quotation requirement to be satisfied for a period of 12 or 36 months is satisfied for each predecessor, other than a specified predecessor.

**2.3 Successor Issuer Interpretation** – In determining if the filing, listing or quotation requirement in clause 2.2(c) is satisfied for a period of 12 or 36 months for each predecessor, the period during which the successor issuer satisfied the requirement shall be added to the immediately preceding period during which the predecessor satisfied the requirement.

## **PART 3 MJDS PROSPECTUS DISTRIBUTIONS OF SECURITIES OF U.S. ISSUERS**

**3.1 General Eligibility Criteria** – Subject to section 3.3, this Instrument may be used to distribute:

- (a) debt that has an investment grade rating or preferred shares that have an investment grade rating, in each case at the time the preliminary MJDS prospectus is filed in the principal jurisdiction, or rights that, upon issuance, are immediately exercisable for any of these securities, if:
  - (i) the issuer is a U.S. issuer;
  - (ii) the issuer:
    - (A) has a class of securities registered under section 12(b) or 12(g) of the 1934 Act; or
    - (B) is required to file reports under section 15(d) of the 1934 Act;
  - (iii) the issuer has filed with the SEC all 1934 Act filings for a period of 12 calendar months immediately before the filing of the preliminary MJDS prospectus in the principal jurisdiction;



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- (iv) the issuer is not registered or required to be registered as an investment company under the 1940 Act;
  - (v) the issuer is not a commodity pool issuer; and
  - (vi) the securities being offered or issuable on the exercise of the rights either:
    - (A) are non-convertible; or
    - (B) if convertible, may not be converted for at least one year after issuance, and the equity shares of the issuer of the securities into which the offered securities are convertible have a public float of not less than U.S. \$75,000,000, determined as of a date within 60 days before the filing of the preliminary MJDS prospectus in the principal jurisdiction;
- (b) rights to purchase additional securities of its own issue issued by a U.S. issuer to its existing security holders and the securities issued upon the exercise of the rights, if:
- (i) the issuer meets the eligibility criteria specified in subclauses (a)(ii), (iv) and (v);
  - (ii) the issuer has filed with the SEC all 1934 Act filings for a period of 36 calendar months immediately before the filing of the preliminary MJDS prospectus in the principal jurisdiction;
  - (iii) the issuer has had a class of its securities listed on the New York Stock Exchange or the American Stock Exchange or quoted on the NNM for a period of at least 12 calendar months immediately before the filing of the preliminary MJDS prospectus in the principal jurisdiction and is in compliance with the obligations arising from the listing or quotation;
  - (iv) the rights are exercisable immediately upon issuance;
  - (v) subject to subclause (vi), the rights issued to residents of Canada have the same terms and conditions as the rights issued to residents of the United States of America; and
  - (vi) beneficial ownership of rights issued to a resident of Canada are not transferable to a resident of Canada, other than residents to whom rights of the same issue were granted, but only if:
    - (A) the securities issuable upon exercise of the rights may be so transferable; and
    - (B) this limitation does not restrict the transfer of rights on a securities exchange or inter-dealer quotation system outside of Canada; or
- (c) any securities of a U.S. issuer if:
- (i) the issuer meets the eligibility criteria specified in subclauses (a)(ii) to (v); and
  - (ii) the equity shares of the issuer have a public float of not less than U.S. \$75,000,000, determined as of a date within 60 days before the filing of the preliminary MJDS prospectus in the principal jurisdiction.

**3.2 Alternative Eligibility Criteria for Certain Guaranteed Issues** – Subject to section 3.3, this Instrument may also be used to distribute securities of an issuer, if:

- (a) the securities distributed are:
  - (i) non-convertible debt having an investment grade rating, or non-convertible preferred shares having an investment grade rating, of a majority-owned subsidiary whose parent meets the eligibility criteria set forth in subclauses 3.1(a)(i) through (v);
  - (ii) convertible debt having an investment grade rating, or convertible preferred shares having an investment grade rating, of a majority-owned subsidiary that may not be converted for at least one year after issuance and are convertible only into securities of a parent that meets the eligibility requirements set forth in subclauses 3.1(a)(i) through (v) and paragraph 3.1(a)(vi)(B);
  - (iii) non-convertible debt, or non-convertible preferred shares, of a majority-owned subsidiary whose parent meets the eligibility requirements set forth in clause 3.1(c); or
  - (iv) convertible debt, or convertible preferred shares, of a majority-owned subsidiary that are convertible only into securities of a parent that meets the eligibility requirements set forth in clause 3.1(c);
- (b) the issuer meets the eligibility criteria set forth in subclauses 3.1(a)(i), (iv) and (v); and
- (c) the parent fully and unconditionally guarantees payment with respect to the securities being distributed, as to principal and interest if the securities are debt, and as to liquidation preference, redemption and dividends if the securities are preferred shares.

**3.3 Limitation on Distribution of Derivative Securities**

- (1) No person or company shall file a prospectus for the distribution of derivative securities under this Instrument.
- (2) Notwithstanding subsection (1), warrants, options, rights or convertible securities may be distributed under this Instrument if the issuer of the underlying securities to which the warrants, options, rights or convertible securities relate is eligible under this Instrument to distribute the underlying securities.

**3.4 Preliminary MJDS Prospectus and MJDS Prospectus**

- (1) A U.S. issuer shall file a preliminary MJDS prospectus and a MJDS prospectus for a distribution of securities under this Instrument other than under section 12.3.
- (2) A preliminary MJDS prospectus, an amendment to a preliminary MJDS prospectus, a MJDS prospectus and an amendment to a MJDS prospectus is a preliminary prospectus, an amendment to a preliminary prospectus, a prospectus and an amendment to a prospectus, respectively, for the purposes of securities legislation.

## **PART 4 FORM AND CONTENT OF MJDS PROSPECTUS**

**4.1 Distributions in Canada and the U.S.** – Subject to section 4.2, an issuer of securities distributed under this Instrument shall file the registration statement and amendments to the registration statement filed for the offering with the SEC, together with the related preliminary MJDS prospectus and MJDS prospectus and amendments and supplements to the preliminary MJDS prospectus and MJDS prospectus.

**4.2 Distributions only in Canada** – If a distribution is being made only in Canada, the issuer does not need to file a registration statement and amendments to the registration statement, or other information required in a registration statement but not required in the U.S. prospectus.

### **4.3 Additional Legends and Disclosure**

(1) The following statements shall be printed:

(a) in red ink on the outside front cover page, or on a sticker on that page, of each preliminary MJDS prospectus used for a distribution under this Instrument:

**“This preliminary MJDS prospectus relating to the securities described in it has been filed in [each of/certain of] the [provinces/provinces and territories] of Canada but has not yet become final for the purpose of a distribution. Information contained in this preliminary MJDS prospectus may not be complete and may have to be amended. The securities may not be distributed until a receipt is obtained for the MJDS prospectus.”;**

(b) on the outside or inside front cover page, or on a sticker on that page, of each preliminary MJDS prospectus and MJDS prospectus:

(i) **“This offering is being made by a U.S. issuer using disclosure documents prepared in accordance with U.S. securities laws. Purchasers should be aware that these requirements may differ from those of [insert the names of the provinces and territories where qualified]. The financial statements included or incorporated by reference in this prospectus have not been prepared in accordance with Canadian generally accepted accounting principles and may not be comparable to financial statements of Canadian issuers.”;**

(ii) **“[All of] [Certain of] the directors and officers of the issuer and [all of] [certain of] the experts named in this prospectus reside outside of Canada. [[Substantially] [A]]l of the assets of these persons and of the issuer may be located outside Canada.] The issuer has appointed [name and address of agent for service] as its agent for service of process in Canada, but it may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above. It may also not be possible to enforce against the issuer, its directors and officers and [certain of] the experts named in this prospectus judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.”;**

(iii) “This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and in those jurisdictions only by persons permitted to sell such securities. No securities commission or similar authority in Canada or the United States of America has in any way passed upon the merits of the securities offered by this prospectus and any representation to the contrary is an offence.”; and

(c) in each preliminary MJDS prospectus and MJDS prospectus:

“Securities legislation in [certain of the provinces [and territories] of Canada] [the Province of... [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces [and territories], the] securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission [or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to the applicable provisions of the securities legislation of the purchaser’s province [or territory] for particulars of these rights or consult with a legal adviser. Rights and remedies also may be available to purchasers under U.S. law; purchasers may wish to consult with a U.S. legal adviser for particulars of these rights.”

(2) A preliminary MJDS prospectus, MJDS prospectus or amendment or supplement to a preliminary MJDS prospectus or MJDS prospectus need not contain any disclosure relevant solely to U.S. offerees or purchasers, including:

- (a) any “red herring” legend required by U.S. federal securities law;
- (b) except as provided in subclause (1)(b)(iii), any legend regarding approval or disapproval by the SEC;
- (c) any discussion of U.S. tax considerations other than those material to Canadian purchasers; and
- (d) the names of U.S. underwriters not acting as underwriters in Canada or a description of the U.S. plan of distribution, except to the extent necessary to describe facts material to the Canadian distribution.

**4.4 Incorporation by Reference** – Except as otherwise provided in this Instrument, documents incorporated or deemed to be incorporated by reference into a U.S. prospectus under U.S. federal securities law shall be, and are deemed to be, incorporated by reference into a preliminary MJDS prospectus or MJDS prospectus.

#### **4.5 Statements Modified or Superseded**

(1) A statement in a document incorporated or deemed to be incorporated by reference into a MJDS prospectus shall be deemed to be modified or superseded, for the purposes of the MJDS prospectus, to the extent that a statement in the MJDS prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference into the MJDS prospectus modifies or supersedes the statement.

- (2) The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information in the document that it modifies or supersedes.
- (3) The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.
- (4) A statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of the MJDS prospectus.
- (5) If documents are incorporated by reference into a preliminary MJDS prospectus or MJDS prospectus, the section in the preliminary MJDS prospectus or MJDS prospectus that provides information about incorporation by reference shall include a statement that information has been incorporated by reference from documents filed with the Canadian securities regulatory authority in each jurisdiction in which the distribution is being made and shall state the name, address and telephone number of an officer of the issuer from whom copies of the documents may be obtained on request without charge.

#### **4.6 Reconciliation of Financial Statements**

- (1) A preliminary MJDS prospectus and a MJDS prospectus used to distribute securities eligible under clause 3.1(c) shall include a reconciliation of the financial statements required to be included or incorporated by reference in the preliminary MJDS prospectus and MJDS prospectus to Canadian GAAP in the notes to the financial statements or as a supplement included or incorporated by reference in the preliminary MJDS prospectus and MJDS prospectus.
- (2) A reconciliation required to be included in the financial statements under subsection (1) shall explain and quantify as a separate reconciling item any significant differences between the principles applied in the financial statements, including note disclosure, and Canadian GAAP and, in the case of the reconciliation of the annual financial statements, shall be covered by an auditor's report.

**4.7 General Certification Requirements** – Except as provided in sections 4.8 to 4.10, each preliminary MJDS prospectus and MJDS prospectus used for a distribution under this Part shall contain:

- (a) a certificate in the following form, signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer and the chief financial officer, any person or company who is a promoter of the issuer and each person or company who is a guarantor of the securities distributed under the MJDS prospectus:

'The foregoing [insert, if applicable, —', together with the documents incorporated in this prospectus by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [insert applicable references] [insert if offering made in Quebec —' and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed']'; and

- (b) if there is an underwriter, a certificate in the following form, signed by each underwriter who is in a contractual relationship with the issuer or selling security holder for the securities distributed under the MJDS prospectus:

“To the best of our knowledge, information and belief, the foregoing [insert, if applicable, —, together with the documents incorporated in this prospectus by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [insert applicable references] [insert if offering made in Quebec —and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”].

**4.8 Certificate Requirement for Rule 415 Offerings** – A preliminary MJDS prospectus, an amendment to a preliminary MJDS prospectus, a MJDS prospectus and an amendment to a MJDS prospectus filed for a rule 415 offering under this Part shall contain certificates prepared in accordance with method 1 or method 2.

**4.9 Certificate Requirement for Rule 430A Offerings** – For a rule 430A offering:

- (a) a preliminary MJDS prospectus, amendment to a preliminary MJDS prospectus and a MJDS prospectus;
- (b) an amended MJDS prospectus filed to commence a new period for filing a rule 430A pricing prospectus; and
- (c) an amendment to a MJDS prospectus filed for a rule 430A offering before the information omitted from the MJDS prospectus has been filed in either a rule 430A pricing prospectus or an amendment shall contain:
  - (i) a certificate in the following form, signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer and chief financial officer, any person or company who is a promoter of the issuer and each person or company who is a guarantor of the securities to be distributed under the MJDS prospectus:

**“The foregoing, together with the documents incorporated in this prospectus by reference as of the date of the prospectus providing the information permitted to be omitted from this prospectus, will constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [insert applicable references] [insert if offering made in Quebec—“and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”; and**



- (ii) if there is an underwriter, a certificate in the following form, signed by each underwriter who is in a contractual relationship with the issuer or selling security holder for the securities distributed under the MJDS prospectus:

**“To the best of our knowledge, information and belief, the foregoing, together with the documents incorporated in this prospectus by reference, as of the date of the prospectus providing the information permitted to be omitted from this prospectus, will constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [insert applicable references] [insert if offering made in Quebec—“and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed”].”**

**4.10 Certificates for Rule 430A Pricing Prospectus** – A rule 430A pricing prospectus shall contain in place of the certificates referred to in section 4.9:

- (a) a certificate in the following form, signed by the chief executive officer, the chief financial officer, and, on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer and chief financial officer, any person or company who is a promoter of the issuer and each person or company who is a guarantor of the securities distributed under the MJDS prospectus:

**“The foregoing [insert, if applicable—“, together with the documents incorporated in this prospectus by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [insert applicable references] [insert if offering made in Quebec—“and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”; and**

- (b) if there is an underwriter, a certificate in the following form, signed by each underwriter who is in a contractual relationship with the issuer or selling security holder for securities distributed under the MJDS prospectus:

**“To the best of our knowledge, information and belief, the foregoing [insert, if applicable—“, together with the documents incorporated in this prospectus by reference,”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by [insert applicable references] [insert if offering also made in Quebec—“and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.**

**4.11 Signing of Certificates by Agent** – Certificates contained in a preliminary MJDS prospectus, MJDS prospectus, amendment to a preliminary MJDS prospectus or MJDS prospectus, rule 415 prospectus supplement or rule 430A pricing prospectus shall be signed in accordance with securities legislation provided that any or all of the persons or companies required to sign a certificate may sign the certificate for a distribution made under this Instrument by an agent duly authorized in writing.



**PART 5 FILING PROCEDURES**

**5.1 Specification of Principal Jurisdiction** – At the time of filing a preliminary MJDS prospectus, the issuer shall send written notice to the securities regulatory authority and, unless the distribution is being made in Canada only, to the SEC, stating that the distribution is being made under the MJDS and specifying the principal jurisdiction.

**5.2 Alternate Principal Jurisdiction** – If the securities regulatory authority in the jurisdiction specified in the notice sent under section 5.1 advises the issuer that it is not prepared to act as principal jurisdiction, the issuer shall specify another jurisdiction that is prepared to act as principal jurisdiction and notify the security regulatory authority in each jurisdiction in which the preliminary MJDS prospectus was filed and the SEC.

**5.3 SEC Review** – If the SEC notifies an issuer that a filing made under the MJDS has been selected for review, the issuer shall notify the securities regulatory authority in the principal jurisdiction.

**PART 6 FILING DOCUMENTS**

**6.1 Principal Jurisdiction** – The issuer shall file in the principal jurisdiction:

- (a) the preliminary MJDS prospectus, the MJDS prospectus, each amendment and supplement to the preliminary MJDS prospectus and MJDS prospectus, the rule 430A pricing prospectus and each rule 415 prospectus supplement used in Canada;
- (b) all documents incorporated or deemed to be incorporated by reference in the MJDS prospectus; and
- (c) all other documents required by this Instrument.

**6.2 Canada-U.S. Offering** – If the distribution is being made in Canada and the United States of America, the issuer shall also file in the principal jurisdiction one unsigned copy of the registration statement and all amendments and exhibits to the registration statement in addition to the documents specified in section 6.1.

**6.3 Non-Principal Jurisdictions** – In the jurisdictions other than the principal jurisdiction, the issuer shall file:

- (a) the preliminary MJDS prospectus, the MJDS prospectus, each amendment and supplement to the preliminary MJDS prospectus and MJDS prospectus, the rule 430A pricing prospectus and, subject to section 7.6, each rule 415 prospectus supplement used in Canada;
- (b) all documents incorporated or deemed to be incorporated by reference in the MJDS prospectus; and
- (c) all other documents required by this Instrument.

**6.4 Certificate Regarding Eligibility Criteria** – At the time of filing a preliminary MJDS prospectus, an issuer shall file a certificate, signed on its behalf by a senior officer of the issuer, confirming that the issuer satisfies the applicable eligibility criteria.

## 6.5 Consents

(1) The issuer shall file the written consent of an attorney, auditor, accountant, engineer, appraiser or any other person or company named as having prepared or certified any expertised statement as follows:

(a) if the expertised statement is in the preliminary MJDS prospectus, an amendment to the preliminary MJDS prospectus, the MJDS prospectus or a document incorporated by reference into the MJDS prospectus that was filed before the filing of the MJDS prospectus, the consent shall be filed at the time of filing the MJDS prospectus; and

(b) if the expertised statement is in an amendment to the MJDS prospectus, a rule 415 prospectus supplement, a rule 430A pricing prospectus, or a document incorporated by reference into a MJDS prospectus that was filed after the filing of the MJDS prospectus, the consent shall be filed at the time of filing the amendment, the rule 415 prospectus supplement, the rule 430A pricing prospectus or the document.

(2) Notwithstanding subsection (1), the filing requirements in clauses (1)(a) and (b) do not apply to the consent of a rating organization that issues a rating or provisional rating that is used in or in connection with a preliminary MJDS prospectus, an amendment to a preliminary MJDS prospectus, a MJDS prospectus, an amendment to a MJDS prospectus, a rule 415 prospectus supplement or a rule 430A pricing prospectus.

**6.6 Further Consents** – If a change to the MJDS prospectus is material to the consent filed under subsection 6.5(1), the issuer shall file a further consent contemporaneously with the filing of the change to the MJDS prospectus.

**6.7 Form of Consent** – The consent referred to in sections 6.5 and 6.6 shall be prepared in accordance with securities legislation.

**6.8 Reports on Property** – An issuer satisfies the requirement of securities legislation to file a report on the property of a natural resource company if it files a report prepared in accordance with U.S. federal securities law if a report is required to be filed with the SEC.

**6.9 Appointment of Agent for Service** – At the time of filing of the MJDS prospectus, the issuer shall file a duly executed submission to jurisdiction and appointment of agent for service of process in the required form.

**6.10 Powers of Attorney** – If a person or company signs a certificate by an agent under section 4.11, the issuer shall file a duly executed copy of the document authorizing the agent to sign the certificate not later than the time of filing the document in which the certificate is included.

**6.11 Notification of Effectiveness** – If the securities distributed under this Instrument are also offered or sold in the United States of America, the issuer whose securities are being distributed under this Instrument shall notify in writing the principal jurisdiction once the related registration statement filed with the SEC has become effective.

**6.12 Exhibits to Registration Statement** – An issuer shall file any exhibits to a registration statement requested by the securities regulatory authority in a non-principal jurisdiction.

**6.13 Rule 415 Offerings** – A commercial copy of each MJDS prospectus and rule 415 prospectus supplement need not be refiled if it is used, without change, in distributions of additional tranches of securities.

**6.14 French Language Documentation Not Required** – A preliminary MJDS prospectus and a MJDS prospectus in the French language need not be filed in Quebec for an offering of rights eligible to be made under clause 3.1(b), unless:

- (a) the issuer is a reporting issuer in Quebec other than solely as a result of one or more rights offerings made under clause 3.1(b); or
- (b) 20% or more of the class of securities in respect of which the rights are issued is held by persons or companies whose last address as shown on the books of the issuer is in Canada.

## **PART 7 AMENDMENT AND SUPPLEMENT PROCEDURES**

### **7.1 Form of Amendment or Supplement**

- (1) An issuer shall amend or supplement disclosure documents filed under this Instrument in accordance with U.S. federal securities law.
- (2) The amending or supplementing document shall contain the legends and certificates required by this Instrument.

### **7.2 Modification or Amendment**

- (1) If a registration statement is amended in a manner that modifies the related U.S. prospectus, an issuer shall file the documents containing the modification.
- (2) If the receipt for the MJDS prospectus has not been issued and the filing has been made as a result of the occurrence of an adverse material change since the filing of the preliminary MJDS prospectus or an amendment to the preliminary MJDS prospectus, an issuer shall file the documents as an amendment to the preliminary MJDS prospectus.

**7.3 Post-Effective Amendment** – If a modification is made to a U.S. prospectus by filing with the SEC a post-effective amendment to the registration statement, an issuer shall file an amendment to the MJDS prospectus.

**7.4 Amendment to Additional Disclosure** – An issuer shall file an amendment in the event of an adverse material change in the additional disclosure contained only in the preliminary MJDS prospectus or a material change in the additional disclosure contained only in the MJDS prospectus.

### **7.5 Filing of Rule 415 Prospectus Supplement**

- (1) An issuer shall file a rule 415 prospectus supplement.
- (2) A rule 415 prospectus supplement filed under subsection (1) shall be deemed to be incorporated into the MJDS prospectus as of the date of filing with the SEC, but only for the purpose of the distribution of the securities covered by the supplement.

**7.6 Rule 415 Prospectus Supplement Not Filed** – Notwithstanding sections 6.3 and 7.5, an issuer is not required to file a rule 415 prospectus supplement in the local jurisdiction unless it is the principal jurisdiction, if:

- (a) the rule 415 prospectus supplement is used to describe the terms of a tranche of securities distributed under the MJDS prospectus, or is a preliminary form of the rule 415 prospectus supplement for use in marketing, and the securities covered by the supplement will not be distributed in the local jurisdiction; or

(b) the rule 415 prospectus supplement is used to establish an MTN program or other continuous offering program or to update disclosure for the program, and securities will not be distributed under the program in the local jurisdiction.

**7.7 Filing of Rule 430A Pricing Prospectus** – An issuer shall file a rule 430A pricing prospectus.

**7.8 Incorporation by Reference of Pricing Information** – The information contained in a rule 430A pricing prospectus that was omitted from the U.S. prospectus in accordance with Rule 430A under the 1933 Act and any other additional information that the issuer has elected to include in the rule 430A pricing prospectus in accordance with U.S. federal securities law shall be deemed to be incorporated by reference into the MJDS prospectus as of the date of the rule 430A pricing prospectus.

**7.9 Filing of Revised U.S. Prospectus or Prospectus Supplement**

(1) If an issuer files with the SEC a revised U.S. prospectus, other than as an amendment to the related registration statement under rule 424(b) or another rule under the 1933 Act, or a prospectus supplement, to modify a U.S. prospectus, other than a U.S. prospectus for a rule 415 offering or a rule 430A offering, the issuer shall file the revised U.S. prospectus or prospectus supplement.

(2) The revised U.S. prospectus or prospectus supplement shall be deemed to be incorporated into the MJDS prospectus as of the date of the revised U.S. prospectus or prospectus supplement.

## **PART 8 DISSEMINATION REQUIREMENTS**

**8.1 General** – Subject to section 8.3, a preliminary MJDS prospectus, a MJDS prospectus and amendments and supplements to either shall be sent to offerees and purchasers in accordance with prospectus delivery requirements of securities legislation.

**8.2 Prospectus Supplements** – All prospectus supplements applicable to the securities being distributed shall be attached to, or included with, the MJDS prospectus that is sent to offerees and purchasers of the securities.

**8.3 Rule 430A Pricing Prospectus** – Instead of the related MJDS prospectus, a rule 430A pricing prospectus shall be sent to offerees and purchasers in accordance with prospectus delivery requirements of securities legislation.

**8.4 Documents Incorporated by Reference** – Documents that are incorporated or deemed to be incorporated by reference into a preliminary MJDS prospectus or a MJDS prospectus, other than rule 415 prospectus supplements and rule 430A pricing prospectuses, shall be sent to offerees or purchasers if the documents are required to be sent to offerees or purchasers under U.S. federal securities law.

**8.5 Provision of Documents Incorporated by Reference** – Documents incorporated by reference or deemed to be incorporated by reference shall be provided by the issuer to any person or company upon request without charge.

## **PART 9 REGISTRATION REQUIREMENTS**

**9.1 Rights offerings** – The dealer registration requirement does not apply to a trade made by a U.S. issuer in accordance with this Instrument of a right to purchase additional securities of its own issue issued by a U.S. issuer to its existing security holders and of the securities issued upon the exercise of the right.

**PART 10 CONFLICTS OF INTEREST**

**10.1 Distributions of a Registrant, Connected Issuer or a Related Issuer** – The provisions of securities legislation that regulate conflicts of interest in connection with a distribution of securities of a registrant, a connected issuer of a registrant or a related issuer of a registrant that require specified disclosure in a preliminary prospectus or prospectus do not apply to a distribution under this Instrument.

**PART 11 GENERAL**

**11.1 Representations as to Listing** – The prohibitions in securities legislation regarding representations as to the listing, posting for trading or quotation of securities or to an application having been made or to be made for the listing, posting for trading or quotation of securities do not apply to distributions made under this Instrument.

**11.2 Solicitations of Expressions of Interest** – The prospectus requirement does not apply to solicitations of expressions of interest for the purchase of securities before the filing of a preliminary MJDS prospectus if:

- (a) the issuer or selling security holder has entered into an enforceable agreement with an underwriter who has, or underwriters who have, agreed to purchase the securities;
- (b) the agreement referred to in clause (a) has fixed the terms of the distribution and requires that the issuer file a preliminary MJDS prospectus for the securities and obtain a receipt for the preliminary MJDS prospectus from:
  - (i) the regulator in at least one jurisdiction dated not more than two business days after the date that the agreement is entered into; and
  - (ii) the Canadian securities regulatory authorities in any other jurisdictions in which the distribution is to be made dated not more than three business days after the date that the agreement is entered into;
- (c) immediately upon entering into the agreement the issuer issues and files a news release announcing the agreement;
- (d) on issuance of the receipt for the preliminary MJDS prospectus, a preliminary MJDS prospectus is sent to the person or company who has expressed an interest in acquiring the securities; and
- (e) except as provided in clause (a), no agreement of purchase and sale for the securities is entered into until the MJDS prospectus has been filed and a receipt obtained.

**11.3 Other Prospectus Requirements** – National Instrument 41-101 Prospectus Disclosure Requirements, National Instrument 43-101 Standards of Disclosure for Mineral Exploration and Development and Mining Properties, National Instrument 43-102 Guide for Engineers and Geologists Submitting Oil and Gas Reports and National Instrument 45-101 Rights Offerings do not apply to a distribution of securities under this Instrument.

## PART 12 BIDS FOR SECURITIES OF U.S. ISSUERS

### 12.1 General Eligibility Criteria

- (1) A bid may be made under this Instrument if:
  - (a) the offeree issuer is a U.S. issuer;
  - (b) the offeree issuer is not registered or required to be registered as an investment company under the 1940 Act;
  - (c) the offeree issuer is not a commodity pool issuer;
  - (d) the bid is subject to section 14(d) of the 1934 Act in the case of a take-over bid, or section 13(e) of the 1934 Act in the case of an issuer bid, and is not exempt from the 1934 Act;
  - (e) the bid is made to all holders of the class of securities in Canada and the United States of America;
  - (f) the bid is made to residents of Canada on the same terms and conditions as it is made to residents of the United States of America; and
  - (g) less than 40% of each class of securities that is the subject of the bid is held by persons or companies whose last address as shown on the books of the issuer is in Canada.
- (2) Subject to subsection (3), the calculation under clause (1)(g) shall be made as of the end of the offeree issuer's last quarter before the date of filing the tender offer statement or issuer tender offer statement with the SEC or, if the quarter terminated within 60 days of the filing date, as of the end of the offeree issuer's preceding quarter.
- (3) If another bid for securities of the same class of the offeree issuer is in progress at the date of the filing, the calculation for the subsequent bid shall be made as of the same date as for the first bid already in progress.
- (4) If a take-over bid is made without the prior knowledge of the directors of the offeree issuer who are not insiders of the offeror or acting jointly or in concert with the offeror, or upon informing the directors of the proposed bid the offeror has a reasonable basis for concluding that the bid is being regarded as a hostile bid by a majority of the directors, and in either case the offeror lacks access to the relevant list of security holders of the offeree issuer, it will be conclusively presumed that clause (1)(g) is satisfied and clause (a) in the definition of 'foreign issuer' is not satisfied, unless:
  - (a) the aggregate published trading volume of the class on The Toronto Stock Exchange, The Montreal Exchange, the Vancouver Stock Exchange, the Alberta Stock Exchange and the Canadian Dealing Network Inc. exceeded the aggregate published trading volume of the class on national securities exchanges in the United States of America and Nasdaq for the 12 calendar month period before commencement of the bid or, if another bid for securities of the same class is in progress, the 12 calendar month period before commencement of the first bid already in progress;
  - (b) disclosure that clause (1)(g) was not satisfied or clause (a) of the definition of "foreign issuer" was satisfied had been made by the issuer in its Form 10-K most recently filed with the SEC under the 1934 Act; or
  - (c) the offeror has actual knowledge that clause (1)(g) is not satisfied or clause (a) of the definition of foreign issuer is satisfied.



**12.2 MJDS Take-Over Bid Circular and MJDS Issuer Bid Circular**

(1) An offeror that makes a take-over bid or issuer bid under this Part shall file a MJDS take-over bid circular or MJDS issuer bid circular, respectively.

(2) A MJDS take-over bid circular, MJDS issuer bid circular, MJDS directors' circular, MJDS director's or officer's circular, a change to any of these documents or a variation to a MJDS take-over bid circular or a MJDS issuer bid circular, is a take-over bid circular, issuer bid circular, directors' circular, individual director's or officer's circular, a notice of change and a notice of variation, respectively, for purposes of securities legislation.

**12.3 Securities Exchange Bids**

(1) A securities exchange bid may be made under this Instrument if:

- (a) the eligibility criteria set out in section 12.1 are satisfied;
- (b) the offeror or, if the securities being offered are of another issuer, the other issuer, meets the eligibility criteria set out in subclauses 3.1(a)(i), (ii), (iv) and (v) and has filed with the SEC all 1934 Act filings for a period of 36 calendar months immediately before the filing of the registration statement with the SEC;
- (c) the offeror or, if the securities being offered are of another issuer, the other issuer, has had a class of its securities listed on the New York Stock Exchange or the American Stock Exchange or quoted on the NNM for a period of at least 12 calendar months immediately before the filing of the registration statement with the SEC and is in compliance with the obligations arising from the listing or quotation; and
- (d) one of the following is satisfied:
  - (i) the equity shares of the offeror or, if the securities being offered are of another issuer, the other issuer, have a public float of not less than U.S. \$75,000,000, determined as of a date within 60 days before the filing of the registration statement with the SEC;
  - (ii) the securities being offered are non-convertible debt having an investment grade rating or non-convertible preferred shares having an investment grade rating; or
  - (iii) the bid is an issuer bid made under this Instrument with securities of the issuer being offered as consideration.

(2) The dealer registration requirement does not apply to the trade of securities of an offeror or another issuer in a securities exchange issuer bid if the eligibility criteria in subsection (1) are met.

(3) The prospectus requirement does not apply to the distribution of securities of an offeror or another issuer in a securities exchange issuer bid if the eligibility criteria in subsection (1) are met and the offeror complies with the requirements of U.S. federal securities law applicable as a result of the consideration for the securities of the offeree issuer being at least in part securities of the offeror or other issuer.



#### 12.4 Compliance with U.S. tender offer requirements

(1) If an offeror makes a bid under this Part, the offeror shall comply with the requirements of:

- (a) sections 14(d) and 14(e) of the 1934 Act and Regulations 14D and 14E under the 1934 Act for a take-over bid made under this Instrument; and
- (b) sections 13(e) and 14(e) of the 1934 Act and Regulations 13E and 14E under the 1934 Act for an issuer bid made under this Instrument.

(2) If the directors or an individual director or officer of an offeree issuer elects to comply with this Part instead of securities legislation otherwise applicable in preparation of a directors' circular or individual director's or officer's circular for a take-over bid made under this Part, each person so electing shall comply with sections 14(d) and 14(e) of the 1934 Act and Regulations 14D and 14E under the 1934 Act.

#### 12.5 Form and Content of Bid Documents

(1) A MJDS take-over bid circular or a MJDS issuer bid circular shall contain the additional information, legends and certificates required by this section.

(2) The U.S. prospectus forming part of the registration statement filed with the SEC for a securities exchange bid shall be included in, or incorporated by reference into, the MJDS take-over bid circular or MJDS issuer bid circular.

(3) If an offeror makes a take-over bid under this Part and the directors or an individual director or officer elects to comply with this Part, instead of the securities legislation otherwise applicable, the directors shall prepare a MJDS directors' circular and an individual director or officer may prepare a MJDS director's or officer's circular, in each case, that contains the additional information, legends and certificates required by this section.

(4) The following statements shall be printed on the outside front cover page, or on a sticker on that page, of a MJDS take-over bid circular or MJDS issuer bid circular:

- (a) **"This bid is made in Canada [for applicable securities exchange bids—  
"by a U.S. issuer"] for securities of a U.S. issuer in accordance with U.S.  
federal securities laws. Security holders should be aware that the U.S.  
requirements applicable to the bid may differ from those of [insert the  
names of the provinces and territories where bid is made]. [For securities  
exchange bids, also insert the following—"The financial statements  
included or incorporated by reference in this bid circular have not been  
prepared in accordance with Canadian generally accepted accounting  
principles and thus may not be comparable to financial statements of  
Canadian issuers."]**
- (b) **"[All of] [Certain of] the directors and officers of the offeror and [all  
of] [certain of] the experts named in this bid circular reside outside of  
Canada. [[Substantially] all of the assets of these persons and of the offeror  
may be located outside of Canada.] The offeror has appointed [name and  
address of agent for service] as its agent for service of process in Canada,  
but it may not be possible for security holders to effect service of process  
within Canada upon the directors, officers and experts referred to above.  
It may also not be possible to enforce against the offeror, its directors and  
officers and [certain of] the experts named in this bid circular judgments  
obtained in Canadian courts predicated upon the civil liability provisions  
of applicable securities laws in Canada.";**

(5) The legend contained in clause 4(b) is not required if the offeror is incorporated or organized under the laws of Canada or a jurisdiction.

(6) An offeror shall include the following statement in a MJDS take-over bid circular or MJDS issuer bid circular:

**“Securities legislation in certain of the provinces [and territories] of Canada provides security holders of the offeree issuer with, in addition to any other rights they may have at law, remedies for rescission [or [, in some jurisdictions,] damages if a circular or notice that is required to be delivered to such security holders contains a misrepresentation or is not delivered to the security holder, provided that such remedies for rescission [or damages] are exercised by the security holder within the time limit prescribed by the securities legislation of the security holder’s province or territory. The security holder should refer to the applicable provisions of the securities legislation of the security holder’s province [or territory] for particulars of these rights or consult with a legal adviser. Rights and remedies also may be available to security holders under U.S. law; security holders may wish to consult with a U.S. legal adviser for particulars of these rights”.**

(7) A MJDS take-over bid circular, MJDS issuer bid circular, MJDS directors’ circular or MJDS director’s or officer’s circular need not contain disclosure relevant only to U.S. security holders.

**12.6 Incorporation by Reference** – Except as otherwise provided in this Instrument, documents incorporated or deemed to be incorporated by reference into a tender offer statement, issuer tender offer statement or tender offer solicitation/recommendation statement under U.S. federal securities law shall be, and are deemed to be, incorporated by reference into a MJDS take-over bid circular, MJDS issuer bid circular, MJDS directors’ circular or MJDS director’s or officer’s circular.

### **12.7 Statements Modified or Superseded**

(1) A statement in a document incorporated or deemed to be incorporated by reference into a MJDS take-over bid circular, a MJDS issuer bid circular, a MJDS directors’ circular or a MJDS director’s or officer’s circular shall be deemed to be modified or superseded, for the purposes of the applicable circular, to the extent that a statement in the MJDS take-over bid circular, the MJDS issuer bid circular, the MJDS directors’ circular or the MJDS director’s or officer’s circular, or in any other subsequently filed document that also is or is deemed to be incorporated by reference into the applicable circular modifies or supersedes the statement.

(2) The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information in the document that it modifies or supersedes.

(3) The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(4) A statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of the MJDS take-over bid, the MJDS issuer bid circular, the MJDS directors' circular or the MJDS director's or officer's circular.

(5) If documents are incorporated by reference into a MJDS take-over bid circular, a MJDS issuer bid circular, a MJDS directors' circular or a MJDS director's or officer's circular, the section that provides information about incorporation by reference shall include a statement that information has been incorporated by reference from documents filed with securities regulatory authorities in each jurisdiction in Canada in which the documents have been filed and shall state the name, address and telephone number of a person in Canada or the United States of America from whom copies of the documents may be obtained on request without charge.

**12.8 Reconciliation of Financial Statements** – A MJDS take-over bid circular or a MJDS issuer bid circular for a securities exchange bid that satisfies the eligibility criteria of subsection 12.3(1) is not subject to the requirement of securities legislation to reconcile to Canadian GAAP the financial statements included in, or incorporated by reference into, the bid circular.

### **12.9 Certificates**

(1) A MJDS take-over bid circular shall contain a certificate in the following form signed by the chief executive officer and the chief financial officer of the offeror and, on behalf of the board of directors, by any two directors of the offeror other than the chief executive officer and chief financial officer, and each person or company that is a promoter of the offeror or a guarantor of the securities being offered in a securities exchange bid:

**“The foregoing [, together with documents incorporated by reference,] contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.”**

(2) A MJDS issuer bid circular shall contain a certificate in the form set out in subsection (1) signed by the chief executive officer and the chief financial officer of the issuer and, on behalf of the board of directors, by any two directors of the issuer other than the chief executive officer and chief financial officer, and each person or company that is a promoter of the issuer or a guarantor of the securities being offered in a securities exchange bid.

(3) A MJDS directors' circular shall contain a certificate in the form set out in subsection (1) signed on behalf of the board of directors by any two directors of the issuer.

(4) A MJDS director's or officer's circular shall contain a certificate in the form set out in subsection (1) signed by each director or officer sending the circular.

(5) The certificate for notices of variation and notices of change shall be in the form set out in subsection (1), amended to refer to the initial MJDS take-over bid circular or MJDS issuer bid circular and all notices of variation or change to the MJDS take-over bid circular or MJDS issuer bid circular.

(6) Any or all of the persons required to sign a certificate under subsections (1), (2), (3), (4) or (5) may sign by an agent duly authorized in writing.

**12.10 – Bid Circular Filing Procedures**

- (1) If an offeror makes a bid under this Instrument, the offeror shall file:
- (a) the tender offer statement or issuer tender offer statement and all exhibits and amendments to the tender offer statement or issuer tender offer statement;
  - (b) the MJDS take-over bid circular or MJDS issuer bid circular;
  - (c) a certificate of the offeror, signed on its behalf by a senior officer, confirming that the eligibility criteria set forth in subsection 12.1(1) and, if applicable, section 12.3 are satisfied and that the circular has been prepared in accordance with U.S. federal securities law;
  - (d) the written consent of an attorney, auditor, accountant, engineer, appraiser or any other person or company who is named as having prepared or certified any expertised statement in any document filed under this section or section 12.14;
  - (e) a submission to jurisdiction and appointment of agent for service of process duly executed by the offeror in section 2 of the required form; and
  - (f) if a person or company signs a certificate by an agent under subsection 12.9(6), a duly executed copy of the document authorizing the agent to sign the certificate.
- (2) Notwithstanding subsection (1), the filing requirement in clause (1)(d) does not apply to the consent of a rating organization that issues a rating or provisional rating that is used in or in connection with a MJDS take-over bid circular or MJDS issuer bid circular.

**12.11 – Notification to Offeree Issuer** – An offeror filing a MJDS take-over bid circular shall so notify the offeree issuer at its principal office not later than the business day following the day the MJDS take-over bid circular is filed.

**12.12 – French Language Documentation Not Required** – A MJDS take-over bid circular or MJDS issuer bid circular in the French language is not required to be filed in Quebec unless:

- (a) the offeree issuer is a reporting issuer in Quebec; or
- (b) 20% or more of the class of securities that is the subject of the bid is held by persons or companies whose last address as shown on the books of the issuer is in Canada.

**12.13 – MJDS Directors’ Circulars and MJDS Director’s or officer’s Circulars** – If an offeror makes a take-over bid under this Part, and the directors or an individual director or officer of the offeree issuer elects to comply with this Instrument in preparation of a directors’ circular or individual director’s or officer’s circular instead of securities legislation otherwise applicable, the directors or an individual director or officer who so elects shall file:

- (a) the tender offer solicitation/recommendation statement and all exhibits or amendments to that statement;
- (b) the MJDS directors’ circular or MJDS director’s or officer’s circular;
- (c) a statement by the directors or an individual director or officer that the circular has been prepared in accordance with U.S. federal securities law;

- (d) the written consent of an attorney, auditor, accountant, engineer, appraiser or any other person or company who is named as having prepared or certified an expertised statement contained in the MJDS directors' circular or MJDS director's or officer's circular; and
- (e) if a person signs a certificate by an agent under subsection 12.9(3), a duly executed copy of the document authorizing the agent to sign the certificate.

**12.14 – Securities Exchange Bids** – In the case of a securities exchange bid made under section 12.3 for which a registration statement is filed with the SEC, the offeror shall file contemporaneously with the filing of the bid circular the registration statement and all exhibits and amendments to the registration statement, together with all documents incorporated by reference into the registration statement.

**12.15 – Notices of Variation and Notices of Change**

- (1) Documents filed under this Part shall be changed or varied in accordance with U.S. federal securities law as additional tender offer materials, but the additional tender offer materials shall contain the legends and certificates required by this Part.
- (2) An offeror shall file additional tender offer materials that vary the terms of the bid as a notice of variation and identify the materials as such.
- (3) An offeror shall file additional tender offer materials that change the information in the tender offer materials or previous additional tender offer materials, other than information about a variation in the terms of the bid, as a notice of change and identify the materials as such.
- (4) Additional tender offer materials required to be filed as a notice of variation and a notice of change shall be filed as both a notice of variation and a notice of change and identified as such.
- (5) The directors or an individual director or officer of an offeror issuer shall file additional materials prepared by the directors or an individual director or officer as a notice of change.
- (6) If a person or company signs a certificate by an agent under subsection 12.9(6), an offeror shall file a duly executed copy of a document authorizing an agent to sign a certificate.
- (7) If a change to a MJDS take-over bid circular or MJDS issuer bid circular is material to the consent filed under clause 12.10(1)(d), an offeror shall file a further consent contemporaneously with the filing of the change to the MJDS take-over bid circular or MJDS issuer bid circular.
- (8) If a change to a MJDS directors' circular or MJDS director's or officer's circular is material to the consent filed under clause 12.13(d), the directors in the case of a MJDS directors' circular or the director or officer sending the circular in the case of a MJDS director's or officer's circular shall file a further consent contemporaneously with the filing of the change to a MJDS directors' circular or MJDS director's or officer's circular.

**12.16 – Dissemination Requirements**

- (1) An offeror shall send a MJDS take-over bid circular, MJDS issuer bid circular, a notice of change and a notice of variation to each security holder whose last address as shown on the books of the offeree issuer is in the local jurisdiction.

(2) Notwithstanding subsection (1), a notice of change or a notice of variation shall be sent only to those security holders whose securities were not taken up at the date of the occurrence of the change or variation.

(3) An offeree issuer shall send a MJDS directors' circular, MJDS director's or officer's circular and a notice of change to the MJDS directors' circular or MJDS director's or officer's circular to every person or company to whom a MJDS take-over bid circular is required to be sent under subsections (1) and (2).

(4) Documents referred to in subsections (1) and (3) that are sent or given to security holders resident in the United States of America shall be sent by the offeror or offeree issuer as appropriate to each security holder whose last address as shown on the books of the offeree issuer is in the local jurisdiction as soon as practicable following the time they are sent or given to security holders resident in the United States of America.

(5) Documents referred to in subsections (1) and (3) that are published by long form or summary publication in the United States of America shall be sent by the offeror or offeree issuer as appropriate to each security holder whose last address as shown on the books of the offeree issuer is in the local jurisdiction as soon as practicable following publication.

(6) Documents that are incorporated or deemed to be incorporated by reference into documents filed under this Part shall be sent to each security holder whose last address as shown on the books of the offeree issuer is in the local jurisdiction if those documents are required to be sent to security holders under U.S. federal securities law.

(7) Documents incorporated or deemed to be incorporated by reference shall be provided to any person or company upon request without charge by the person or company that filed the documents into which the documents are incorporated or deemed to be incorporated by reference.

## **PART 13 BUSINESS COMBINATIONS**

### **13.1 Eligibility Criteria**

(1) This Part may be used for the distribution of securities of a successor issuer in connection with a business combination if:

(a) each person or company participating in the business combination meets the eligibility criteria specified in subclauses 3.1(a)(i), (iv) and (v) and, other than participating persons or companies that are specified predecessors, subclauses 3.1(a)(ii) and 3.1(b)(ii);

(b) the equity shares of each person or company participating in the business combination, other than a specified predecessor, have a public float of not less than U.S. \$75,000,000, determined as of a date within 60 days before the filing of the preliminary MJDS prospectus with the principal jurisdiction;

(c) each person or company participating in the business combination, other than a specified predecessor, has had a class of its securities listed on the New York Stock Exchange or the American Stock Exchange or quoted on the NNM for a period of at least 12 calendar months immediately preceding the filing of the preliminary MJDS prospectus in the principal jurisdiction and is in compliance with the obligations arising from the listing or quotation;



- (d) the issue or exchange of securities in the business combination is made to residents of Canada on the same basis, terms and conditions as it is made to residents of the United States of America; and
  - (e) less than 40% of the class of securities to be distributed in the business combination by the successor issuer will be distributed to persons or companies whose last address as shown on the books of the participating person or company is in Canada.
- (2) The requirement in clause (1)(b) may be satisfied for a participating person or company whose securities were the subject of a bid made under or eligible to have been made under this Instrument that terminated within the preceding 12 months if the requirement would have been satisfied immediately before commencement of the bid.
- (3) The calculation in clause (1)(e) shall be made:
- (a) for each participating person or company as of the end of the participating person's or company's last quarter before the date of filing of the preliminary MJDS prospectus in the principal jurisdiction or, if that quarter terminated within 60 days of the filing date, as of the end of the participating person's or company's preceding quarter; and
  - (b) on the basis that all persons or companies that have an option in respect of the consideration to be received under the business combination elect the option that would result in the issuance of the greatest number of securities.

### **13.2 – Form and Content of Disclosure Documents and Procedures**

- (1) If the eligibility criteria set forth in section 13.1 are satisfied, securities may be distributed under this Part in connection with a business combination by complying with the requirements set out in Part 4, other than section 4.6, Parts 5 through 9 and Part 11.
- (2) If securities are being distributed under this Part in connection with a business combination, the disclosure documents prepared for the business combination shall be filed as a MJDS prospectus and, if proxies will be solicited from holders of voting securities of the issuer and the issuer is a reporting issuer in the local jurisdiction, as an information circular.

## **PART 14 MATERIAL CHANGE REPORTING**

**14.1 News Release** – A U.S. issuer that has a class of securities listed on the New York Stock Exchange or the American Stock Exchange or quoted on Nasdaq satisfies the requirement of securities legislation to issue and file a news release upon the occurrence of a material change in its affairs by:

- (a) complying with the requirements of the exchange on which its securities are listed or Nasdaq, as applicable, for making public disclosure of material information on a timely basis; and
- (b) immediately issuing in Canada and filing each news release disclosed by it for the purpose of complying with the requirements referred to in clause (a).



**14.2 Material Change Reports**—A U.S. issuer that has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act satisfies the requirement of securities legislation to file a material change report upon the occurrence of a material change in its affairs by:

- (a) complying with the requirements of U.S. federal securities law relating to current reports; and
- (b) filing the current report filed with the SEC.

**PART 15 FINANCIAL STATEMENTS, ANNUAL INFORMATION FORMS  
AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**15.1 Financial Statements**—A U.S. issuer that has a class of securities registered under section 12 of the 1934 Act or is required to file reports under section 15(d) of the 1934 Act satisfies the requirements of securities legislation relating to the preparation, certification, filing and sending of interim financial statements, and annual financial statements and auditor's reports thereon by:

- (a) complying with the requirements of U.S. federal securities law relating to quarterly reports and annual reports;
- (b) filing the quarterly reports and annual reports filed with the SEC; and
- (c) either:
  - (i) sending each financial statement included in the report required to be filed under clause (b) to each security holder whose last address as shown on the books of the reporting issuer is in the local jurisdiction in the manner and at the time required by U.S. federal securities law if:
    - (A) the issuer is a reporting issuer solely as a result of a distribution or securities exchange bid made under this Instrument;
    - (B) the issuer meets the eligibility requirements in clause 3.1(c); or
    - (C) the issuer meets the eligibility requirements in subclauses 3.1(a)(i) to (v) and the issuer is a reporting issuer solely as the result of the distribution of securities that had an investment grade rating and met the eligibility requirements of subclause 3.1(a)(vi) at the time of distribution; or
  - (ii) sending each financial statement included in the report required to be filed under clause (b) to each security holder whose last address as shown on the books of the issuer is in the local jurisdiction in the manner and at the time required by securities legislation other than this Instrument.

**15.2 Annual Reports, Annual Information Forms and Management's Discussion and Analysis**—A U.S. issuer that has a class of securities registered under section 12 of the 1934 Act or that is required to file reports under section 15(d) of the 1934 Act satisfies the requirements of securities legislation to file annual reports, annual information forms and management's discussion and analysis of financial condition and results of operations by:

- (a) complying with the requirements of U.S. federal securities law relating to annual reports, quarterly reports and management's discussion and analysis;

- (b) filing the annual report and quarterly report filed with the SEC; and
- (c) sending the annual report to each security holder whose last address as shown on the books of the reporting issuer is in the local jurisdiction in the manner and at the time required by U.S. federal securities law.

## **PART 16 PROXIES AND PROXY SOLICITATION**

**16.1 Proxy Solicitation by a U.S. Issuer** – A U.S. issuer that has a class of securities registered under section 12 of the 1934 Act satisfies the requirements of securities legislation relating to information circulars, proxies and proxy solicitation by:

- (a) complying with the requirements of U.S. federal securities law relating to proxy statements, proxies and proxy solicitation;
- (b) filing all material relating to the meeting that is filed with the SEC; and
- (c) sending each document filed under clause (b) to each security holder whose last address as shown on the books of the reporting issuer is in the local jurisdiction in the manner and at the time required by U.S. federal securities law.

**16.2 Proxy Solicitation by Another Person or Company** – A person or company other than the issuer satisfies the requirements of securities legislation relating to proxies and proxy solicitation with respect to a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act by fulfilling the requirements of clauses 16.1(a), (b) and (c).

**16.3 Determination of Eligibility** – If a proxy solicitation is made under section 16.2 and the person or company soliciting proxies lacks access to the relevant list of security holders of the issuer, it will be conclusively presumed that clause (a) of the definition of foreign issuer is not satisfied, unless:

- (a) the aggregate published trading volume of the class on The Toronto Stock Exchange, The Montreal Exchange, the Vancouver Stock Exchange, the Alberta Stock Exchange and the Canadian Dealing Network Inc. exceeded the aggregate published trading volume of the class on national securities exchanges in the United States of America and Nasdaq for the 12 calendar month period before commencement of the proxy solicitation or, if another proxy solicitation for securities of the same class is in progress, the 12 calendar month period before commencement of the first proxy solicitation already in progress;
- (b) disclosure that clause (a) of the definition of foreign issuer was satisfied had been made by the issuer in its Form 10-K most recently filed with the SEC under the 1934 Act; or
- (c) the person or company soliciting proxies has actual knowledge that clause (a) of the definition of foreign issuer is satisfied.

## **PART 17 INSIDER REPORTING**

**17.1 Insider Reporting** – The insider report filing requirement does not apply to an insider of a U.S. issuer that has a class of securities registered under section 12 of the 1934 Act if the insider:

- (a) complies with the requirements of U.S. federal securities law regarding insider reporting; and
- (b) files with the SEC any insider report required to be filed with the SEC under section 16(a) of the 1934 Act and the rules and regulations under the 1934 Act.

**PART 18 COMMUNICATION WITH BENEFICIAL OWNERS OF  
SECURITIES OF A REPORTING ISSUER**

**18.1 Communication with Beneficial Owners of Securities of a Reporting Issuer** – A U.S. issuer satisfies the requirements of securities legislation relating to communications with, delivery of materials to and conferring voting rights upon non-registered holders of its securities who hold their interests in the securities through one or more intermediaries by:

- (a) complying with the requirements of Rule 14a-13 under the 1934 Act for any Canadian clearing agency and any intermediary whose last address as shown on the books of the issuer is in the local jurisdiction; and
- (b) complying with the requirements of National Policy Statement No. 41 or any successor instrument to that national policy statement with respect to fees payable to intermediaries, for any Canadian clearing agency and any intermediary whose last address as shown on the books of the issuer is in the local jurisdiction.

**PART 19 TRUST INDENTURE REQUIREMENTS**

**19.1 Trust Indenture Requirements** – The requirements of the legislation of the local jurisdiction applicable to trust indentures, for debt outstanding or guaranteed under the indenture, including a requirement that a person or company appointed as a trustee under a trust indenture be resident or authorized to do business in the local jurisdiction, do not apply to distributions made under this Instrument, if:

- (a) the trust indenture under which the obligations are issued or guaranteed is subject to and complies with the *Trust Indenture Act of 1939* of the United States of America; and
- (b) at least one person or company appointed as trustee under the trust indenture:
  - (i) is resident in the local jurisdiction;
  - (ii) is authorized to do business in the local jurisdiction; or
  - (iii) has filed a duly executed submission to jurisdiction and appointment of agent for service of process in section 3 of the required form.

**PART 20 FINANCIAL DISCLOSURE**

**20.1 Financial Disclosure** – National Instruments 52-101 Future-Oriented Financial Information, 52-102 Use of Currencies, 52-103 Change of Auditor, 52-104 Basis of Accounting, Auditing and Reporting and 52-105 Change in the Ending Date of a Financial Year do not apply to a U.S. issuer distributing securities or making a bid or filings in accordance with this Instrument.

**PART 21 EXEMPTIONS****21.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption to this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Notwithstanding subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Notwithstanding subsection (1), in Alberta, only the regulator may grant such an exemption.

(4) An application made to the securities regulatory authority or regulator for an exemption from this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

**21.2 Evidence of Exemption** – Without limiting the manner in which an exemption under section 21.1 may be evidenced, the issuance by the regulator of a receipt for a MJDS prospectus or an amendment to a MJDS prospectus is evidence of the granting of the exemption if:

- (a) the person or company that sought the exemption sent to the regulator the letter or memorandum referred to in subsection 21.1(4):
  - (i) on or before the date of filing of the preliminary MJDS prospectus; or
  - (ii) after the date of filing of the preliminary MJDS prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced by the issuance of a receipt for the MJDS prospectus or an amendment to the MJDS prospectus; and
- (b) the regulator has not sent notice of refusal to grant the exemption to the person or company that sought the exemption before, or concurrent with, the issue of the receipt for the MJDS prospectus.

**NATIONAL INSTRUMENT 71-101  
THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM**

**APPENDIX A  
METHOD 1 FOR PROSPECTUS CERTIFICATES  
FOR RULE 415 OFFERINGS**

**METHOD 1: FORWARD LOOKING CERTIFICATES TO BE INCLUDED IN  
A MJDS PROSPECTUS FOR A RULE 415 OFFERING OR  
SUPPLEMENT ESTABLISHING AN MTN PROGRAM OR  
OTHER CONTINUOUS DISTRIBUTION**

**PART 1 MJDS Prospectus for a Rule 415 Offering**

**1.1 Certificate of Issuer and Promoter** – If a MJDS prospectus for a rule 415 offering establishes an MTN program or other continuous distribution, or if method 2 has not been elected by an issuer, the preliminary MJDS prospectus and the MJDS prospectus for a rule 415 offering shall contain a certificate in the following form signed by:

- (a) the chief executive officer and the chief financial officer of the issuer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer or chief financial officer, duly authorized to sign; and

- (c) any person or company who is a promoter of the issuer:

*“This MJDS prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of each supplement to this prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this MJDS prospectus and the supplement as required by [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—“and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed”]”.*

**1.2 Underwriters’ Certificates** – A preliminary MJDS prospectus and a MJDS prospectus for a rule 415 offering shall contain an underwriter’s certificate in the following form signed by each underwriter who, at the time of filing, is, or it is known will be, in a contractual relationship with the issuer or selling security holder for the securities to be distributed under the MJDS prospectus, if:

- (a) the MJDS prospectus establishes an MTN program or other continuous distribution; or
- (b) method 2 has not been elected by the underwriter:

*“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of each supplement to this prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered under this prospectus and the supplement as required by [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—“and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed”]”.*

**1.3 Guarantor’s Certificate** – A preliminary MJDS prospectus and a MJDS prospectus for a rule 415 offering shall contain a certificate in the form described in section 1.1 signed by a guarantor of the securities to be distributed under the MJDS prospectus, if:

- (a) this Instrument requires a prospectus certificate of the guarantor; and
- (b) either:
- (i) the MJDS prospectus establishes an MTN program or other continuous distribution; or
- (ii) method 2 has not been elected by the guarantor.

#### **1.4 Amendments**

(1) An amendment to a MJDS prospectus for a rule 415 offering or an amended and restated MJDS prospectus shall, subject to subsection (2), contain:

- (a) the certificates required under section 1.1 to be included in a MJDS prospectus, if the MJDS prospectus contains an issuer’s certificate in the form described in section 1.1;
- (b) the certificates required under section 1.2 to be included in a MJDS prospectus, if the MJDS prospectus contains an underwriter’s certificate in the form described in section 1.2; and
- (c) the certificate required under section 1.3 to be included in a MJDS prospectus, if the MJDS prospectus contains a guarantor’s certificate in the form described in section 1.3.

(2) In each certificate required under subsection (1), the reference to ‘this MJDS prospectus’ shall be omitted and replaced by:

- (a) in the case of an amendment to a MJDS prospectus, ‘the MJDS prospectus dated [insert date] as amended by this amendment’; and
- (b) in the case of an amended and restated MJDS prospectus, ‘this amended and restated MJDS prospectus’.

## **PART 2 MJDS Prospectus Supplements establishing a MTN Program**

**2.1 Certificate of Issuer and Promoter** – If an issuer’s certificate in the form described in section 1.1 was not included in the corresponding MJDS prospectus, a MJDS prospectus supplement that establishes a MTN program or other continuous distribution shall contain a certificate in the following form signed by:

- (a) the chief executive officer and the chief financial officer of the issuer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer or chief financial officer, duly authorized to sign; and
- (c) any person or company who is a promoter of the issuer:

*“The MJDS prospectus together with the documents incorporated in the prospectus, as supplemented by the foregoing, will, as of the date of each supplement to the MJDS prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered under the MJDS prospectus and by the supplement as required by [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—“and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.*

**2.2 Underwriters’ Certificates** – A MJDS prospectus supplement that establishes an MTN program or other continuous distribution shall contain a certificate in the following form signed by each underwriter who:

- (a) is in a contractual relationship with the issuer or selling security holder for the securities being distributed under the MJDS prospectus supplement; and
- (b) did not sign and include in the corresponding MJDS prospectus a certificate in the form described in section 1.2:

*“To the best of our knowledge, information and belief, the MJDS prospectus together with the documents incorporated in the prospectus, as supplemented by the foregoing, will, as of the date of each supplement to the MJDS prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered under the MJDS prospectus and by the supplement as required by [insert name of jurisdiction in which qualified] [insert if distribution made in Quebec—“and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.*



**2.3 Guarantor's Certificate** – A MJDS prospectus supplement that establishes an MTN program or other continuous distribution shall contain a certificate in the form described in section 2.1 signed by a guarantor of the securities being distributed under the MJDS prospectus supplement, if:

- (a) this Instrument requires a prospectus certificate of the guarantor; and
- (b) a prospectus certificate of the guarantor in the form described in section 1.3 was not included in the corresponding MJDS prospectus.

**2.4 Amendments**

(1) An amendment to a MJDS prospectus supplement or an amended and restated MJDS prospectus supplement that establishes an MTN program or other continuous distribution shall, subject to subsection (2), contain:

- (a) the certificates required under section 2.1 to be included in a MJDS prospectus supplement, if the MJDS prospectus supplement contains an issuer's certificate in the form described in section 2.1;
- (b) the certificates required under section 2.2 to be included in a MJDS prospectus supplement, if the MJDS prospectus supplement contains an underwriter's certificate in the form described in section 2.2; and
- (c) the certificate required under section 2.3 to be included in a MJDS prospectus supplement, if the MJDS prospectus supplement contains a guarantor's certificate in the form described in section 2.3.

(2) In each certificate required under subsection (1), the reference to 'this MJDS prospectus supplement' shall be omitted and replaced by:

- (a) in the case of an amendment to a MJDS prospectus supplement, 'the MJDS prospectus supplement dated [insert date] as amended by this amendment'; and
- (b) in the case of an amended and restated MJDS prospectus supplement, 'this amended and restated MJDS prospectus supplement'.

**NATIONAL INSTRUMENT 71-101  
THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM**

**APPENDIX B  
METHOD 2 FOR PROSPECTUS CERTIFICATES FOR  
RULE 415 OFFERINGS**

**METHOD 2: NON-FORWARD LOOKING PROSPECTUS CERTIFICATES  
TO BE INCLUDED IN BOTH A MJDS PROSPECTUS AND  
SUPPLEMENT**

**PART 1 MJDS Prospectus for a Rule 415 Offering**

**1.1 Certificate of Issuer and Promoter** – If method 2 is elected by an issuer, a preliminary MJDS prospectus and a MJDS prospectus shall contain a certificate in the following form signed by:

- (a) the chief executive officer and the chief financial officer of the issuer;



(b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer or chief financial officer, duly authorized to sign; and

(c) any person or company who is a promoter of the issuer:

*“This MJDS prospectus, together with the documents incorporated in this prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities as required by the securities laws of [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec —“and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.*

**1.2 Underwriters’ Certificates** – A preliminary MJDS prospectus and a MJDS prospectus for a rule 415 offering shall contain an underwriter’s certificate in the following form signed by each underwriter who:

(a) at the time of filing, is, or it is known will be, in a contractual relationship with the issuer or selling security holder for the securities to be distributed under the MJDS prospectus; and

(b) elects method 2:

*“To the best of our knowledge, information and belief, the MJDS prospectus, together with the documents incorporated in the prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities as required by [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—“and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.*

**1.3 Guarantor’s Certificate** – A MJDS prospectus shall contain a certificate in the form described in section 1.1 signed by a guarantor of the securities to be distributed under the MJDS prospectus, if:

(a) this Instrument requires a prospectus certificate of the guarantor; and

(b) method 2 is elected by the guarantor.

#### **1.4 Amendments**

(1) An amendment to a MJDS prospectus or an amended and restated MJDS prospectus shall, subject to subsection (2), contain:

(a) the certificates required under section 1.1 to be included in a MJDS prospectus, if the issuer has elected method 2;

(b) the certificate described in section 1.2 signed by each underwriter who:

(i) at the time of filing the amendment or the amended and restated MJDS prospectus, is, or it is known will be, in a contractual relationship with the issuer or selling security holder for the securities to be distributed under the MJDS prospectus; and

(ii) has elected method 2; and

(c) the certificate required under section 1.3 to be included in a MJDS prospectus, if the MJDS prospectus contains a guarantor’s certificate in the form described in section 1.3.

(2) In each certificate required under subsection (1), the reference to ‘this MJDS prospectus’ shall be omitted and replaced by:

- (a) in the case of an amendment to a MJDS prospectus, ‘the MJDS prospectus dated [insert date] as amended by this amendment’; and
- (b) in the case of an amended and restated MJDS prospectus, ‘this amended and restated MJDS prospectus’.

## **PART 2 MJDS Prospectus Supplement**

**2.1 Certificate of Issuer and Promoter** – If method 2 is elected by an issuer, each MJDS prospectus supplement shall contain a certificate in the following form signed by:

- (a) the chief executive officer and the chief financial officer of the issuer;
- (b) on behalf of the board of directors of the issuer, any two directors of the issuer, other than the chief executive officer or chief financial officer, duly authorized to sign; and
- (c) any person or company who is a promoter of the issuer:

*“The MJDS prospectus, together with the documents incorporated in the prospectus, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered under the MJDS prospectus and this supplement as required by [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—“and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.*

**2.2 Underwriters’ Certificates** – Each MJDS prospectus supplement shall contain a certificate in the following form signed by each underwriter who:

- (a) is in a contractual relationship with the issuer or selling security holder for the securities being distributed under the supplement; and
- (b) has elected method 2:

*“To the best of our knowledge, information and belief, the MJDS prospectus, together with the documents incorporated in the prospectus, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered under the MJDS prospectus and this supplement as required by [insert name of each jurisdiction in which qualified] [insert if distribution made in Quebec—“and does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.”]”.*

**2.3 Guarantor’s Certificate** – Each MJDS prospectus supplement shall contain a certificate in the form described in section 2.1 signed by a guarantor of the securities being distributed under the MJDS prospectus supplement, if:

- (a) this Instrument requires a prospectus certificate of the guarantor; and
- (b) method 2 is elected by the guarantor.

## 2.4 Amendments

- (1) An amendment to a MJDS prospectus supplement or an amended and restated MJDS prospectus supplement shall, subject to subsection (2), contain:
  - (a) the certificates required under section 2.1 to be included in a MJDS prospectus supplement, if the MJDS prospectus supplement contains an issuer's certificate in the form described in section 2.1;
  - (b) the certificate described in section 2.2 signed by each underwriter who:
    - (i) at the time of filing the amendment or the amended and restated MJDS prospectus supplement, is in a contractual relationship with the issuer or selling security holder for the securities being distributed under the MJDS prospectus supplement; and
    - (ii) has elected method 2; and
  - (c) the certificate required under section 2.3 to be included in a MJDS prospectus supplement, if the MJDS prospectus supplement contains a guarantor's certificate in the form described in section 2.3.
- (2) In each certificate required under subsection (1), the reference to "this MJDS prospectus supplement" shall be omitted and replaced by:
  - (a) in the case of an amendment to a MJDS prospectus supplement, "the MJDS prospectus supplement dated [insert date] as amended by this amendment"; and
  - (b) in the case of an amended and restated MJDS prospectus supplement, "this amended and restated MJDS prospectus supplement".

**FORM 71-101F1**  
**FORMS OF SUBMISSION TO JURISDICTION AND APPOINTMENT OF**  
**AGENT FOR SERVICE OF PROCESS**

**1. MJDS Prospectus Distribution of Securities**

1. Name of issuer (the "Issuer"): \_\_\_\_\_
2. Jurisdiction of incorporation of Issuer: \_\_\_\_\_
3. Address of principal place of business of Issuer: \_\_\_\_\_
4. Description of securities (the "Securities"): \_\_\_\_\_
5. Date of MJDS prospectus (the "Prospectus") under which the Securities are offered: \_\_\_\_\_
6. Name of agent (the "Agent"): \_\_\_\_\_
7. Address for service of process of Agent in Canada: \_\_\_\_\_

8. The Issuer designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the Issuer as a reporting issuer, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.

9. The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of:
  - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the Securities are distributed under the Prospectus; and
  - (b) any administrative proceeding in any such province [or territory];

in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus.

10. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer will file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.

11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer will file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.

12. This submission to jurisdiction and appointment of agent for service of process will be governed by and construed in accordance with the laws of

\_\_\_\_\_  
[province of above address of Agent].

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Issuer]

By: \_\_\_\_\_  
[Name and title]

The undersigned accepts the appointment as agent for service of process of [Issuer] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Agent]

By: \_\_\_\_\_  
[Name and title]

## 2. Take-over or Issuer Bid

1. Name of offeror (the "Offeror"): \_\_\_\_\_
2. Jurisdiction of incorporation of Offeror: \_\_\_\_\_

\_\_\_\_\_  
3. Address of principal place of business of Offeror: \_\_\_\_\_

4. Description of securities (the "Securities"): \_\_\_\_\_

5. Date of Bid (the "Bid") for the Securities: \_\_\_\_\_

6. Name of agent (the "Agent"): \_\_\_\_\_

7. Address for service of process of Agent in Canada: \_\_\_\_\_

8. The Offeror designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the Bid [insert for securities exchange bids—'or the obligations of the Offeror as a reporting issuer'], and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.

9. The Offeror irrevocably and unconditionally submits to the non-exclusive jurisdiction of:

- (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the Bid is made; and
- (b) any administrative proceeding in any such province [or territory];

in any Proceeding arising out of or related to or concerning the Bid.

10. Until six years from the date of the Bid, the Offeror will file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.

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11. Until six years from the date of the Bid, the Offeror will file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.

12. This submission to jurisdiction and appointment of agent for service of process must be governed by and construed in accordance with the laws of

\_\_\_\_\_  
[province of above address of Agent].

Dated: \_\_\_\_\_

\_\_\_\_\_[Offeror]

By: \_\_\_\_\_

[Name and title]

The undersigned accepts the appointment as agent for service of process of \_\_\_\_\_ [Offeror] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: \_\_\_\_\_

\_\_\_\_\_[Agent]

By: \_\_\_\_\_

[Name and title]

**3. Trust Indenture**

1. Name of trustee (the "Trustee"): \_\_\_\_\_

2. Jurisdiction of incorporation of Trustee: \_\_\_\_\_

3. Address of principal place of business of Trustee: \_\_\_\_\_

4. Description of securities (the "Securities"): \_\_\_\_\_

5. Date of trust indenture (the "Indenture") under which the Securities are issued: \_\_\_\_\_

6. Name of agent (the "Agent"): \_\_\_\_\_

7. Address for service of process of Agent in Canada: \_\_\_\_\_

8. The Trustee designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of or relating to or concerning the Indenture, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.

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9. The Trustee irrevocably and unconditionally submits to the non-exclusive jurisdiction of:

- (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the Securities are issued; and
- (b) any administrative proceeding in any such province [or territory];

in any Proceeding arising out of or related to or concerning the Indenture.

10. Until six years from the termination of the Indenture, the Trustee will file a new Submission to Jurisdiction and Appointment of Agent for Service of Process in this form at least 30 days before termination of this Submission to Jurisdiction and Appointment of Agent for Service of Process.

11. Until six years from the termination of the Indenture, the Trustee will file an amended Submission to Jurisdiction and Appointment of Agent for Service of Process at least 30 days before any change in the name or above address of the Agent.

12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of

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*[province of above address of Agent].*

Dated: \_\_\_\_\_

\_\_\_\_\_ [Trustee]

By: \_\_\_\_\_  
[Name and title]

The undersigned accepts the appointment as agent for service of process of \_\_\_\_\_ [Issuer] under the terms and conditions of the foregoing Appointment of Agent for Service of Process.

Dated: \_\_\_\_\_

\_\_\_\_\_ [Agent]

By: \_\_\_\_\_  
[Name and title]





PART XI  
[Clause 2(k)]

NATIONAL INSTRUMENT 35-101 CONDITIONAL  
EXEMPTION FROM REGISTRATION FOR UNITED STATES  
BROKER-DEALERS AND AGENTS

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument:

“**agent**” means a partner, officer, director or salesperson of a broker-dealer who is acting on behalf of a broker-dealer in effecting trades of securities;

“**broker-dealer**” means a “**broker**” or “**dealer**”, as those terms are defined in the 1934 Act, that has its principal place of business in the United States of America;

“**foreign security**” means a security:

- (a) that is listed for trading or quoted on an exchange or market outside of Canada; or
- (b) of an issuer that is not incorporated, continued or organized under the laws of Canada or a jurisdiction of Canada; and

“**NASD**” means the National Association of Securities Dealers in the United States of America.

PART 2 BROKER-DEALER EXEMPTION

2.1 Exemption from Dealer Registration Requirement - The dealer registration requirement does not apply to a broker-dealer if:

- (a) the broker-dealer has no office or other physical presence in any jurisdiction in Canada;
- (b) the broker-dealer is trading in a foreign security;
- (c) the trading is with or for:
  - (i) an individual ordinarily resident in the United States of America who is temporarily resident in the local jurisdiction and with whom the broker-dealer had a broker-dealer client relationship before the individual became temporarily resident in the local jurisdiction; or
  - (ii) an individual if the trade is for the individual’s tax-advantaged retirement savings plan or with the individual’s tax-advantaged retirement savings plan, and:
    - (i) the plan is located in the United States of America;
    - (ii) the individual is a holder of or contributor to the plan; and
    - (iii) the individual was previously resident in the United States of America;

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- (d) the broker-dealer has not advertised for or solicited new clients in the local jurisdiction;
- (e) the broker-dealer is a member of the NASD;
- (f) the broker-dealer has delivered, or immediately after the broker-dealer first relies on this section delivers, to the securities regulatory authority:
  - (i) a notice that the broker-dealer is relying on an exemption from the registration requirement provided under this Instrument;
  - (ii) a statement of the broker-dealer certifying that the broker-dealer is registered in the state of the United States of America where the broker-dealer was located when the broker-dealer first relied on this section; and
  - (iii) an executed Form 35-101F1 Submission to Jurisdiction and Appointment of Agent for Service of Process;
- (g) the broker-dealer has delivered a notice to the securities regulatory authority describing any criminal or quasi-criminal proceeding brought against the broker-dealer or its agents in any jurisdiction or foreign jurisdiction, or of any decision, order, ruling, or other requirement made with respect to or imposed on the broker-dealer or its agents in a jurisdiction or foreign jurisdiction as a result of any administrative, self-regulatory or regulatory action, hearing or proceeding involving fraud, theft, deceit, misrepresentation or similar conduct;
- (h) the broker-dealer has disclosed to the client that the broker-dealer and its agents are not subject to the full regulatory requirements otherwise applicable under local securities legislation; and
- (i) the broker-dealer, in the course of its dealings with clients, acts fairly, honestly and in good faith.

**2.2 Termination Notice** - A broker-dealer shall immediately notify the securities regulatory authority if the broker-dealer will no longer engage in trading or advising activities under section 2.1.

**2.3 Exemption from Adviser Registration Requirement** - The adviser registration requirement does not apply to advising activities of the broker-dealer if those activities are solely incidental to trading activities of the broker-dealer under section 2.1.

### **PART 3 AGENTS EXEMPTION**

**3.1 Agents Exemption** - The dealer registration requirement does not apply to an agent if:

- (a) the trading is on behalf of a broker-dealer that has notified the agent of its intent to rely on the exemption under section 2.1;
- (b) the agent has no office or other physical presence in any jurisdiction in Canada;

- (c) the agent is trading in a foreign security;
- (d) the trading is with or for:
  - (i) an individual ordinarily resident in the United States of America who is temporarily resident in the local jurisdiction and with whom the broker-dealer on whose behalf the agent is trading had a broker-dealer client relationship before the individual became temporarily resident in the local jurisdiction; or
  - (ii) an individual if the trade is for the individual's tax-advantaged retirement savings plan or with the individual's tax-advantaged retirement savings plan, and:
    - (i) the plan is located in the United States of America;
    - (ii) the individual is a holder of or contributor to the plan; and
    - (iii) the individual was previously resident in the United States of America;
- (e) the agent has not advertised for or solicited new clients in the local jurisdiction;
- (f) the agent has delivered, or immediately after the agent first relied on this section delivers, to the securities regulatory authority:
  - (i) a notice that the agent is relying on this Instrument for an exemption from the registration requirement;
  - (ii) a statement of the agent certifying that the agent is registered in the state in the United States of America where the agent was located when the agent first relied on this section; and
  - (iii) an executed Form 35-101F2 Submission to Jurisdiction and Appointment of Agent for Service of Process;
- (g) the agent has delivered a notice to the securities regulatory authority describing any criminal or quasi-criminal proceeding brought against the agent in any jurisdiction or foreign jurisdiction, or of any decision, order, ruling, or other requirement made with respect to or imposed on the agent in a jurisdiction or foreign jurisdiction as a result of any administrative, self-regulatory or regulatory action, hearing or proceeding involving fraud, theft, deceit, misrepresentation or similar conduct;
- (h) the agent, in the course of its dealings with the broker-dealer's clients, acts fairly, honestly and in good faith.

**3.2 Termination Notice** - An agent shall immediately notify the securities regulatory authority if the agent will no longer engage in trading or advising activities under section 3.1.

**3.3 Exemption from Adviser Registration Requirement** - The adviser registration requirement does not apply to advising activities of the agent if those activities are solely incidental to trading activities of the agent under section 3.1.

**PART 4 EXEMPTION FROM PROSPECTUS AND UNDERWRITER REQUIREMENTS**

**4.1 Exemption from Prospectus and Underwriter Requirements** - The prospectus requirement and underwriter registration requirement do not apply to a distribution of foreign securities if that distribution:

- (a) is made by a broker-dealer or agent that is exempt from the adviser registration requirement and the dealer registration requirement under section 2.1 or 3.1; and
- (b) is made in compliance with all applicable:
  - (i) U.S. federal securities laws; and
  - (ii) state securities legislation in the United States of America.

**NATIONAL INSTRUMENT 35-101  
CONDITIONAL EXEMPTION FROM REGISTRATION FOR  
UNITED STATES BROKER-DEALERS AND AGENTS**

**FORM 35-101F1  
FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT  
OF AGENT FOR SERVICE OF PROCESS BY BROKER-DEALER**

**Instructions: Complete this form for each of the jurisdictions in which the broker-dealer seeks the conditional exemption from registration in National Instrument 35-101 (the ‘exemption’). Insert the name of the jurisdiction at each ‘•’.**

1. Name of broker-dealer (the ‘Broker-Dealer’);
2. Jurisdiction of incorporation of the Broker-Dealer;
3. Name of agent for service of process (the ‘Agent for Service’);
4. Address for service of process on the Agent for Service in •;
5. The Broker-Dealer designates and appoints the Agent for Service at the address stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a “Proceeding”) arising out of or relating to or concerning the Broker-Dealer’s activities in • under the exemption, and irrevocably waives any right to raise as defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
6. The Broker-Dealer irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of • and any administrative proceeding in •, in any Proceeding arising out of or related to or concerning the Broker-Dealer’s activities in • under the exemption.
7. Until six years after the Broker-Dealer ceases to use the exemption, the Broker-Dealer shall file:
  - a. a new Submission to Jurisdiction and Appointment of Agent for Service of Process in this form at least 30 days before termination for any reason of this Submission to Jurisdiction and Appointment of Agent for Service of Process; and
  - b. an amended Submission to Jurisdiction and Appointment of Agent for Service of Process at least 30 days before any change in the name or above address of the Agent for Service.
8. This submission to Jurisdiction and Appointment of Agent for Service of Process is governed by and construed in accordance with the laws of •.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Broker-Dealer or  
authorized signatory)

\_\_\_\_\_  
(Name and Title of Authorized  
Signatory)

**Acceptance**

The undersigned accepts the appointment as agent for service of process on **(Insert name of Broker-Dealer)** \_\_\_\_\_ under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service of Process.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Broker-Dealer or  
authorized signatory)

\_\_\_\_\_  
(Name and Title of Authorized  
Signatory)



**NATIONAL INSTRUMENT 35-101  
CONDITIONAL EXEMPTION FROM REGISTRATION FOR  
UNITED STATES BROKER-DEALERS AND AGENTS**

**FORM 35-101F2  
FORM OF SUBMISSION TO JURISDICTION AND  
APPOINTMENT OF AGENT FOR SERVICE OF PROCESS  
BY AGENTS OF THE BROKER-DEALER**

**Instructions: Complete this form for each of the jurisdictions in which agents of the broker-dealer seek the conditional exemption from registration in National Instrument 35-101 (the ‘exemption’). Insert the name of the jurisdiction at each ‘•’.**

1. Name of the broker-dealer (the ‘Broker-Dealer’);
2. Jurisdiction of incorporation of the Broker-Dealer;
3. Name(s) and address(es) of agent(s) of the Broker-Dealer filing this form (the ‘Broker-Dealer Agents’);
4. Name of agent for service of process (the ‘Agent for Service’);
5. Address for service of process on the Agent for Service in •;
6. Each Broker-Dealer Agent designates and appoints the Agent for Service at the address of the Agent for Service stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal or other proceeding (a “Proceeding”) arising out of or relating to or concerning the Broker-Dealer Agent’s activities in • under the exemption, and irrevocably waives any right to raise as a defence in any such proceeding any alleged lack of jurisdiction to bring such Proceeding.
7. Each Broker-Dealer Agent irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of • and any administrative proceeding in •, in any Proceeding arising out of or related to or concerning the Broker-Dealer Agent’s activities in • under the exemption.
8. Until the earlier of the termination of a Broker-Dealer Agent’s position as an agent of the Broker-Dealer and six years after the Broker-Dealer ceases to use the exemption, the Broker-Dealer Agent shall file:
  - a. a new Submission to Jurisdiction and Appointment of Agent for Service of Process in this form at least 30 days prior to termination for any reason of this Submission to Jurisdiction and Appointment of Agent for Service of Process; and
  - b. an amended Submission to Jurisdiction and Appointment of Agent for Service of Process at least 30 days before any change in the name or above address of the Agent for Service.
9. This Submission to Jurisdiction and Appointment of Agent for Service of Process is governed by and construed in accordance with the laws of •.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Broker-Dealer Agent)

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Broker-Dealer Agent)

**Acceptance**

The undersigned accepts the appointment as agent for service of process on **(Insert name(s) of Broker-Dealer Agent(s))** \_\_\_\_\_ pursuant to the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service of Process.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature of Agent for Service or  
authorized signatory)

\_\_\_\_\_  
(Name and Title of Authorized  
Signatory)

PART XII  
[clause 2(l)]

NATIONAL INSTRUMENT 41-101

*GENERAL PROSPECTUS REQUIREMENTS*

**PART 1: Definitions and Interpretations**

**1.1 Definitions** - In this Instrument:

**“accredited investor”** has the same meaning as in section 1.1 of NI 45-106;

**“acquisition”** has the same meaning as in Part 8 of NI 51-102;

**“acquisition date”** has the same meaning as in section 1.1 of NI 51-102;

**“acquisition of related businesses”** has the same meaning as in Part 8 of NI 51-102;

**“alternative credit support”** has the same meaning as in section 13.4 of NI 51-102;

**“asset-backed security”** has the same meaning as in section 1.1 of NI 51-102;

**“Aequitas personal information form”** means a personal information form for an individual prepared pursuant to Aequitas NEO Exchange Inc. Form 3, as amended from time to time;

**“base offering”** means the number or principal amount of the securities distributed under a prospectus by an issuer or selling securityholder, excluding:

- (a) any over-allotment option granted in connection with the distribution, or the securities issuable on the exercise of any such over-allotment option; and
- (b) securities issued or paid as compensation to a person or company for acting as an underwriter in respect of securities that are distributed under the prospectus, on an “as-if-converted” basis if these securities include securities that are convertible or exchangeable securities;

**“board of directors”** has the same meaning as in section 1.1 of NI 51-102;

**“business acquisition report”** has the same meaning as in section 1.1 of NI 51-102;

**“business day”** means any day other than a Saturday, a Sunday or a statutory holiday;

**“class”** has the same meaning as in section 1.1 of NI 51-102;

**“credit supporter”** has the same meaning as in section 13.4 of NI 51-102;

**“custodian”** means the institution appointed by an investment fund to act as custodian of the portfolio assets of the investment fund;

**“date of transition to IFRS”** has the same meaning as in section 1.1 of NI 51-102;

**“derivative”** means an instrument, agreement or security, the market price, value or payment obligation of which is derived from, referenced to, or based on an underlying interest;

**“designated foreign jurisdiction”** has the same meaning as in section 1.1 of NI 52-107;

**“designated rating organization”** has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*;

**“DRO affiliate”** has the same meaning as in section 1 of NI 25-101;

**“equity investee”** has the same meaning as in section 1.1 of NI 51-102;

**“equity security”** means a security of an issuer that carries a residual right to participate in the earnings of the issuer and, on the liquidation or winding up of the issuer, in its assets;

**“ETF”** or **“exchange-traded mutual fund”** means a mutual fund in continuous distribution, the securities of which are

- (a) listed on an exchange, and
- (b) trading on an exchange or an alternative trading system;

**“ETF facts document”** means a completed Form 41-101F4;

**“executive officer”** means, for an issuer or an investment fund manager, an individual who is:

- (a) a chair, vice-chair or president;
  - (a.1) a chief executive officer or chief financial officer;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer or investment fund manager;

**“final prospectus notice”** means:

- (a) in British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Saskatchewan, a written communication relating to a final prospectus if that communication is permitted by a provision in securities legislation listed opposite the jurisdiction in Appendix E; or
- (b) in every other jurisdiction of Canada, a written communication relating to a final prospectus that only:
  - (i) identifies the security proposed to be issued;
  - (ii) states the price of the security; and
  - (iii) states the name and address of a person or company from whom purchases of the security may be made and from whom a final prospectus may be obtained;

**“financial statements”** includes interim financial reports;

**“first IFRS financial statements”** has the same meaning as in section 1.1 of NI 51-102;

**“foreign disclosure requirements”** has the same meaning as in section 1.1 of NI 52-107;

**“Form 41-101F1”** means Form 41-101F1 *Information Required in a Prospectus* of this Instrument;

**“Form 41-101F2”** means Form 41-101F2 *Information Required in an Investment Fund Prospectus* of this Instrument;

**“Form 41-101F3”** means Form 41-101F3 *Information Required in a Scholarship Plan Prospectus of this Instrument*;

**“Form 41-101F4”** means Form 41-101F4 *Information Required in an ETF Facts Document* of this Instrument;

**“Form 44-101F1”** means Form 44-101F1 *Short Form Prospectus* of NI 44-101;

**“Form 51-101F1”** means Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* of NI 51-101;

**“Form 51-101F2”** means Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* of NI 51-101;

**“Form 51-101F3”** means Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* of NI 51-101;

**“Form 51-102F1”** means Form 51-102F1 *Management’s Discussion & Analysis* of NI 51-102;

**“Form 51-102F2”** means Form 51-102F2 *Annual Information Form* of NI 51-102;

**“Form 51-102F4”** means Form 51-102F4 *Business Acquisition Report* of NI 51-102;

**“Form 51-102F5”** means Form 51-102F5 *Information Circular* of NI 51-102;

**“Form 51-102F6”** means Form 51-102F6 *Statement of Executive Compensation* of NI 51-102;

**“Form 51-102F6V”** means Form 51-102F6V *Statement of Executive Compensation - venture Issuers* of NI 51-102;

**“Form 52-110F1”** means Form 52-110F1 *Audit Committee Information Required in an AIF* of NI 52-110;

**“Form 52-110F2”** means Form 52-110F2 *Disclosure by Venture Issuers* of NI 52-110;

**“Form 58-101F1”** means Form 58-101F1 *Corporate Governance Disclosure* of NI 58-101;

**“Form 58-101F2”** means Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* of NI 58-101;

**“full and unconditional credit support”** means:

(a) alternative credit support that:

(i) entitles the holder of the securities to receive payment from the credit supporter, or enables the holder to receive payment from the issuer, within 15 days of any failure by the issuer to make a payment; and

(ii) results in the securities receiving the same credit rating as, or a higher credit rating than, the credit rating they would have received if payment had been fully and unconditionally guaranteed by the credit supporter, or would result in the securities receiving such a rating if they were rated; or

(b) a full and unconditional guarantee of the payments to be made, as interpreted in section 1.5, by the issuer of securities, as stipulated in the terms of the securities or in an agreement governing rights of holders of the securities, that results in the holder of such securities being entitled to receive payment from the credit supporter within 15 days of any failure by the issuer to make a payment;

**“independent review committee”** means an independent review committee under NI 81-107;

**“information circular”** has the same meaning as in section 1.1 of NI 51-102;

**“interim period”** has the same meaning as in:

- (a) section 1.1 of NI 51-102 for an issuer other than an investment fund; or
- (b) section 1.1 of NI 81-106 for an investment fund;

**“IPO venture issuer”** means an issuer that:

- (a) files a long form prospectus;
- (b) is not a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and
- (c) at the date of the long form prospectus, does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on:
  - (i) the Toronto Stock Exchange;
  - (i.1) Aequitas NEO Exchange Inc.;
  - (ii) a U.S. marketplace; or
  - (iii) a marketplace outside of Canada and the United States of America, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc;

**“issuer’s GAAP”** has the same meaning as in section 1.1 of NI 52-107;

**“investment dealer”** has the same meaning as in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*;

**“junior issuer”** means an issuer:

- (a) that files a preliminary prospectus;
- (b) that is not a reporting issuer in any jurisdiction;
- (c) whose total consolidated assets as at the date of the most recent statement of financial position of the issuer included in the preliminary prospectus are less than \$10,000,000;
- (d) whose consolidated revenue as shown in the most recent annual statement of comprehensive income of the issuer included in the preliminary prospectus is less than \$10,000,000; and

- (e) whose equity as at the date of the most recent statement of financial position of the issuer included in the preliminary prospectus is less than \$10,000,000;

taking into account all adjustments to asset, revenue and equity calculations necessary to reflect each significant proposed acquisition of a business or related business by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and each completed significant acquisition of a business or related business that was completed;

- (f) for paragraphs (c) and (e), before the date of the preliminary prospectus and after the date of the issuer's most recent statement of financial position included in the preliminary prospectus as if each acquisition had taken place as at the date of the issuer's most recent statement of financial position included in the preliminary prospectus; and

- (g) for paragraph (d), after the last day of the most recent annual statement of comprehensive income of the issuer included in the preliminary prospectus as if each acquisition had taken place at the beginning of the issuer's most recently completed financial year for which a statement of comprehensive income is included in the preliminary prospectus;

**“labour sponsored or venture capital fund”** has the same meaning as in section 1.1 of NI 81-106;

**“lead underwriter”** means, in respect of a syndicate of underwriters:

- (a) the underwriter designated under the underwriting agreement to act as the manager of the syndicate; or
- (b) if more than one underwriter is designated under the underwriting agreement to act as a manager of the syndicate, the underwriter designated under the agreement to have primary decision-making authority;

**“limited-use version”** means a template version in which the spaces for information have been completed in accordance with any of the following:

- (a) subsection 13.7(2) or 13.8(2);
- (b) subsection 7.6(2) of NI 44-101;
- (c) subsection 9A.3(2) of NI 44-102;
- (d) subsection 4A.3(3) of NI 44-103;

**“long form prospectus”** means a prospectus filed in the form of Form 41-101F1, Form 41-101F2 or Form 41-101F3;

**“marketing materials”** means a written communication intended for potential investors regarding a distribution of securities under a prospectus that contains material facts relating to an issuer, securities or an offering but does not include the following:

- (a) a prospectus or any amendment;
- (b) a standard term sheet;
- (c) a preliminary prospectus notice;
- (d) a final prospectus notice;



**“marketplace”** has the same meaning as in section 1.1 of NI 51-102;

**“material contract”** means any contract that an issuer or any of its subsidiaries is a party to, that is material to the issuer;

**“mineral project”** has the same meaning as in section 1.1 of NI 43-101;

**“NI 14-101”** means National Instrument 14-101 *Definitions*;

**“NI 25-101”** means National Instrument 25-101 *Designated Rating Organizations*;

**“NI 33-105”** means National Instrument 33-105 *Underwriting Conflicts*;

**“NI 43-101”** means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

**“NI 44-101”** means National Instrument 44-101 *Short Form Prospectus Distributions*;

**“NI 44-102”** means National Instrument 44-102 *Shelf Distributions*;

**“NI 44-103”** means National Instrument 44-103 *Post-Receipt Pricing*;

**“NI 45-106”** means National Instrument 45-106 *Prospectus Exemptions*;

**“NI 51-101”** means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

**“NI 51-102”** means National Instrument 51-102 *Continuous Disclosure Obligations*;

**“NI 52-107”** means National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;

**“NI 52-110”** means National Instrument 52-110 *Audit Committees*;

**“NI 58-101”** means National Instrument 58-101 *Disclosure of Corporate Governance Practices*;

**“NI 81-101”** means National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

**“NI 81-102”** means National Instrument 81-102 *Investment Funds*;

**“NI 81-106”** means National Instrument 81-106 *Investment Fund Continuous Disclosure*;

**“NI 81-107”** means National Instrument 81-107 *Independent Review Committee for Investment Funds*;

**“non-voting security”** means a restricted security that does not carry the right to vote generally, except for a right to vote that is mandated, in special circumstances, by law;

**“old financial year”** means the financial year of an issuer that immediately precedes a transition year;

**“over-allocation position”** means the amount, determined as at the closing of a distribution, by which the aggregate number or principal amount of securities that are sold by one or more underwriters of the distribution exceeds the base offering;

**“over-allotment option”** means a right granted to one or more underwriters by an issuer or a selling securityholder of the issuer in connection with the distribution of securities under a prospectus to acquire, for the purposes of covering the underwriter’s over-allocation position, a security of an issuer that has the same designation and attributes as a security that is distributed under such prospectus, and which:

- (a) expires not later than the 60th day after the date of the closing of the distribution; and
- (b) is exercisable for a number or principal amount of securities that is limited to the lesser of:
  - (i) the over-allocation position; and
  - (ii) 15% of the base offering;

**“personal information form”** means:

- (a) a completed Schedule 1 of Appendix A;
- (b) a completed TSX/TSXV personal information form submitted by an individual to the Toronto Stock Exchange or to the TSX Venture Exchange to which is attached a completed certificate and consent in the form set out in Schedule 1 - Part B of Appendix A; or
- (c) a completed Aequis personal information form submitted by an individual to Aequis NEO Exchange Inc., to which is attached a completed certificate and consent in the form set out in Schedule 1 - Part B of Appendix A;

**“plan summary”** means a document prepared in accordance with the requirements of Part A of Form 41-101F3;

**“predecessor personal information form”** means:

- (a) a completed Schedule 1 of Appendix A in the form that was in effect from March 17, 2008 until May 14, 2013; or
- (b) a completed TSX/TSXV personal information form to which is attached a completed certificate and consent in the form that was in effect from March 17, 2008 until May 14, 2013;

**“preliminary prospectus notice”** means:

- (a) in a jurisdiction other than Québec, a communication relating to a preliminary prospectus if that communication is permitted by a provision in securities legislation listed opposite the jurisdiction in Appendix D; or
- (b) in Québec, a written communication relating to a preliminary prospectus that only:
  - (i) identifies the security proposed to be issued;
  - (ii) states the price of the security, if determined; and
  - (iii) states the name and address of a person or company from whom purchases of the security may be made and from whom a preliminary prospectus may be obtained;

**“principal securityholder”** means a person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the issuer;

**“private issuer”** has the same meaning as in section 2.4 of NI 45-106;

**“profit or loss attributable to owners of the parent”** has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

**“profit or loss from continuing operations attributable to owners of the parent”** has the same meaning as in Canadian GAAP applicable to publicly accountable enterprises;

**“publicly accountable enterprise”** has the same meaning as in Part 3 of NI 52-107;

**“related credit supporter”** of an issuer means a credit supporter of the issuer that is an affiliate of the issuer;

**“restricted security”** means an equity security that is not a preferred security of an issuer if any of the following apply:

- (a) there is another class of securities of the issuer that carries a greater number of votes per security relative to the equity security;
- (b) the conditions attached to the class of equity securities, the conditions attached to another class of securities of the issuer, or the issuer’s constating documents have provisions that nullify or significantly restrict the voting rights of the equity securities;
- (c) the issuer has issued another class of equity securities that entitle the owners of securities of that other class to participate in the earnings or assets of the issuer to a greater extent, on a per security basis, than the owners of the first class of equity securities; or
- (d) except in Ontario and British Columbia, the regulator determines that the equity security is a restricted security;

**“restricted security reorganization”** means any event resulting in the creation of restricted securities, directly or through the creation of subject securities or securities that are, directly or indirectly, convertible, or exercisable or exchangeable for, restricted securities or subject securities or any change in the rights attaching to restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, including:

- (a) any:
  - (i) amendment to an issuer’s constating documents;
  - (ii) resolution of the board of directors of an issuer setting the terms of a series of securities of the issuer; or
  - (iii) restructuring, recapitalization, reclassification, arrangement, amalgamation or merger; or

(b) if the issuer has one or more classes of restricted securities outstanding, an amendment to an issuer's constating documents to increase:

- (i) the per security voting rights attached to any class of securities without at the same time making a proportionate increase in the per security voting rights attached to any other securities of the issuer; or
- (ii) the number of a class of securities authorized, other than a restricted security;

**“restricted security term”** means each of the terms **“non-voting security”**, **“subordinate voting security”**, and **“restricted voting security”**;

**“restricted voting security”** means a restricted security that carries a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by one or more persons or companies, unless the restriction is:

- (a) permitted or prescribed by statute or regulation; and
- (b) is applicable only to persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the issuer to be non-Canadians;

**“restructuring transaction”** has the same meaning as in section 1.1 of NI 51-102;

**“retrospective”** has the same meaning as in section 1.1 of NI 51-102;

**“retrospectively”** has the same meaning as in section 1.1 of NI 51-102;

**“reverse takeover”** has the same meaning as in section 1.1 of NI 51-102;

**“reverse takeover acquirer”** has the same meaning as in section 1.1 of NI 51-102;

**“road show”** means a presentation to potential investors, regarding a distribution of securities under a prospectus, conducted by one or more investment dealers on behalf of an issuer in which one or more executive officers, or other representatives, of the issuer participate;

**“SEC issuer”** has the same meaning as in section 1.1 of NI 52-107;

**“short form prospectus”** means a prospectus filed in the form of Form 44-101F1;

**“special warrant”** means a security that, by its terms or the terms of an accompanying contractual obligation:

- (a) entitles or requires the holder to acquire another security without payment of material additional consideration and obliges the issuer of either security to undertake efforts to file a prospectus to qualify the distribution of the other security; or
- (b) entitles or requires the holder to acquire another security without payment of material additional consideration and the issuer files a prospectus to qualify the distribution of the other security;

**“standard term sheet”** means a written communication intended for potential investors regarding a distribution of securities under a prospectus that contains no information other than that referred to in subsections 13.5(2) and (3), subsections 13.6(2) and (3), subsections 7.5(2) and (3) of NI 44-101, subsections 9A.2(2) and (3) of NI 44-102 or subsections 4A.2(2) and (3) of NI 44-103, relating to an issuer, securities or an offering, but does not include the following:

- (a) a preliminary prospectus notice;
- (b) a final prospectus notice;

**“successor credit rating organization”** has the same meaning as in National Instrument 44-101 *Short Form Prospectus Distributions*;

**“subject security”** means a security that results, or would result if and when issued, in an existing class of securities being considered restricted securities;

**“subordinate voting security”** means a restricted security that carries a right to vote, if there are securities of another class outstanding that carry a greater right to vote on a per security basis;

**“template version”** means a version of a document with spaces for information to be added in accordance with any of the following:

- (a) subsection 13.7(2) or 13.8(2);
- (b) subsection 7.6(2) of NI 44-101;
- (c) subsection 9A.3(2) of NI 44-102;
- (d) subsection 4A.3(3) of NI 44-103;

**“transition year”** means the financial year of an issuer or business in which the issuer or business changes its financial year-end;

**“TSX/TSXV personal information form”** means a personal information form for an individual pursuant to Toronto Stock Exchange Form 4 or TSX Venture Exchange Form 2A, each as amended from time to time;

**“U.S. AICPA GAAS”** has the same meaning as in section 1.1 of NI 52-107;

**“U.S. GAAP”** has the same meaning as in section 1.1 of NI 52-107;

**“U.S. marketplace”** has the same meaning as in section 1.1 of NI 51-102;

**“U.S. PCAOB GAAS”** has the same meaning as in section 1.1 of NI 52-107;

**“venture issuer”** has the same meaning as in section 1.1 of NI 51-102 except the **“applicable time”** is the date the prospectus is filed;

**“waiting period”** means the period of time between the issuance of a receipt by the regulator for a preliminary prospectus and the issuance of a receipt by the regulator for a final prospectus.

## **1.2 Interpretation of “prospectus”, “preliminary prospectus”, “final prospectus”, “long form prospectus”, and “short form prospectus”**

(1) In this Instrument, a reference to a “prospectus” includes a preliminary long form prospectus, a final long form prospectus, a preliminary short form prospectus, and a final short form prospectus.

(2) In this Instrument, a reference to a “preliminary prospectus” includes a preliminary long form prospectus and a preliminary short form prospectus.

(3) In this Instrument, a reference to a “final prospectus” includes a final long form prospectus and a final short form prospectus.

(4) In this Instrument, a reference to a “long form prospectus” includes a preliminary long form prospectus and a final long form prospectus.

(5) In this Instrument, a reference to a “short form prospectus” includes a preliminary short form prospectus and a final short form prospectus.

(6) Despite subsections (1), (2), and (3), in Form 41-101F1, Form 41-101F2, Form 41-101F3 and Form 41-101F4:

(a) a reference to a “prospectus” only includes a preliminary long form prospectus and a final long form prospectus;

(b) a reference to a “preliminary prospectus” only includes a preliminary long form prospectus; and

(c) a reference to a “final prospectus” only includes a final long form prospectus.

### **1.3 Interpretation of “business”**

In this Instrument, unless otherwise stated, a reference to a business includes an interest in an oil and gas property to which reserves, as defined in NI 51-101, have been specifically attributed.

### **1.4 Interpretation of “affiliate”**

In this Instrument, an issuer is an affiliate of another issuer if the issuer would be an affiliate of the other issuer under subsection 1.1(2) of NI 51-102.

### **1.5 Interpretation of “payments to be made”**

For the purposes of the definition of “full and unconditional credit support”, payments to be made by an issuer of securities as stipulated in the terms of the securities include:

(a) any amounts to be paid as dividends in accordance with, and on the dividend payment dates stipulated in, the provisions of the securities, whether or not the dividends have been declared; and

(b) any discretionary dividends, provided that the terms of the securities or an agreement governing rights of holders of the securities expressly provides that the holder of the securities will be entitled, once the discretionary dividend is declared, to receive payment from the credit supporter within 15 days of any failure by the issuer to pay the declared dividend.

## **PART 2: Requirements for All Prospectus Distributions**

### **2.1 Application of the Instrument**

(1) Subject to subsection (2), this Instrument applies to a prospectus filed under securities legislation, a distribution of securities subject to the prospectus requirement and a purchase of securities of an ETF.

(2) This Instrument does not apply to a prospectus filed under NI 81-101 or a distribution of securities under such a prospectus.

## 2.2 Language

- (1) An issuer must file a prospectus and any other document required to be filed under this Instrument or NI 44-101 in French or in English.
- (2) In Québec, a prospectus and any document required to be incorporated by reference into a prospectus must be in French or in French and English.
- (3) Despite subsection (1), if an issuer files a document only in French or only in English but delivers to an investor or prospective investor a version of the document in the other language, the issuer must file that other version not later than when it is first delivered to the investor or prospective investor.
- (4) If an issuer files a document under this Instrument that is a translation of a document prepared in a language other than French or English, the issuer must:
  - (a) attach a certificate as to the accuracy of the translation to the filed document; and
  - (b) make a copy of the document in the original language available on request.

## 2.3 General requirements

- (1) An issuer must not file its first amendment to a preliminary prospectus more than 90 days after the date of the receipt for the preliminary prospectus.
  - (1.1) An issuer must not file a final prospectus more than 90 days after the date of the receipt for the preliminary prospectus or an amendment to the preliminary prospectus which relates to the final prospectus.
  - (1.2) If an issuer files an amendment to a preliminary prospectus, the final prospectus must be filed within 180 days from the date of the receipt of the preliminary prospectus.
- (2) An issuer must not file:
  - (a) a prospectus more than three business days after the date of the prospectus; and
  - (b) an amendment to a prospectus more than three business days after the date of the amendment to the prospectus.

## 2.4 Special warrants

- (1) An issuer must not file a prospectus or an amendment to a prospectus to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis unless holders of the special warrants or other securities have been provided with a contractual right of rescission.
- (2) A contractual right of rescission under subsection (1) must provide that, if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation:
  - (a) the holder is entitled to rescission of both the holder's exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired;
  - (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant; and



- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

### **PART 3: Form of Prospectus**

#### **3.1 Form of prospectus**

- (1) Subject to subsections (2), (2.1) and (3), an issuer filing a prospectus must file the prospectus in the form of Form 41-101F1.
- (2) An issuer that is an investment fund, other than a scholarship plan, filing a prospectus must file the prospectus in the form of Form 41-101F2.
- (2.1) An issuer that is a scholarship plan filing a prospectus must file the prospectus in the form of Form 41-101F3.
- (3) An issuer that is qualified to file a short form prospectus may file a short form prospectus.

### **PART 3A: Scholarship Plan Prospectus Requirements**

#### **3A.1 Plain language and presentation**

- (1) A scholarship plan prospectus must be prepared using plain language and in a format that assists in readability and comprehension.
- (2) A scholarship plan prospectus must:
  - (a) present all information briefly and concisely;
  - (b) present the items listed in Parts A to D of Form 41-101F3 in the order set out in those parts;
  - (c) use only the headings and sub-headings prescribed by Form 41-101F3 unless stated otherwise;
  - (d) contain only information that is specifically mandated or permitted by Form 41-101F3; and
  - (e) not incorporate by reference into the scholarship plan prospectus, information that is required to be included in a scholarship plan prospectus.
- (3) A plan summary must:
  - (a) be prepared for each scholarship plan offered under a scholarship plan prospectus or multiple scholarship plan prospectus; and
  - (b) not exceed 4 pages in length.

#### **3A.2 Combinations of documents**

- (1) Subject to subsection (2), a scholarship plan prospectus may be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus.
- (2) A scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple scholarship plan prospectus unless the portions of each scholarship plan prospectus prepared in accordance with the requirements of Parts B and D of Form 41-101F3 are substantially similar.

**3A.3 Order of contents of bound documents**

If documents are attached to, or bound with, a scholarship plan prospectus or multiple scholarship plan prospectus:

- (a) the scholarship plan prospectus or multiple scholarship plan prospectus must be the first document contained in the package; and
- (b) no pages must come before the scholarship plan prospectus or multiple scholarship plan prospectus other than, at the option of the scholarship plan, a general front cover and table of contents pertaining to the entire package.

**3A.4 Plan summary**

- (1) Despite section 3A.3, a plan summary must not be attached to, or bound with, any other part of a scholarship plan prospectus, or to any other document, except as provided in this section.
- (2) A plan summary of a scholarship plan may be attached to or bound with one or more plan summaries of other scholarship plans if the binding, to a reasonable person, would help present the information in a simple, accessible and comparable format.

**3A.5 Documents to be delivered or sent upon request**

- (1) On request by a person or company, a scholarship plan must deliver or send a copy of one or more the following documents free of charge to the person or company:
  - (a) the scholarship plan prospectus or multiple scholarship plan prospectus;
  - (b) any document incorporated by reference into the scholarship plan prospectus;
  - (c) any portion of a document described in paragraph (a) or (b).
- (2) A document requested under subsection (1) must be delivered or sent within 3 business days of receipt of the request.

**PART 3B: ETF Facts Document Requirements****3B.1 Application**

This Part applies only to an ETF.

**3B.2 Plain language and presentation**

- (1) An ETF facts document must be prepared using plain language and be in a format that assists in readability and comprehension.
- (2) An ETF facts document must
  - (a) be prepared for each class and each series of securities of an ETF in accordance with Form 41-101F4,
  - (b) present the items listed in the Part I section of Form 41-101F4 and the items listed in the Part II section of Form 41-101F4 in the order stipulated in those parts,
  - (c) use the headings and sub-headings stipulated in Form 41-101F4,

- (d) contain only the information that is specifically required or permitted to be in Form 41-101F4,
- (e) not incorporate any information by reference, and
- (f) not exceed four pages in length.

### **3B.3 Preparation in the required form**

Despite provisions in securities legislation relating to the presentation of the content of a prospectus, an ETF facts document for an ETF must be prepared in accordance with this Instrument.

### **3B.4 Websites**

- (1) If an ETF or the ETF's family has a website, the ETF must post to at least one of those websites an ETF facts document filed under this Part as soon as practicable and, in any event, within 10 days after the date that the document is filed.
- (2) An ETF facts document posted to the website referred to in subsection (1) must
  - (a) be displayed in a manner that would be considered prominent to a reasonable person; and
  - (b) not be combined with another ETF facts document.
- (3) Subsection (1) does not apply if the ETF facts document is posted to a website of the manager of the ETF in the manner required under subsection (2).

## **PART 3C: Delivery of ETF Facts Documents for Investment Funds**

### **3C.1 Application**

This Part applies only to an ETF.

### **3C.2 Obligation to deliver ETF facts documents**

- (1) The obligation to deliver or send a prospectus under securities legislation does not apply in respect of an ETF.
- (2) A dealer acting as agent for a purchaser who receives an order for the purchase of a security of an ETF must, unless the dealer has previously done so, deliver or send to the purchaser the most recently filed ETF facts document for the applicable class or series of securities of the ETF not later than midnight on the second business day after entering into the purchase of the security.
- (3) In Nova Scotia, an ETF facts document is a prescribed disclosure document for the purposes of subsection 76(1A) of the *Securities Act* (Nova Scotia).
- (4) In Nova Scotia, a security of an ETF is a prescribed investment fund security for the purposes of subsections 76(1B) and (1C) of the *Securities Act* (Nova Scotia).
- (5) In Ontario, an ETF facts document is a disclosure document prescribed under subsection 71(1.1) of the *Securities Act* (Ontario).
- (6) In Ontario, a security of an ETF is an investment fund security prescribed for the purposes of subsections 71(1.2) and (1.3) of the *Securities Act* (Ontario).

**3C.3 Combinations of ETF facts documents for delivery purposes**

(1) An ETF facts document delivered or sent under section 3C.2 must not be combined with any other materials or documents including, for greater certainty, another ETF facts document, except one or more of the following:

- (a) a general front cover pertaining to the package of combined materials and documents;
- (b) a trade confirmation which discloses the purchase of securities of the ETF;
- (c) an ETF facts document of another ETF if that ETF facts document is also being delivered or sent under section 3C.2;
- (d) the prospectus of the ETF;
- (e) any material or document incorporated by reference into the prospectus;
- (f) an account application document;
- (g) a registered tax plan application or related document.

(2) If a trade confirmation referred to in subsection (1)(b) is combined with an ETF facts document, any other disclosure documents required to be delivered or sent to satisfy a regulatory requirement for purchases listed in the trade confirmation may be combined with the ETF facts document.

(3) If an ETF facts document is combined with any of the materials or documents referred to in subsection (1), a table of contents specifying all documents must be combined with the ETF facts document, unless the only other documents combined with the ETF facts document are the general front cover permitted under paragraph (1)(a) or the trade confirmation permitted under paragraph (1)(b).

(4) If one or more ETF facts documents are combined with any of the materials or documents referred to in subsection (1), only the general front cover permitted under paragraph (1)(a), the table of contents required under subsection (3) and the trade confirmation permitted under paragraph (1)(b) may be placed in front of those ETF facts documents.

**3C.4 Combinations of ETF facts documents for filing purposes**

For the purposes of sections 6.2, 9.1 and 9.2, an ETF facts document may be combined with another ETF facts document in a prospectus.

**3C.5 Time of receipt**

- (1) For the purpose of this Part, where the latest ETF facts document referred to in subsection 3C.2(2) is sent by prepaid mail, it shall be deemed conclusively to have been received in the ordinary course of mail by the person or company to whom it was addressed.
- (2) Subsection (1) does not apply in Ontario.
- (3) Subsection (1) does not apply in Québec.

### **3C.6 Dealer as agent**

- (1) For the purpose of this Part, a dealer acts as agent of the purchaser if the dealer is acting solely as agent of the purchaser with respect to the purchase and sale in question and has not received and has no agreement to receive compensation from or on behalf of the vendor with respect to the purchase and sale.
- (2) Subsection (1) does not apply in Ontario.
- (3) Subsection (1) does not apply in Québec.

### **3C.7 Purchaser's right of action for failure to deliver or send**

- (1) A purchaser has a right of action if an ETF facts document is not delivered or sent as required by subsection 3C.2(2), as the purchaser would otherwise have when a prospectus is not delivered or sent as required under securities legislation and, for that purpose, an ETF facts document is a prescribed document under the statutory right of action.
- (2) In Alberta, instead of subsection (1), section 206 of the Securities Act (Alberta) applies.
- (3) In Manitoba, instead of subsection (1), section 141.2 of the Securities Act (Manitoba) applies and the ETF facts document is a prescribed document for the purposes of section 141.2.
- (4) In Nova Scotia, instead of subsection (1), section 141 of the Securities Act (Nova Scotia) applies.
- (5) In Ontario, instead of subsection (1), section 133 of the Securities Act (Ontario) applies.
- (6) In Québec, instead of subsection (1), section 214.1 of the Securities Act (Québec) applies.

## **PART 4: Financial Statements and Related Documents in a Long Form Prospectus**

### **4.1 Application**

- (1) An issuer, other than an investment fund, that files a long form prospectus must include in the long form prospectus the financial statements and the management's discussion and analysis required by this Instrument.
- (2) Subject to Part 15, an investment fund that files a long form prospectus must include in the long form prospectus the financial statements and the management reports of fund performance required by this Instrument.
- (3) For the purposes of this Part, "financial statements" do not include pro forma financial statements.

### **4.2 Audit of financial statements**

- (1) Any financial statements included in a long form prospectus filed in the form of Form 41-101F1 must be audited in accordance with NI 52-107 unless an exception in section 32.5 or subsection 35.1(3) of Form 41-101F1 applies.

(2) Any financial statements, other than an interim financial report, included in or incorporated by reference into a long form prospectus of an investment fund filed in the form of Form 41-101F2 or Form 41-101F3 must meet the audit requirements of Part 2 of NI 81-106.

#### **4.3 Review of unaudited financial statements**

(1) Subject to subsection (2) and (3), any unaudited financial statements included in, or incorporated by reference into, a long form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the person or company's auditor or a review of financial statements by a public accountant.

(2) Subsection (1) does not apply to an investment fund's unaudited financial statements filed after the date of filing of the prospectus that are incorporated by reference into the prospectus under Part 15.

(3) If NI 52-107 permits the financial statements of the person or company in subsection (1) to be audited in accordance with:

(a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants;

(a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America);

(b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board; or

(c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the person or company is subject, the unaudited financial statements:

(i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction; or

(ii) do not have to be reviewed if:

(A) the designated foreign jurisdiction does not have review standards for unaudited financial statements; and

(B) the long form prospectus includes disclosure that the unaudited financial statements have not been reviewed.

#### **4.4 Approval of financial statements and related documents**

(1) An issuer must not file a long form prospectus unless each financial statement, each management's discussion and analysis, and each management report of fund performance, as applicable, of a person or company included in, or incorporated by reference into, the long form prospectus has been approved by the board of directors of the person or company.

(2) An investment fund that is a trust must not file a long form prospectus unless each financial statement and each management report of fund performance of the investment fund included in, or incorporated by reference into, the long form prospectus has been approved by the trustee or trustees of the investment fund or another person or company authorized to do so by the constating documents of the investment fund.

## **PART 5: Certificates**

### **5.1 Interpretation**

For the purposes of this Part:

- (a) “issuer certificate form” means a certificate in the form set out in:
  - (i) section 37.2 of Form 41-101F1;
  - (ii) section 39.1 of Form 41-101F2;
  - (ii.1) section 9.1 of Part D of Form 41-101F3;
  - (iii) section 21.2 of Form 44-101F1;
  - (iv) NI 44-102 in:
    - (A) section 1.1 of Appendix A;
    - (B) section 2.1 of Appendix A;
    - (C) section 1.1 of Appendix B; or
    - (D) section 2.1 of Appendix B; or
  - (v) NI 44-103 in:
    - (A) paragraph 7 of subsection 3.2(1); or
    - (B) paragraph 3 of subsection 4.5(2); and
- (b) “underwriter certificate form” means a certificate in the form set out in:
  - (i) section 37.3 of Form 41-101F1;
  - (ii) section 39.3 of Form 41-101F2;
  - (ii.1) section 9.3 of Part D of Form 41-101F3;
  - (iii) section 21.3 of Form 44-101F1;
  - (iv) NI 44-102 in:
    - (A) section 1.2 of Appendix A;
    - (B) section 2.2 of Appendix A;
    - (C) section 1.2 of Appendix B; or
    - (D) section 2.2 of Appendix B; or
  - (v) NI 44-103 in:
    - (A) paragraph 8 of subsection 3.2(1); or
    - (B) paragraph 4 of subsection 4.5(2).

### **5.2 Date of certificates**

The date of the certificates in a prospectus or an amendment to a prospectus must be the same as the date of the prospectus or the amendment to the prospectus, as applicable.



**5.3 Certificate of issuer**

(1) Except in Ontario, a prospectus must contain a certificate signed by the issuer.

**[Note:** In Ontario, section 58 of the Securities Act (Ontario) imposes a similar requirement that a prospectus contain a certificate of the issuer.]

(2) A prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be in the applicable issuer certificate form.

**5.4 Corporate issuer**

(1) Except in Ontario, if the issuer is a company, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed:

(a) by the chief executive officer and the chief financial officer of the issuer; and

(b) on behalf of the board of directors, by:

(i) any two directors of the issuer, other than the persons referred to in paragraph (a) above; or

(ii) if the issuer has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the issuer.

(2) Except in Ontario, if the regulator is satisfied that either or both of the chief executive officer or chief financial officer cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another officer.

**[Note:** In Ontario, section 58 of the Securities Act (Ontario) imposes similar requirements regarding who must sign the issuer certificate.]

**5.5 Trust issuer**

(1) If the issuer is a trust, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by:

(a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company; and

(b) two trustees of the issuer, on behalf of the trustees of the issuer.

(2) If a trustee that is signing the certificate of the issuer is:

(a) an individual, the individual must sign the certificate;

(b) a company, the certificate must be signed:

(i) by the chief executive officer and the chief financial officer of the trustee; and

(ii) on behalf of the board of directors of the trustee, by:

(A) any two directors of the trustee, other than the persons referred to in subparagraph (i); or

(B) if the trustee has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the trustee;

- (c) a limited partnership, the certificate must be signed by each general partner of the limited partnership as described in subsection 5.6(2) in relation to an issuer that is a limited partnership; or
  - (d) not referred to in paragraphs (a), (b) or (c), the certificate may be signed by any person or company with authority to bind the trustee.
- (3) Despite subsections (1) and (2), if the issuer is an investment fund and the declaration of trust, trust indenture or trust agreement establishing the investment fund delegates the authority to do so, or otherwise authorizes an individual or company to do so, the certificate may be signed by the individual or company to whom the authority is delegated or that is authorized to sign the certificate.
- (4) Despite subsections (1) and (2), if the trustees of an issuer, other than an investment fund, do not perform functions for the issuer similar to those performed by the directors of a company, the trustees are not required to sign the prospectus certificate of the issuer provided that at least two individuals who do perform functions for the issuer similar to those performed by the directors of a company sign the certificate.
- (5) If the regulator is satisfied that an individual who performs functions for the issuer similar to those performed by either the chief executive officer or the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

#### **5.6 Limited partnership issuer**

- (1) If the issuer is a limited partnership, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by:
- (a) the individuals who perform functions for the issuer similar to those performed by the chief executive officer and the chief financial officer of a company; and
  - (b) each general partner of the issuer.
- (2) If a general partner of the issuer is:
- (a) an individual, the individual must sign the certificate;
  - (b) a company, the certificate must be signed:
    - (i) by the chief executive officer and the chief financial officer of the general partner; and
    - (ii) on behalf of the board of directors of the general partner, by:
      - (A) any two directors of the general partner, other than the persons referred to in subparagraph (i); or
      - (B) if the general partner has only three directors, two of whom are the persons referred to in subparagraph (i), all of the directors of the general partner;

- (c) a limited partnership, the certificate must be signed by each general partner of the limited partnership and, for greater certainty, this subsection applies to each general partner required to sign;
  - (d) a trust, the certificate must be signed by the trustees of the general partner as described in subsection 5.5(2) in relation to an issuer that is a trust; or
  - (e) not referred to in paragraphs (a) to (d), the certificate may be signed by any person or company with authority to bind the general partner.
- (3) If the regulator is satisfied that an individual who performs functions for the issuer similar to those performed by either the chief executive officer or the chief financial officer of a company cannot sign a certificate in a prospectus, the regulator may accept a certificate signed by another individual.

#### 5.7 Other issuer

If an issuer is not a company, trust or limited partnership, a prospectus certificate that is required to be signed by the issuer under this Instrument or other securities legislation must be signed by the persons or companies that, in relation to the issuer, are in a similar position or perform a similar function to the persons or companies required to sign under sections 5.4, 5.5 and 5.6.

#### 5.8 Reverse takeovers

Except in Ontario, if an issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, a prospectus must contain a certificate, in the applicable issuer certificate form, signed:

- (a) by the chief executive officer and the chief financial officer of the reverse takeover acquirer; and
- (b) on behalf of the board of directors of the reverse takeover acquirer, by:
  - (i) any two directors of the reverse takeover acquirer, other than the persons referred to in paragraph (a) above; or
  - (ii) if the reverse takeover acquirer has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the reverse takeover acquirer.

#### 5.9 Certificate of underwriter

(1) Except in Ontario, a prospectus must contain a certificate signed by each underwriter who, with respect to the securities offered by the prospectus, is in a contractual relationship with the issuer or a securityholder whose securities are being offered by the prospectus.

[**Note:** In Ontario, subsection 59(1) of the Securities Act (Ontario) imposes a similar requirement that a prospectus contain a certificate signed by each underwriter in a contractual relationship with the issuer.]

(2) A prospectus certificate that is required to be signed by an underwriter under this Instrument or other securities legislation must be in the applicable underwriter certificate form.

(3) Except in Ontario, with the consent of the regulator, a certificate in a prospectus may be signed by the underwriter's agent duly authorized in writing by the underwriter.

[**Note:** In Ontario, subsection 59(2) of the Securities Act (Ontario) provides a similar discretion to the Director to permit the certificate to be signed by an underwriter's agent.]

### 5.10 Certificate of investment fund manager

- (1) If the issuer has an investment fund manager, a prospectus must contain a certificate, in the applicable issuer certificate form, signed by the investment fund manager.
- (2) If the investment fund manager is a company, the certificate must be signed:
  - (a) by the chief executive officer and the chief financial officer of the investment fund manager; and
  - (b) on behalf of the board of directors, by:
    - (i) any two directors of the investment fund manager, other than the persons referred to in paragraph (a) above; or
    - (ii) if the investment fund manager has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the investment fund manager.
- (3) If the investment fund manager is a limited partnership, the certificate must be signed by the general partner of such limited partnership as described in subsection 5.6(2) in relation to an issuer that is a limited partnership.

#### 5.10.1 Certificate of principal distributor

- (1) If the issuer is an investment fund that has a principal distributor, a prospectus must contain a certificate, in the applicable underwriter certificate form, signed by the principal distributor.
- (2) The certificate to be signed by the principal distributor must be signed by an officer or director of the principal distributor who is authorized to sign.

### 5.11 Certificate of promoter

- (1) Except in Ontario, a prospectus must contain a certificate signed by each promoter of the issuer.

[**Note:** In Ontario, subsection 58(1) of the Securities Act (Ontario) imposes a similar requirement that a prospectus shall contain a certificate signed by each promoter of the issuer.]

- (2) A prospectus certificate required to be signed by a promoter under this Instrument or other securities legislation must be in the applicable issuer certificate form.

- (3) Except in Ontario, the regulator may require any person or company who was a promoter of the issuer within the two preceding years to sign a certificate to the prospectus, in the applicable issuer certificate form.

[**Note:** In Ontario, subsection 58(6) of the Securities Act (Ontario) provides the Director with similar discretion to require a person or company who was a promoter of the issuer within the two preceding years to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

- (4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the Securities Act (British Columbia).

- (5) Except in Ontario, with the consent of the regulator, a certificate of a promoter in a prospectus may be signed by an agent duly authorized in writing by the person or company required to sign the certificate.

[**Note:** In Ontario, subsection 58(7) of the Securities Act (Ontario) provides the Director with similar discretion to permit a certificate in a prospectus to be signed by an agent of a promoter.]

**5.12 Certificate of credit supporter**

(1) If there is a related credit supporter of the issuer or a subsidiary of the issuer, a prospectus must contain a certificate of the related credit supporter, in the applicable issuer certificate form, signed:

- (a) by the chief executive officer and the chief financial officer of the credit supporter; and
- (b) on behalf of the board of directors of the credit supporter, by:
  - (i) any two directors of the credit supporter, other than the persons referred to in paragraph (a) above; or
  - (ii) if the credit supporter has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the credit supporter.

(2) With the consent of the regulator, a certificate in a prospectus may be signed by the credit supporter's agent duly authorized in writing by the credit supporter.

(3) Except in Ontario, the regulator may require any other person or company that is a credit supporter of either the issuer or a subsidiary of the issuer to sign a certificate to the prospectus, in the applicable issuer certificate form.

[**Note:** In Ontario, subsection 58(6) of the Securities Act (Ontario) provides the Director with similar discretion to require a person or company who is a guarantor of the securities being distributed to sign a prospectus certificate, subject to such conditions as the Director considers proper.]

(4) Despite subsection (3), in British Columbia, the powers of the regulator with respect to the matters described in subsection (3) are set out in the Securities Act (British Columbia).

**5.13 Certificate of selling securityholders**

(1) Except in Ontario, the regulator may require any person or company that is a selling securityholder to sign a certificate to the prospectus, in the applicable issuer certificate form.

(2) Despite subsection (1), in British Columbia, the powers of the regulator with respect to the matters described in subsection (1) are set out in the Securities Act (British Columbia).

**5.14 Certificate of operating entity**

(1) For the purposes of this section, the term "operating entity" means, in relation to an issuer, a person or company through which the business of the issuer, or a material part of the business of the issuer, is conducted and for which the issuer is required under securities legislation, or has undertaken, to provide to its securityholders separate financial statements of the person or company if the issuer's financial statements do not include consolidated information concerning the person or company.

(2) A prospectus of an issuer that is a trust must contain a certificate, in the applicable issuer certificate form, signed:

- (a) by the chief executive officer and the chief financial officer of the operating entity; and

- (b) on behalf of the board of directors of the operating entity, by:
  - (i) any two directors of the operating entity, other than the persons referred to in paragraph (a) above; or
  - (ii) if the operating entity has only three directors, two of whom are the persons referred to in paragraph (a), all of the directors of the operating entity.

### **5.15 Certificate of other persons**

- (1) Except in Ontario, the regulator may, in its discretion, require any person or company to sign a certificate to the prospectus, in the form that the regulator considers appropriate.
- (2) Despite subsection (1), in British Columbia, the powers of the regulator with respect to the matters described in subsection (1) are set out in the Securities Act (British Columbia).

## **PART 6: Amendments**

### **6.1 Form of amendment**

- (1) An amendment to a prospectus must be either:
  - (a) an amendment that does not fully restate the text of the prospectus; or
  - (b) an amended and restated prospectus.
- (2) An amendment to a prospectus must be identified as follows:
  - (a) for an amendment that does not restate the text of the prospectus:
 

“Amendment no. [insert amendment number] dated [insert date of amendment] to [identify prospectus] dated [insert date of prospectus being amended]”; or
  - (b) for an amended and restated prospectus:
 

“Amended and restated [identify prospectus] dated [insert date of amendment], amending and restating [identify prospectus] dated [insert date of prospectus being amended]”.
- (3) Despite subsections (1) and (2), an amendment to a plan summary must be prepared in accordance with Part A of Form 41-101F3 without any further identification, and dated as of the date the plan summary is being amended.
- (4) An amendment to an ETF facts document must be prepared in accordance with Form 41-101F4 without any further identification, and dated as of the date the ETF facts document is being amended.

### **6.2 Required documents for filing an amendment**

An issuer that files an amendment to a prospectus must:

- (a) file a signed copy of the amendment;
- (b) deliver to the regulator a copy of the prospectus blacklined to show the changes made by the amendment, if the amendment is also a restatement of the prospectus;
- (c) file or deliver any supporting documents required under this Instrument or other securities legislation to be filed or delivered with a prospectus, unless the documents originally filed or delivered with the prospectus are correct as of the date the amendment is filed;

- (d) in case of an amendment to a final prospectus, file any consent letter required to be filed with a final prospectus, dated as of the date of the amendment; and
- (e) in the case of an ETF, if the amendment relates to information in the ETF facts document,
  - (i) file an amendment to the ETF facts document, and
  - (ii) deliver to the regulator a copy of the ETF facts document, blacklined to show changes, including text deletions, from the latest ETF facts document previously filed.

**6.2.1 Required documents for filing an amendment to an ETF facts document**

- An ETF that files an amendment to an ETF facts document must, unless section 6.2 applies,

- (a) file an amendment to the corresponding prospectus, certified in accordance with Part 5,
- (b) deliver to the regulator a copy of the ETF facts document, blacklined to show changes, including text deletions, from the latest ETF facts document previously filed, and
- (c) file or deliver any other supporting documents required under this Instrument or other securities legislation, unless the documents originally filed or delivered are correct as of the date the amendment is filed.

**6.3 Auditor's comfort letter**

An issuer must deliver a new auditor's comfort letter, if an amendment to:

- (a) a preliminary long form prospectus materially affects, or relates to, an auditor's comfort letter delivered under subparagraph 9.1(b)(iii);
- (b) a preliminary short form prospectus materially affects, or relates to, an auditor's comfort letter delivered under subparagraph 4.1(b)(ii) of NI 44-101.

**6.4 Delivery of amendments**

Except in Ontario, an issuer must deliver an amendment to a preliminary prospectus as soon as practicable to each recipient of the preliminary prospectus according to the record of recipients required to be maintained under securities legislation.

[**Note:** In Ontario, subsection 57(3) of the Securities Act (Ontario) imposes a similar requirement regarding the delivery of amendments to a preliminary prospectus.]

**6.5 Amendment to a preliminary prospectus**

- (1) Except in Ontario, if, after a receipt for a preliminary prospectus is issued but before a receipt for the final prospectus is issued, a material adverse change occurs, an amendment to the preliminary prospectus must be filed as soon as practicable, but in any event within 10 days after the day the change occurs.

[**Note:** In Ontario, subsection 57(1) of the Securities Act (Ontario) imposes a similar requirement to file an amendment to a preliminary prospectus where there has been a material adverse change.]

- (2) The regulator must issue a receipt for an amendment to a preliminary prospectus as soon as practicable after the amendment is filed.



## 6.6 Amendment to a final prospectus

(1) Except in Ontario, if, after a receipt for a final prospectus is issued but before the completion of the distribution under the final prospectus, a material change occurs, an issuer must file an amendment to the final prospectus as soon as practicable, but in any event within 10 days after the day the change occurs.

[**Note:** In Ontario, subsection 57(1) of the Securities Act (Ontario) imposes a similar requirement to file an amendment to a final prospectus where there has been a material change.]

(2) Except in Ontario, if, after a receipt for a final prospectus or an amendment to the final prospectus is issued but before the completion of the distribution under the final prospectus or the amendment to the final prospectus, securities in addition to the securities previously disclosed in the final prospectus or the amendment to the final prospectus are to be distributed, an amendment to the final prospectus disclosing the additional securities must be filed, as soon as practicable, but in any event within 10 days after the decision to increase the number of securities offered.

[**Note:** In Ontario, subsection 57(2) of the Securities Act (Ontario) imposes a similar requirement to file an amendment to a prospectus any time there is a proposed distribution of securities in addition to that disclosed under the prospectus.]

(3) Except in Ontario, the regulator must issue a receipt for an amendment to a final prospectus filed under this section unless the regulator considers that there are grounds set out in securities legislation that would cause the regulator not to issue the receipt for a prospectus.

[**Note:** In Ontario, subsection 57(2.1) of the Securities Act (Ontario) imposes a similar obligation for the Director to issue a receipt for an amendment to a prospectus unless there are proper grounds for refusing the receipt.]

(4) Except in Ontario, the regulator must not refuse to issue a receipt under subsection (3) without giving the issuer who filed the prospectus an opportunity to be heard.

[**Note:** In Ontario, subsections 57(2.1) and 61(3) of the Securities Act (Ontario) impose a similar restriction on the Director to refuse to issue a receipt for a prospectus without first giving an issuer an opportunity to be heard.]

(5) Except in Ontario, an issuer must not proceed with a distribution or additional distribution if an amendment to a final prospectus is required to be filed until a receipt for the amendment to the final prospectus is issued by the regulator.

[**Note:** In Ontario, subsection 57(2.2) of the Securities Act (Ontario) imposes a similar restriction in respect of a distribution or additional distribution before a receipt is issued for an amendment to the final prospectus.]

(6) Subsection (5) does not apply to an investment fund in continuous distribution.

[**Note:** In Ontario, section 2.2 of OSC Rule 41-801 Implementing National Instrument 41-101 General Prospectus Requirements and Consequential Amendments provides a similar exemption for an investment fund in continuous distribution from the requirement to obtain a receipt prior to making a distribution or additional distribution under an amendment to a final prospectus.]

**PART 7: Non-fixed Price Offerings and Reduction of Offering Price under a Final Prospectus****7.1 Application**

This Part does not apply to an investment fund in continuous distribution.

**7.2 Non-fixed price offerings and reduction of offering price**

(1) A person or company distributing a security under a prospectus must do so at a fixed price.

(2) Despite subsection (1), and subject to subsection (2.1), securities may be distributed for cash at non-fixed prices under a prospectus if the securities have received a credit rating, on a provisional or final basis, from at least one designated rating organization or its DRO affiliate at the time of:

- (a) the filing of the preliminary short form prospectus, if the issuer is filing a prospectus in the form of a short form prospectus under NI 44-101; or
- (b) the filing of the long form prospectus.

(2.1) If the only credit ratings of the securities referred to in subsection (2) are from Kroll Bond Rating Agency, Inc., its DRO affiliate, any successor credit rating organization of Kroll Bond Rating Agency, Inc. or any DRO affiliate of any successor credit rating organization of Kroll Bond Rating Agency, Inc., subsection (2) does not apply unless the distribution is of asset-backed securities.

(3) Despite subsection (1), if securities are distributed for cash under a prospectus, the price of the securities may be decreased from the initial offering price disclosed in the prospectus and, after such a decrease, changed from time to time to an amount not greater than the initial offering price, without filing an amendment to the prospectus to reflect the change, if:

- (a) the securities are distributed through one or more underwriters that have agreed to purchase all of the securities at a specified price;
- (b) the proceeds to be received by the issuer or selling securityholders are disclosed in the prospectus as being fixed; and
- (c) the underwriters have made a reasonable effort to sell all of the securities distributed under the prospectus at the initial offering price disclosed in the final prospectus.

(4) Despite subsections (2) and (3), the price at which securities may be acquired on exercise of rights must be fixed.

**PART 8: Best Efforts Distributions****8.1 Application**

This Part does not apply to an investment fund in continuous distribution.

**8.2 Distribution period**

(1) Unless an amendment to the final prospectus is filed and the regulator has issued a receipt for the amendment, if securities are being distributed on a best efforts basis, the distribution must cease within 90 days after the date of the receipt for the final prospectus.

(2) Unless a further amendment to the final prospectus is filed and the regulator has issued a receipt for the further amendment, if an amendment to a final prospectus is filed and the regulator has issued a receipt for the amendment under subsection (1), the distribution must cease within 90 days after the date of the receipt for the amendment to the final prospectus.

(3) The total period of the distribution under subsections (1) and (2) must not end more than 180 days from the date of receipt for the final prospectus.

### 8.3 Minimum amount of funds

If securities are being distributed on a best efforts basis, other than an offering of securities to be distributed continuously, and the prospectus discloses that a minimum amount of funds must be raised:

(a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in the final prospectus has been raised; and

(b) if the minimum amount of funds is not raised within the appropriate period of the distribution prescribed by section 8.2, the person or company holding the funds in trust referred to in paragraph (a) must return the funds to the subscribers without any deductions.

## PART 8A: Rights Offerings

### 8A.1 Application and definitions

(1) This Part applies to an issuer that files a preliminary or final prospectus to distribute rights.

(2) In this Part,

**“additional subscription privilege”** means a privilege, granted to a holder of a right, to subscribe for a security not subscribed for by any holder under a basic subscription privilege;

**“basic subscription privilege”** means a privilege to subscribe for the number or amount of securities set out in a rights certificate held by the holder of the rights certificate;

**“managing dealer”** means a person or company that has entered into an agreement with an issuer under which the person or company has agreed to organize and participate in the solicitation of the exercise of the rights issued by the issuer;

**“market price”** means, for securities of a class for which there is a published market,

(a) except as provided in paragraph (b),

(i) if the published market provides a closing price, the simple average of the closing price of securities of that class on the published market for each of the trading days on which there was a closing price falling not more than 20 trading days immediately before the day as of which the market price is being determined, or

- (ii) if the published market does not provide a closing price, but provides only the highest and lowest prices of securities of the class traded, the average of the simple averages of the highest and lowest prices of securities of the class on the published market for each of the trading days on which there were highest and lowest prices falling not more than 20 trading days immediately before the day as of which the market price is being determined, or
- (b) if trading of securities of the class on the published market has occurred on fewer than 10 of the immediately preceding 20 trading days, the average of the following amounts established for each of the 20 trading days immediately before the day as of which the market price is being determined:
  - (i) the average of the closing bid and closing ask prices for each day on which there was no trading;
  - (ii) if the published market
    - (A) provides a closing price of securities of the class for each day that there was trading, the closing price, or
    - (B) provides only the highest and lowest prices, the average of the highest and lowest prices of securities of that class for each day that there was trading;

**“published market”** means, for a class of securities, a marketplace on which the securities are traded, if the prices at which they have been traded on that marketplace are regularly

- (a) disseminated electronically, or
- (b) published in a newspaper or business or financial publication of general and regular paid circulation;

**“soliciting dealer”** means a person or company whose interest in a distribution of rights is limited to soliciting the exercise of the rights by holders of those rights;

**“stand-by commitment”** means an agreement by a person or company to acquire the securities of an issuer not subscribed for under the basic subscription privilege or the additional subscription privilege.

- (3) For the purpose of the definition of “market price”, if there is more than one published market for a security and
  - (a) only one of the published markets is in Canada, the market price is determined solely by reference to that market,
  - (b) more than one of the published markets is in Canada, the market price is determined solely by reference to the published market in Canada on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined, and
  - (c) none of the published markets are in Canada, the market price is determined solely by reference to the published market on which the greatest volume of trading in the particular class of securities occurred during the 20 trading days immediately before the date as of which the market price is being determined.

### 8A.2 Filing of prospectus for a rights offering

(1) An issuer must not file a prospectus for a distribution of rights unless all of the following apply:

- (a) in addition to qualifying the distribution of the rights, the prospectus qualifies the distribution of the securities issuable upon the exercise of the rights;
- (b) if there is a managing dealer, the managing dealer complies with section 5.9 as if the dealer were an underwriter;
- (c) the exercise period for the rights is at least 21 days after the date on which the prospectus is sent to security holders;
- (d) the subscription price for a security to be issued upon the exercise of a right is,
  - (i) if there is a published market for the security, lower than the market price of the security on the date of the final prospectus, or
  - (ii) if there is no published market for the security, lower than the fair value of the security on the date of the final prospectus unless the issuer restricts all of its insiders from increasing their proportionate interest in the issuer through the exercise of the rights distributed under the prospectus or through a stand-by commitment.

(2) If subparagraph (1)(d)(ii) applies, the issuer must deliver to the regulator or, in Québec, the securities regulatory authority independent evidence of fair value.

### 8A.3 Additional subscription privilege

An issuer must not grant an additional subscription privilege to a holder of a right unless all of the following apply:

- (a) the issuer grants the additional subscription privilege to all holders of a right;
- (b) each holder of a right is entitled to receive, upon the exercise of the additional subscription privilege, the number or amount of securities equal to the lesser of
  - (i) the number or amount of securities subscribed for by the holder under the additional subscription privilege, and
  - (ii) the number calculated in accordance with the following formula:

$x(y/z)$  where

$x$  = the aggregate number or amount of securities available through unexercised rights after giving effect to the basic subscription privilege;

$y$  = the number of rights exercised by the holder under the basic subscription privilege;

$z$  = the aggregate number of rights exercised under the basic subscription privilege by holders of the rights that have subscribed for securities under the additional subscription privilege;

- (c) all unexercised rights have been allocated on a pro rata basis to holders who subscribed for additional securities under the additional subscription privilege;
- (d) the subscription price for the additional subscription privilege is the same as the subscription price for the basic subscription privilege.

#### **8A.4 Stand-by commitments**

If an issuer enters into a stand-by commitment for a distribution of rights, all of the following apply:

- (a) the issuer must grant an additional subscription privilege to all holders of a right;
- (b) the issuer must deliver to the regulator or, in Québec, the securities regulatory authority evidence that the person or company providing the stand-by commitment has the financial ability to carry out the stand-by commitment;
- (c) the subscription price under the stand-by commitment must be the same as the subscription price under the basic subscription privilege.

#### **8A.5 Appointment of depository**

If an issuer has stated in a prospectus that no security will be issued upon the exercise of a right unless a stand-by commitment is provided, or unless proceeds of no less than the stated minimum amount are received by the issuer, all of the following apply:

- (a) the issuer must appoint a depository to hold all money received upon the exercise of the rights until either the stand-by commitment is provided or the stated minimum amount is received and the depository is one of the following:
  - (i) a Canadian financial institution;
  - (ii) a registrant in the jurisdiction in which the funds are proposed to be held that is acting as managing dealer for the distribution of the rights, or, if there is no managing dealer for the distribution of the rights, that is acting as a soliciting dealer;
- (b) the issuer and the depository must enter into an agreement, the terms of which require the depository to return the money referred to in paragraph (a) in full to the holders of rights that have subscribed for securities under the distribution of the rights if the stand-by commitment is not provided or if the stated minimum amount is not received by the depository during the exercise period for the rights.

#### **8A.6 Amendment**

If an issuer has filed a final prospectus for a distribution of rights, the issuer must not change the terms of the distribution.

**PART 9: Requirements for Filing a Long Form Prospectus**

**9.1(1) Required documents for filing a preliminary or pro forma long form prospectus**

An issuer that files a preliminary or pro forma long form prospectus must:

(a) file the following with the preliminary or pro forma long form prospectus:

(i) Signed Copy - in the case of a preliminary long form prospectus, a signed copy of the preliminary long form prospectus;

(ii) Documents Affecting the Rights of Securityholders - a copy of the following documents, and any amendments to the following documents, that have not previously been filed:

(A) articles of incorporation, amalgamation, continuation or any other constating or establishing documents of the issuer, unless the constating or establishing document is a statutory or regulatory instrument;

(B) by-laws or other corresponding instruments currently in effect;

(C) any securityholder or voting trust agreement that the issuer has access to and that can reasonably be regarded as material to an investor in securities of the issuer;

(D) any securityholders' rights plans or other similar plans; and

(E) any other contract of the issuer or a subsidiary of the issuer that creates or can reasonably be regarded as materially affecting the rights or obligations of the issuer's securityholders generally;

(iii) Material Contracts - a copy of any material contract required to be filed under section 9.3;

(iv) Investment Fund Documents - if the issuer is an investment fund, the documents filed under subparagraphs (ii) and (iii) must include a copy of:

(A) any declaration of trust or trust agreement of the investment fund, limited partnership agreement, or any other constating or establishing documents of the investment fund;

(B) any agreement of the investment fund or the trustee with the manager of the investment fund;

(C) any agreement of the investment fund, the manager or trustee with the portfolio advisers of the investment fund;

(D) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund; and

(E) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund;

(iv.1) if the issuer is a scholarship plan, in addition to the documents filed under subparagraph (iv), a copy of the scholarship plan contract for the scholarship plan under the prospectus;

(iv.2) if the issuer is an ETF, in addition to the documents filed under subparagraph (iv), an ETF facts document for each class or series of securities of the ETF;



- (v) Mining Reports - if the issuer has a mineral project, the technical reports required to be filed with a preliminary long form prospectus under NI 43-101;
  - (vi) Reports and Valuations - a copy of each report or valuation referred to in the preliminary long form prospectus for which a consent is required to be filed under section 10.1 and that has not previously been filed, other than a technical report that:
    - (A) deals with a mineral project or oil and gas activities; and
    - (B) is not otherwise required to be filed under subparagraph (v); and
  - (vii) Marketing Materials - a copy of any template version of the marketing materials required to be filed under paragraph 13.7(1)(e); and
- (b) deliver to the regulator, concurrently with the filing of the preliminary or pro forma long form prospectus, the following:
- (i) **Blackline Copy of the Prospectus** – in the case of a pro forma prospectus, a copy of the pro forma prospectus blacklined to show changes and the text of deletions from the latest prospectus filed;
  - (i.1) **Blackline Copy of the ETF Facts Document** – in the case of a pro forma prospectus for an ETF, a copy of the pro forma ETF facts document for each class or series of securities of the ETF blacklined to show changes and the text of deletions from the latest ETF facts document previously filed;
  - (ii) Personal Information Form and Authorization to Collect, Use and Disclose Personal Information - a completed personal information form for:
    - (A) each director and executive officer of an issuer;
    - (B) if the issuer is an investment fund, each director and executive officer of the manager of the issuer;
    - (C) each promoter of the issuer; and
    - (D) if the promoter is not an individual, each director and executive officer of the promoter;
    - (E) **Repealed.** 17 May 2013 SR 32/2013 s5.
    - (F) **Repealed.** 17 May 2013 SR 32/2013 s5.
    - (G) **Repealed.** 17 May 2013 SR 32/2013 s5.
  - (iii) Auditor's Comfort Letter regarding Audited Financial Statements - if a financial statement of an issuer or a business included in, or incorporated by reference into, a preliminary or pro forma long form prospectus is accompanied by an unsigned auditor's report, a signed letter addressed to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance in the Handbook; and
  - (iv) Marketing Materials - a copy of any template version of the marketing materials required to be delivered under paragraph 13.7(4)(c) or 13.12(2)(c).

(2) Despite subparagraph (1)(b)(ii), an issuer is not required to deliver to the regulator a personal information form for an individual if the issuer, another issuer or, if the issuer is an investment fund, the manager of the investment fund issuer or another investment fund issuer, previously delivered a personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary or pro-forma long form prospectus;
- (b) the responses given by the individual to questions 6 through 10 of the individual's personal information form are correct as at a date that is within 30 days of the filing of the preliminary or pro-forma long form prospectus;
- (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary or pro forma long form prospectus, a copy of the previously delivered personal information form or alternative information that is satisfactory to the regulator.

(3) Until May 14, 2016, subparagraph (1)(b)(ii) does not apply to an issuer in respect of the delivery of a personal information form for an individual if the issuer or, if the issuer is an investment fund, the manager of the investment fund issuer previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary or pro-forma long form prospectus;
- (b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual's predecessor personal information form are correct as at a date that is within 30 days of the filing of the preliminary or pro-forma long form prospectus.

## **9.2 Required documents for filing a final long form prospectus**

An issuer that files a final long form prospectus must:

- (a) file the following with the final long form prospectus:
  - (i) Signed Copy - a signed copy of the final long form prospectus;
  - (ii) Documents Affecting the Rights of Securityholders - a copy of any document described under subparagraph 9.1(1)(a)(ii) that has not previously been filed;
  - (iii) Material Contracts - a copy of each material contract required to be filed under section 9.3 that has not previously been filed under subparagraph 9.1(1)(a)(iii);
  - (iv) Investment Fund Documents – a copy of any document described under subparagraph 9.1(1)(a)(iv), (iv.1) or (iv.2) that has not previously been filed;

(v) Other Reports and Valuations - a copy of any report or valuation referred to in the final long form prospectus, for which a consent is required to be filed under section 10.1 and that has not previously been filed, other than a technical report that:

(A) deals with a mineral project or oil and gas activities of the issuer; and

(B) is not otherwise required to be filed under subparagraph 9.1(1)(a)(v) or (vi);

(vi) Issuer's Submission to Jurisdiction - a submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix B, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada;

(vii) Non-Issuer's Submission to Jurisdiction - a submission to jurisdiction and appointment of agent for service of process of:

(A) each selling securityholder;

(A.1) each director of the issuer; and

(B) any other person or company that provides or signs a certificate under Part 5 or other securities legislation, other than an issuer;

in the form set out in Appendix C, if the person or company is incorporated or organized in a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada;

(viii) Expert's Consents - the consents required to be filed under section 10.1;

(ix) Credit Supporter's Consent - the written consent of the credit supporter to the inclusion of its financial statements in the final long form prospectus, if financial statements of a credit supporter are required under Item 33 of Form 41-101F1 to be included in a final long form prospectus and a certificate of the credit supporter is not required under section 5.12 to be included in the final long form prospectus;

(x) Undertaking in Respect of Credit Supporter Disclosure - an undertaking of the issuer to file the periodic and timely disclosure of a credit supporter similar to the disclosure provided under section 12.1 of Form 44-101F1, so long as the securities being distributed are issued and outstanding;

(xi) Undertaking in Respect of Continuous Disclosure - An undertaking of the issuer to provide to its securityholders separate financial statements for an operating entity that investors need to make an informed decision about investing in the issuer's securities if:

(A) the issuer is an income trust that is formed as a mutual fund trust as that term is used in the Income Tax Act (Canada), other than an "investment fund" as defined in section 1.1 of NI 81-106;

(B) the underlying business or income producing assets of the operating entity generate net cash flow available for distribution to the issuer's securityholders; and

(C) the issuer's performance and prospects depend primarily on the performance and operations of the operating entity;

(xii) Undertaking to File Agreements, Contracts and Material Contracts - if an agreement, contract or declaration of trust under subparagraph (ii) or (iv) or a material contract under subparagraph (iii) has not been executed before the filing of the final long form prospectus but will be executed on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the securities regulatory authority to file the agreement, contract, declaration of trust or material contract promptly and in any event no later than seven days after execution of the agreement, contract, declaration of trust or material contract;

(xii.1) **Undertaking to File Unexecuted Documents** - if a document referred to in subparagraph (ii) does not need to be executed in order to become effective and has not become effective before the filing of the final long form prospectus, but will become effective on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final long form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document promptly and in any event no later than seven days after the document becomes effective;

(xiii) Undertaking in Respect of Restricted Securities - for distributions of non-voting securities, an undertaking of the issuer to give notice to holders of non-voting securities of a meeting of securityholders if a notice of such a meeting is given to its registered holders of voting securities;

(xiv) Marketing Materials - a copy of any template version of the marketing materials required to be filed under paragraph 13.7(1)(e), 13.7(7)(a), 13.8(1)(e) or 13.8(7)(b) that has not previously been filed; and

(b) deliver to the regulator, no later than the filing of the final long form prospectus:

(i) **Blackline Copy of the Prospectus** – a copy of the final long form prospectus blacklined to show changes from the preliminary or pro forma long form prospectus;

(i.1) **Blackline Copy of the ETF Facts Document** – in the case of a final long form prospectus for an ETF, a copy of the ETF facts document for each class or series of securities of the ETF blacklined to show changes and the text of deletions from the preliminary or pro forma ETF facts document;

(ii) Communication with Exchange - if the issuer has made an application to list the securities being distributed on an exchange in Canada, a copy of a communication in writing from the exchange stating that the application for listing has been made and has been accepted subject to the issuer meeting the requirements for listing of the exchange;

(iii) Marketing Materials - a copy of any template version of the marketing materials required to be delivered under paragraph 13.7(4)(c), 13.8(4)(c) or 13.12(2)(c) that has not previously been delivered;

- (iv) Evidence of financial ability – the evidence of financial ability required to be delivered under section 8A.4 if it has not previously been delivered; and
- (v) Evidence of fair value – the evidence of fair value required to be delivered under subsection 8A.2(2) if it has not previously been delivered.

### 9.3 Material contracts

- (1) Unless previously filed, an issuer that files a long form prospectus must file a material contract entered into:
  - (a) since the beginning of the last financial year ending before the date of the prospectus; or
  - (b) before the beginning of the last financial year ending before the date of the prospectus if that material contract is still in effect.
- (2) Despite subsection (1), an issuer is not required to file a material contract entered into in the ordinary course of business unless the material contract is:
  - (a) a contract to which directors, officers, promoters, selling securityholders or underwriters are parties, other than a contract of employment;
  - (b) a continuing contract to sell the majority of the issuer's products or services or to purchase the majority of the issuer's requirements of goods, services, or raw materials;
  - (c) a franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name;
  - (d) a financing or credit agreement with terms that have a direct correlation with anticipated cash distributions;
  - (e) an external management or external administration agreement; or
  - (f) a contract on which the issuer's business is substantially dependent.
- (3) A provision in a material contract filed pursuant to subsections (1) or (2) may be omitted or marked to be unreadable if an executive officer of the issuer reasonably believes that disclosure of that provision would be seriously prejudicial to the interests of the issuer or would violate confidentiality provisions.
- (4) Subsection (3) does not apply if the provision relates to:
  - (a) debt covenants and ratios in financing or credit agreements;
  - (b) events of default or other terms relating to the termination of the material contract; or
  - (c) other terms necessary for understanding the impact of the material contract on the business of the issuer.
- (5) If a provision is omitted or marked to be unreadable under subsection (3), the issuer must include a description of the type of information that has been omitted or marked to be unreadable immediately after the provision in the copy of the material contract filed by the issuer.
- (6) Despite subsections (1) and (2), an issuer is not required to file a material contract entered into before January 1, 2002 if the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

## PART 10: Consents and Licences, Registrations and Approvals

### 10.1 Consents of experts

- (1) Subject to subsection (1.1), an issuer must file the written consent of:
  - (a) any solicitor, auditor, accountant, engineer, or appraiser;
  - (b) any notary in Québec; and
  - (c) any person or company whose profession or business gives authority to a statement made by that person or company;
  - (d) **Repealed.** 17 May 2013 SR 32/2013 s5.
  - (e) **Repealed.** 17 May 2013 SR 32/2013 s5.
  - (f) **Repealed.** 17 May 2013 SR 32/2013 s5.
- (1.1) Subsection (1) does not apply unless the person or company is named in a prospectus or an amendment to a prospectus directly or, if applicable, in a document incorporated by reference into the prospectus or amendment:
  - (a) as having prepared or certified any part of the prospectus or the amendment;
  - (b) as having opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus directly or in a document incorporated by reference; or
  - (c) as having prepared or certified a report, valuation, statement or opinion referred to in the prospectus or the amendment directly or in a document incorporated by reference.
- (2) A consent referred to in subsection (1) must:
  - (a) be filed no later than the time the final prospectus or the amendment to the final prospectus is filed or, for the purposes of future financial statements that have been incorporated by reference in a prospectus under subsection 15.2(3), no later than the date that those financial statements are filed;
  - (b) state that the person or company being named consents:
    - (i) to being named; and
    - (ii) to the use of that person or company's report, valuation, statement or opinion;
  - (c) refer to the report, valuation, statement or opinion stating the date of the report, valuation, statement or opinion; and

- (d) contain a statement that the person or company referred to in subsection (1):
  - (i) has read the prospectus; and
  - (ii) has no reason to believe that there are any misrepresentations in the information contained in it that are:
    - (A) derived from the report, valuation, statement or opinion; or
    - (B) within the knowledge of the person or company as a result of the services performed by the person or company in connection with the report, financial statements, valuation, statement or opinion.
- (3) In addition to any other requirement of this section, the consent of an auditor or accountant must also state:
  - (a) the dates of the financial statements on which the report of the person or company is made; and
  - (b) that the person or company has no reason to believe that there are any misrepresentations in the information contained in the prospectus that are:
    - (i) derived from the financial statements on which the person or company has reported; or
    - (ii) within the knowledge of the person or company as a result of the audit of the financial statements.
- (4) Subsection (1) does not apply to a designated rating organization or its DRO affiliate that issues a rating to the securities being distributed under the prospectus.

## **10.2 Licences, registrations and approvals**

If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds:

- (a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the stated principal use of proceeds have been obtained; and
- (b) if all material licences, registrations and approvals necessary for the operation of the stated principal use of proceeds have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee must return the funds to subscribers.



## **PART 11: Over-Allocation and Underwriters**

### **11.1 Over-allocation**

Securities that are sold to create the over-allocation position in connection with a distribution under a prospectus must be distributed under the prospectus.

### **11.2 Distribution of securities under a prospectus to an underwriter**

Except as required under section 11.3, no person or company may distribute securities under a prospectus to any person or company acting as an underwriter in connection with the distribution of securities under the prospectus, other than:

- (a) an over-allotment option granted to one or more persons or companies for acting as an underwriter in connection with the distribution of any security issuable or transferable on the exercise of such an over-allotment option; or
- (b) securities issued or paid as compensation to one or more persons or companies for acting as an underwriter in respect of other securities that are distributed under the prospectus, where the number or principal amount of the securities issued as compensation, on an as-if-converted basis, does not in the aggregate exceed 10% of the total of the base offering on an as-if converted basis plus any securities that would be acquired upon the exercise of an over-allotment option.

### **11.3 Take-up by underwriter**

If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, the underwriter must take up the securities, if at all, within 42 days after the date of the receipt for the final prospectus.

## **PART 12: Restricted Securities**

### **12.1 Application**

This Part does not apply to:

- (a) securities of mutual funds;
- (b) securities that carry a right to vote subject to a restriction on the number or percentage of securities that may be voted or owned by persons or companies that are not citizens or residents of Canada or that are otherwise considered as a result of any law applicable to the issuer to be non-Canadians, but only to the extent of the restriction; and
- (c) securities that are subject to a restriction, imposed by any law governing the issuer, on the level of ownership of the securities by a person, company or combination of persons or companies, but only to the extent of the restriction.

### **12.2 Use of restricted security term**

- (1) An issuer must not refer to a security in a prospectus by a term or a defined term that includes the word “common” unless the security is an equity security to which are attached voting rights exercisable in all circumstances, irrespective of the number or percentage of securities owned, that are not less, per security, than the voting rights attached to any other outstanding security of the issuer.
- (2) An issuer must not refer in a prospectus to a term or defined term that includes the word “preference” or “preferred”, unless the security is a security, other than an equity security, to which is attached a preference or right over any class of equity security of the issuer.

(3) If restricted securities are referred to in the constating documents of the issuer by a term that is different from the appropriate restricted security term, the restricted securities may be described, in one place only in the prospectus, by the term used in the constating documents of the issuer; provided that, the description is not on the front page of the prospectus and is in the same type face and type size as that used generally in the body of the prospectus.

(4) A class of securities that is or may become restricted securities must be referred to in a prospectus using a term or a defined term that includes the appropriate restricted security term.

### 12.3 Prospectus filing eligibility

(1) Subject to subsection (3), an issuer must not file a prospectus under which restricted securities, subject securities or securities that are, directly or indirectly, convertible into, or exercisable or exchangeable for, restricted securities or subject securities, are distributed unless:

(a) the distribution has received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer; or

(b) at the time of any restricted security reorganization related to the securities to be distributed:

(i) the restricted security reorganization received prior majority approval of the securityholders of the issuer in accordance with applicable law, including approval on a class basis if required and excluding any votes attaching at the time to securities held, directly or indirectly, by affiliates of the issuer or control persons of the issuer;

(ii) the issuer was a reporting issuer in at least one jurisdiction; and

(iii) no purposes or business reasons for the creation of restricted securities were disclosed that are inconsistent with the purpose of the distribution.

(2) Subject to subsection (3), for each approval referred to in subsection (1), the issuer must have provided prior written disclosure in an information circular or notice to its securityholders that included:

(a) the name of each affiliate of the issuer that was a beneficial owner of securities of the issuer and the number of securities beneficially owned, directly or indirectly, by the affiliate as of the date of the information circular or notice to the extent known to the issuer after reasonable inquiry;

(b) the name of each control person and the number of securities beneficially owned, directly or indirectly, by the control person as of the date of the information circular or notice, to the extent known to the issuer after reasonable inquiry;

(c) a statement of the number of votes attaching to the securities that were excluded for the purpose of the approval to the extent known to the issuer after reasonable inquiry; and

(d) the purpose and business reasons for the creation of restricted securities.

- (3) Subsections (1) and (2) do not apply if:
- (a) the securities offered by the prospectus are of an existing class of restricted securities that were created before December 21, 1984;
  - (b) the issuer was a private issuer immediately before filing the prospectus;
  - (c) the securities offered by the prospectus are of the same class as securities distributed under a previous prospectus that was filed by an issuer that was, at the time of filing the previous prospectus, a private issuer;
  - (d) the securities offered by the prospectus are previously unissued restricted securities distributed by way of stock dividend in the ordinary course to securityholders instead of a cash dividend if at the time of distribution there is a published market for the restricted securities;
  - (e) the securities offered by the prospectus are distributed as a stock split that takes the form of a distribution of previously unissued restricted securities by way of stock dividend to holders of the same class of restricted securities if at the time of distribution there is a published market for the restricted securities and the distribution is part of a concurrent distribution by way of stock dividend to holders of all equity securities under which all outstanding equity securities of the issuer are increased in the same proportion; or
  - (f) as of a date not more than seven days before the date of the prospectus, the issuer expects that in each local jurisdiction in which the prospectus will be filed the number of securities of each class of equity securities held by registered holders whose last address as shown on the books of the issuer is in the local jurisdiction, or beneficially owned by persons or companies in the local jurisdiction, will be less than two percent of the outstanding number of securities of the class after giving effect to the proposed distribution.

## **PART 13: Advertising and Marketing in Connection with Prospectus Offerings of Issuers other than Investment Funds**

### **13.0 Application**

- (1) This Part applies to issuers other than investment funds filing a prospectus in the form of Form 41-101F2 or Form 41-101F3.
- (2) In this Part:
- “comparables”** means information that compares an issuer to other issuers;
  - “convertible security”** has the same meaning as in section 1.1 of National Instrument 45-102 *Resale of Securities*;
  - “exchangeable security”** has the same meaning as in section 1.1 of National Instrument 45-102 *Resale of Securities*;
  - “underlying security”** has the same meaning as in section 1.1 of National Instrument 45-102 *Resale of Securities*;
  - “U.S. cross-border initial public offering”** means an initial public offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC;

**“U.S. cross-border offering”** means an offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC, and includes a U.S. cross-border initial public offering;

**“U.S. prospectus”** means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act.

- (3) In this Part, for greater certainty, a reference to “provides” includes showing a document to a person without allowing the person to retain or make a copy of the document.

### 13.1 Legend for communications during the waiting period

- (1) A preliminary prospectus notice or other communication used in connection with a prospectus offering during the waiting period must contain the following legend or words to the same effect:

“A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued”.

- (2) If the preliminary prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.

- (3) Subsection (1) does not apply to standard term sheets and marketing materials.

### 13.2 Legend for communications following receipt for the final prospectus

- (1) A final prospectus notice or other communication used in connection with a prospectus offering following the issuance of a receipt for the final prospectus must contain the following legend or words to the same effect:

“This offering is only made by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from [insert name and contact information for dealer or other relevant person or entity.] Investors should read the prospectus before making an investment decision”.

- (2) If the final prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.

- (3) Subsection (1) does not apply to standard term sheets and marketing materials.

### 13.3 Repealed. 16 Aug 2013 SR 66/2013 s3.

#### 13.4 Testing of the waters exemption - IPO issuers

- (1) In this section, “public issuer” means an issuer that:
  - (a) is a reporting issuer in a jurisdiction of Canada;
  - (b) is an SEC issuer;
  - (c) has a class of securities that has been assigned a ticker symbol by the Financial Industry Regulatory Authority in the United States of America for use on any of the over-the-counter markets in the United States of America;
  - (d) has a class of securities that have been traded on an over-the-counter market with respect to which trade data is publicly reported; or
  - (e) has any of its securities listed, quoted or traded on a marketplace outside of Canada or any other facility outside of Canada for bringing together buyers and sellers of securities and with respect to which trade data is publicly reported.
- (2) Subject to subsections (3) to (7), the prospectus requirement does not apply to a solicitation of an expression of interest in order to ascertain if there would be sufficient interest in an initial public offering of securities by an issuer pursuant to a long form prospectus if:
  - (a) the issuer has a reasonable expectation of filing a preliminary long form prospectus in respect of an initial public offering in at least one jurisdiction of Canada;
  - (b) the issuer is not a public issuer before the date of the preliminary long form prospectus;
  - (c) an investment dealer makes the solicitation on behalf of the issuer;
  - (d) the issuer provided written authorization to the investment dealer to act on its behalf before the investment dealer made the solicitation;
  - (e) the solicitation is made to an accredited investor; and
  - (f) subject to subsection (3), the issuer and the investment dealer keep all information about the proposed offering confidential until the earlier of:
    - (i) the information being generally disclosed in a preliminary long form prospectus or otherwise; or
    - (ii) the issuer confirming in writing that it will not be pursuing the potential offering.
- (3) An investment dealer must not solicit an expression of interest from an accredited investor pursuant to subsection (2) unless:
  - (a) all written material provided to the accredited investor:
    - (i) is approved in writing by the issuer before it is provided;
    - (ii) is marked confidential; and
    - (iii) contains a legend stating that the material does not provide full disclosure of all material facts relating to the issuer, the securities or the offering and is not subject to liability for misrepresentations under applicable securities legislation; and

- (b) before providing the investor with any information about the issuer, the securities or the offering, the investment dealer obtains confirmation in writing from the investor that the investor will keep information about the proposed offering confidential, and will not use the information for any purpose other than assessing the investor's interest in the offering, until the earlier of:
  - (i) the information being generally disclosed in a preliminary long form prospectus or otherwise; or
  - (ii) the issuer confirming in writing that it will not be pursuing the potential offering.
- (4) If any investment dealer solicits an expression of interest pursuant to subsection (2), the issuer must not file a preliminary long form prospectus in respect of an initial public offering until the date which is at least 15 days after the date on which any investment dealer last solicited an expression of interest from an accredited investor pursuant to that subsection.
- (5) An issuer relying on the exemption in subsection (2) must keep:
  - (a) a written record of any investment dealer that it authorized to act on its behalf in making solicitations in reliance on the exemption; and
  - (b) a copy of any written authorizations referred to in paragraph (2)(d).
- (6) If an investment dealer solicits an expression of interest pursuant to subsection (2), the investment dealer must keep:
  - (a) a written record of any accredited investor that it solicited in reliance on the exemption;
  - (b) a copy of any written material and written approval referred to in subparagraph (3)(a)(i); and
  - (c) any written confirmations referred to in paragraph (3)(b).
- (7) Subsection (2) does not apply if:
  - (a) any of the issuer's securities are held by a control person that is a public issuer; and
  - (b) the initial public offering of the issuer would be a material fact or material change with respect to the control person.

### 13.5 Standard term sheets during the waiting period

- (1) An investment dealer that provides a standard term sheet to a potential investor during the waiting period is exempt from the prospectus requirement with respect to providing the standard term sheet if:
  - (a) the standard term sheet complies with subsections (2) and (3);
  - (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering is disclosed in, or derived from, the preliminary prospectus or any amendment; and
  - (c) a receipt for the preliminary prospectus has been issued in the local jurisdiction.

- (2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

The preliminary prospectus is still subject to completion. Copies of the preliminary prospectus may be obtained from [*insert contact information for the investment dealer or underwriters*]. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the following information in respect of the issuer, the securities or the offering:

- (a) the name of the issuer;
- (b) the jurisdiction or foreign jurisdiction in which the issuer's head office is located;
- (c) the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists;
- (d) a brief description of the business of the issuer;
- (e) a brief description of the securities;
- (f) the price or price range of the securities;
- (g) the total number or dollar amount of the securities, or range of the total number or dollar amount of the securities;
- (h) the terms of any over-allotment option;
- (i) the names of the underwriters;
- (j) whether the offering is on a firm commitment or best efforts basis;
- (k) the amount of the underwriting commission, fee or discount;
- (l) the proposed or expected closing date of the offering;



- (m) a brief description of the use of proceeds;
  - (n) the exchange on which the securities are proposed to be listed, provided that the standard term sheet complies with the requirements of securities legislation for listing representations;
  - (o) in the case of debt securities, the maturity date of the debt securities and a brief description of any interest payable on the debt securities;
  - (p) in the case of preferred shares, a brief description of any dividends payable on the securities;
  - (q) in the case of convertible securities, a brief description of the underlying securities into which the convertible securities are convertible;
  - (r) in the case of exchangeable securities, a brief description of the underlying securities into which the exchangeable securities are exchangeable;
  - (s) in the case of restricted securities, a brief description of the restriction;
  - (t) in the case of securities for which a credit supporter has provided a guarantee or alternative credit support, a brief description of the credit supporter and the guarantee or alternative credit support provided;
  - (u) whether the securities are redeemable or retractable;
  - (v) a statement that the securities are eligible, or are expected to be eligible, for investment in registered retirement savings plans, tax-free savings accounts or other registered plans, if the issuer has received, or reasonably expects to receive, a legal opinion that the securities are so eligible;
  - (w) contact information for the investment dealer or underwriters.
- (4) For the purposes of subsection (3), “brief description” means a description consisting of no more than three lines of text in type that is at least as large as that used generally in the body of the standard term sheet.

### **13.6 Standard term sheets after a receipt for a final prospectus**

- (1) An investment dealer must not provide a standard term sheet to a potential investor after a receipt for a final prospectus or any amendment is issued unless:
- (a) the standard term sheet complies with subsections (2) and (3);
  - (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering is disclosed in, or derived from, the final prospectus or any amendment; and
  - (c) a receipt for the final prospectus has been issued in the local jurisdiction.
- (2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A final prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

Copies of the final prospectus may be obtained from [*insert contact information for the investment dealer or underwriters*].

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus, and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the information referred to in subsection 13.5(3).

### **13.7 Marketing materials during the waiting period**

- (1) An investment dealer that provides marketing materials to a potential investor during the waiting period is exempt from the prospectus requirement with respect to providing the marketing materials if:

- (a) the marketing materials comply with subsections (2) to (8);
- (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering is disclosed in, or derived from, the preliminary prospectus or any amendment;
- (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the preliminary prospectus;
- (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
- (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
- (f) a receipt for the preliminary prospectus has been issued in the local jurisdiction; and
- (g) the investment dealer provides a copy of the preliminary prospectus and any amendment with the marketing materials.

- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that:

- (a) has a date that is different than the template version;
- (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
- (c) contains contact information for the investment dealer or underwriters; or
- (d) has text in a format, including the type's font, colour or size, that is different than the template version.

- (3) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.

(4) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or (7)(a) if:

- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
- (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
- (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
- (d) the complete template version of the marketing materials contains disclosure proximate to the comparables which:
  - (i) explains what comparables are;
  - (ii) explains the basis on which the other issuers were included in the comparables and why the other issuers are considered to be an appropriate basis for comparison with the issuer;
  - (iii) explains the basis on which the compared attributes were included;
  - (iv) states that the information about the other issuers was obtained from public sources and has not been verified by the issuer or the underwriters;
  - (v) discloses any risks relating to the comparables, including risks in making an investment decision based on the comparables; and
  - (vi) states that if the comparables contain a misrepresentation, the investor does not have a remedy under securities legislation.

(5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A preliminary prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document.

The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (6) If marketing materials are provided during the waiting period under subsection (1), the issuer must include the template version of the marketing materials filed under paragraph 1(e) in its final prospectus, or incorporate by reference the template version of the marketing materials filed under paragraph 1(e) into its final prospectus, in the manner described in subsection 36A.1(1) of Form 41-101F1 or subsection 11.6(1) of Form 44-101F1, as applicable.
- (7) If the final prospectus or any amendment modifies a statement of a material fact that appeared in marketing materials provided during the waiting period under subsection (1), the issuer must:
- (a) prepare and file, at the time the issuer files the final prospectus or any amendment, a revised template version of the marketing materials that is blacklined to show the modified statement; and
  - (b) include in the final prospectus, or any amendment, the disclosure required by subsection 36A.1(3) of Form 41-101F1 or subsection 11.6(3) of Form 44-101F1, as applicable.
- (8) A revised template version of the marketing materials filed under subsection (7) must comply with section 13.8.
- (9) If marketing materials are provided during the waiting period under subsection (1) but the issuer does not comply with subsection (6), the marketing materials are deemed for purposes of securities legislation to be incorporated into the issuer's final prospectus as of the date of the final prospectus to the extent not otherwise expressly modified or superseded by a statement contained in the final prospectus.

### **13.8 Marketing materials after a receipt for a final prospectus**

- (1) An investment dealer must not provide marketing materials to a potential investor after a receipt for a final prospectus or any amendment is issued unless:
- (a) the marketing materials comply with subsections (2) to (8);
  - (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering is disclosed in, or derived from, the final prospectus and any amendment;
  - (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the final prospectus;
  - (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
  - (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;

- (f) a receipt for the final prospectus has been issued in the local jurisdiction; and
  - (g) the investment dealer provides a copy of the final prospectus, and any amendment, with the marketing materials.
- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that:
- (a) has a date that is different than the template version;
  - (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
  - (c) contains contact information for the investment dealer or underwriters; or
  - (d) has text in a format, including the type's font, colour or size, that is different than the template version.
- (3) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.
- (4) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or (7)(b) if:
- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
  - (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
  - (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
  - (d) the complete template version of the marketing materials contains the disclosure referred to in paragraph 13.7(4)(d).
- (5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A final prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authority[ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the final prospectus, and any amendment, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus, and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

(6) An investment dealer must not provide marketing materials under subsection (1) unless the issuer:

(a) has included the template version of the marketing materials filed under paragraph 1(e) in its final prospectus, and any amendment, or incorporated by reference the template version of the marketing materials filed under paragraph 1(e) into its final prospectus, and any amendment, in the manner described in subsection 36A.1(1) of Form 41-101F1 or subsection 11.6(1) of Form 44-101F1, as applicable; or

(b) has included in its final prospectus, and any amendment, the statement described in subsection 36A.1(4) of Form 41-101F1 or subsection 11.6(4) of Form 44-101F1, as applicable.

(7) If an amendment to a final prospectus modifies a statement of material fact that appeared in marketing materials provided under subsection (1), the issuer must:

(a) indicate in the amendment to the final prospectus that the marketing materials are not part of the final prospectus, as amended, to the extent that the contents of the marketing materials have been modified or superseded by a statement contained in the amendment;

(b) prepare and file, at the time the issuer files the amendment to the final prospectus, a revised template version of the marketing materials that is blacklined to show the modified statement; and

(c) include in the amendment to the final prospectus the disclosure required by subsection 36A.1(3) of Form 41-101F1 or subsection 11.6(3) of Form 44-101F1, as applicable.

(8) Any revised template version of the marketing materials filed under subsection (7) must comply with this section.

(9) If marketing materials are provided under subsection (1) but the issuer did not comply with subsection (6), the marketing materials are deemed for purposes of securities legislation to be incorporated into the issuer's final prospectus as of the date of the final prospectus to the extent not otherwise expressly modified or superseded by a statement contained in the final prospectus.

### **13.9 Road shows during the waiting period**

(1) An investment dealer that conducts a road show for potential investors during the waiting period is exempt from the prospectus requirement with respect to that road show if:

(a) the road show complies with subsections (2) to (4); and

(b) a receipt for the preliminary prospectus has been issued in the local jurisdiction.

(2) Subject to section 13.12, an investment dealer must not provide marketing materials to an investor attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 13.7.

(3) If an investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to:

(a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;

(b) keep a record of any information provided by the investor; and

(c) provide the investor with a copy of the preliminary prospectus and any amendment.

(4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

#### **13.10 Road shows after a receipt for a final prospectus**

(1) An investment dealer must not conduct a road show for potential investors after a receipt for a final prospectus or any amendment is issued unless:

(a) the road show complies with subsections (2) to (4); and

(b) a receipt for the final prospectus has been issued in the local jurisdiction.

(2) Subject to section 13.12, an investment dealer must not provide marketing materials to an investor attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 13.8.

(3) If an investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to:

(a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;

(b) keep a record of any information provided by the investor; and

(c) provide the investor with a copy of the final prospectus and any amendment.

(4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

#### **13.11 Exception from procedures for road shows for certain U.S. cross-border initial public offerings**



(1) Subject to subsection (2), the following provisions do not apply to an investment dealer that conducts a road show in connection with a U.S. cross-border initial public offering:

- (a) paragraphs 13.9(3)(a) and (b);
- (b) paragraphs 13.10(3)(a) and (b).

(2) Subsection (1) does not apply unless:

- (a) the issuer is relying on the exemption from United States filing requirements in Rule 433(d)(8)(ii) under the 1933 Act in respect of the road show; and
- (b) the investment dealer establishes and follows reasonable procedures to:
  - (i) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to voluntarily provide their name and contact information; and
  - (ii) keep a record of any information voluntarily provided by the investor.

**13.12 Exception from filing and incorporation requirements for road shows for certain U.S. cross-border offerings**

(1) Subject to subsections (2) to (4), if an investment dealer provides marketing materials to a potential investor in connection with a road show for a U.S. cross-border offering, the following provisions do not apply to the template version of the marketing materials relating to the road show:

- (a) paragraphs 13.7(1)(e) and 13.8(1)(e);
- (b) subsections 13.7(6) to (9);
- (c) subsections 13.8(6) to (9);
- (d) paragraphs 36A.1(1)(b) and (c), paragraph 36A.1(3)(b), subsection 36A.1(4) and section 37.6 of Form 41-101F1;
- (e) paragraphs 11.6(1)(b) and (c), paragraph 11.6(3)(b) and subsection 11.6(4) of Form 44-101F1.

(2) Subsection (1) does not apply unless:

- (a) the underwriters have a reasonable expectation that the securities offered under the U.S. cross-border offering will be sold primarily in the United States of America;
- (b) the issuer and the underwriters who sign the prospectus filed in the local jurisdiction provide a contractual right containing the language set out in subsection 36A.1(5) of Form 41-101F1, or words to the same effect, except that the language may specify that the contractual right does not apply to any comparables provided in accordance with subsection (3); and
- (c) if the prospectus is filed in the local jurisdiction, the template version of the marketing materials relating to the road show is delivered to the securities regulatory authority.

(3) If the template version of the marketing materials relating to the road show contains comparables, the template version of the marketing materials must contain the disclosure referred to in paragraph 13.7(4)(d).

(4) For greater certainty, subsection (1) does not apply to marketing materials other than the marketing materials provided in connection with the road show.

## **PART 13A: Advertising and Marketing in Connection with Prospectus Offerings of Investment Funds**

### **13A.1 Application**

This Part applies to investment funds filing a prospectus in the form of Form 41-101F2 or Form 41-101F3.

### **13A.2 Legend for communications during the waiting period**

(1) A preliminary prospectus notice or other communication used in connection with a prospectus offering during the waiting period must contain the following legend, or words to the same effect:

A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in certain jurisdictions of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from *[insert name and contact information for dealer or other relevant person or company]*. There will not be any sale or acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

(2) If the preliminary prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.

### **13A.3 Legend for communications following receipt for the final prospectus**

(1) A final prospectus notice or other communication used in connection with a prospectus offering following the issuance of a receipt for the final prospectus must contain the following legend, or words to the same effect:

This offering is made only by prospectus. The prospectus contains important detailed information about the securities being offered. Copies of the prospectus may be obtained from *[insert name and contact information for dealer or other relevant person or company]*. Investors should read the prospectus before making an investment decision.

(2) If the final prospectus notice or other communication is in writing, include the wording required under subsection (1) in bold type that is at least as large as that used generally in the body of the text.

### **13A.4 Advertising during the waiting period**

If the issuer is an investment fund, an advertisement used in connection with a prospectus offering during the waiting period may state only the following information:

- (a) whether the security represents a share in an incorporated entity or an interest in an unincorporated entity;
- (b) the name of the issuer;

- (c) the price of the security;
- (d) the fundamental investment objectives of the investment fund;
- (e) the name of the manager of the investment fund;
- (f) the name of the portfolio manager of the investment fund;
- (g) the name and address of a person or company from whom a preliminary prospectus may be obtained and purchases of securities may be made;
- (h) how many securities will be made available;
- (i) whether the security is or will be a qualified investment for a registered retirement savings plan, registered retirement income fund, registered education savings plan or tax free savings account or qualifies, or will qualify, the holder for special tax treatment.

## **PART 14: Custodianship of Portfolio Assets of an Investment Fund**

### **14.1 General**

- (1) This Part applies to an investment fund that prepares a prospectus in accordance with this Instrument, other than an investment fund subject to NI 81-102.
- (2) Subject to sections 14.8 and 14.9, all portfolio assets of an investment fund must be held under the custodianship of one custodian that satisfies the requirements of section 14.2.
- (3) No manager of an investment fund may act as a custodian or sub-custodian of the investment fund.

### **14.2 Who may act as custodian or sub-custodian**

- (1) If portfolio assets are held in Canada by a custodian or sub-custodian, the custodian or sub-custodian must be one of the following:
  - (a) a bank listed in Schedule I, II or III of the Bank Act (Canada);
  - (b) a trust company that:
    - (i) is incorporated and licenced or registered under the laws of Canada or a jurisdiction; and
    - (ii) has equity, as reported in its most recent audited financial statement, of not less than \$10,000,000;
  - (c) a company that is incorporated under the laws of Canada or a jurisdiction and is an affiliate of a bank or trust company referred to in paragraph (a) or (b), if:
    - (i) the company has equity, as reported in its most recent audited financial statements that have been made public, of not less than \$10,000,000; or
    - (ii) the bank or trust company has assumed responsibility for all of the custodial obligations of the company for that investment fund.

(2) If portfolio assets are held outside of Canada by a sub-custodian, the sub-custodian must be one of the following:

- (a) an entity referred to in subsection (1);
- (b) an entity that:
  - (i) is incorporated or organized under the law of a country, or a political subdivision of a country, other than Canada;
  - (ii) is regulated as a banking institution or trust company by the government, or an agency of the government of the country or political subdivision of the country under whose laws it is incorporated or organized; and
  - (iii) has equity, as reported in its most recent audited financial statements of not less than the equivalent of \$100,000,000;
- (c) an affiliate of an entity referred to in paragraph (a) or (b) if:
  - (i) the affiliate has equity, as reported in its most recent audited financial statements that have been made public, of not less than the equivalent of \$100,000,000; or
  - (ii) the entity referred to in paragraphs (a) or (b) has assumed responsibility for all of the custodial obligations of the affiliate for that investment fund.

#### 14.3 Standard of care

(1) The custodian and each sub-custodian of an investment fund, in carrying out their duties concerning the safekeeping of, and dealing with, the portfolio assets of the investment fund, must exercise:

- (a) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances; or
  - (b) at least the same degree of care as they exercise with respect to their own property of a similar kind, if this is a higher degree of care than the degree of care referred to in paragraph (a).
- (2) No investment fund may relieve the custodian or a sub-custodian of the investment fund from liability to the investment fund or to a securityholder of the investment fund for loss that arises out of the failure of the custodian or sub-custodian to exercise the standard of care imposed by subsection (1).
- (3) An investment fund may indemnify a custodian or sub-custodian against legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by that entity in connection with custodial or sub-custodial services provided by that entity to the investment fund, if those fees, judgments and amounts were not incurred as a result of a breach of the standard of care described in subsection (1).
- (4) No investment fund may incur the cost of any portion of liability insurance that insures a custodian or sub-custodian for a liability, except to the extent that the custodian or sub-custodian may be indemnified for that liability under this section.

#### 14.4 Appointment of sub-custodian

- (1) The custodian or a sub-custodian of an investment fund may appoint one or more sub-custodians to hold portfolio assets of the investment fund if:
  - (a) in the case where the appointment is by the custodian, the investment fund gives written consent to each appointment;
  - (b) in the case where the appointment is by a sub-custodian, the investment fund and the custodian of the investment fund give written consent to each appointment;
  - (c) the sub-custodian is an entity described in subsection 14.2(1) or (2), as applicable;
  - (d) the arrangements under which a sub-custodian is appointed are such that the investment fund may enforce rights directly, or require the custodian or a sub-custodian to enforce rights on behalf of the investment fund, to the portfolio assets held by the appointed sub-custodian; and
  - (e) the appointment is otherwise in compliance with this Instrument.
- (2) Despite paragraphs (1)(a) and (b), a general consent to the appointment of persons or companies that are part of an international network of sub-custodians within the organization of the custodian appointed by the investment fund or the sub-custodian appointed by the custodian is sufficient if that general consent is part of an agreement governing the relationship between the investment fund and the appointed custodian or the custodian and the appointed sub-custodian.
- (3) A custodian or sub-custodian must provide to the investment fund a list of each person or company that is appointed sub-custodian under a general consent referred to in subsection (2).

#### 14.5 Content of agreements

- (1) All custodian agreements and sub-custodian agreements of an investment fund must provide for:
  - (a) the location of portfolio assets;
  - (b) the appointment of a sub-custodian, if any;
  - (c) the provision of lists of sub-custodians;
  - (d) the method of holding portfolio assets;
  - (e) the standard of care and responsibility for loss;
  - (f) review and compliance reports; and
  - (g) the safekeeping of portfolio assets on terms consistent with the agreement between the investment fund and the custodian, for an agreement between a custodian and a sub-custodian.
- (2) The provisions of an agreement referred to under subsection (1) must comply with the requirements of this Part.

(3) A custodian agreement or sub-custodian agreement concerning the portfolio assets of an investment fund must not:

- (a) provide for the creation of any security interest on the portfolio assets except for a good faith claim for payment of the fees and expenses of the custodian or sub-custodian for acting in that capacity or to secure the obligations of the investment fund to repay borrowings by the investment fund from a custodian or sub-custodian for the purpose of settling portfolio transactions; or
- (b) contain a provision that would require the payment of a fee to the custodian or sub-custodian for the transfer of the beneficial ownership of portfolio assets, other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

#### **14.6 Review and compliance reports**

(1) The custodian of an investment fund must, on a periodic basis and at least annually:

- (a) review the agreements referred to in section 14.5 to determine if those agreements are in compliance with this Part;
- (b) make reasonable enquiries to ensure that each sub-custodian is an entity referred to in subsection 14.2(1) or (2), as applicable; and
- (c) make or cause to be made any changes that may be necessary to ensure that:
  - (i) the agreements are in compliance with this Part; and
  - (ii) each sub-custodian is an entity referred to in subsection 14.2(1) or (2), as applicable.

(2) The custodian of an investment fund must, within 60 days after the end of each financial year of the investment fund, advise the investment fund in writing:

- (a) of the names and addresses of all sub-custodians of the investment fund;
- (b) if the agreements are in compliance with this Part; and
- (c) if, to the best of the knowledge and belief of the custodian, each sub-custodian is an entity that satisfies the requirements of subsection 14.2(1) or (2), as applicable.

(3) A copy of the report referred to in subsection (2) must be delivered by or on behalf of the investment fund to the securities regulatory authority within 30 days after the filing of the annual financial statements of the investment fund.

#### **14.7 Holding of portfolio assets and payment of fees**

(1) Except as provided in subsections (2) and (3) and sections 14.8 and 14.9, portfolio assets not registered in the name of the investment fund must be registered in the name of the custodian or a sub-custodian of the investment fund or any of their respective nominees with an account number or other designation in the records of the custodian sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.

(2) The custodian or a sub-custodian of the investment fund or the applicable nominee must segregate portfolio assets issued in bearer form to show that the beneficial ownership of the property is vested in the investment fund.

(3) A custodian or sub-custodian of an investment fund may deposit portfolio assets with a depository or a clearing agency that operates a book-based system.

(4) The custodian or sub-custodian of an investment fund arranging for the deposit of portfolio assets with, and their delivery to, a depository, or clearing agency, that operates a book-based system must ensure that the records of any of the applicable participants in that book-based system or the custodian contain an account number or other designation sufficient to show that the beneficial ownership of the portfolio assets is vested in the investment fund.

(5) No investment fund may pay a fee to a custodian or sub-custodian for the transfer of beneficial ownership of portfolio assets other than for safekeeping and administrative services in connection with acting as custodian or sub-custodian.

#### **14.8 Custodial provisions relating to derivatives and securities lending, repurchases and reverse repurchase agreements**

(1) For the purposes of subsection (4), “specified derivative” has the same meaning as in NI 81-102.

(2) An investment fund may deposit portfolio assets as margin for transactions in Canada involving clearing corporation options, options on futures or standardized futures with a dealer that is a member of an SRO that is a participating member of CIPF if the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.

(3) An investment fund may deposit portfolio assets with a dealer as margin for transactions outside Canada involving clearing corporation options, options on futures or standardized futures if:

(a) in the case of standardized futures and options on futures, the dealer is a member of a futures exchange or, in the case of clearing corporation options, is a member of a stock exchange, and, as a result in either case, is subject to a regulatory audit;

(b) the dealer has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million; and

(c) the amount of margin deposited does not, when aggregated with the amount of margin already held by the dealer on behalf of the investment fund, exceed 10% of the net assets of the investment fund, taken at market value as at the time of deposit.

(4) An investment fund may deposit with its counterparty portfolio assets over which it has granted a security interest in connection with a particular specified derivatives transaction.

(5) The agreement by which portfolio assets are deposited in accordance with subsection (2), (3) or (4) must require the person or company holding the portfolio assets to ensure that its records show that the investment fund is the beneficial owner of the portfolio assets.



(6) An investment fund may deliver portfolio assets to a person or company in satisfaction of its obligations under a securities lending, repurchase or reverse purchase agreement if the collateral, cash proceeds or purchased securities that are delivered to the investment fund in connection with the transaction are held under the custodianship of the custodian or a sub-custodian of the investment fund in compliance with this Part.

#### **14.8.1 Custodial provisions relating to short sales**

(1) For the purposes of subsection (2), “borrowing agent” has the same meaning as in NI 81-102.

(2) Except where the borrowing agent is the investment fund’s custodian or sub-custodian, if an investment fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the market value of portfolio assets deposited with the borrowing agent must not, when aggregated with the market value of portfolio assets already held by the borrowing agent as security for outstanding short sales of securities by the investment fund, exceed 10% of the net asset value of the investment fund at the time of deposit.

(3) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer in Canada unless that dealer is a registered dealer and is a member of the Investment Industry Regulatory Organization of Canada.

(4) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer outside Canada unless that dealer:

- (a) is a member of a stock exchange and is subject to a regulatory audit; and
- (b) has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million.

#### **14.9 Separate account for paying expenses**

An investment fund may deposit cash in Canada with an entity referred to in paragraph (a) or (b) of subsection 14.2(1) to facilitate the payment of regular operating expenses of the investment fund.

### **PART 15: Documents Incorporated by Reference by Investment Funds**

#### **15.1 Application**

This Part applies only to an investment fund in continuous distribution.

#### **15.2 Incorporation by reference**

(1) An investment fund must incorporate by reference into its long form prospectus, by means of a statement to that effect, the filed documents listed in:

- (a) section 37.1 of Form 41-101F2 for investment funds other than scholarship plans; and
- (b) subsection 4.1(1) of Part B of Form 41-101F3 for scholarship plans.

(2) If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (1), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date of the long form prospectus.

(3) An investment fund must incorporate by reference in its long form prospectus, by means of a statement to that effect, the subsequently filed documents referred to in:

- (a) section 37.2 of Form 41-101F2 for investment funds other than scholarship plans; and
- (b) subsection 4.1(2) of Part B of Form 41-101F3 for scholarship plans.

(4) If an investment fund does not incorporate by reference into its long form prospectus a document referred to in subsection (3), the document is deemed, for the purposes of securities legislation, to be incorporated by reference in the investment fund's long form prospectus as of the date the investment fund filed the document.

### **15.3 Documents to be delivered or sent upon request**

(1) An ETF must deliver or send to any person or company that requests the prospectus of the ETF or any of the documents incorporated by reference into the prospectus, a copy of the prospectus or requested document.

(2) A document requested under subsection (1) must be delivered or sent within three business days of receipt of the request and free of charge.

## **PART 16: Distribution of Preliminary Prospectus and Distribution List**

### **16.1 Distribution of preliminary prospectus and distribution list**

Except in Ontario, any dealer distributing a security during the waiting period must:

- (a) send a copy of the preliminary prospectus to each prospective purchaser who indicates an interest in purchasing the security and requests a copy of such preliminary prospectus; and
- (b) maintain a record of the names and addresses of all persons and companies to whom the preliminary prospectus has been forwarded.

[**Note:** In Ontario, sections 66 and 67 of the Securities Act (Ontario) impose similar requirements regarding the distribution of a preliminary prospectus and maintaining a distribution list.]

## **PART 17: Lapse Date**

### **17.1 Pro forma prospectus**

(1) In this Part, “**pro forma prospectus**” means a long form prospectus that complies with the requirements described in subsection (2).

(2) A pro forma prospectus must be prepared in the form of a long form prospectus in accordance with Form 41-101F1, Form 41-101F2 or Form 41-101F3, as applicable, and other securities legislation, except that a pro forma prospectus is not required to contain prospectus certificates or to comply with sections 4.2, 4.3 and 4.4 of this Instrument.

(3) This Part does not apply to a prospectus filed in accordance with NI 44-101, NI 44-102 or NI 44-103.

## 17.2 Refiling of prospectus

- (1) This section does not apply in Ontario.
- (2) In this section, “**lapse date**” means, with reference to the distribution of a security that has been qualified under a prospectus, the date that is 12 months after the date of the most recent final prospectus relating to the security.
- (3) An issuer must not continue the distribution of a security to which the prospectus requirement applies after the lapse date unless the issuer files a new prospectus that complies with securities legislation and a receipt for that new prospectus is issued by the regulator.
- (4) Despite subsection (3), a distribution may be continued for a further 12 months after a lapse date if:
  - (a) the issuer delivers a pro forma prospectus not less than 30 days before the lapse date of the previous prospectus;
  - (b) the issuer files a new final prospectus not later than 10 days after the lapse date of the previous prospectus; and
  - (c) a receipt for the new final prospectus is issued by the regulator within 20 days after the lapse date of the previous prospectus.
- (5) The continued distribution of securities after the lapse date does not contravene subsection (3) unless and until any of the conditions of subsection (4) are not complied with.
- (6) Subject to any extension granted under subsection (7), if a condition in subsection (4) is not complied with, a purchaser may cancel a purchase made in a distribution after the lapse date in reliance on subsection (4) within 90 days after the purchaser first became aware of the failure to comply with the condition.
- (7) The regulator may, on an application of a reporting issuer, extend, subject to such terms and conditions as it may impose, the times provided by subsection (4) where in its opinion it would not be prejudicial to the public interest to do so.

[**Note:** In Ontario, section 62 of the Securities Act (Ontario) imposes similar requirements and procedures regarding refiling of prospectuses.]

## PART 18: Statement of Rights

### 18.1 Statement of rights

Except in Ontario, a prospectus must contain a statement of the rights given to a purchaser under securities legislation in case of a failure to deliver the prospectus or in case of a misrepresentation in a prospectus.

[**Note:** In Ontario, section 60 of the Securities Act (Ontario) imposes a similar requirement for the inclusion of a statement of rights in a prospectus.]

## PART 19: Exemption

### 19.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of NI 14-101 opposite the name of the local jurisdiction.

### **19.2 Application for exemption**

An application made to the securities regulatory authority or regulator for an exemption from the provisions of this Instrument must include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

### **19.3 Evidence of exemption**

(1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption from subsection 2.2(2), may be evidenced by the issuance of a receipt for a final prospectus or an amendment to a final prospectus.

(2) The issuance of a receipt for a final prospectus or an amendment to a final prospectus is not evidence that the exemption has been granted unless:

- (a) the person or company that sought the exemption sent to the regulator:
  - (i) the letter or memorandum referred to in section 19.2 on or before the date of the filing of the pro forma or preliminary prospectus; or
  - (ii) the letter or memorandum referred to in section 19.2 after the date of the filing of the pro forma or preliminary prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and
- (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

## **PART 20: Transition, Effective Date, and Repeal**

### **20.1 Transition**

- (1) [Repealed]
- (2) [Repealed]

### **20.2 Effective Date**

This Instrument comes into force on March 17, 2008.

### **20.3 Repeal**

National Instrument 41-101 *Prospectus Disclosure Requirements*, which came into force on December 31, 2000, is repealed.

**APPENDIX A TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM  
AND AUTHORIZATION OF INDIRECT COLLECTION,  
USE AND DISCLOSURE OF PERSONAL INFORMATION**

**Schedule 1  
Part A**

**Personal Information Form and Authorization of Indirect Collection,  
Use and Disclosure of Personal Information**

This Personal Information Form and Authorization of Indirect Collection, Use and Disclosure of Personal Information (the “Form”) is to be completed by every individual who, in connection with an issuer filing a prospectus (the “Issuer”), is required to do so under Part 9 of National Instrument 41-101 General Prospectus Requirements or Part 4 of National Instrument 44-101 Short Form Prospectus Distributions or Part 2 of National Instrument 81-101 Mutual Fund Prospectus Disclosure.

**The securities regulatory authorities do not make any of the  
information provided in this Form public.**

**General Instructions:**

<b>All Questions</b>	<p><b>All questions must have a response.</b> The response of “N/A” or “Not Applicable” will not be accepted for any questions, <u>except</u> Questions 1(B), 2(iii) and (v) and 5.</p> <p>For the purposes of answering the questions in this Form, the term “issuer” includes an investment fund manager.</p>
<b>Questions 6 to 10</b>	<p>Please place a checkmark (✓) in the appropriate space provided. If your answer to any of questions 6 to 10 is “YES”, you <u>must</u>, in an attachment, provide complete details, including the circumstances, relevant dates, names of the parties involved and final disposition, if known. <b>Any attachment must be initialled by the person completing this Form.</b> Responses must consider all time periods.</p>
<b>Delivery</b>	<p><b>The issuer should deliver completed Forms electronically via the System for Electronic Document Analysis and Retrieval (SEDAR) under the document type “Personal Information Form and Authorization”. Access to this document type is not available to the public.</b></p>

**CAUTION**

An individual who makes a false statement commits an offence under securities legislation. Steps may be taken to verify the answers you have given in this Form, including verification of information relating to any previous criminal record.

## DEFINITIONS

**“Offence”** An offence includes:

- (a) a summary conviction or indictable offence under the *Criminal Code* (Canada);
- (b) a quasi-criminal offence (for example under the *Income Tax Act* (Canada), the *Immigration Act* (Canada) or the tax, immigration, drugs, firearms, money laundering or securities legislation of any Canadian or foreign jurisdiction);
- (c) a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein; or
- (d) an offence under the criminal legislation of any other foreign jurisdiction;

**GUIDANCE:** If you have received a pardon under the Criminal Records Act (Canada) for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences, you must disclose the pardoned Offence in this Form. In such circumstances:

- (a) the appropriate written response would be “Yes, pardon granted on (date)”; and
- (b) you must provide complete details in an attachment to this Form.

**“Proceedings”** means:

- (a) a civil or criminal proceeding or inquiry which is currently before a court;
- (b) a proceeding before an arbitrator or umpire or a person or group of persons authorized by law to make an inquiry and take evidence under oath in the matter;
- (c) a proceeding before a tribunal in the exercise of a statutory power of decision making where the tribunal is required by law to hold or afford the parties to the proceeding an opportunity for a hearing before making a decision; or
- (d) a proceeding before a self-regulatory entity authorized by law to regulate the operations and the standards of practice and business conduct of its members (including where applicable, issuers listed on a stock exchange) and individuals associated with those members and issuers, in which the self-regulatory entity is required under its by-laws, rules or policies to hold or afford the parties the opportunity to be heard before making a decision, but does not apply to a proceeding in which one or more persons are required to make an investigation and to make a report, with or without recommendations, if the report is for the information or advice of the person to whom it is made and does not in any way bind or limit that person in any decision the person may have the power to make;

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**“securities regulatory authority”** or **“SRA”** means a body created by statute in any Canadian or foreign jurisdiction to administer securities law, regulation and policy (e.g. securities commission), but does not include an exchange or other self regulatory entity;

**“self regulatory entity or “SRE””** means:

- (a) a stock, derivatives commodities, futures or options exchange;
- (b) an association of investment, securities, mutual fund, commodities, or future dealers;
- (c) an association of investment counsel or portfolio managers;
- (d) an association of other professionals (e.g. legal, accounting, engineering); and
- (e) any other group, institution or self-regulatory organization, recognized by a securities regulatory authority, that is responsible for the enforcement of rules, policies, disciplines or codes under any applicable legislation, or considered an SRE in another country.

**1.A. IDENTIFICATION OF INDIVIDUAL COMPLETING FORM**

LAST NAMES(S)		FIRST NAMES(S)		FULL MIDDLE NAME(S) (No initials. If none, please state)	
NAME(S) MOST COMMONLY KNOWN BY:					
NAME OF ISSUER					
PRESENT or PROPOSED POSITION(S) WITH THE ISSUER - check (✓) all positions below that are application	(✓)	IF DIRECTOR/OFFICER DISCLOSE THE DATE ELECTED/APPOINTED			IF OFFICER - PROVIDE TITLE IF OTHER - PROVIDE DETAILS
		MONTH	DAY	YEAR	
Director					
Officer					
Other					

**B.**

Other than the name given in Question 1A above, provide any legal names, assumed names or nicknames under which you have carried on business or have otherwise been known, including information regarding any name change(s) resulting from marriage, divorce, court order or any other process. Use an attachment if necessary.	FROM		TO	
	MM	YY	MM	YY



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GENDER		DATE OF BIRTH			PLACE OF BIRTH		
		Month	Day	Year	City	Province/State	Country
<b>MALE</b>							
<b>FEMALE</b>							

MARITAL STATUS	FULL NAME OF SPOUSE - include common-law	OCCUPATION OF SPOUSE

TELEPHONE AND FACSIMILE NUMBERS AND E-MAIL ADDRESS			
RESIDENTIAL	(    )	FACSIMILE	(    )
BUSINESS	(    )	E-MAIL*	

\*Provide an email address that the regulator may use to contact you regarding this personal information form. This email address may be used to exchange personal information relating to you.

**2. CITIZENSHIP**

	YES	NO
(i) Are you a Canadian Citizen?		
(ii) Are you a person lawfully in Canada as an immigrant but are not yet a Canadian Citizen?		
(iii) If "Yes" to Question 2(ii), the number of years of continuous residence in Canada:		
(iv) Do you hold citizenship in any country other than Canada?		
(v) If "Yes" to Question 2(iv), the name of the country(ies)?		

**3. EMPLOYMENT HISTORY**

Provide your complete employment history for the 5 YEARS immediately prior to the date of this Form starting with your current employment. Use an attachment if necessary. If you were unemployed during this period of time, state this and identify the period of unemployment.

EMPLOYEE NAME	EMPLOYEE ADDRESS	POSITION HELD	FROM		TO	
			MM	YY	MM	YY

**4. INVOLVEMENT WITH ISSUERS**

	YES	NO
A. Are you or have you during the last 10 years ever been a dictator, officer, promoter, insider or control person for any reporting issuer?		

B. If "YES" to 4A above, provide the names of each reporting issuer. State the position(s) held and the period(s) during which you held the position(s). Use an attachment if necessary.						
NAME OF REPORTING	POSITION(S)	MARKET TRADED ON	FROM		TO	
			MM	YY	MM	YY

- |    |  |  |
|----|--|--|
| C. | While you were a director, officer or insider of an issuer, did any exchange or other self-regulatory entity ever refuse approval for listing or quotation of the issuer, including (i) a listing resulting from a business combination, reverse takeover or similar transaction involving the issuer that is regulated by an SRE or SRA, (ii) a backdoor listing or qualifying acquisition involving the issuer (as those terms are defined in the TSX Company Manual as amended from time to time) or (iii) a qualifying transaction, reverse takeover or change of business involving the issuer (as those terms are defined in the TSX Venture Corporate Finance Manual as amended from time to time)? If yes, attach full particulars |  |
|----|--|--|

## 5. EDUCATIONAL HISTORY

- A. PROFESSIONAL DESIGNATION(S) - Identify any professional designation held and professional associations to which you belong, for example, Barrister & Solicitor, C.A., C.M.A., C.G.A., P.Eng., P. Geol., CFA, etc. and indicate which organization and the date the designations were granted.

PROFESSIONAL DESIGNATION and MEMBERSHIP NUMBER	GRANTOR OF DESIGNATION and CANADIAN or FOREIGN JURISDICTION	DATE GRANTED	
		MM	YY

Describe the current status of any designated and/or association (e.g. active, retired, non-practicing, suspended)

--

- B. Provide your post-secondary educational history starting with the most recent.**

SCHOOL	LOCATION	DEGREE OR DIPLOMA	DATE OBTAINED					
			MM		DD		YY	

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- 6. OFFENCES** – If you answer ‘YES’ to any item in Question 6, you must provide complete details in an attachment. **If you have received a pardon under the Criminal Records Act (Canada) for an Offence that relates to fraud (including any type of fraudulent activity), misappropriation of money or other property, theft, forgery, falsification of books or documents or similar Offences, you must disclose the pardoned Offence in this Form.**

	YES	NO
A. Have you ever, in any Canadian or foreign jurisdiction, pled guilty to or been found guilty of an Offence?		
B. Are you the subject of any current charge, indictment or proceeding for an Offence, in any Canadian or foreign jurisdiction?		
C. To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any Canadian or foreign jurisdiction, at the time of events that resulted in the issuer:		
(i) pleading guilty to or being found guilty of an Offence		
(ii) now being the subject of any charge, indictment or proceeding for an alleged Offence?		

- 7. BANKRUPTCY** – If you answer ‘YES’ to any item in Question 7, you must provide complete details in an attachment and attach a copy of any discharge, release or other applicable document. You must answer ‘YES’ or ‘NO’ for EACH of (A), (B) and (C) below.

	YES	NO
A. Have you, in any Canadian or foreign jurisdiction, within the past <b>10 years</b> had a petition in bankruptcy issued against you, made a voluntary assignment in bankruptcy, made a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to manage your assets?		
B. Are you now an undischarged bankrupt?		
C. To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider, or control person of an issuer, in any Canadian or foreign jurisdiction, at the time of events, or for a period of 12 months preceding the time of events, where the issuer:		
(i) has made a petition in bankruptcy, a voluntary assignment in bankruptcy, a proposal under any bankruptcy or insolvency legislation, been subject to any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to manage the issuer’s assets?		
(ii) is now an undischarged bankrupt?		

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8. **PROCEEDINGS** – If you answer “YES” to any item in Question 8, you must provide complete details in an attachment.

A.	YES	NO
<b>CURRENT PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Are you now, in any Canadian or foreign jurisdiction, the subject of:</b>		
(i) a notice of hearing or similar notice issued by an SRA or SRE?		
(ii) a proceeding of or, to your knowledge, an investigation by, an SRA or SRE?		
(iii) settlement discussions or negotiations for settlement of any nature or kind whatsoever with an SRA or SRE?		

B.	YES	NO
<b>PRIOR PROCEEDINGS BY SECURITIES REGULATORY AUTHORITY OR SELF REGULATORY ENTITY. Have you ever:</b>		
(i) been reprimanded, suspended, fined, been the subject of an administrative penalty, or been the subject of any proceedings of any kind whatsoever, in any Canadian or foreign jurisdiction, by an SRA or SRE?		
(ii) had a registration or licence for the trading of securities, exchange or commodity futures contracts, real estate, insurance or mutual fund products cancelled, refused, restricted or suspended by an SRA or SRE?		
(iii) been prohibited or disqualified by an SRA or SRE under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer or been prohibited or restricted by an SRA or SRE from acting as a director, officer or employee of, or an agent or consultant to, a reporting issuer?		
(iv) had a cease trading or similar order issued against you or an order issued against you by an SRA or SRE that denied you the right to use any statutory prospectus or registration exemption?		
(v) had any other proceeding of any kind taken against you by an SRA or SRE?		

C.		
<b>SETTLEMENT AGREEMENT(S)</b>		
Have you ever entered into a settlement agreement with an SRA, SRE, attorney general or comparable official or body, in any Canadian or foreign jurisdiction, in a matter that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading in securities or exchange or commodity futures contracts, illegal distributions, failure to disclose material facts or changes or similar conduct, or any other settlement agreement with respect to any other violation of securities legislation in a Canadian or foreign jurisdiction or the rules, by-laws or policies of any SRE?		

- 9. CIVIL PROCEEDINGS** – If you answer ‘YES’ to any item in Question 9, you must provide complete details in an attachment.

A.	YES	NO
<b>JUDGMENT, GARNISHMENT AND INJUNCTIONS</b> <b>Has a court in any Canadian or foreign jurisdiction:</b>		
(i) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against you in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
(ii) rendered a judgment, ordered garnishment or issued an injunction or similar ban (whether by consent or otherwise) against an issuer, of which you are currently or have ever been a director, officer, promoter, insider or control person in a claim based in whole or in part on fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
<b>B. CURRENT CLAIMS</b>		
(i) Are you now subject, in any Canadian or foreign jurisdiction, to a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer that is now subject, in any Canadian or foreign jurisdiction, to a claim that is based in whole or in part on actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
<b>C. SETTLEMENT AGREEMENT(S)</b>		
(i) Have you ever entered into a settlement agreement, in any Canadian or foreign jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		
(ii) To the best of your knowledge, are you currently or have you ever been a director, officer, promoter, insider or control person of an issuer that has entered into a settlement agreement, in any Canadian or foreign jurisdiction, in a civil action that involved actual or alleged fraud, theft, deceit, misrepresentation, conspiracy, breach of trust, breach of fiduciary duty, insider trading, unregistered trading, illegal distributions, failure to disclose material facts or changes, or allegations of similar conduct?		

**10. INVOLVEMENT WITH OTHER ENTITIES**

		YES	NO
<b>A.</b>	Has your employment in a sales, investment or advisory capacity with any employer engaged in the sale of real estate, insurance or mutual funds ever been suspended or terminated for cause?		
<b>B.</b>	Has your employment with a firm or company registered under the securities laws of any Canadian or foreign jurisdiction as a securities dealer, broker, investment advisor or underwriter, ever been suspended or terminated for cause? If yes, attach full particulars.		
<b>C.</b>	Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars.		

**Schedule 1**  
**Part B**

**CERTIFICATE AND CONSENT**

I, \_\_\_\_\_ hereby certify that:

(Please Print - Name of Individual)

- (a) I have read and understand the questions, cautions, acknowledgement and consent in the personal information form to which this certificate and consent is attached or of which this certificate and consent forms a part (the **“Form”**), and the answers I have given to the questions in the Form and in any attachments to it are correct, except where stated to be answered to the best of my knowledge, in which case I believe the answers to be correct;
- (b) I have been provided with and have read and understand the Personal Information Collection Policy (the **“Personal Information Collection Policy”**) in Schedule 2 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* (**“NI 41-101”**);
- (c) I consent to the collection, use and disclosure by a regulator or a securities regulatory authority listed in Schedule 3 of Appendix A to NI 41-101 (collectively the **“regulators”**) of the information in the Form and to the collection, use and disclosure by the regulators of further personal information in accordance with the Personal Information Collection Policy including the collection, use and disclosure by the regulators of the information in the Form in respect of the prospectus filings of the Issuer and the prospectus filings of any other issuer in a situation where I am or will be:
  - (i) a director, executive officer or promoter of the other issuer;
  - (ii) a director or executive officer of a promoter of the other issuer, if the promoter is not an individual; or
  - (iii) where the other issuer is an investment fund, a director or executive officer of the investment fund manager; and
- (d) I am aware that I am providing the Form to the regulators and I understand that I am under the jurisdiction of the regulators to which I submit the Form, and that it is a breach of securities legislation to provide false or misleading information to the regulators, whenever the Form is provided in respect of the prospectus filings of the Issuer or the prospectus filings of any other issuer of which I am or will be a director, executive officer or promoter.

\_\_\_\_\_  
**Date [within 30 days of the date of the preliminary prospectus]**

\_\_\_\_\_  
**Signature of Person Completing this Form**



**APPENDIX A TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS****PERSONAL INFORMATION FORM  
AND AUTHORIZATION OF INDIRECT COLLECTION,  
USE AND DISCLOSURE OF PERSONAL INFORMATION****Schedule 2  
Personal Information Collection Policy**

The regulators and securities regulatory authorities (the “**regulators**”) listed in Schedule 3 of Appendix A to National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”) collect the personal information in the personal information form as this term is defined in NI 41-101 (the “**Personal Information Form**”), under the authority granted to them under provincial and territorial securities legislation. Under securities legislation, the regulators do not make any of the information provided in the Personal Information Form public.

The regulators collect the personal information in the Personal Information Form for the purpose of enabling the regulators to administer and enforce provincial and territorial securities legislation, including those provisions that require or permit the regulators to refuse to issue a receipt for a prospectus if it appears to the regulators that the past conduct of management or promoters of the Issuer affords reasonable grounds for belief that the business of the Issuer will not be conducted with integrity and in the best interests of its securityholders.

You understand that by signing the certificate and consent in the Personal Information Form, you are consenting to the Issuer submitting your personal information in the Personal Information Form (the “**Information**”) to the regulators and to the collection and use by the regulators of the Information, as well as any other information that may be necessary to administer and enforce provincial and territorial securities legislation. This may include the collection of information from law enforcement agencies, other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, and quotation and trade reporting systems in order to conduct background checks, verify the Information and perform investigations and conduct enforcement proceedings as required to ensure compliance with provincial and territorial securities legislation. Your consent also extends to the collection, use and disclosure of the Information as described above in respect of other prospectus filings of the Issuer and the prospectus filings of any other issuer in a situation where you are or will be:

- (a) a director, executive officer or promoter of the other issuer;
- (b) a director or executive officer of a promoter of the other issuer, if the promoter is not an individual; or
- (c) where the other issuer is an investment fund, a director or executive officer of the investment fund manager.

You understand that the Issuer is required to deliver the Information to the regulators because the Issuer has filed a prospectus under provincial and territorial securities legislation. You also understand that you have a right to be informed of the existence of personal information about you that is kept by regulators, that you have the right to request access to that information, and that you have the right to request that such information be corrected, subject to the applicable provisions of the freedom of information and protection of privacy legislation adopted by each province and territory.

You also understand and agree that the Information the regulators collect about you may also be disclosed, as permitted by law, where its use and disclosure is for the purposes described above. The regulators may also use a third party to process the Information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

**Warning:** It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

### **Questions**

If you have any questions about the collection, use, and disclosure of the information you provide to the regulators, you may contact the regulator in the jurisdiction in which the required information is filed, at the address or telephone number listed in Schedule 3.

**APPENDIX A TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

**PERSONAL INFORMATION FORM  
AND AUTHORIZATION OF INDIRECT COLLECTION,  
USE AND DISCLOSURE OF PERSONAL INFORMATION**

**Schedule 3  
Regulators and Securities Regulatory Authorities**

<b>Local Jurisdiction</b>	<b>Regulator</b>
Alberta	Securities Review Officer, Alberta Securities Commission Suite 600 250 - 5th Street S.W. Calgary, Alberta T2P 0R4 Telephone: (403) 297-6454 E-mail: <a href="mailto:inquiries@seccom.ab.ca">inquiries@seccom.ab.ca</a> <a href="http://www.albertasecurities.com">www.albertasecurities.com</a>
British Columbia	Review Officer, British Columbia Securities Commission P.O. Box 10142 Pacific Centre 701 West Georgia Street Vancouver, British Columbia V7Y 1L2 Telephone: (604) 899-6854 Toll Free within British Columbia and Alberta: (800) 373-6393 E-mail: <a href="mailto:inquiries@bcsc.bc.ca">inquiries@bcsc.bc.ca</a> <a href="http://www.bcsc.bc.ca">www.bcsc.bc.ca</a>
Manitoba	Director, Corporate Finance The Manitoba Securities Commission 500-400 St. Mary Avenue Winnipeg, Manitoba R3C 4K5 Telephone: (204) 945-2548 E-mail: <a href="mailto:securities@gov.mb.ca">securities@gov.mb.ca</a> <a href="http://www.msc.gov.mb.ca">www.msc.gov.mb.ca</a>
New Brunswick	Director Corporate Finance and Chief Financial Officer New Brunswick Securities Commission 85 Charlotte Street, Suite 300 Saint John, New Brunswick E2L 2J2 Telephone: (506) 658-3060 Fax: (506) 658-3059 E-mail: <a href="mailto:information@nb-sc-cvmnb.ca">information@nb-sc-cvmnb.ca</a>
Newfoundland and Labrador	Director of Securities Department of Government Services and Lands P.O. Box 8700 West Block, 2nd Floor, Confederation Building St. John's, Newfoundland A1B 4J6 Telephone: (709) 729-4189 <a href="http://www.gov.nf.ca/gsl/cca/s">www.gov.nf.ca/gsl/cca/s</a>

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

**S-42.2 REG 3**

Northwest Territories	Superintendent of Securities, Department of Justice Government of the Northwest Territories P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9 Telephone: (867) 873- 7490 <a href="http://www.justice.gov.nt.ca/SecuritiesRegistry">www.justice.gov.nt.ca/SecuritiesRegistry</a>
Nova Scotia	Deputy Director, Compliance and Enforcement Division Nova Scotia Securities Commission P.O. Box 458 Halifax, Nova Scotia B3J 2P8 Telephone: (902) 424-5354 <a href="http://www.gov.ns.ca/nssc">www.gov.ns.ca/nssc</a>
Nunavut	Superintendent of Securities, Government of Nunavut Legal Registries Division P.O. Box 1000 - Station 570 Iqaluit, Nunavut X0A 0H0 Telephone: (867) 975-6590
Ontario	Administrative Assistant to the Director of Corporate Finance Ontario Securities Commission 19th Floor, 20 Queen Street West Toronto, Ontario M5H 2S8 Telephone: (416) 597-0681 E-mail: <a href="mailto:Inquiries@osc.gov.on.ca">Inquiries@osc.gov.on.ca</a> <a href="http://www.osc.gov.on.ca">www.osc.gov.on.ca</a>
Prince Edward Island	Superintendent of Securities Government of Prince Edward Island 95 Rochford Street, P.O. Box 2000, 4th Floor Charlottetown, Prince Edward Island C1A 7N8 Telephone: (902) 368-4550 <a href="http://www.gov.pe.ca/securities">www.gov.pe.ca/securities</a>
Québec	Autorité des marchés financiers, Stock Exchange Tower P.O. Box 246, 22nd Floor 800 Victoria Square Montréal, Québec H4Z 1G3 Attention: Responsable de l'accès à l'information Telephone: (514) 395-0337 Toll Free in Québec: (877) 525-0337 <a href="http://www.lautorite.qc.ca">www.lautorite.qc.ca</a>
Saskatchewan	Director, Financial and Consumer Affairs Authority of Saskatchewan Suite 601, 1919 Saskatchewan Drive Regina, Saskatchewan S4P 4H2 Telephone: (306) 787-5842 <a href="http://www.fcaa.gov.sk.ca">www.fcaa.gov.sk.ca</a>
Yukon	Superintendent of Securities Office of the Yukon Superintendent of Securities Department of Community Services 307 Black Street, Whitehorse, Yukon, Y1A 2N1 Phone: 867-667-5466, Fax 867-393-6251

**APPENDIX B TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

**ISSUER FORM OF SUBMISSION TO JURISDICTION AND APPOINTMENT  
OF AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):  
\_\_\_\_\_
2. Jurisdiction of incorporation, or equivalent, of Issuer:  
\_\_\_\_\_
3. Address of principal place of business of Issuer:  
\_\_\_\_\_
4. Description of securities (the "Securities"):  
\_\_\_\_\_
5. Date of the prospectus (the "Prospectus") under which the Securities are offered:  
\_\_\_\_\_
6. Name of agent for service of process (the "Agent"):  
\_\_\_\_\_
7. Address for service of process of Agent in Canada (the address may be anywhere in Canada):  
\_\_\_\_\_
8. The Issuer designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the Issuer as a reporting issuer, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.
9. The Issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of:
  - (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
  - (b) any administrative proceeding in any such province [or territory];

in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus or the obligations of the issuer as a reporting issuer.

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10. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
11. Until six years after it has ceased to be a reporting issuer in any Canadian province or territory, the Issuer shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before any change in the name or above address of the Agent.
12. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Issuer

\_\_\_\_\_  
Print name and title of signing officer of Issuer

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Issuer] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Print name of person signing and, if Agent is not an individual, the title of the person

**APPENDIX C TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

**NON-ISSUER FORM OF SUBMISSION TO JURISDICTION AND  
APPOINTMENT OF AGENT FOR SERVICE OF PROCESS**

1. Name of issuer (the "Issuer"):  
\_\_\_\_\_
2. Jurisdiction of incorporation, or equivalent, of Issuer:  
\_\_\_\_\_
3. Address of principal place of business of Issuer:  
\_\_\_\_\_
4. Description of securities (the "Securities"):  
\_\_\_\_\_
5. Date of the prospectus (the "Prospectus") under which the Securities are offered:  
\_\_\_\_\_
6. Name of person filing this form (the "Filing Person"):  
\_\_\_\_\_
7. Filing Person's relationship to Issuer:  
\_\_\_\_\_
8. Jurisdiction of incorporation, or equivalent, of Filing Person, if applicable, or jurisdiction of residence of Filing Person:  
\_\_\_\_\_
9. Address of principal place of business of Filing Person:  
\_\_\_\_\_
10. Name of agent for service of process (the "Agent"):  
\_\_\_\_\_
11. Address for service of process of Agent in Canada (the address may be anywhere in Canada):  
\_\_\_\_\_
12. The Filing Person designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, relating to or concerning the distribution of the Securities made or purported to be made under the Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring the Proceeding.



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13. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of:
- (a) the judicial, quasi-judicial and administrative tribunals of each of the provinces [and territories] of Canada in which the securities are distributed under the Prospectus; and
  - (b) any administrative proceeding in any such province [or territory];
- in any Proceeding arising out of or related to or concerning the distribution of the Securities made or purported to be made under the Prospectus.
14. Until six years after completion of the distribution of the Securities made under the Prospectus, the Filing Person shall file a new submission to jurisdiction and appointment of agent for service of process in this form at least 30 days before termination of this submission to jurisdiction and appointment of agent for service of process.
15. Until six years after completion of the distribution of the Securities under the Prospectus, the Filing Person shall file an amended submission to jurisdiction and appointment of agent for service of process at least 30 days before a change in the name or above address of the Agent.
16. This submission to jurisdiction and appointment of agent for service of process shall be governed by and construed in accordance with the laws of [insert province or territory of above address of Agent].

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Filing Person

\_\_\_\_\_  
Print name of person signing and, if the Filing Person is not an individual, the title of the person

AGENT

The undersigned accepts the appointment as agent for service of process of [insert name of Filing Person] under the terms and conditions of the appointment of agent for service of process stated above.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Print name of person signing and, if Agent is not an individual, the title of the person

**APPENDIX D TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

**PRELIMINARY PROSPECTUS NOTICE PROVISIONS**

<b>Jurisdiction</b>	<b>Securities Legislation Reference</b>
Alberta	Paragraph 123(a) of the <i>Securities Act</i> (Alberta)
British Columbia	Paragraph 78(2)(a) of the <i>Securities Act</i> (British Columbia)
Manitoba	Paragraph 38(b) of the <i>Securities Act</i> (Manitoba)
New Brunswick	Paragraph 82(2)(a) of the <i>Securities Act</i> (New Brunswick)
Newfoundland and Labrador	Paragraph 66(2)(a) of the <i>Securities Act</i> (Newfoundland and Labrador)
Northwest Territories	Paragraph 97(a) of the <i>Securities Act</i> (Northwest Territories)
Nova Scotia	Paragraph 70(2)(a) of the <i>Securities Act</i> (Nova Scotia)
Nunavut	Paragraph 97(a) of the <i>Securities Act</i> (Nunavut)
Ontario	Paragraph 65(2)(a) of the <i>Securities Act</i> (Ontario)
Prince Edward Island	Paragraph 97(a) of the <i>Securities Act</i> (Prince Edward Island)
Saskatchewan	Paragraph 73(2)(a) of <i>The Securities Act, 1988</i> (Saskatchewan)
Yukon	Paragraph 97(a) of the <i>Securities Act</i> (Yukon)

**APPENDIX E TO NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

**FINAL PROSPECTUS NOTICE PROVISIONS**

<b>Jurisdiction</b>	<b>Securities Legislation Reference</b>
British Columbia	Paragraph 82(c) of the <i>Securities Act</i> (British Columbia)
New Brunswick	Section 86 of the <i>Securities Act</i> (New Brunswick), but only in respect of a communication described in paragraph 82(2)(a) of that Act
Newfoundland and Labrador	Section 70 of the <i>Securities Act</i> (Newfoundland and Labrador), but only in respect of a communication described in paragraph 66(2)(a) of that Act
Nova Scotia	Section 74 of the <i>Securities Act</i> (Nova Scotia), but only in respect of a communication described in paragraph 70(2)(a) of that Act
Ontario	Section 69 of the <i>Securities Act</i> (Ontario), but only in respect of a communication described in clause 65(2)(a) of that Act
Saskatchewan	Paragraph 77(c) of <i>The Securities Act, 1988</i> (Saskatchewan)

**FORM 41-101F1**  
**INFORMATION REQUIRED IN A PROSPECTUS**

**GENERAL INSTRUCTIONS**

(1) *The objective of the prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*

(2) *Terms used and not defined in this Form that are defined or interpreted in the Instrument bear that definition or interpretation. Other definitions are set out in NI 14-101.*

(3) *In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect.*

(4) *Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*

(5) *The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*

(6) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

(7) *Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to persons or companies that the issuer is required, under the issuer's GAAP, to consolidate, proportionately consolidate or account for using the equity method (for example, including "subsidiaries" as that term is used in Canadian GAAP applicable to publicly accountable enterprises). If it is more likely than not that a person or company will become an entity that the issuer will be required, under the issuer's GAAP, to consolidate, proportionately consolidate or account for using the equity method, it may be necessary to also include disclosure with respect to the person or company.*

(8) *An issuer that is a special purpose entity may have to modify the disclosure items to reflect the special purpose nature of its business.*

(9) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*

(10) *If an issuer discloses financial information in a preliminary prospectus or prospectus in a currency other than the Canadian dollar, prominently display the presentation currency.*

(11) *Except as otherwise required or permitted, include information in a narrative form. The issuer may include graphs, photographs, maps, artwork or other forms of illustration, if relevant to the business of the issuer or the distribution and not misleading. Include descriptive headings. Except for information that appears in a summary, information required under more than one Item need not be repeated.*

(12) *Certain requirements in this Form make reference to requirements in another instrument or form. Unless this Form states otherwise, issuers must also follow the instruction or requirement in the other instrument or form. These references include references to Form 51-102F2. Venture issuers must include such disclosure in a preliminary prospectus or prospectus even if they are not otherwise required to file an annual information form under NI 51-102.*

(13) *Wherever this Form uses the word “subsidiary”, the term includes companies and other types of business organizations such as partnerships, trusts and other unincorporated business entities.*

(14) *Where requirements in this Form make reference to, or are substantially similar to, requirements in Form 51-102F2, issuers may apply the general provision in subpart 1(d) of Form 51-102F2. However, issuers must supplement this disclosure if the supplemented disclosure is necessary to ensure that the prospectus provides full, true and plain disclosure of all material facts related to the securities to be distributed as required under Item 29 of this Form.*

(15) *Forward-looking information, as defined in NI 51-102, included in a prospectus must comply with section 4A.2 of NI 51-102 and must include the disclosure described in section 4A.3 of NI 51-102. In addition to the foregoing, FOPI or a financial outlook, each as defined in NI 51-102, included in a prospectus must comply with Part 4B of NI 51-102. If the forward-looking information relates to an issuer or other entity that is not a reporting issuer in any jurisdiction, section 4A.2, section 4A.3 and Part 4B of NI 51-102 apply as if the issuer or other entity were a reporting issuer in at least one jurisdiction.*

(16) *Marketing materials prepared in accordance with subsections 13.7(1) or 13.8(1) of the Instrument are the only documents that can be incorporated by reference into a long form prospectus.*

## **Item 1 Cover Page Disclosure**

### **1.1 Required statement**

State in italics at the top of the cover page the following:

“No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise”.

**1.2 Preliminary prospectus disclosure**

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required under section 1.1 the following, with the bracketed information completed:

“A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies)”.

**INSTRUCTION:**

*Issuers must complete the bracketed information by:*

- (a) inserting the names of each jurisdiction in which the issuer intends to offer securities under the prospectus;*
- (b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*

**1.3 Basic disclosure about the distribution**

State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

“[PRELIMINARY] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR SECONDARY  
OFFERING]

[(Date)]

[Name of Issuer]

[number and type of securities qualified for distribution under the prospectus,  
including any options or warrants, and the price per security]”

**1.4 Distribution**

- (1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public  (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling securityholders (c)
Per Security			
Total			

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(2) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.

(2.1) If there may be an over-allocation position provide the following disclosure:

“A purchaser who acquires *[insert type of securities qualified for distribution under the prospectus]* forming part of the underwriters’ over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases”.

(3) If the distribution of the securities is to be on a best efforts basis and a minimum offering amount:

(a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount; or

(b) is not required for the issuer to achieve any of the purposes of the offering;

state the following in boldface type:

**“No minimum amount of funds must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above.”**

(4) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements in the table required under subsection (1).

(5) If debt securities are being distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.

(6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.

(7) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling securityholder and discounts granted. Set out in a note to the table:

(a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling securityholder;

(b) consideration other than discounts granted and cash paid or payable by the issuer or selling securityholder, including warrants and options; and

(c) any finder’s fees or similar required payment.

(8) If a security is being distributed for the account of a selling securityholder, state the name of the securityholder and a cross-reference to the applicable section in the prospectus where further information about the selling securityholder is provided. State the portion of the expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reason why this is the case.



**INSTRUCTIONS:**

*(1) Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*

*(2) If debt securities are being distributed, also express the information in the table as a percentage.*

**1.5 Offering price in currency other than Canadian dollar**

If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the currency.

**1.6 Non-fixed price distributions**

If the securities are being distributed at non-fixed prices, disclose:

- (a) the discount allowed or commission payable to the underwriter;
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder;
- (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at:
  - (i) prices determined by reference to the prevailing price of a specified security in a specified market;
  - (ii) market prices prevailing at the time of sale; or
  - (iii) prices to be negotiated with purchasers;
- (d) that prices may vary from purchaser to purchaser and during the period of distribution;
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date;
- (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date; and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the issuer or selling securityholder.

**1.7 Pricing disclosure**

If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or of the number of securities being distributed, has been publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary prospectus, include this information in the preliminary prospectus.

**1.8 Reduced price distributions**

If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in boldface type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.



**1.9 Market for securities**

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class or series as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.

- (3) If no market for the securities being distributed under the prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

“There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors””.

- (4) If the issuer has complied with the requirements of the Instrument as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of this prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc)”.

**1.10 Risk factors**

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided.

**1.11 Underwriter(s)**

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of NI 33-105 for front page prospectus disclosure.
- (3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter’s obligations are subject to conditions, state the following, with bracketed information completed:

“We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution”.

- (4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.

- (5) If there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.

(6) Provide the following tabular information

Underwriter's Position	Maximum size or number of securities available	Exercise period/ Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer to underwriter			
Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

**INSTRUCTION:**

*If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.*

**1.12 Enforcement of judgments against foreign persons or companies**

If the issuer, a director of the issuer, a selling securityholder, or any other person or company that is signing or providing a certificate under Part 5 of the Instrument or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of the Instrument, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

“The [issuer, director of the issuer, selling securityholder, or other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

**1.13 Restricted securities**

- (1) Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.
- (2) If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

**1.14 Earnings coverage**

If any of the earnings coverage ratios required to be disclosed under Item 9 is less than one-to-one, disclose this fact in boldface type.

**Item 2 Table of Contents**

**2.1 Table of contents**

Include a table of contents.

**Item 3 Summary of Prospectus**

**3.1 General**

- (1) Briefly summarize, near the beginning of the prospectus, information appearing elsewhere in the prospectus that, in the opinion of the issuer or selling securityholder, would be most likely to influence the investor's decision to purchase the securities being distributed, including a description of:
  - (a) the principal business of the issuer and its subsidiaries;
  - (b) the securities to be distributed, including the offering price and expected net proceeds;
  - (c) use of proceeds;
  - (d) risk factors;
  - (e) financial information; and
  - (f) if restricted securities, subject securities or securities that are directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities, are to be distributed under the prospectus:
    - (i) include a summary of the information required by section 10.6; and
    - (ii) include, in boldface type, a statement of the rights the holders of restricted securities do not have, if the holders do not have all of the rights referred to in section 10.6.

- (2) For the financial information provided under paragraph (1)(e):
  - (a) describe the type of information appearing elsewhere in the prospectus on which the financial information is based;
  - (b) disclose whether the information appearing elsewhere in the prospectus on which the financial information is based has been audited;
  - (c) disclose whether the financial information has been audited; and
  - (d) if neither the information appearing elsewhere in the prospectus on which the financial information is based nor the financial information has been audited, prominently disclose that fact.
- (3) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

### **3.2 Cautionary language**

At the beginning of the summary, include a statement in *italics* in substantially the following form:

*“The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus”.*

## **Item 4 Corporate Structure**

### **4.1 Name, address and incorporation**

- (1) State the issuer’s full corporate name or, if the issuer is an unincorporated entity, the full name under which it exists and carries on business, and the address(es) of the issuer’s head and registered office.
- (2) State the statute under which the issuer is incorporated, continued or organized or, if the issuer is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which it is established and exists.
- (3) Describe the substance of any material amendments to the articles or other constating or establishing documents of the issuer.

### **4.2 Intercorporate relationships**

- (1) Describe, by way of a diagram or otherwise, the intercorporate relationships among the issuer and its subsidiaries.
- (2) For each subsidiary described in subsection (1), state:
  - (a) the percentage of votes attaching to all voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer;
  - (b) the percentage of each class of restricted securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by the issuer; and
  - (c) where the subsidiary was incorporated, continued, formed or organized.
- (3) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise these intercorporate relationships both before and after the completion of the proposed transaction.

(4) A particular subsidiary may be omitted from the disclosure required by this section if, at the most recent financial year end of the issuer:

- (a) the total assets of the subsidiary do not exceed 10% of the consolidated assets of the issuer;
- (b) the revenue of the subsidiary does not exceed 10% of the consolidated revenue of the issuer; and
- (c) the conditions in paragraphs (a) and (b) would be satisfied if:
  - (i) the subsidiaries that may be omitted under paragraphs (a) and (b) were considered in the aggregate; and
  - (ii) the reference to 10% in those paragraphs was changed to 20%.

### **Item 5 Describe the Business**

#### **5.1 Describe the business**

- (1) Describe the business of the issuer and its operating segments that are reportable segments as those terms are described in the issuer's GAAP. Disclose information for each reportable segment of the issuer in accordance with subsection 5.1(1) of Form 51-102F2.
- (2) Disclose the nature and results of any bankruptcy, receivership or similar proceedings against the issuer or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the issuer or any of its subsidiaries, within the three most recently completed financial years or, if the issuer is a venture issuer or an IPO venture issuer, the two most recently completed financial years, or completed during or proposed for the current financial year.
- (3) Disclose the nature and results of any material restructuring transaction of the issuer or any of its subsidiaries within the three most recently completed financial years or, if the issuer is a venture issuer or an IPO venture issuer, the two most recently completed financial years, or completed during or proposed for the current financial year.
- (4) If the issuer has implemented social or environmental policies that are fundamental to the issuer's operations, such as policies regarding the issuer's relationship with the environment or with the communities in which the issuer does business, or human rights policies, describe them and the steps the issuer has taken to implement them.

#### **5.2 History**

- (1) Describe how the issuer's business has developed over the last three completed financial years or, if the issuer is a venture issuer or an IPO venture issuer, the last two completed financial years, and any subsequent period to the date of the prospectus, including only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.
- (2) If the issuer produces or distributes more than one product or provides more than one kind of service, describe the products or services.
- (3) Discuss changes in the issuer's business that the issuer expects will occur during the current financial year.

### 5.3 Issuers with asset-backed securities outstanding

If the issuer has asset-backed securities outstanding that were distributed under a prospectus, disclose information in accordance with section 5.3 of Form 51-102F2.

### 5.4 Issuers with mineral projects

If the issuer has a mineral project, disclose information for the issuer in accordance with section 5.4 of Form 51-102F2. For the purposes of this section, the alternative disclosure permitted in Instruction (ii) to section 5.4 of Form 51-102F2 does not apply.

### 5.5 Issuers with oil and gas operations

(1) If the issuer is engaged in oil and gas activities as defined in NI 51-101, disclose information in accordance with Form 51-101F1:

- (a) as at the end of, and for, the most recent financial year for which the prospectus includes an audited statement of financial position of the issuer; or
- (b) in the absence of a completed financial year referred to in paragraph (a), as at the most recent date for which the prospectus includes an audited statement of financial position of the issuer, and for the most recent financial period for which the prospectus includes an audited statement of comprehensive income of the issuer.

(2) Include with the disclosure under subsection (1) a report in the form of Form 51-101F2, on the reserves data included in the disclosure required under subsection (1).

(3) Include with the disclosure under subsection (1) a report in the form of Form 51-101F3 that refers to the information disclosed under subsection (1).

(4) To the extent not reflected in the information disclosed in response to subsection (1), disclose the information contemplated by Part 6 of NI 51-101 in respect of material changes that occurred after the applicable statement of financial position referred to in subsection (1).

#### INSTRUCTION:

*Disclosure in a prospectus must be consistent with NI 51-101 if the issuer is engaged in oil and gas activities as defined in NI 51-101.*

## Item 6 Use of Proceeds

### 6.1 Proceeds

(1) State the estimated net proceeds to be received by the issuer or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling securityholder from the sale of the securities distributed.

(2) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the distribution in trust or escrow subject to the fulfillment of conditions.

(3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

**6.2 Junior issuers**

A junior issuer must disclose:

- (a) the total funds available; and
- (b) the following breakdown of those funds:
  - (i) the estimated net proceeds from the sale of the securities offered under the prospectus;
  - (ii) the estimated consolidated working capital (deficiency) as at the most recent month end before filing the prospectus;
  - (iii) the total other funds available to be used to achieve the principal purposes identified by the junior issuer pursuant to this Item.

**6.3 Principal purposes - generally**

- (1) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which:
  - (a) the net proceeds will be used by the issuer; or
  - (b) the funds available as required under section 6.2 will be used by a junior issuer.
- (2) If the closing of the distribution is subject to a minimum offering amount, provide disclosure of the use of proceeds for the minimum and maximum offering amounts.
- (3) If the following apply, disclose how the proceeds will be used by the issuer, with reference to various potential thresholds of proceeds raised, in the event that the issuer raises less than the maximum offering amount:
  - (a) the closing of the distribution is not subject to a minimum offering amount;
  - (b) the distribution is to be on a best efforts basis;
  - (c) the issuer has significant short-term non-discretionary expenditures including those for general corporate purposes, or significant short-term capital or contractual commitments, and may not have other readily accessible resources to satisfy those expenditures or commitments.
- (4) If the issuer is required to provide disclosure under subsection (3), the issuer must discuss, in respect of each threshold, the impact, if any, of raising each threshold amount on its liquidity, operations, capital resources and solvency.

**INSTRUCTIONS**

*If the issuer is required to disclose the use of proceeds at various thresholds under subsections 6.3(3) and (4), include as an example a threshold that reflects the receipt of 15% of the offering or less*

**6.4 Principal purposes - indebtedness**

- (1) If more than 10% of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used.
- (2) If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer, and disclose the outstanding amount owed.



#### **6.5 Principal purposes - asset acquisition**

- (1) If more than 10% of the net proceeds are to be used to acquire assets, describe the assets.
- (2) If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets.
- (3) If the vendor of the assets is an insider, associate or affiliate of the issuer, identify the vendor and the nature of the relationship to the issuer, and disclose the method used in determining the purchase price.
- (4) Describe the nature of the title to or interest in the assets to be acquired by the issuer.
- (5) If part of the consideration for the acquisition of the assets consists of securities of the issuer, give brief particulars of the class, number or amount, voting rights, if any, and other appropriate information relating to the securities, including particulars of the issuance of securities of the same class within the two preceding years.

#### **6.6 Principal purposes - insiders, etc.**

If an insider, associate or affiliate of the issuer will receive more than 10% of the net proceeds, identify the insider, associate or affiliate and the nature of the relationship to the issuer, and disclose the amount of net proceeds to be received.

#### **6.7 Principal purposes - research and development**

If more than 10% of the net proceeds from the distribution will be used for research and development of products or services, describe:

- (a) the timing and stage of research and development programs that management anticipates will be reached using such proceeds;
- (b) the major components of the proposed programs that will be funded using the proceeds from the distribution, including an estimate of anticipated costs;
- (c) if the issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods; and
- (d) the additional steps required to reach commercial production and an estimate of costs and timing.

#### **6.8 Business objectives and milestones**

- (1) State the business objectives that the issuer expects to accomplish using the net proceeds of the distribution under section 6.1, or in the case of a junior issuer, using the funds available described under section 6.2.
- (2) Describe each significant event that must occur for the business objectives described under subsection (1) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event.

#### **6.9 Unallocated funds in trust or escrow**

- (1) Disclose that unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the issuer.
- (2) Give details of the arrangements made for, and the persons or companies responsible for:
  - (a) the supervision of the trust or escrow account or the investment of unallocated funds; and
  - (b) the investment policy to be followed.

**6.10 Other sources of funding**

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

**6.11 Financing by special warrants, etc.**

- (1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- (2) If all or a portion of the funds have been spent, explain how the funds were spent.

**Item 7 Dividends or Distributions****7.1 Dividends or distributions**

- (1) Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the three most recently completed financial years and its current financial year.
- (2) Describe any restrictions that could prevent the issuer from paying dividends or distributions.
- (3) Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

**Item 8 Management's Discussion and Analysis****8.1 Interpretation**

- (1) For the purposes of this Item, MD&A means a completed Form 51-102F1 or, in the case of an SEC issuer, a completed Form 51-102F1 or management's discussion and analysis prepared in accordance with Item 303 of Regulation S-K under the 1934 Act.
- (2) For MD&A in the form of Form 51-102F1, the issuer:
  - (a) must read the references to a "venture issuer" in Form 51-102F1 to include an IPO venture issuer;
  - (b) must disregard:
    - (i) the Instruction to section 1.11 of Form 51-102F1; and
    - (ii) section 1.15 of Form 51-102F1; and
  - (c) must include the disclosure required by section 1.10 of Form 51-102F1 in the prospectus.

**INSTRUCTION:**

*For the purposes of paragraph (2)(c), an issuer cannot satisfy the requirement in section 1.10 of Form 51-102F1 by incorporating by reference its fourth quarter MD&A into the prospectus.*

**8.2 MD&A**

- (1) Provide MD&A for:
  - (a) the most recent annual financial statements of the issuer included in the prospectus under Item 32; and
  - (b) the most recent interim financial report of the issuer included in the prospectus under Item 32.

(2) If the prospectus includes the issuer's annual statements of comprehensive income, statements of changes in equity, and statements of cash flow for three financial years under Item 32, provide MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32.

(3) Despite subsection (2), MD&A for the second most recent annual financial statements of the issuer included in the prospectus under Item 32 may omit disclosure regarding statement of financial position items.

#### **GUIDANCE**

*Under section 2.2.1 of Form 51-102F1, for financial years beginning on or after July 1, 2015, venture issuers, or IPO venture issuers, have the option of meeting the requirement to provide interim MD&A under section 2.2 of Form 51-102F1 by providing quarterly highlights disclosure.*

#### **8.3 [Repealed]**

(1) [Repealed]

(2) [Repealed]

#### **8.4 Disclosure of outstanding security data**

(1) Disclose the designation and number or principal amount of:

(a) each class and series of voting or equity securities of the issuer for which there are securities outstanding;

(b) each class and series of securities of the issuer for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities of the issuer; and

(c) subject to subsection (2), each class and series of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer.

(2) If the exact number or principal amount of voting or equity securities of the issuer that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer is not determinable, the issuer must disclose the maximum number or principal amount of each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities of the issuer and, if that maximum number or principal amount is not determinable, the issuer must describe the exchange or conversion features and the manner in which the number or principal amount of voting or equity securities will be determined.

(3) The disclosure under subsections (1) and (2) must be prepared as of the latest practicable date.

#### **8.5 More recent financial information**

If the issuer is required to include more recent historical financial information in the prospectus under subsection 32.6(2), the issuer is not required to update the MD&A already included in the prospectus under this Item.

#### **8.6 Additional disclosure for venture issuers or IPO venture issuers without significant revenue**

(1) If the issuer is a venture issuer or an IPO venture issuer that has not had significant revenue from operations in either of its last two financial years, disclose a breakdown of material components of:

(a) exploration and evaluation assets or expenditures;

- (b) expensed research and development costs;
  - (c) intangible assets arising from development;
  - (d) general and administrative expenses; and
  - (e) any material costs, whether expensed or recognized as assets, not referred to in paragraphs (a) through (d).
- (2) Present the analysis of exploration and evaluation assets or expenditures required by subsection (1) on a property-by-property basis, if the issuer's business primarily involves mining exploration and development.
- (3) Provide the disclosure in subsection (1) for the following periods:
- (a) the two most recently completed financial years; and
  - (b) if the issuer is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1, the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report included in the prospectus, if any.
- (4) Subsection (1) does not apply if the information required under that subsection has been disclosed in the financial statements included in the prospectus.

#### **8.7 Additional disclosure for junior issuers**

For a junior issuer that had negative cash flow from operating activities in its most recently completed financial year for which financial statements have been included in the prospectus, disclose:

- (a) the period of time the proceeds raised under the prospectus are expected to fund operations;
- (b) the estimated total operating costs necessary for the issuer to achieve its stated business objectives during that period of time; and
- (c) the estimated amount of other material capital expenditures during that period of time.

In determining cash flow from operating activities, the issuer must include cash payments related to dividends and borrowing costs.

#### **8.8 Additional disclosure for issuers with significant equity investees**

- (1) An issuer that has a significant equity investee must disclose:
- (a) summarized financial information of the equity investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss; and
  - (b) the issuer's proportionate interest in the equity investee and any contingent issuance of securities by the equity investee that might significantly affect the issuer's share of profit or loss.
- (2) Provide the disclosure in subsection (1) for the following periods:
- (a) the two most recently completed financial years;
  - (b) if the issuer is not providing disclosure in accordance with section 2.2.1 of Form 51-102F1, the most recent year-to-date interim period and the comparative year-to-date period presented in the interim financial report included in the prospectus, if any.

- (3) Subsection (1) does not apply if:
  - (a) the information required under that subsection has been disclosed in the financial statements included in the prospectus; or
  - (b) the issuer includes in the prospectus separate financial statements of the equity investee for the periods referred to in subsection (2).

## **Item 9 Earnings Coverage Ratios**

### **9.1 Earnings coverage ratios**

- (1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):
  - (a) the earnings coverage ratio based on the most recent 12-month period included in the issuer's annual financial statements included in the prospectus;
  - (b) if there has been a change in year end and the issuer's most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year; and
  - (c) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which an interim financial report of the issuer has been included in the prospectus.
- (2) Adjust the ratios referred to in subsection (1) to reflect:
  - (a) the issuance of the securities being distributed under the prospectus, based on the price at which these securities are expected to be distributed;
  - (b) in the case of a distribution of preferred shares:
    - (i) the issuance of all preferred shares since the date of the annual financial statements or interim financial report; and
    - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual financial statements or interim financial report and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus;
  - (c) the issuance of all financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual financial statements or interim financial report; and
  - (d) the repayment, redemption or other retirement of all financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual financial statements or interim financial report and all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the prospectus.
  - (e) [Repealed]
- (3) [Repealed]
- (4) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the numerator required to achieve a ratio of one-to-one.
- (5) If the prospectus includes a pro forma income statement, calculate the pro forma earnings coverage ratios for the periods of the pro forma income statement, and disclose them in the prospectus.

**INSTRUCTIONS:**

- (1) Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) Earnings coverage is calculated by dividing an entity's profit or loss attributable to owners of the parent (the numerator) by its borrowing costs and dividend obligations (the denominator).*
- (3) For the earnings coverage calculation:*
  - (a) the numerator should be calculated using consolidated profit or loss attributable to owners of the parent before borrowing costs and income taxes;*
  - (b) imputed interest income from the proceeds of a distribution should not be added to the numerator;*
  - (c) [Repealed]*
  - (d) for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period;*
  - (e) for distributions of preferred shares:*
    - (i) the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual borrowing cost requirements, including the borrowing costs that have been capitalized during the period, less any retirement of obligations; and*
    - (ii) dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and*
  - (f) for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt securities being offered pursuant to the prospectus.*
- (4) The denominator represents a pro forma calculation of the aggregate of an issuer's borrowing cost obligations on all financial liabilities and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect:*
  - (a) the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual financial statements or interim financial report;*
  - (b) the issuance of the securities that are to be distributed under the prospectus, based on a reasonable estimate of the price at which these securities will be distributed; and*
  - (c) the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus.*
  - (d) [Repealed]*



(5) *[Repealed]*

(6) *For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the prospectus], amounted to \$o for the 12 months ended o. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$o, which is o times [name of the issuer]’s borrowing cost requirements for this period”.*

(7) *For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of o%, amounted to \$o for the 12 months ended o. [Name of the issuer]’s borrowing cost requirements for the 12 months then ended amounted to \$o. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended o was \$o, which is o times [name of the issuer]’s aggregate dividend and borrowing cost requirements for this period”.*

(8) *Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.*

## **Item 10 Description of the Securities Distributed**

### **10.1 Equity securities**

If equity securities are being distributed, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics, including:

- (a) dividend rights;
- (b) voting rights;
- (c) rights upon dissolution or winding-up;
- (d) pre-emptive rights;
- (e) conversion or exchange rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions, and
- (i) provisions requiring a securityholder to contribute additional capital.



**10.2 Debt securities**

If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including:

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries, and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

**10.3 Asset-backed securities**

(1) This section applies only if any asset-backed securities are being distributed under the prospectus.

(2) Describe the material attributes and characteristics of the asset-backed securities, including:

- (a) the rate of interest or stipulated yield and any premium;
- (b) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets;
- (c) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital;
- (d) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer;
- (e) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets; and
- (f) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets.

(3) Provide financial disclosure that describes the underlying pool of financial assets for:

- (a) the three most recently completed financial years ended more than:
  - (i) 90 days before the date of the prospectus; or
  - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer;
- (b) if the issuer has not had asset-backed securities outstanding for three financial years, each completed financial year ended more than:
  - (i) 90 days before the date of the prospectus; or
  - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer;
- (c) a period from the date the issuer had asset-backed securities outstanding to a date not more than 90 days before the date of the prospectus if the issuer has not had asset-backed securities outstanding for at least one financial year.

(4) For the purposes of the financial disclosure required by subsection (3), if an issuer changed its financial year end during any of the financial years referred to in subsection (3) and the transition year is less than nine months, the transition year is not a financial year.

(5) Despite subsection (4), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended:

- (a) subsequent to the most recent financial year refer to in paragraphs (3)(a) and (3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus; and
- (b) more than:
  - (i) 45 days before the date of the prospectus; or
  - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.

(6) If the issuer files financial disclosure that describes the underlying pool of financial assets for a more recent period than required under subsection (3) or (5) before the prospectus is filed, the issuer must include that more recent financial disclosure that describes the underlying pool of financial assets in the prospectus.

(7) If financial disclosure that describes the underlying pool of financial assets of the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under subsection (3) or (5), the issuer must include the content of the news release or public communication in the prospectus.

(8) The disclosure in subsections (3) and (5) must include a discussion and analysis of:

- (a) the composition of the pool as at the end of the period;
- (b) profit and losses from the pool for the period presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;

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- (c) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
  - (d) servicing and other administrative fees; and
  - (e) any significant variances experienced in the matters referred to in paragraphs (a) through (d).
- (9) Describe the type of financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets.
- (10) Describe any person or company who:
- (a) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so;
  - (b) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity;
  - (c) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if:
    - (i) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely;
    - (ii) a replacement provider of the services is likely to achieve materially worse results than the current provider;
    - (iii) the current provider of the services is likely to default in its service obligations because of its current financial condition; or
    - (iv) the disclosure is otherwise material;
  - (d) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so; or
  - (e) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so.
- (11) Describe the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in subsection (10).
- (12) Describe the terms of any material relationships between:
- (a) any of the persons or companies referred to in subsection (10) or any of their respective affiliates; and
  - (b) the issuer.

(13) Describe any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in subsection (10) and the terms on which a replacement may be appointed.

(14) Describe any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

**INSTRUCTIONS:**

*(1) Present the information required under subsections (3) through (8) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in paragraph (2)(f) have occurred, are being satisfied or may be satisfied.*

*(2) If the information required under subsections (3) through (8) is not compiled specifically from the underlying pool of financial assets, but is compiled from a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets, then an issuer may comply with subsections (3) through (8) by providing the financial disclosure required based on the larger pool and disclosing that it has done so.*

*(3) Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in subsection (10), and the contractual arrangements underlying the asset-backed securities is encouraged.*

**10.4 Derivatives**

If derivatives are being distributed, describe fully the material attributes and characteristics of the derivatives, including:

- (a) the calculation of the value or payment obligations under the derivatives;
- (b) the exercise of the derivatives;
- (c) settlements that are the result of the exercise of the derivatives;
- (d) the underlying interest of the derivatives;
- (e) the role of a calculation expert in connection with the derivatives;
- (f) the role of any credit supporter of the derivatives; and
- (g) the risk factors associated with the derivatives.

**10.5 Special warrants, etc.**

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, provide the following disclosure in the prospectus to indicate that holders of such securities have been provided with a contractual right of rescission:

“The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation:

- (a) the holder is entitled to rescission of both the holder’s exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired;
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant; and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber”.

**INSTRUCTION:**

*If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term “special warrant” with the type of the security being distributed.*

**10.6 Restricted securities**

(1) If the issuer has outstanding, or proposes to distribute under a prospectus restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of:

- (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same as or greater than, on a per security basis, those attached to the restricted securities;
- (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities;
- (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled; and
- (d) how the issuer complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.

(2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.

(3) If the issuer is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

#### **10.7 Other securities**

If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

#### **10.8 Modification of terms**

(1) Describe provisions about the modification, amendment or variation of any rights attached to the securities being distributed.

(2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

#### **10.9 Ratings**

(1) If the issuer has asked for and received a credit rating, or if the issuer is aware that it has received any other kind of rating, including a stability rating or a provisional rating, from one or more credit rating organizations for securities of the issuer that are outstanding, or will be outstanding, and the rating or ratings continue in effect, disclose:

- (a) each rating received from a credit rating organization;
- (b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;
- (c) a definition or description of the category in which each credit rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities are not addressed by the rating;
- (e) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the securities;
- (f) a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization; and
- (g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.

(2) If payments were, or reasonably will be, made to a credit rating organization that provided a rating described in section (1), state that fact and state whether any payments were made to the credit rating organization in respect of any other service provided to the issuer by the credit rating organization during the last two years.

**INSTRUCTIONS**

*There may be factors relating to a security that are not addressed by a credit rating organization when they give a rating. For example, in the case of cash settled derivative instruments, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by a credit rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.*

*A provisional rating received before the issuer's most recently completed financial year is not required to be disclosed under this section.*

**10.10 Other attributes**

(1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.

(2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

**INSTRUCTION:**

*This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer's discretion, be attached as a schedule to the prospectus.*

**Item 11 Consolidated Capitalization****11.1 Consolidated capitalization**

Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

**Item 12 Options to Purchase Securities****12.1 Options to purchase securities**

(1) For an issuer that is not a reporting issuer in any jurisdiction immediately before filing the prospectus, state, in tabular form, as at a specified date within 30 days before the date of the prospectus, information about options to purchase securities of the issuer, or a subsidiary of the issuer, that are held or will be held upon completion of the distribution by:

- (a) all executive officers and past executive officers of the issuer, as a group, and all directors and past directors of the issuer who are not also executive officers, as a group, indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;



- (b) all executive officers and past executive officers of all subsidiaries of the issuer, as a group, and all directors and past directors of those subsidiaries who are not also executive officers of the subsidiary, as a group, excluding, in each case, individuals referred to in paragraph (a), indicating the aggregate number of executive officers and the aggregate number of directors to whom the information applies;
  - (c) all other employees and past employees of the issuer as a group;
  - (d) all other employees and past employees of subsidiaries of the issuer as a group;
  - (e) all consultants of the issuer as a group; and
  - (f) any other person or company, other than the underwriter(s), naming each person or company.
- (2) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

**INSTRUCTIONS:**

- (1) *Describe the options, warrants, or other similar securities stating the material provisions of each class or type of option, including:*
- (a) *the designation and number of the securities under option;*
  - (b) *the purchase price of the securities under option or the formula by which the purchase price will be determined, and the expiration dates of the options;*
  - (c) *if reasonably ascertainable, the market value of the securities under option on the date of grant;*
  - (d) *if reasonably ascertainable, the market value of the securities under option on the specified date; and*
  - (e) *with respect to options referred to in paragraph (1)(f), the particulars of the grant including the consideration for the grant.*
- (2) *For the purposes of paragraph (1)(f), provide the information required for all options except warrants and special warrants.*

**Item 13 Prior Sales****13.1 Prior sales**

For each class or series of securities of the issuer distributed under the prospectus and for securities that are convertible or exchangeable into those classes or series of securities, state, for the 12-month period before the date of the prospectus:

- (a) the price at which the securities have been issued or are to be issued by the issuer or sold by the selling securityholder;
- (b) the number of securities issued or sold at that price; and
- (c) the date on which the securities were issued or sold.

### **13.2 Trading price and volume**

(1) For the following of securities of the issuer that are traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation for the securities generally occurs:

- (a) each class or series of securities of the issuer distributed under the prospectus;
- (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.

(2) For the following of securities of the issuer that are not traded or quoted on a Canadian marketplace but are traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation for the securities generally occurs:

- (a) each class or series of securities of the issuer distributed under the prospectus;
- (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.

(3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus.

### **Item 14 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer**

#### **14.1 Escrowed securities and securities subject to contractual restriction on transfer**

State as of a specified date within 30 days before the date of the prospectus, in substantially the following tabular form, the number of securities of each class of securities of the issuer held, to the knowledge of the issuer, in escrow or that are subject to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class.

#### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class

(2) In a note to the table disclose the name of the depository, if any, and the date of and conditions governing the release of the securities from escrow or the date the contractual restriction on transfer ends, as applicable.

(3) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

**INSTRUCTIONS:**

*(1) For purposes of this section, escrow includes securities subject to a pooling agreement.*

*(2) For the purposes of this section, securities subject to contractual restrictions on transfer as a result of pledges made to lenders are not required to be disclosed.*

**Item 15 Principal Securityholders and Selling Securityholders**

**15.1 Principal securityholders and selling securityholders**

(1) Provide the following information for each principal securityholder of the issuer and, if any securities are being distributed for the account of a securityholder, for each selling securityholder:

- (a) the name;
- (b) the number or amount of securities owned, controlled or directed of the class being distributed;
- (c) the number or amount of securities of the class being distributed for the account of the securityholder;
- (d) the number or amount of securities of the issuer of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding;
- (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.

(2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in paragraph (1)(a) that will exist after effect has been given to the transaction.

(3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the prospectus, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus, the cost to the securityholder in the aggregate and on an average cost-per-security basis.

(4) If, to the knowledge of the issuer or the underwriter of the securities being distributed, more than 10% of any class of voting securities of the issuer is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(5) If, to the knowledge of the issuer or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the issuer held by the person or company other than the holding of voting securities of the issuer.

(6) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.

(7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

**INSTRUCTION:**

*If a company, partnership, trust or other unincorporated entity is a principal securityholder of an issuer, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of that company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.*

**Item 16 Directors and Executive Officers**

**16.1 Name, occupation and security holding**

(1) Provide information for directors and executive officers of the issuer in accordance with section 10.1 of Form 51-102F2 as at the date of the prospectus.

(2) If information similar to the information required under subsection (1) is provided for any director or executive officer, who is not serving in such capacity as at the date of the prospectus, clearly indicate this fact and explain whether the issuer believes that this director or executive officer is liable under the prospectus.

**16.2 Cease trade orders, bankruptcies, penalties or sanctions**

Provide information for directors and executive officers of the issuer in accordance with section 10.2 of Form 51-102F2 as if the references in that section to “date of the AIF” read “date of the prospectus”.

**16.3 Conflicts of interest**

Disclose particulars of existing or potential material conflicts of interest between the issuer or a subsidiary of the issuer and a director or officer of the issuer or of a subsidiary of the issuer.

**16.4 Management of junior issuers**

A junior issuer must provide the following information for each member of management:

- (a) state the individual’s name, age, position and responsibilities with the issuer and relevant educational background;
- (b) state whether the individual works full time for the issuer or what proportion of the individual’s time will be devoted to the issuer;
- (c) state whether the individual is an employee or independent contractor of the issuer;

- (d) state the individual's principal occupations or employment during the five years before the date of the prospectus, disclosing with respect to each organization as of the time such occupation or employment was carried on:
  - (i) its name and principal business;
  - (ii) if applicable, that the organization was an affiliate of the issuer;
  - (iii) positions held by the individual; and
  - (iv) whether it is still carrying on business, if known to the individual;
- (e) describe the individual's experience in the issuer's industry;
- (f) state whether the individual has entered into a non-competition or non-disclosure agreement with the issuer.

**INSTRUCTION:**

*For purposes of this section, "management" means all directors, officers, employees and contractors whose expertise is critical to the issuer, its subsidiaries and proposed subsidiaries in providing the issuer with a reasonable opportunity to achieve its stated business objectives.*

**Item 17 Executive Compensation****17.1 Disclosure**

Include in the prospectus a Statement of Executive Compensation prepared in accordance with Form 51-102F6 or, if the issuer is a venture issuer or an IPO venture issuer, in accordance with Form 51-102F6 or Form 51-102F6V and describe any intention to make any material changes to that compensation.

**Item 18 Indebtedness of Directors and Executive Officers****18.1 Aggregate indebtedness**

Provide information for the issuer in accordance with section 10.1 of Form 51-102F5 as if the reference in that section to "date of the information circular" read "date of the prospectus".

**18.2 Indebtedness of directors and executive officers under securities purchase and other programs**

- (1) Provide information for the issuer in accordance with section 10.2 of Form 51-102F5 as if the reference in this section to "date of the information circular" read "date of the prospectus".
- (2) Do not disclose the information required under subsection (1) for:
  - (a) any indebtedness that has been entirely repaid on or before the date of the prospectus; or
  - (b) routine indebtedness (as defined in paragraph 10.3(c) of Form 51-102F5 as if reference in this paragraph to "the company" read "the issuer").

**Item 19 Audit Committees and Corporate Governance****19.1 Audit committees**

- (1) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
- (2) Include in the prospectus the disclosure for the issuer in accordance with Form 52-110F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

**19.2 Corporate governance**

- (1) Include in the prospectus the disclosure in accordance with Form 58-101F1, as applicable, if the issuer is neither a venture issuer nor an IPO venture issuer.
- (2) Include in the prospectus the disclosure in accordance with Form 58-101F2, as applicable, if the issuer is a venture issuer or an IPO venture issuer.

**Item 20 Plan of Distribution****20.1 Name of underwriters**

- (1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter's obligation to take up and pay for the securities.
- (2) Disclose the date by which the underwriter is obligated to purchase the securities.

**20.2 Disclosure of conditions to underwriters' obligations**

If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions:

- (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

"Under an agreement dated [insert date of agreement] between [insert name of issuer or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of issuer or selling security shareholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of issuer or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [describe any "market out", "disaster out", "material change out" or similar provision] and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement"; and

- (b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

**20.3 Best efforts offering**

Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 20.2.

**20.4 Minimum distribution**

If securities are being distributed on a best efforts basis and minimum funds are to be raised, state:

- (a) the minimum funds to be raised;

- (b) that the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised; and
- (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

#### **20.5 Determination of price**

Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

#### **20.6 Stabilization**

If the issuer, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

#### **20.7 Approvals**

If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds, include a statement that:

- (a) the issuer will appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licences, registrations and approvals necessary for the stated principal use of proceeds have been obtained; and
- (b) if all material licences, registrations and approvals necessary for the operation of the material undertaking have not been obtained within 90 days from the date of receipt of the final prospectus, the trustee will return the funds to subscribers.

#### **20.8 Reduced price distributions**

If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by the Instrument, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder.



**20.9 Listing application**

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with bracketed information completed:

“The issuer has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of [name of exchange or other market]”.

**20.10 Conditional listing approval**

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

“[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of issuer]’s fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public securityholders]”.

**20.11 IPO venture issuers**

If the issuer has complied with the requirements of the Instrument as an IPO venture issuer, include a statement, in substantially the following form, with bracketed information completed:

“As at the date of the prospectus, [name of issuer] does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc)”.

**20.12 Constraints**

If there are constraints imposed on the ownership of securities of the issuer to ensure that the issuer has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the issuer will be monitored and maintained.

**20.13 Special warrants acquired by underwriters or agents**

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

**Item 21 Risk Factors****21.1 Risk factors**

(1) Disclose risk factors relating to the issuer and its business, such as cash flow and liquidity problems, if any, experience of management, the general risks inherent in the business carried on by the issuer, environmental and health risks, reliance on key personnel, regulatory constraints, economic or political conditions and financial history and any other matter that would be likely to influence an investor’s decision to purchase securities of the issuer.

(2) If there is a risk that securityholders of the issuer may become liable to make an additional contribution beyond the price of the security, disclose that risk.

- (3) Describe any risk factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed and that are not otherwise described under subsection (1) or (2).

**INSTRUCTIONS:**

- (1) *Disclose risks in the order of seriousness from the most serious to the least serious.*
- (2) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

**Item 22 Promoters**

**22.1 Promoters**

- (1) For a person or company that is, or has been within the two years immediately preceding the date of the prospectus, a promoter of the issuer or subsidiary of the issuer, state:

- (a) the person or company's name;
- (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company;
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return; and
- (d) for an asset acquired within the two years before the date of the preliminary prospectus, or to be acquired, by the issuer or by a subsidiary of the issuer from a promoter:
  - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
  - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the issuer or the promoter, or an affiliate of the issuer or the promoter; and
  - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

- (2) If a promoter referred to in subsection (1) is, as at the date of the preliminary prospectus, or was within 10 years before the date of the preliminary prospectus, a director, chief executive officer, or chief financial officer of any person or company, that:

- (a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer;

state the fact and describe the basis on which the order was made and whether the order is still in effect.

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- (3) For the purposes of subsection (2), “order” means:
- (a) a cease trade order;
  - (b) an order similar to a cease trade order; or
  - (c) an order that denied the relevant person or company access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days.

- (4) If a promoter referred to in subsection (1):
- (a) is, as at the date of the preliminary prospectus, or has been within the 10 years before the date of the preliminary prospectus, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
  - (b) has, within the 10 years before the date of the preliminary prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.
- (5) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to:
- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or
  - (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.
- (6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

**INSTRUCTIONS:**

- (1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*
- (2) *A management cease trade order which applies to a promoter referred to in subsection (1) is an “order” for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

(3) *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction”.*

(4) *The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

## **Item 23 Legal Proceedings and Regulatory Actions**

### **23.1 Legal proceedings**

(1) Describe any legal proceedings the issuer is or was a party to, or that any of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements of the issuer are included in the prospectus.

(2) Describe any such legal proceedings the issuer knows to be contemplated.

(3) For each proceeding described in subsections (1) and (2), include the name of the court or agency, the date instituted, the principal parties to the proceeding, the nature of the claim, the amount claimed, if any, whether the proceeding is being contested, and the present status of the proceeding.

#### **INSTRUCTION:**

*Information with respect to any proceeding that involves a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10% of the current assets of the issuer may be omitted. However, if any proceeding presents in large degree the same legal and factual issues as other proceedings pending or known to be contemplated, include the amount involved in the other proceedings in computing the percentage.*

### **23.2 Regulatory actions**

Describe any:

(a) penalties or sanctions imposed against the issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of the prospectus;

(b) any other penalties or sanctions imposed by a court or regulatory body against the issuer necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(c) settlement agreements the issuer entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of the prospectus.

## **Item 24 Interests of Management and Others in Material Transactions**

### **24.1 Interests of management and others in material transactions**

Provide information for the issuer for this section in accordance with section 13.1 of Form 51-102F2 as if the reference in that section to “within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect your company” read “within the three years before the date of the prospectus that has materially affected or is reasonably expected to materially affect the issuer or a subsidiary of the issuer”.

**24.2 Underwriting discounts**

Disclose any material underwriting discounts or commissions upon the sale of securities by the issuer if any of the persons or companies listed in section 13.1 of Form 51-102F2 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

**Item 25 Relationship Between Issuer or Selling Securityholder and Underwriter****25.1 Relationship between issuer or selling securityholder and underwriter**

- (1) If the issuer or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the issuer or selling securityholder is also an underwriter of the distribution, comply with the requirements of NI 33-105.
- (2) For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meanings as in NI 33-105.

**Item 26 Auditors, Transfer Agents and Registrars****26.1 Auditors**

State the name and address of the auditor of the issuer.

**26.1.1 Auditor that was not a participating audit firm**

- (1) If the auditor referred to in section 26.1 was not a participating audit firm, as defined in NI 52-108, as at the date of the most recent auditor’s report on financial statements included in the prospectus, include a statement in substantially the following form:

“[*Audit Firm A*] audited the financial statements of [*Entity B*] for the year ended [*state the period of the most recent financial statements included in the prospectus*] and issued an auditor’s report dated [*state the date of the auditor’s report for the relevant financial statements*]. As at [*state the date of the auditor’s report for the relevant financial statements*], [*Audit Firm A*] was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board.”

- (2) If an auditor of the financial statements required by Item 32 was not a participating audit firm, as defined in NI 52-108, as at the date of the most recent auditor’s report issued by that auditor on financial statements included in the prospectus, include a statement in substantially the following form:

“[*Audit Firm C*] audited the financial statements of [*Entity D*] for the year ended [*state the period of the most recent financial statements, if any, included in the prospectus under Item 32*] and issued an auditor’s report dated [*state the date of the auditor’s report for the relevant financial statements*]. As at [*state the date of the auditor’s report for the relevant financial statements*], [*Audit Firm C*] was not required by securities legislation to enter, and had not entered, into a participation agreement with the Canadian Public Accountability Board. An audit firm that enters into a participation agreement is subject to the oversight program of the Canadian Public Accountability Board”.

**26.2 Transfer agents, registrars, trustees or other agents**

For each class of securities, state the name of any transfer agent, registrar, trustee, or other agent appointed by the issuer to maintain the securities register and the register of transfers for such securities and indicate the location (by municipality) of each of the offices of the issuer or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

**Item 27 Material Contracts**

**27.1 Material contracts**

Give particulars of any material contract:

- (a) required to be filed under section 9.3 of the Instrument; or
- (b) that would be required to be filed under section 9.3 of the Instrument but for the fact that it was previously filed.

**INSTRUCTIONS:**

*(1) Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.*

*(2) Particulars of contracts must include the dates of, parties to, consideration provided for in, and general nature and key terms of, the contracts.*

**Item 28 Experts**

**28.1 Names of experts**

Name each person or company:

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus; and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

**28.2 Interest of experts**

For each person or company referred to in section 28.1, provide the disclosure in accordance with section 16.2 of Form 51-102F2, as of the date of the prospectus, as if that person or company were a person or company referred to in section 16.1 of Form 51-102F2.

**Item 29 Other Material Facts**

**29.1 Other material facts**

Give particulars of any material facts about the securities being distributed that are not disclosed under any other Items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.



**Item 30 Rights of Withdrawal and Rescission****30.1 General**

Include a statement in substantially the following form, with the bracketed information completed:

“Securities legislation in [certain of the provinces [and territories] of Canada/ the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories,] [T/t]he securities legislation further provides a purchaser with remedies for rescission [or[, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission[, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of these rights or consult with a legal adviser”.

**30.2 Non-fixed price offerings**

In the case of a non-fixed price offering, replace, if applicable in the jurisdiction in which the prospectus is filed, the second sentence in the legend in section 30.1 with a statement in substantially the following form:

“This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed”.

**30.3 Convertible, exchangeable or exercisable securities**

In the case of an offering of convertible, exchangeable or exercisable securities in which additional amounts are payable or may become payable upon conversion, exchange or exercise, provide a statement in the following form:

“In an offering of [state name of convertible, exchangeable or exercisable securities], investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial [and territorial] securities legislation, to the price at which the [state name of convertible, exchangeable or exercisable securities] is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces [and territories], if the purchaser pays additional amounts upon [conversion, exchange or exercise] of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces [and territories]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of this right of action for damages or consult with a legal adviser”.



## **ITEM 31 List of Exemptions from Instrument**

### **31.1 List of exemptions from Instrument**

List all exemptions from the provisions of the Instrument, including this Form, granted to the issuer applicable to the distribution or the prospectus, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

## **Item 32 Financial Statement Disclosure for Issuers**

### **32.1 Interpretation of “issuer”**

- (1) Subject to subsection (2), the financial statements of an issuer required under this Item to be included in a prospectus must include:
  - (a) the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for three years;
  - (b) the financial statements of a business or businesses acquired by the issuer within three years before the date of the prospectus or proposed to be acquired, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer; and
  - (c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the prospectus or proposes to complete a transaction, if the issuer accounted for or will account for the transaction as a combination in which all of the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not temporary.
- (2) An issuer is not required to include the financial statements for an acquisition to which paragraph (1)(a) or (b) applies if:
  - (a) the issuer was a reporting issuer in any jurisdiction of Canada:
    - (i) on the date of the acquisition, in the case of a completed acquisition; or
    - (ii) immediately before the filing of the prospectus, in the case of a proposed acquisition;
  - (b) the issuer's principal asset before the acquisition is not cash, cash equivalents, or its exchange listing; and
  - (c) the issuer provides disclosure in respect of the proposed or completed acquisition in accordance with Item 35.

**32.2 Annual financial statements**

(1) Subject to section 32.4, include annual financial statements of the issuer consisting of:

(a) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for each of the three most recently completed financial years ended more than:

(i) 90 days before the date of the prospectus; or

(ii) 120 days before the date of the prospectus, if the issuer is a venture issuer;

(b) a statement of financial position as at the end of the two most recently completed financial years described in paragraph (a);

(c) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that:

(i) discloses in its annual financial statements an unreserved statement of compliance with IFRS; and

(ii) does any of the following:

(A) applies an accounting policy retrospectively in its annual financial statements;

(B) makes a retrospective restatement of items in its annual financial statements; or

(C) reclassifies items in its annual financial statements;

(d) in the case of an issuer's first IFRS financial statements, the opening IFRS statement of financial position at the date of transition to IFRS; and

(e) notes to the annual financial statements.

(1.1) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (1).

(2) If the issuer has not completed three financial years, include the financial statements described under subsection (1) for each completed financial year ended more than:

(a) 90 days before the date of the prospectus; or

(b) 120 days before the date of the prospectus, if the issuer is a venture issuer.

(3) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (1) or (2) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.

(4) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the purposes of the requirement to provide financial statements for a specified number of financial years in this section.

(5) Despite subsection (4), all financial statements of the issuer for a transition year referred to in subsection (4) must be included in the prospectus.

(6) Subject to section 32.4, if financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include:

- (a) statements of comprehensive income, statements of changes in equity, and statements of cash flow for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of comprehensive income, statements of changes in equity, and statements of cash flow are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years;
- (b) statements of financial position for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of financial position are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total two years;
- (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than:
  - (i) 90 days before the date of the prospectus; or
  - (ii) 120 days before the date of the prospectus, if the issuer is a venture issuer;
- (d) if an entity's or business's first IFRS financial statements are included under paragraphs (a), (b) or (c), the opening IFRS statement of financial position at the date of transition to IFRS; and
- (e) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that:
  - (i) discloses in its annual financial statements an unreserved statement of compliance with IFRS; and
  - (ii) does any of the following:
    - (A) applies an accounting policy retrospectively in its financial statements;
    - (B) makes a retrospective restatement of items in its financial statements; or
    - (C) reclassifies items in its financial statements.

### **32.3 Interim financial report**

- (1) Include a comparative interim financial report of the issuer for the most recent interim period, if any, ended:
  - (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus; and

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- (b) more than:
  - (i) 45 days before the date of the prospectus; or
  - (ii) 60 days before the date of the prospectus if the issuer is a venture issuer.
- (2) The interim financial report referred to in subsection (1) must include:
  - (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any;
  - (b) a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any;
  - (c) for interim periods other than the first interim period in an issuer's financial year, a statement of comprehensive income for the three month period ending on the last day of the interim period and comparative financial information for the corresponding period in the immediately preceding financial year, if any;
  - (d) a statement of financial position as at the beginning of the earliest comparative period for which financial statements that are included in the prospectus comply with IFRS in the case of an issuer that:
    - (i) discloses in its interim financial report an unreserved statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and
    - (ii) does any of the following:
      - (A) applies an accounting policy retrospectively in its interim financial report;
      - (B) makes a retrospective restatement of items in its interim financial report; or
      - (C) reclassifies items in its interim financial report;
  - (e) in the case of the first interim financial report required to be filed in the year of adopting IFRS, the opening IFRS statement of financial position at the date of transition to IFRS; and
  - (f) notes to the interim financial report.
- (3) If an issuer presents the components of profit or loss in a separate income statement, the separate income statement must be displayed immediately before the statement of comprehensive income filed under subsection (2).
- (4) If the issuer is required to include under subsection 32.3(1), a comparative interim financial report of the issuer for the second or third interim period in the year of adopting IFRS, include:
  - (a) the issuer's first interim financial report in the year of adopting IFRS; or

- (b) both:
  - (i) the opening IFRS statement of financial position at the date of transition to IFRS; and
  - (ii) the annual and date of transition to IFRS reconciliations required by IFRS 1 First-time Adoption of International Financial Reporting Standards to explain how the transition from previous GAAP to IFRS affected the issuer's reported financial position, financial performance and cash flows.
- (5) Subsection (4) does not apply to an issuer that was a reporting issuer in at least one jurisdiction immediately before filing the prospectus.

### **32.4 Exceptions to financial statement requirements**

- (1) Despite section 32.2, an issuer is not required to include the following financial statements in a prospectus:
  - (a) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, if the issuer is
    - (i) an IPO venture issuer, or
    - (ii) a reporting issuer in at least one jurisdiction immediately before filing the prospectus;
  - (b) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if:
    - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus; and
    - (ii) the issuer includes financial statements for a financial year ended less than:
      - (A) 90 days before the date of the prospectus; or
      - (B) 120 days before the date of the prospectus, if the issuer is a venture issuer;
  - (c) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if the issuer includes financial statements for a financial year ended less than 90 days before the date of the prospectus;
  - (d) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the financial statements for the second most recently completed financial year, if:
    - (i) the issuer is a reporting issuer in at least one jurisdiction immediately before filing the prospectus;

- (ii) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2;
    - (iii) the business of the issuer is not seasonal; and
    - (iv) none of the financial statements required under section 32.2 are for a financial year that is less than nine months;
  - (e) the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the third most recently completed financial year, and the statement of financial position for the second most recently completed financial year, if:
    - (i) the issuer includes audited financial statements for a period of at least nine months commencing the day after the most recently completed financial year for which financial statements are required under section 32.2;
    - (ii) the business of the issuer is not seasonal; and
    - (iii) none of the financial statements required under section 32.2 are for a financial year that is less than nine months; or
  - (f) the separate financial statements of the issuer and the other entity for periods prior to the date of the transaction, if the restated combined financial statements of the issuer and the other entity are included in the prospectus under paragraph 32.1(c).
- (2) Paragraphs (1)(a), (b) and (d) do not apply to an issuer:
- (a) whose principal asset is cash, cash equivalents or its exchange listing; or
  - (b) in respect of financial statements of a reverse takeover acquirer for a completed or proposed transaction by the issuer that was or will be accounted for as a reverse takeover.

### **32.5 Exceptions to audit requirement**

The audit requirement in section 4.2 of the Instrument does not apply to the following financial statements:

- (a) any financial statements for the second and third most recently completed financial years required under section 32.2, if:
  - (i) those financial statements were previously included in a final prospectus without an auditor's report pursuant to an exemption under applicable securities legislation; and
  - (ii) an auditor has not issued an auditor's report on those financial statements;
- (b) any financial statements for the second and third most recently completed financial years required under section 32.2, if:
  - (i) the issuer is a junior issuer;
    - (i.1) an auditor has not issued an auditor's report on those financial statements; and
  - (ii) the financial statements for the most recently completed financial year required under section 32.2 is not less than 12 months in length; or
- (c) any interim financial report required under section 32.3.

**32.6 Additional financial statements or financial information filed or released**

- (1) If the issuer files financial statements for a more recent period than required under section 32.2 or 32.3 before the prospectus is filed, the issuer must include in the prospectus those more recent financial statements.
- (2) If historical financial information about the issuer is publicly disseminated by, or on behalf of, the issuer through news release or otherwise for a more recent period than required under section 32.2, the issuer must include the content of the news release or public communication in the prospectus.

**32.7 Pro forma financial statements for an acquisition**

- (1) An issuer must include in the prospectus the pro forma financial information set out in subsection (2) if:
  - (a) the issuer has completed or proposes an acquisition of a business for which financial statement disclosure is required under section 32.1;
  - (b) less than nine months of the acquired business operations have been reflected in the issuer's most recent audited financial statements included in the prospectus; and
  - (c) the inclusion of the pro forma financial statements is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- (2) For the purposes of subsection (1), include the following:
  - (a) a pro forma statement of financial position of the issuer, as at the date of the issuer's most recent statement of financial position included in the prospectus, that gives effect, as if it had taken place as at the date of the pro forma statement of financial position, to the acquisition that has been completed, or is expected to be completed, but is not reflected in the issuer's most recent statement of financial position for an annual or interim period;
  - (b) a pro forma income statement of the issuer that gives effect to the acquisition completed, or expected to be completed, since the beginning of the issuer's most recently completed financial year for which it has included financial statements in its prospectus, as if it had taken place at the beginning of that financial year, for each of the following periods:
    - (i) the most recently completed financial year for which the issuer has included financial statements in its prospectus; and
    - (ii) the interim period for which the issuer has included an interim financial report in its prospectus, that started after the financial year referred to in subparagraph (i) and ended:
      - (A) in the case of a completed acquisition, immediately before the acquisition date or, in the issuer's discretion, after the acquisition date;
      - (B) in the case of a proposed acquisition, immediately before the date of the filing of the prospectus, as if the acquisition had been completed before the filing of the prospectus and the acquisition date were the date of the prospectus; and
  - (c) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b).



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(3) If an issuer is required to include pro forma financial statements in its prospectus under subsection (1):

- (a) in the case where the pro forma financial statements give effect to more than one acquisition, the issuer must identify in the pro forma financial statements each acquisition;
- (b) the issuer must include in the pro forma financial statements:
  - (i) adjustments attributable to the acquisition for which there are firm commitments and for which the complete financial effects are objectively determinable;
  - (ii) adjustments to conform amounts for the business to the issuer's accounting policies; and
  - (iii) a description of the underlying assumptions on which the pro forma financial statements are prepared, cross-referenced to each related pro forma adjustment;
- (c) in the case where the financial year-end of the business differs from the issuer's year-end by more than 93 days, for the purpose of preparing the pro forma income statement of the issuer's most recently completed financial year, the issuer must construct an income statement of the business for a period of 12 consecutive months ending no more than 93 days before or after the issuer's year-end, by adding the results for a subsequent interim period to a completed financial year of the business and deducting the comparable interim results for the immediately preceding year;
- (d) in the case where a constructed income statement is required under paragraph (c), the pro forma financial statements must disclose the period covered by the constructed income statement on the face of the pro forma financial statements and must include a note stating that the financial statements of the business used to prepare the pro forma financial statements were prepared for the purpose of the pro forma financial statements and do not conform with the financial statements for the business included elsewhere in the prospectus;
- (e) in the case where an issuer is required to prepare a pro forma income statement for an interim period required by paragraph (2)(b), and the pro forma income statement for the most recently completed financial year includes results of the business which are also included in the pro forma income statement for the interim period, the issuer must disclose in a note to the pro forma financial statements the revenue, expenses, and profit or loss from continuing operations included in each pro forma income statement for the overlapping period; and
- (f) a constructed period referred to in paragraph (c) does not have to be audited.

### 32.8 Pro forma financial statements for multiple acquisitions

Despite subsection 32.7(1), an issuer is not required to include in its prospectus the pro forma financial statements otherwise required for each acquisition if the issuer includes in its prospectus one set of pro forma financial statements that:

- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus; and
- (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus.

### 32.9 Exemption from financial statement disclosure for oil & gas acquisitions

(1) In the case where sections 32.2, 32.3 and 32.7 apply to a completed or proposed acquisition by operation of section 32.1, those sections do not apply if:

- (a) the acquisition is an acquisition of a business which is an interest in an oil and gas property;
- (b) the acquisition is not an acquisition of securities of another issuer, unless the vendor transferred the business referenced in paragraph (1)(a) to the other issuer and that other issuer:
  - (i) was created for the sole purpose of facilitating the acquisition; and
  - (ii) other than assets or operations relating to the transferred business, has no:
    - (A) substantial assets; or
    - (B) operating history;
- (c) the issuer is unable to provide the financial statements in respect of the acquisition otherwise required under sections 32.2 and 32.3 because those financial statements do not exist or because the issuer does not have access to those financial statements;
- (d) the acquisition does not constitute a reverse takeover;
- (e) subject to subsections (2) and (3), in respect of the business for each of the financial periods for which financial statements would, but for this section, be required under sections 32.2 and 32.3, the prospectus includes:
  - (i) an operating statement for the business prepared in accordance with section 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*;
  - (ii) a pro forma operating statement of the issuer that gives effect to the acquisition completed or to be completed since the beginning of the issuer's most recently completed financial year for which financial statements are required to be included in the prospectus, as if the acquisition had taken place at the beginning of that financial year, for each of the financial periods referred to in paragraph 32.7(2)(b), unless:

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- (A) more than nine months of the acquired business operations have been reflected in the issuer's most recent audited financial statements included in the prospectus; or
- (B) the inclusion of the pro forma financial statements is not necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed;
- (iii) a description of the property or properties and the interest acquired by the issuer; and
- (iv) disclosure of the annual oil and gas production volumes from the business;
- (f) the operating statement for the three most recently completed financial years has been audited;
- (g) the prospectus discloses:
  - (i) the estimated reserves and related future net revenue attributable to the business, the material assumptions used in preparing the estimates and the identity and relationship to the issuer or to the vendor of the person who prepared the estimates; and
  - (ii) the estimated oil and gas production volumes from the business for the first year reflected in the estimated disclosure under subparagraph (i).
- (2) Subparagraphs (1)(e)(i), (ii) and (iv) do not apply if production, gross sales, royalties, production costs and operating income were nil, or are reasonably expected to be nil for the business for each financial period and the prospectus discloses that fact.
- (3) Paragraphs (1)(e) and (f) do not apply in respect of the third most recently completed financial year if the issuer has completed the acquisition and has included in the prospectus the following:
  - (a) information in accordance with Form 51-101F1 as at a date commencing on or after the acquisition date and within 6 months of the date of the preliminary prospectus;
  - (b) a report in the form of Form 51-101F2 on the reserves data included in the disclosure required under paragraph (a);
  - (c) a report in the form of Form 51-101F3 that refers to the information disclosed under paragraph (a).

**Item 33 Credit Supporter Disclosure, Including Financial Statements**

**33.1 Credit supporter disclosure, including financial statements**

If a credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed, include statements by the credit supporter providing disclosure about the credit supporter that would be required under Items 4, 5, 8, 9, 16, 21, 23, 25, 26, and 32 if the credit supporter were the issuer of the securities to be distributed and such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.

**Item 34 Exemptions for Certain Issues of Guaranteed Securities**

**34.1 Definitions and interpretation**

(1) In this Item:

- (a) the impact of subsidiaries, on a combined basis, on the financial statements of the parent entity is “minor” if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than three percent of the total consolidated amounts;
- (b) a parent entity has “limited independent operations” if each item of its summary financial information represents less than three percent of the total consolidated amounts;
- (c) a subsidiary is a “finance subsidiary” if it has minimal assets, operations, revenue or cash flows other than those related to the issuance, administration and repayment of the security being distributed and any other securities guaranteed by its parent entity;
- (d) “parent credit supporter” means a credit supporter of which the issuer is a subsidiary;
- (e) “parent entity” means a parent credit supporter for the purposes of sections 34.2 and 34.3 and an issuer for the purpose of section 34.4;
- (f) “subsidiary credit supporter” means a credit supporter that is a subsidiary of the parent credit supporter; and
- (g) “summary financial information” includes the following line items:
  - (i) revenue;
  - (ii) profit or loss from continuing operations attributable to owners of the parent;
  - (iii) profit or loss attributable to owners of the parent; and
  - (iv) unless the accounting principles used to prepare the financial statements of the entity permits the preparation of the entity’s statement of financial position without classifying assets and liabilities between current and non-current and the entity provides alternative meaningful financial information which is more appropriate to the industry:
    - (A) current assets;
    - (B) non-current assets;
    - (C) current liabilities; and
    - (D) non-current liabilities.

**INSTRUCTION:**

*See section 1.1 of the Instrument for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.*

(2) For the purposes of this Item, consolidating summary financial information must be prepared on the following basis:

- (a) an entity’s annual or interim summary financial information must be derived from the entity’s financial information underlying the corresponding consolidated financial statements of the parent entity included in the prospectus;
- (b) the parent entity column must account for investments in all subsidiaries under the equity method; and
- (c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.

**34.2 Issuer is wholly-owned subsidiary of parent credit supporter**

An issuer is not required to include the issuer disclosure required by Items 4, 5, 8, 9, 21, 23, 25, 26, and 32, if:

- (a) a parent credit supporter has provided full and unconditional credit support for the securities being distributed;
- (b) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter;
- (c) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer;
- (d) no other subsidiary of the parent credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed; and
- (e) the issuer includes in the prospectus:
  - (i) a statement that the financial results of the issuer are included in the consolidated financial results of the parent credit supporter, if:
    - (A) the issuer is a finance subsidiary; and
    - (B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer, on the consolidated financial statements of the parent credit supporter is minor; or
  - (ii) for the periods covered by the parent credit supporter’s consolidated interim financial report and consolidated annual financial statements included in the prospectus under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
    - (A) the parent credit supporter;
    - (B) the issuer;
    - (C) any other subsidiaries of the parent credit supporter on a combined basis;

- (D) consolidating adjustments;
- (E) the total consolidated amounts.

**34.3 Issuer is wholly-owned subsidiary of, and one or more subsidiary credit supporters controlled by, parent credit supporter**

(1) An issuer is not required to include the issuer disclosure required by Items 4, 5, 8, 9, 21, 23, 25, 26, and 32, or the credit supporter disclosure of one or more subsidiary credit supporters required by Item 33, if:

- (a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed;
- (b) the guarantees or alternative credit supports are joint and several;
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter;
- (d) the parent credit supporter is the beneficial owner of all the issued and outstanding voting securities of the issuer;
- (e) the parent credit supporter controls each subsidiary credit supporter and the parent credit support has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are included in the prospectus; and
- (f) the issuer includes in the prospectus, for the periods covered by the parent credit supporter's financial statements included in the prospectus under Item 33, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
  - (i) the parent credit supporter;
  - (ii) the issuer;
  - (iii) each subsidiary credit supporter on a combined basis;
  - (iv) any other subsidiaries of the parent credit supporter on a combined basis;
  - (v) consolidating adjustments;
  - (vi) the total consolidated amounts.

(2) Despite paragraph (1)(f), the information set out in a column in accordance with:

- (a) subparagraph (1)(f)(iv) may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f) if the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial statements of the parent credit supporter is minor; and
- (b) subparagraph (1)(f)(ii), may be combined with the information set out in accordance with any of the other columns in paragraph (1)(f) if the issuer is a finance subsidiary.

**34.4 One or more credit supporters controlled by issuer**

An issuer is not required to include the credit supporter disclosure for one or more credit supporters required by Item 33, if:

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed;
- (b) there is more than one credit supporter, the guarantee or alternative credit supports are joint and several;
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the issuer;
- (d) the issuer controls each credit supporter and the issuer has consolidated the financial statements of each credit supporter into the issuer's financial statements that are included in the prospectus; and
- (e) the issuer includes in the prospectus:
  - (i) a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer, if:
    - (A) the issuer has limited independent operations; and
    - (B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial statements of the issuer is minor; or
  - (ii) for the periods covered by the issuer's financial statements included in the prospectus under Item 32, consolidating summary financial information for the issuer, presented with a separate column for each of the following:
    - (A) the issuer;
    - (B) the credit supporters on a combined basis;
    - (C) any other subsidiaries of the issuer on a combined basis;
    - (D) consolidating adjustments;
    - (E) the total consolidated amounts.

**Item 35 Significant Acquisitions****35.1 Application and definitions**

- (1) This Item does not apply to:
  - (a) a completed or proposed transaction by the issuer that was or will be a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high; or



- (b) a completed or proposed acquisition:
  - (i) by the issuer if:
    - (A) the issuer's principal asset before the acquisition is cash, cash equivalents or its exchange listing; or
    - (B) the issuer was not a reporting issuer in any jurisdiction:
      - (I) on the acquisition date, in the case of a completed acquisition; and
      - (II) immediately before filing the prospectus, in the case of a proposed acquisition; and
  - (ii) to which Item 32 applies by operation of section 32.1.
- (2) **Repealed.** 17 May 2013 SR 32/2013 s5.
- (3) The audit requirement in section 4.2 of the Instrument does not apply to any financial statements or other information included in the prospectus under this Item, other than the financial statements or other information for the most recently completed financial year of a business or related businesses acquired, or proposed to be acquired, by the issuer.
- (4) In this Item, "significant acquisition" means an acquisition of a business or related businesses that:
  - (a) if the issuer was a reporting issuer in at least one jurisdiction on the acquisition date, is determined to be a significant acquisition under section 8.3 of NI 51-102; or
  - (b) if the issuer was not a reporting issuer in any jurisdiction on the acquisition date, would be determined to be a significant acquisition under section 8.3 of NI 51-102, as if:
    - (i) the issuer was a reporting issuer on the acquisition date;
    - (ii) the references to a "venture issuer" were read as an "IPO venture issuer" if the issuer is an IPO venture issuer;
    - (iii) for the purposes of the optional tests, the issuer used its financial statements for the most recently completed interim period or financial year that is included in the prospectus;
    - (iv) for the purposes of the optional profit or loss test, the most recently completed financial year of the business or related businesses were the financial year of the business ended before the date of the prospectus, and the 12 months ended on the last day of the most recently completed interim period of the business or related businesses were the 12 months ended on the last day of the most recently completed interim period before the date of the prospectus;
    - (v) subsection 8.3(11.1) of NI 51-102 did not apply;
    - (vi) references to "audited annual statements filed" meant "audited annual financial statements included in the long form prospectus"; and
    - (vii) in subsection 8.3(15) of NI 51-102, the reference to "been required to file, and has not filed," meant "been required to include, and has not included, in the long form prospectus".

**35.2 Completed acquisitions for which issuer has filed business acquisition report**

If an issuer completed an acquisition of a business or related businesses since the beginning of its most recently completed financial year for which financial statements are included in the prospectus, and it has filed a business acquisition report under Part 8 of NI 51-102 for the acquisition, include all of the disclosure included in, or incorporated by reference into, that business acquisition report.

**35.3 Completed acquisitions for which issuer has not filed business acquisition report because issuer was not reporting issuer on acquisition date**

- (1) An issuer must include the disclosure required under subsection (2), if:
  - (a) the issuer completed an acquisition of a business or related businesses since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus;
  - (b) the issuer was not a reporting issuer in any jurisdiction on the acquisition date;
  - (c) the acquisition is a significant acquisition; and
  - (d) the acquisition date was more than:
    - (i) 90 days before the date of the prospectus, if the financial year of the acquired business ended 45 days or less before the acquisition; or
    - (ii) 75 days before the date of the prospectus.
- (2) For an acquisition to which subsection (1) applies, include all the disclosure that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102, as if:
  - (a) the issuer was a reporting issuer in at least one jurisdiction on the acquisition date;
  - (b) the business acquisition report was filed as at the date of the prospectus;
  - (c) the issuer was a venture issuer at the acquisition date, if the issuer is an IPO venture issuer;
  - (d) subsections 8.4(4) and 8.4(6) of NI 51-102 did not apply; and
  - (e) references to financial statements filed or required to be filed meant financial statements included in the prospectus.

**35.4 Financial performance consolidated in financial statements of issuer**

Despite section 35.2 and subsection 35.3(1), an issuer may omit the financial statements or other information of a business required to be included in the prospectus, if at least nine months of the acquired business or related businesses financial performance have been reflected in the issuer's most recent audited financial statements included in the prospectus.

**35.5 Recently completed acquisitions**

- (1) Include the information required under subsection (2) for any significant acquisition completed by the issuer:
  - (a) since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus; and
  - (b) for which the issuer has not included any disclosure under section 35.2 or subsection 35.3(2).

- (2) For a significant acquisition to which subsection (1) applies, include the following:
- (a) the information required by sections 2.1 through 2.6 of Form 51-102F4; and
  - (b) the financial statements of or other information about the acquisition under subsection (3) for the acquired business or related businesses, if:
    - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus; or
    - (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.
- (3) The requirement to include financial statements or other information under paragraph (2)(b) must be satisfied by including:
- (a) if the issuer was a reporting issuer in at least one jurisdiction on the acquisition date, the financial statements or other information that will be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102;
  - (b) if the issuer was not a reporting issuer in any jurisdiction on the acquisition date, the financial statements or other information that would be required by subsection 35.3(2); or
  - (c) satisfactory alternative financial statements or other information.

### 35.6 Probable acquisitions

- (1) Include the information required under subsection (2) for any proposed acquisition of a business or related businesses by an issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high, and that, if completed by the issuer at the date of the prospectus, would be a significant acquisition.
- (2) For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (1) applies, include:
- (a) the information required by sections 2.1 through 2.6 of Form 51-102F4, modified as necessary to convey that the acquisition has not been completed; and
  - (b) the financial statements or other information of the probable acquisition under subsection (3) for the acquired business or related businesses, if:
    - (i) the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus; or
    - (ii) the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, and the inclusion of the financial statements or other information is necessary for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

(3) For a proposed acquisition of a business or related businesses by the issuer that has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high and to which subsection (2) applies, the requirement to include financial statements or other information under subsection (2)(b) must be satisfied by including:

- (a) if the issuer was a reporting issuer in at least one jurisdiction immediately before filing the prospectus, the financial statements or other information that would be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102, as if the acquisition date were the date of the prospectus;
- (b) if the issuer was not a reporting issuer in any jurisdiction immediately before filing the prospectus, the financial statements or other information that would be required to be included by subsection 35.3(2), as if the acquisition had been completed before the filing of the prospectus and the acquisition date were the date of the prospectus; or
- (c) satisfactory alternative financial statements or other information.

### **35.7 Pro forma financial statements for multiple acquisitions**

Despite sections 35.2, 35.3, 35.5 and 35.6, an issuer is not required to include in its prospectus the pro forma financial statements otherwise required for each acquisition, if the issuer includes in its prospectus one set of pro forma financial statements that:

- (a) reflects the results of each acquisition since the beginning of the issuer's most recently completed financial year for which financial statements of the issuer are included in the prospectus;
- (b) is prepared as if each acquisition had occurred at the beginning of the most recently completed financial year of the issuer for which financial statements of the issuer are included in the prospectus; and
- (c) is prepared in accordance with:
  - (i) if no disclosure is otherwise required for a probable acquisition under section 35.6, the section in this Item that applies to the most recently completed acquisition; or
  - (ii) section 35.6.

### **35.8 Additional financial statements or financial information of business filed or released**

(1) An issuer must include in its prospectus annual financial statements and an interim financial report of a business or related businesses for a financial period that ended before the acquisition date and is more recent than the periods for which financial statements are required under section 35.5 or 35.6 if, before the prospectus is filed, the financial statements of the business for the more recent period have been filed.

(2) If, before the prospectus is filed, historical financial information of a business or related businesses for a period more recent than the period for which financial statements are required under section 35.5 or 35.6, is publicly disseminated by news release or otherwise by or on behalf of the issuer, the issuer shall include in the prospectus the content of the news release or public communication.

## **Item 36 Probable Reverse Takeovers**

### **36.1 Probable reverse takeovers**

If the issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, include statements by the reverse takeover acquirer providing disclosure about the reverse takeover acquirer that would be required under this Form, as applicable, if the reverse takeover acquirer were the issuer of the securities to be distributed, and such other information about the reverse takeover acquirer as is necessary to provide full, true and plain disclosure of all material facts relating to the securities to be distributed, including the disclosure required by Items 4, 5, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23, 24, 25, 27, 28, and 32.

## **Item 36A: Marketing Materials**

### **36A.1 Marketing materials**

- (1) If marketing materials were provided under subsection 13.7(1) or 13.8(1) of the Instrument, the issuer must:
  - (a) include a section, under the heading “Marketing Materials”, proximate to the beginning of the prospectus that contains the disclosure required by this Item;
  - (b) subject to subsection (2), include the template version of the marketing materials filed under the Instrument in the final prospectus, or incorporate by reference the template version of the marketing materials filed under the Instrument into the final prospectus; and
  - (c) indicate that the template version of the marketing materials is not part of the final prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the final prospectus.
- (2) An issuer may comply with paragraph (1)(b) by including the template version of the marketing materials filed under the Instrument in the section of the prospectus under the heading “Marketing Materials” or in an appendix to the prospectus that is referred to in that section.
- (3) If the prospectus or any amendment modifies a statement of material fact that appeared in marketing materials provided earlier:
  - (a) provide details of how the statement in the marketing materials has been modified; and
  - (b) disclose that, pursuant to subsection 13.7(7) or 13.8(7) of the Instrument:
    - (i) the issuer has prepared a revised template version of the marketing materials which has been blacklined to show the modified statement; and
    - (ii) the revised template version of the marketing materials can be viewed under the issuer’s profile on [www.sedar.com](http://www.sedar.com).

- (4) State that any template version of the marketing materials filed under the Instrument after the date of the final prospectus and before the termination of the distribution is deemed to be incorporated into the final prospectus.
- (5) If the issuer relies on the exception in subsection 13.12(1) of the Instrument, include the following statement, or words to the same effect:

“Before the filing of the final prospectus, the issuer and underwriters held road shows on *[insert dates and brief description of road shows for U.S. cross-border offering eligible for the exception in subsection 13.12(1) of the Instrument or other prospectus rule]* to which potential investors in *[insert the jurisdictions of Canada where the prospectus was filed]* were able to attend. The issuer and the underwriters provided marketing materials to those potential investors in connection with those road shows.

In doing so, the issuer and the underwriters relied on a provision in applicable securities legislation that allows issuers in certain U.S. cross-border offerings to not have to file marketing materials relating to those road shows on SEDAR or include or incorporate those marketing materials in the final prospectus. The issuer and the underwriters can only do that if they give a contractual right to investors in the event the marketing materials contain a misrepresentation.

Pursuant to that provision, the issuer and the underwriters signing the certificate contained in this prospectus have agreed that in the event the marketing materials relating to those road shows contain a misrepresentation (as defined in securities legislation in *[insert the jurisdictions of Canada where the prospectus was filed]*), a purchaser resident in *[insert the jurisdictions of Canada where the prospectus was filed]* who was provided with those marketing materials in connection with the road shows and who purchases the securities offered by this prospectus during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against the issuer and each underwriter with respect to the misrepresentation which are equivalent to the rights under the securities legislation of the jurisdiction in Canada where the purchaser is resident, subject to the defences, limitations and other terms of that legislation, as if the misrepresentation was contained in this prospectus.

However, this contractual right does not apply to the extent that the contents of the marketing materials relating to the road shows have been modified or superseded by a statement in this prospectus. In particular, *[insert a description of how any statement in the marketing materials has been modified or superseded by a statement in the prospectus]*.”

#### **GUIDANCE**

*Marketing materials do not, as a matter of law, amend a preliminary prospectus, a final prospectus or any amendment.*

## **Item 37 Certificates**

### **37.1 Certificates**

Include the certificates required by Part 5 of the Instrument or by securities legislation.

### **37.2 Issuer certificate form**

An issuer certificate form must state:

“This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]”.

### **37.3 Underwriter certificate form**

An underwriter certificate form must state:

“To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]”.

### **37.4 Amendments**

(1) For an amendment to a prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 37.2 and 37.3.

(2) For an amended and restated prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 37.2 and 37.3.

### **37.5 Non-offering prospectuses**

For a non-offering prospectus, change “securities offered by this prospectus” to “securities previously issued by the issuer” wherever it appears in the statements in sections 37.2 and 37.3.

### **37.6 Marketing materials**

If an issuer filed a template version of marketing materials under paragraph 13.7(1)(e) of the Instrument or intends to file a template version of marketing materials under paragraph 13.8(1)(e) of the Instrument, change “prospectus” to “prospectus (which includes the marketing materials included or incorporated by reference)” where it first appears in the statements in sections 37.2 and 37.3.

## **Item 38 Transition**

### **38.1 Interim financial report**

(1) Despite subsection 32.3(1), an issuer may include a comparative interim financial report of the issuer for the most recent interim period, if any, ended:

(a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus; and

(b) more than:

(i) 75 days before the date of the prospectus; or

(ii) 90 days before the date of the prospectus if the issuer is a venture issuer.



- (2) Subsection (1) does not apply unless:
- (a) the comparative interim financial report is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011;
  - (b) the issuer:
    - (i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and
    - (ii) did not previously file financial statements that disclosed compliance with IFRS;
  - (c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and
  - (d) the final long form prospectus is filed before July 5, 2012.

### **38.2 Asset-backed securities**

- (1) Despite subsection 10.3(5), all financial disclosure that describes the underlying pool of financial assets of the issuer for a transition year must be included in the prospectus for the most recent interim period, if any, ended:
- (a) subsequent to the most recent financial year referred to in paragraphs 10.3(3)(a) and 10.3(3)(b) in respect of which financial disclosure on the underlying pool of financial assets is included in the prospectus; and
  - (b) more than:
    - (i) 75 days before the date of the prospectus; or
    - (ii) 90 days before the date of the prospectus if the issuer is a venture issuer.
- (2) Subsection (1) does not apply unless:
- (a) the financial disclosure in respect of the interim period is the first interim financial report required to be filed in the year of adopting IFRS in respect of an interim period beginning on or after January 1, 2011;
  - (b) the issuer:
    - (i) is disclosing, for the first time, a statement of compliance with International Accounting Standard 34 Interim Financial Reporting; and
    - (ii) did not previously file financial statements that disclosed compliance with IFRS;
  - (c) the issuer is a reporting issuer in any jurisdiction immediately before the date of the final long form prospectus; and
  - (d) the final long form prospectus is filed before July 5, 2012.

**FORM 41-101F2**  
**INFORMATION REQUIRED IN AN INVESTMENT FUND PROSPECTUS**

**GENERAL INSTRUCTIONS**

- (1) The objective of the prospectus is to provide information concerning the investment fund that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. This Form does not prohibit including information beyond what the Form requires. Further, certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*
- (2) Terms used and not defined in this Form that are defined or interpreted in the Instrument must bear that definition or interpretation. Other definitions are set out in NI 14-101 Definitions.*
- (3) In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgment in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the investment fund's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect.*
- (4) Unless an item specifically requires disclosure only in the preliminary prospectus, the disclosure requirements set out in this Form apply to both the preliminary prospectus and the prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*
- (5) The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.1 of Companion Policy 41-101CP General Prospectus Requirements. If technical terms are required, clear and concise explanations should be included.*
- (6) No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*
- (7) The disclosure required in this Form must be presented in the order and using the headings specified in the Form. If no sub-heading for an Item is stipulated in this Form, an investment fund may include sub-headings under the required headings.*
- (8) Where the term "investment fund" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to the investment fund's investees. If it is more likely than not that a person or company will become an investee, it may be necessary to also include disclosure with respect to the person or company. For this purpose, investees include entities that are consolidated, proportionately consolidated, or accounted for using the equity method.*

*(9) If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*

*(10) If the term “class” is used in any item to describe securities, the term includes a series.*

*(11) Where performance data is presented in the prospectus, annual compound returns must be presented for standard applicable performance periods of 1, 3, 5 and 10 year periods and the period since inception unless otherwise specified by the requirements of this Form. Performance data for periods of less than one year must not be presented. Hypothetical or back-tested performance data must not be presented.*

*(12) An investment fund that has more than one class or series that are referable to the same portfolio may treat each class or series as a separate investment fund for the purposes of this Form, or may combine disclosure of one or more of the classes or series in one prospectus. If disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*

*(13) A section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio is considered to be a separate investment fund for the purposes of this Form. An investment fund that has more than one class or series of securities referable to separate portfolios may combine disclosure of one or more of the classes or series in one prospectus if each class or series is managed by the same manager. If disclosure pertaining to more than one class or series is combined in one prospectus, separate disclosure in response to each item in this Form must be provided for each class or series unless the responses would be identical for each class or series.*

## PROSPECTUS FORM

### Item 1 Cover Page Disclosure

#### 1.1 Preliminary Prospectus Disclosure

Every preliminary prospectus must have printed in red ink and in italics at the top of the cover page immediately above the disclosure required in section 1.2 the following, with the bracketed information completed:

*“A copy of this preliminary prospectus has been filed with the securities regulatory authority(ies) in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority(ies)”.*

#### **INSTRUCTION:**

*Investment funds must complete the bracketed information by:*

- (a) inserting the names of each jurisdiction in which the investment fund intends to offer securities under the prospectus;*
- (b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdictions]).*

**1.2 Required Statement**

State in italics at the top of the cover page the following:

*“No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise”.*

**1.3 Basic Disclosure about the Distribution**

(1) State the following immediately below the disclosure required under sections 1.1 and 1.2 with the bracketed information completed:

“[PRELIMINARY OR PRO FORMA] PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR

SECONDARY OFFERING OR CONTINUOUS OFFERING]

[Date]

[Name of investment fund]

[number and type of securities qualified for distribution under the prospectus, and the price per security]

[type of fund - state the following: This investment fund is a [labour sponsored or venture capital fund, commodity pool, non-redeemable investment fund or exchange-traded mutual fund, or, if the issuer is another type of investment fund, state the type of fund]].

If securities of the investment fund are intended to be listed or quoted on an exchange or marketplace and conditional listing approval has been received, state the following: “[Name of exchange or marketplace] has conditionally approved the [listing/quotation] of the [type of securities qualified for distribution under the prospectus and to be listed/quoted], subject to the [name of investment fund] fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date]”].

(2) Briefly describe the investment objectives of the investment fund and provide a cross-reference to sections in the prospectus where information about the investment objectives is provided.

(3) State the name of the manager and portfolio adviser of the investment fund and provide a cross-reference to sections in the prospectus where information about the manager and portfolio adviser is provided.

**1.4 Distribution**

(1) Subsections (2) - (8) do not apply to an investment fund in continuous distribution.

(2) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	Price to public (a)	Underwriting discounts or commission (b)	Proceeds to issuer or selling securityholders (c)
Per Security			
Total			

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

**S-42.2 REG 3**

(3) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.

(3.1) If there may be an over-allocation position provide the following disclosure:

“A purchaser who acquires *[insert type of securities qualified for distribution under the prospectus]* forming part of the underwriters’ over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases”.

(4) If the distribution of the securities is to be on a best efforts basis, and a minimum offering amount:

(a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount; or

(b) is not required for the issuer to achieve any of the purposes of the offering, state the following in boldface type:

**“There is no minimum amount of funds that must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above”.**

(5) If debt securities are being distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.

(6) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis, and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.

(7) In column (b) of the table, disclose only commissions paid or payable in cash by the investment fund or selling securityholder and discounts granted. Set out in a note to the table:

(a) commissions or other consideration paid or payable by persons or companies other than the investment fund or selling securityholder;

(b) consideration other than discounts granted and cash paid or payable by the investment fund or selling securityholder, including warrants and options; and

(c) any finder’s fees or similar required payment.

(8) If a security is being distributed for the account of a selling securityholder, state the name of the securityholder and a cross-reference to the applicable section in the prospectus where further information about the selling securityholder is provided. State the portion of the expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reason why this is the case.

(9) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements.

**INSTRUCTIONS:**

*(1) Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*

*(2) If debt securities are being distributed, also express the information in the table as a percentage.*

**1.5 Offering Price in Currency Other than Canadian Dollar**

If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the currency.

**1.6 Non-fixed Price Distributions**

If the securities are being distributed at non-fixed prices, disclose:

- (a) the discount allowed or commission payable to the underwriter;
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the investment fund or selling securityholder;
- (c) that the securities to be distributed under the prospectus will be distributed, as applicable, at:
  - (i) prices determined by reference to the prevailing price of a specified security in a specified market;
  - (ii) market prices prevailing at the time of sale;
  - (iii) prices to be negotiated with purchasers; or
  - (iv) the net asset value of a security;
- (d) that prices may vary from purchaser to purchaser and during the period of distribution;
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date;
- (f) if the price of the securities will be the market price prevailing at the time of the sale, the market price at the latest practicable date; and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the investment fund or selling securityholder.

**1.7 Pricing Disclosure**

If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or the number of securities being distributed, has been publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary prospectus, include this information in the preliminary prospectus.

**1.8 Reduced Price Distributions**

If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price fixed in the prospectus, include in boldface type a cross-reference to the section in the prospectus where disclosure concerning the possible price decrease is provided.



**1.9 Market for Securities**

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the investment fund of the same class as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market. Provide a cross-reference to the section in the prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

“There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors””.
- (4) Subsection (3) does not apply to an investment fund in continuous distribution.

**1.10 Risk Factors**

Include a cross-reference to sections in the prospectus where information about the risks of an investment in the securities being distributed is provided. State any significant risks including leverage.

**1.11 Underwriter(s)**

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of NI 33-105 for front page prospectus disclosure.
- (3) Other than a labour sponsored or venture capital fund or commodity pool, if there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review or independent due diligence of the contents of the prospectus.

**1.12 Commodity Pool**

- (1) For a commodity pool, state in substantially the following words:

“You should carefully consider whether your financial condition permits you to participate in this investment. The securities of this commodity pool are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in the commodity pool.

“The risk of loss in trading [nature of instruments to be traded by the commodity pool] can be substantial. In considering whether to participate in the [commodity pool], you should be aware that trading [nature of instruments] can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value of the [commodity pool] and consequently the value of your interest in the [commodity pool]. Also, market conditions may make it difficult or impossible for the [commodity pool] to liquidate a position.



“The [commodity pool] is subject to certain conflicts of interest. The [commodity pool] will be subject to the charges payable by it as described in this prospectus that must be offset by revenues and trading gains before an investor is entitled to a return on his or her investment. It may be necessary for the [commodity pool] to make substantial trading profits to avoid depletion or exhaustion of its assets before an investor is entitled to a return on his or her investment”.

- (2) For the initial prospectus, state in substantially the following words:

“The [commodity pool] is newly organized. The success of the [commodity pool] will depend upon a number of conditions that are beyond the control of the [commodity pool]. There is substantial risk that the goals of the [commodity pool] will not be met”.

- (3) If the promoter, manager, or a portfolio adviser of the commodity pool has not had a similar involvement with any other publicly offered commodity pool, state in substantially the following words:

“The [promoter], [manager] [and/or] [portfolio adviser] of the [commodity pool] has not previously operated any other publicly offered commodity pools [or traded other accounts]”.

- (4) If the commodity pool will execute trades outside Canada, state in substantially the following words:

“Participation in transactions in [nature of instrument to be traded by the commodity pool] involves the execution and clearing of trades on or subject to the rules of a foreign market.

“None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs.

“For these reasons, entities such as the commodity pool that trade [nature of instrument to be traded by the commodity pool] may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges”.

- (5) State that the commodity pool is a mutual fund but that certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply.

- (6) Immediately after the statements required by subsections (1) - (5), state in substantially the following words:

“These brief statements do not disclose all the risks and other significant aspects of investing in the [commodity pool]. You should therefore carefully study this prospectus, including a description of the principal risk factors at page [page number], before you decide to invest in the [commodity pool]”.

### 1.13 Restricted Securities

Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.

### 1.14 Enforcement of Judgements Against Foreign Persons or Companies

If the investment fund, investment fund manager or any other person or company that is signing or providing a certificate under Part 5 of the Instrument or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of the Instrument, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

“The [investment fund, investment fund manager or any other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process”.

### 1.15 Documents Incorporated by Reference

For an investment fund in continuous distribution, state in substantially the following words:

“Additional information about the fund is available in the following documents:

- the most recently filed ETF Facts for each class or series of securities of the ETF; [insert if applicable];
- the most recently filed annual financial statements;
- any interim financial reports filed after those annual financial statements;
- the most recently filed annual management report of fund performance;
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this prospectus which means that they legally form part of this prospectus. Please see the “Documents Incorporated by Reference” section for further details.

## **Item 2 Table of Contents**

### **2.1 Table of Contents**

Include a table of contents.

## **Item 3 Summary of Prospectus**

### **3.1 Prospectus Summary**

Under the heading “Prospectus Summary” include the information listed in sections 3.2 to 3.6.

### **3.2 Cautionary Language**

At the beginning of the summary, include a statement in italics in substantially the following form:

“The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus [[if applicable] or incorporated by reference in the prospectus]”.

### **3.3 General**

(1) Briefly summarize information appearing elsewhere in the prospectus that, in the opinion of the investment fund or selling securityholder, would be most likely to influence the investor’s decision to purchase the securities being distributed. Include a description of:

- (a) how the investment fund has been organized (corporation, trust, etc.);
- (b) the securities to be distributed, including the offering price and expected net proceeds;
- (c) the investment objectives;
- (d) the investment strategies;
- (e) the use of leverage, including the following:
  - (i) if leverage is created through borrowing or the issuance of preferred securities, disclose any restrictions on the leverage used or to be used and whether the investment fund will borrow a minimum amount. Disclose the maximum amount of leverage the investment fund may use as a ratio calculated by dividing the maximum total assets of the investment fund by the net asset value of the investment fund; and
  - (ii) if leverage is created through the use of specified derivatives or by other means not disclosed in subparagraph (i), disclose any restrictions on the leverage used or to be used by the investment fund and whether the investment fund will use a minimum amount of leverage. Disclose the maximum amount of leverage the fund may use as a multiple of net assets. Provide a brief explanation of how the investment fund defines the term “leverage” and the significance of the maximum and minimum amounts of leverage to the investment fund;
- (f) the use of proceeds;
- (g) risk factors;
- (h) income tax considerations;

- (i) all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer;
  - (j) the redemption features;
  - (k) the distribution policy;
  - (l) the termination provisions;
  - (m) if restricted securities, subject securities or securities directly or indirectly convertible into or exercisable or exchangeable for restricted securities or subject securities are to be distributed under the prospectus:
    - (i) include a summary of the information required by section 21.6; and
    - (ii) include, in boldface type, a statement of the rights the holders of restricted securities do not have if the holders do not have all of the rights referred to in section 21.6; and
  - (n) whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.
- (2) For each item summarized under subsection (1), provide a cross-reference to the information in the prospectus.

#### **INSTRUCTIONS**

- (1) *For the purposes of Item 3.3(1)(e)(i), a fund must calculate its maximum total assets by aggregating the maximum value of its long positions, short positions and the maximum amount that may be borrowed.*
- (2) *For the purposes of the disclosure required by Item 3.3(1)(e)(ii), the term “specified derivative” has the same meaning as in NI 81-102. The description of an investment fund’s use of leverage under Item 3.3(1)(e)(ii) must provide investors with sufficient information to understand the magnitude of the market exposure of the investment fund as compared to the amount of money raised by the investment fund from investors.*

#### **3.4 Organization and Management of the Investment Fund**

- (1) Provide, under the sub-heading “Organization and Management of the [name of investment fund]”, information about the manager, trustee, portfolio adviser, promoter, custodian, registrar and transfer agent, auditor, principal distributor and securities lending agent and auditor of the investment fund in the form of a diagram or table.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity and the relationship of that entity to the manager.
- (3) For each entity listed in the diagram or table, other than the manager of the investment fund, provide the municipality and the province or country where it principally provides its services to the investment fund. Provide the complete municipal address for the manager of the investment fund.

**INSTRUCTIONS:**

(1) *The information required to be disclosed in this section must be presented prominently, using enough space so that it is easy to read.*

(2) *Briefly describe the services provided by the listed entities. For instance, the manager may be described as “manages the overall business and operations of the fund”, and a portfolio adviser may be described as “provides investment advice to the manager about the investment portfolio of the fund” or “manages the investment portfolio of the fund”.*

**3.5 Underwriter(s)**

(1) Under the sub-heading “Underwriters” or “Agents”, as applicable, state the name of each underwriter or agent.

(2) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter’s obligations are subject to conditions, state the following, with the bracketed information completed:

“We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of investment fund] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under “Plan of Distribution”.

(3) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the final prospectus.

(4) Provide the following tabular information:

<b>Underwriter’s Position</b>	<b>Maximum size or number of securities available</b>	<b>Exercise period/ Acquisition date</b>	<b>Exercise price or average acquisition price</b>
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer to underwriter			
Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

**INSTRUCTION:**

*If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.*

**3.6 Fees, Expenses and Returns**

(1) Set out information about the fees and expenses payable by the investment fund and by investors in the investment fund under the sub-heading “Summary of Fees and Expenses”.

(2) The information required by this section must be a summary of the fees, charges and expenses of the investment fund and investors presented in the form of the following table, appropriately completed, and introduced using substantially the following words:

“This table lists the fees and expenses that you may have to pay if you invest in the [insert the name of the investment fund]. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund”.

**Fees and Expenses Payable by the Fund**Type of FeeAmount and Description**Fees and Expenses Payable Directly by You**Type of FeeAmount and Description

(3) Describe the following fees and expenses in the table referred to in subsection (2):

**Fees and Expenses Payable by the Fund:**

- (a) Fees payable to the Underwriters for Selling the Securities
- (b) Expenses of the Issue
- (c) Management Fees [*See Instruction (1)*]
- (d) Incentive or Performance Fees
- (e) Portfolio Adviser Fees
- (f) Counterparty Fees (if any)
- (g) Operating Expenses [*See Instructions (2) and (3)*]
- (h) Other Fees and Expenses [*specify type*] [*specify amount*]

**Fees and Expenses Payable Directly by You**

- (i) Sales Charges [*specify percentage, as a percentage of* \_\_\_\_\_]
- (j) Service Fees [*specify percentage, as a percentage of* \_\_\_\_\_]
- (k) Redemption Fees [*specify percentage, as a percentage of* \_\_\_\_\_, *or specify amount*]
- (l) Registered Tax Plan Fees [*include this disclosure and specify the type of fees if the registered tax plan is sponsored by the investment fund and is described in the prospectus*][*specify amount*]
- (m) Other Fees and Expenses [*specify type*] [*specify amount*].

(4) For investment funds other than mutual funds, under the sub-heading “Annual Returns, Management Expense Ratio and Trading Expense Ratio”, provide, in the following table, returns for each of the past five years, the management expense ratio for each of the past five years and the trading expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]
<b>Annual Returns</b>	_____	_____	_____	_____
<b>MER</b>	_____	_____	_____	_____
<b>TER</b>	_____	_____	_____	_____

*“MER” means management expense ratio based on management fees and operating expenses (excluding commissions and other portfolio transaction costs) expressed as an annualized percentage of daily average net asset value.*

*“TER” means trading expense ratio and represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value.*

#### INSTRUCTIONS:

- (1) List the amount of the management fee, including any performance or incentive fee, for each investment fund separately.
- (2) Under “Operating Expenses”, state whether the investment fund pays all of its operating expenses and list the main components of those expenses. If the investment fund pays only certain operating expenses and is not responsible for payment of all such expenses, adjust the statement in the table to reflect the proper contractual responsibility of the investment fund and indicate who is responsible for the payment of these expenses.
- (3) Show all fees or expenses payable by the investment fund (e.g. brokerage) and investors in the investment fund. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.

### Item 4 Overview of the Structure of the Investment Fund

#### 4.1 Legal Structure

- (1) Under the heading “Overview of the Legal Structure of the Fund”, state the full corporate name of the investment fund or, if the investment fund is an unincorporated entity, the full name under which it exists and carries on business and the address(es) of the investment fund’s head and registered office.
- (2) State the statute under which the investment fund is incorporated or continued or organized or, if the investment fund is an unincorporated entity, the laws of the jurisdiction or foreign jurisdiction under which the investment fund is established and exists. Describe the substance of any material amendments to the articles or other constituting or establishing documents of the investment fund.
- (3) State whether the investment fund would be considered a mutual fund under securities legislation.



**Item 5 Investment Objectives****5.1 Investment Objectives**

- (1) Set out under the heading “Investment Objectives” the fundamental investment objectives of the investment fund, including information that describes the fundamental nature of the investment fund, or the fundamental features of the investment fund, that distinguish it from other investment funds.
- (2) If the investment fund purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of an investment in the investment fund, include this fact as a fundamental investment objective of the investment fund and:
  - (a) identify the person or company providing the guarantee or insurance;
  - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance;
  - (c) if applicable, state that the guarantee or insurance does not apply to the amount of any redemptions before the maturity date of the guarantee or before the death of the securityholder and that redemptions before that date would be based on the net asset value of the investment fund at the time; and
  - (d) modify any other disclosure required by this section appropriately.

**INSTRUCTIONS:**

- (1) *State the type or types of securities, such as money market instruments, bonds or equity securities, in which the investment fund will primarily invest under normal market conditions.*
- (2) *If the investment fund primarily invests, or intends to primarily invest, or if its name implies that it will primarily invest:*
  - (a) *in a particular type of issuer, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;*
  - (b) *in a particular geographic location or industry segment; or*
  - (c) *in portfolio assets other than securities;**the investment fund’s fundamental investment objectives must so indicate.*
- (3) *If a particular investment strategy is an essential aspect of the investment fund, as evidenced by the name of the investment fund or the manner in which the investment fund is marketed, disclose this strategy as an investment objective. This instruction would be applicable, for example, to an investment fund that described itself as an “investment fund that invests primarily through the use of derivatives”.*

**Item 6 Investment Strategies****6.1 Investment Strategies**

- (1) Describe under the heading “Investment Strategies”:
  - (a) the principal investment strategies that the investment fund intends to use in achieving its investment objectives;

- (b) the use of leverage, including the following:
    - (i) if leverage is created through borrowing or the issuance of preferred securities, disclose any restrictions on the leverage used or to be used and whether the investment fund will borrow a minimum amount. Disclose the maximum amount of leverage the investment fund may use as a ratio calculated by dividing the maximum total assets of the investment fund by the net asset value of the investment fund; and
    - (ii) if leverage is created through the use of specified derivatives or by other means not disclosed in subparagraph (i), disclose any restrictions on the leverage used or to be used by the investment fund and whether the investment fund will use a minimum amount of leverage. Disclose the maximum amount of leverage the fund may use as a multiple of net assets. Provide a brief explanation of how the investment fund defines the term “leverage” and the significance of the maximum and minimum amounts of leverage to the investment fund; and
  - (c) the process by which the investment fund’s portfolio adviser selects securities for the fund’s portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (2) Indicate what types of securities, other than those held by the investment fund in accordance with its fundamental investment objectives, may form part of the investment fund’s portfolio assets under normal market conditions.
- (3) If the investment fund intends to use derivatives:
- (a) for hedging purposes only, state that the investment fund may use derivatives for hedging purposes only; or
  - (b) for non-hedging purposes, or for hedging and non-hedging purposes, briefly describe:
    - (i) how derivatives are or will be used in conjunction with other securities to achieve the investment fund’s investment objectives;
    - (ii) the types of derivatives expected to be used and give a brief description of the nature of each type; and
    - (iii) the limits of the investment fund’s use of derivatives.
- (4) If the investment fund may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the investment fund’s portfolio adviser may use or intends to use in response to such conditions.
- (5) If the investment fund intends to enter into securities lending, repurchase or reverse repurchase transactions, briefly describe:
- (a) how those transactions are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund’s investment objectives;
  - (b) the types of those transactions to be entered into and give a brief description of the nature of each type; and
  - (c) the limits of the investment fund’s entering into those transactions.

- (6) If the investment fund intends to sell securities short:
  - (a) state that the investment fund may sell securities short; and
  - (b) briefly describe:
    - (i) the short selling process; and
    - (ii) how short sales of securities are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund's investment objectives.

**INSTRUCTIONS:**

- (1) *For the purposes of Item 6.1(1)(b)(i), a fund must calculate its maximum total assets by aggregating the maximum value of its long positions, short positions and the maximum amount that may be borrowed.*
- (2) *For the purposes of the disclosure required by Item 6.1(1)(b)(ii), the term "specified derivative" has the same meaning as in NI 81-102. The description of an investment fund's use of leverage under Item 6.1(1)(b)(ii) must provide investors with sufficient information to understand the magnitude of the market exposure of the investment fund as compared to the amount of money raised by the investment fund from investors.*

**6.2 Overview of the Investment Structure**

- (1) Under the sub-heading, "Overview of the Investment Structure", describe, including a diagram for complex structures, the overall structure of the underlying investment or investments made or to be made by the investment fund, including any direct or indirect investment exposure. Include in the description and the diagram any counterparties under a forward or swap agreement entered into with the investment fund or its manager, the nature of the portfolio of securities being purchased by the investment fund, any indirect investment exposure that is related to the return of the investment fund and any collateral or guarantees given as part of the overall structure of the underlying investment or investments made by the investment fund.
- (2) If the securities distributed under the prospectus are being issued in connection with a restructuring transaction, describe by way of a diagram or otherwise the intercorporate relationships both before and after the completion of the proposed transaction.

**Item 7 Overview of the Sector(s) that the Fund Invests in**

**7.1 Sector(s) that the Fund Invests in**

- (1) Under the heading "Overview of the Sector[(s)] that the Fund Invests in", if the investment fund invests or intends to invest in a specific sector(s), briefly describe the sector(s) that the investment fund has been or will be investing in.
- (2) Include in the description known material trends, events or uncertainties in the sector(s) that the investment fund invests or intends to invests in that might reasonably be expected to affect the investment fund.

**7.2 Significant Holdings in Other Entities**

For a labour sponsored or venture capital fund, include in substantially the tabular form below, the following information as at a date within 30 days of the date of the prospectus with respect to each entity, 5 percent or more of whose securities of any class are beneficially owned directly or indirectly by the fund.

<b>Significant Holdings of the</b> [name of the labour sponsored or venture capital fund]		
Name and Address of Entity	Nature of Entities' Principal Business	Percentage of Securities of each Class Owned by Fund
_____	_____	_____

## **Item 8 Investment Restrictions**

### **8.1 Investment Restrictions**

- (1) Under the heading "Investment Restrictions", describe any restrictions on investments adopted by the investment fund, beyond what is required under securities legislation.
- (2) If the investment fund has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (3) Describe the nature of any securityholder or other approval that may be required in order to change the fundamental investment objectives and any of the material investment strategies to be used to achieve the investment objectives.

## **Item 9 Management Discussion of Fund Performance**

### **9.1 Management Discussion of Fund Performance**

Unless the investment fund's most recently filed management report of fund performance is incorporated by reference under Item 37 or attached to the prospectus under Item 38, provide, under the heading "Management Discussion of Fund Performance", management's discussion of fund performance in accordance with sections 2.3, 2.4, 2.5, 3, 4, 5 and 6 of Part B of Form 81-106F1 for the period covered by the financial statements required under Item 38.

## **Item 10 Fees and Expenses**

### **10.1 Fees and Expenses**

Under the heading "Fees and Expenses", set out information about all of the fees and expenses payable by the investment fund and by investors in the investment fund.

#### **INSTRUCTION:**

*Describe each fee paid by the investment fund and by the investor in this section separately. The description of fees must also include sales and trailing commissions paid either by the investment fund or the investor.*

## **Item 11 Annual Returns and Management Expense Ratio**

### **11.1 Annual Returns, Management Expense Ratio and Trading Expense Ratio**

For investment funds other than mutual funds, under the heading "Annual Returns, Management Expense Ratio and Trading Expense Ratio", provide, in the following table, returns for each of the past five years, the management expense ratio for each of the past five years and the trading expense ratio for each of the past five years as disclosed in the most recently filed annual management report of fund performance of the investment fund:

	[specify year]	[specify year]	[specify year]	[specify year]
<b>Annual Returns</b>	_____	_____	_____	_____
<b>MER</b>	_____	_____	_____	_____
<b>TER</b>	_____	_____	_____	_____

*“MER” means management expense ratio based on management fees and operating expenses (excluding commissions and other portfolio transaction costs) expressed as an annualized percentage of daily average net asset value.*

*“TER” means trading expense ratio and represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value.*

## **Item 12 Risk Factors**

### **12.1 Risk Factors**

(1) Under the heading “Risk Factors”, describe the risk factors material to the investment fund that a reasonable investor would consider relevant to an investment in the securities being distributed, such as the risks associated with any particular aspect of the fundamental investment objectives and investment strategies.

(2) Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification, leverage, credit, legal and operational risks, as appropriate.

(3) Include a brief discussion of general investment risks applicable to the investment fund, such as specific company developments, stock market conditions and general economic and financial conditions in those countries where the investments of the investment fund are listed for trading.

(4) As applicable, describe the risks associated with the investment fund entering into:

- (a) derivative transactions for non-hedging purposes;
- (b) securities lending, repurchase or reverse repurchase transactions; and
- (c) short sales of securities.

(5) If there is a risk that purchasers of the securities distributed may become liable to make an additional contribution beyond the price of the security, disclose the risk.

### **INSTRUCTIONS:**

(1) *Describe risks in the order of seriousness from the most serious to the least serious.*

(2) *A risk factor must not be de-emphasized by including excessive caveats or conditions.*

## 12.2 Investment Risk Classification Methodology

For an ETF,

(a) state in words substantially similar to the following:

“The investment risk level of this ETF is required to be determined in accordance with a standardized risk classification methodology that is based on the ETF’s historical volatility as measured by the 10-year standard deviation of the returns of the ETF.”

(b) if the ETF has less than 10 years of performance history and complies with Item 4 of Appendix F – Investment Risk Classification Methodology to *National Instrument 81-102 Investment Funds*, provide a brief description of the other fund or reference index, as applicable; if the other fund or reference index has been changed since the most recently filed prospectus, provide details of when and why the change was made; and

(c) disclose that the standardized risk classification methodology used to identify the investment risk level of the ETF is available on request, at no cost, by calling [toll free/collect call telephone number] or by writing to [address]

## Item 13 Distribution Policy

### 13.1 Distribution Policy

Under the heading “Distribution Policy”, describe the distribution policy, including:

- (a) whether distributions are made by the investment fund in cash or reinvested in securities of the investment fund;
- (b) the targeted amount of any distributions;
- (c) whether the distributions are guaranteed or not; and
- (d) when the distributions are made.

## Item 14 Purchases of Securities

### 14.1 Purchases of Securities

- (1) Under the heading “Purchases of Securities”, describe the procedure followed or to be followed by investors who desire to purchase securities of the investment fund or switch them for securities of other investment funds.
- (2) Describe how the issue price of the securities of the investment fund is determined.
- (3) Describe how the securities of the investment fund are distributed. If sales are effected through a principal distributor, give brief details of any arrangements with the principal distributor.
- (4) Describe all available purchase options and state, if applicable, that the choice of different purchase options requires the investor to pay different fees and expenses and if applicable, that the choice of different purchase options affects the amount of compensation paid to a dealer.

(5) If applicable, disclose that a dealer may make provision in arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of securities of the investment fund caused by the investor.

(6) If applicable, for an investment fund that is being sold on a best efforts basis, state whether the issue price will be fixed during the initial distribution period, and state when the investment fund will begin issuing securities at the net asset value of a security of the investment fund.

## **Item 15 Redemption of Securities**

### **15.1 Redemption of Securities**

(1) Under the heading “Redemption of Securities”, describe how investors may redeem securities of the investment fund, including:

(a) the procedures followed, or to be followed, by an investor who desires to redeem securities of the investment fund and specifying the procedures to be followed and the documents to be delivered before a redemption order pertaining to securities of the investment fund will be accepted by the investment fund for processing and before payment of the proceeds of redemption will be made by the investment fund;

(a.1) the dates on which the securities of the investment fund will be redeemed;

(a.2) the dates on which payment of the proceeds of redemption will be made by the investment fund;

(b) how the redemption price of the securities is determined and, if applicable, state that the redemption price of the securities is based on the net asset value of a security of that class, or series of a class, next determined after the receipt by the investment fund of the redemption order; and

(c) the circumstances under which the investment fund may suspend redemptions of the securities of the investment fund.

(2) If the proceeds of redemption are computed by reference to the net asset value per security and amounts may be deducted from the asset value per security, describe each amount that may be deducted and the entity to which each amount is paid. If there is a maximum amount or percentage that may be deducted from the net asset value per security, disclose that amount or percentage.

### **15.2 Short-term Trading**

For an investment fund in continuous distribution, under the sub-heading “Short-Term Trading”:

(a) describe the adverse effects, if any, that short-term trades in securities of the investment fund by an investor may have on other investors in the investment fund;

(b) describe the restrictions, if any, that may be imposed by the investment fund to deter short-term trades, including the circumstances, if any, under which such restrictions may not apply;

(c) where the investment fund does not impose restrictions on short-term trades, state the specific basis for the view of the manager that it is appropriate for the investment fund not to do so; and



- (d) describe any arrangements, whether formal or informal, with any person or company, to permit short-term trades in securities of the investment fund, including the name of such person or company and the terms of such arrangements, including any restrictions imposed on the short-term trades and any compensation or other consideration received by the manager, the investment fund or any other party pursuant to such arrangements.

**INSTRUCTION:**

*For the disclosure required by section 15.2, include a brief description of the short-term trading activities in the investment fund that are considered by the manager to be inappropriate or excessive. If the manager imposes a short-term trading fee, include a cross-reference to the disclosure provided under Item 10 of this Form.*

**Item 16 Consolidated Capitalization**

**16.1 Consolidated Capitalization**

- (1) This section does not apply to an investment fund in continuous distribution.
- (2) Under the heading “Consolidated Capitalization”, describe any material change in, and the effect of the material change on, the share and loan capital of the investment fund, on a consolidated basis, since the date of the investment fund’s financial statements for its most recently completed financial period included in the prospectus, including any material change that will result from the issuance of the securities being distributed under the prospectus.

**Item 17 Prior Sales**

**17.1 Prior Sales**

- (1) Subsection (2) does not apply to an investment fund in continuous distribution.
- (2) Under the heading “Prior Sales”, for each class of securities of the investment fund distributed under the prospectus and for securities that are convertible into those classes of securities, state, for the 12-month period before the date of the prospectus:
- (a) the price at which the securities have been issued or are to be issued by the investment fund or sold by the selling securityholder;
  - (b) the number of securities issued or sold at that price; and
  - (c) the date on which the securities were issued or sold.

**17.2 Trading Price and Volume**

- (1) For each class of securities of the investment fund that is traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation generally occurs.
- (2) If a class of securities of the investment fund is not traded or quoted on a Canadian marketplace but is traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation generally occurs.
- (3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the prospectus.

**Item 18 Income Tax Considerations****18.1 Status of the Investment Fund**

Under the heading “Income Tax Considerations” and under the sub-heading “Status of the Investment Fund”, briefly describe the status of the investment fund for income tax purposes. Also disclose whether the investment fund is eligible as an investment for registered retirement savings plans, registered retirement income plans, registered education savings plans or deferred profit sharing plans.

**18.2 Taxation of the Investment Fund**

Under the sub-heading “Taxation of the Investment Fund”, state in general terms the bases upon which the income and capital receipts of the investment fund are taxed.

**18.3 Taxation of Securityholders**

Under the sub-heading “Taxation of Securityholders”, state in general terms the income tax consequences to the holders of the securities offered of:

- (a) any distribution to the securityholders in the form of income, capital, dividends or otherwise, including amounts reinvested in securities of the investment fund;
- (b) the redemption of securities; and
- (c) the issue of securities.

**18.4 Taxation of Registered Plans**

Under the sub-heading “Taxation of Registered Plans”, explain the tax treatment applicable to securities of the investment fund held in a registered tax plan.

**18.5 Tax Implications of the Investment Fund’s Distribution Policy**

Under the sub-heading “Tax Implications of the Investment Fund’s Distribution Policy”, describe the impact of the investment fund’s distribution policy on a taxable investor who acquires securities of the investment fund late in a calendar year.

**Item 19 Organization and Management Details of the Investment Fund****19.1 Management of the Investment Fund**

(1) Under the heading “Organization and Management Details of the Investment Fund” and under the sub-heading “Officers and Directors of the Investment Fund”:

- (a) list the name and municipality of residence of each director and executive officer of the investment fund and indicate their respective positions and offices held with the investment fund and their respective principal occupations during the five preceding years;
- (b) state the period or periods during which each director has served as a director and when his or her term of office will expire;
- (c) **Repealed.** 17 May 2013 SR 32/2013 s5.
- (d) disclose the board committees of the investment fund and identify the members of each committee;

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(e) if the principal occupation of a director or executive officer of the investment fund is acting as an executive officer of a person or company other than the investment fund, disclose that fact and state the principal business of the person or company; and

(f) for an investment fund that is a limited partnership, provide the information required by this subsection for the general partner of the investment fund, modified as appropriate.

(2) Under the sub-heading “Cease Trade Orders and Bankruptcies”, if a director or executive officer of the investment fund is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other issuer, that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) For the purposes of subsection (2), “order” means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant investment fund access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days.

(4) If a director or executive officer of any other issuer:

(a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director or executive officer of any issuer that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer, state the fact.

(5) Under the heading “Organization and Management Details of the Investment Fund” and under the sub-heading “Manager of the Investment Fund”, provide the complete municipal address of the manager and details of the manager of the investment fund, including the history and background of the manager and any overall investment strategy or approach used by the manager in connection with the investment fund.

- (6) Under the sub-heading “Duties and Services to be Provided by the Manager”, provide a description of the duties and services that the manager will be providing to the investment fund.
- (7) Under the sub-heading “Details of the Management Agreement”, provide a brief description of the essential details of any management agreement that the manager has entered into or will be entering into with the investment fund, including any termination rights.
- (8) Under the sub-heading “Officers and Directors of the Manager of the Investment Fund”:
- (a) list the name and municipality of residence of each partner, director and executive officer of the manager of the investment fund and indicate their respective positions and offices held with the manager and their respective principal occupations within the five preceding years;
  - (b) if a partner, director or executive officer of the manager has held more than one office with the manager within the past five years, state only the current office held; and
  - (c) if the principal occupation of a partner, director or executive officer of the manager is with an organization other than the manager of the investment fund, state the principal business in which the organization is engaged.
- (9) Under the sub-heading “Cease Trade Orders and Bankruptcies of the Manager”, provide the information required under subsections (2) and (4) for the directors and executive officers of the manager of the investment fund, modified as appropriate.
- (10) Under the heading “Ownership of Securities of the Investment Fund and of the Manager” disclose:
- (a) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the investment fund:
    - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent;
    - (ii) in the manager; or
    - (iii) in any person or company that provides services to the investment fund or the manager; and
  - (b) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the directors and executive officers of the manager of the investment fund:
    - (i) in the investment fund if the aggregate level of ownership exceeds 10 percent;
    - (ii) in the manager; or
    - (iii) in any person or company that provides services to the investment fund or the manager; and

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(c) the percentage of securities of each class or series of voting or equity securities owned of record or beneficially, in aggregate, by all the independent review committee members of the investment fund:

- (i) in the investment fund if the aggregate level of ownership exceeds 10 percent;
- (ii) in the manager; or
- (iii) in any person or company that provides services to the investment fund or the manager.

(11) If the management functions of the investment fund are carried out by employees of the investment fund, disclose in respect of those employees the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.

(12) Describe any arrangements under which compensation was paid or payable by the investment fund during the most recently completed financial year of the investment fund, for the services of directors of the investment fund, members of an independent board of governors or advisory board of the investment fund and members of the independent review committee of the investment fund, including the amounts paid, the name of the individual and any expenses reimbursed by the investment fund to the individual:

- (a) in that capacity, including any additional amounts payable for committee participation or special assignments; and
- (b) as a consultant or expert.

(13) For an investment fund that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the investment fund during the most recently completed financial year of the investment fund for the services of the trustee or trustees of the investment fund.

**INSTRUCTIONS:**

*(1) The disclosure required by subsections (2) and (4) also applies to any personal holding companies of any of the persons referred to in subsections (2) and (4).*

*(2) A management cease trade order which applies to directors and executive officers of the investment fund is an “order” for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

*(3) For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction”.*

*(4) The disclosure in paragraph (2)(a) only applies if the director or executive officer of the investment fund was a director, chief executive officer or chief financial officer when the order was issued against the relevant investment fund. The investment fund does not have to provide disclosure if the director or executive officer became a director, chief executive officer or chief financial officer after the order was issued.*

*(5) The disclosure required under Item 19.1(11) regarding executive compensation for management functions carried out by employees of an investment fund must be made in accordance with the disclosure requirements of Form 51-102F6.*

**19.2 Portfolio Adviser**

- (1) Under the sub-heading “Portfolio Adviser”:
  - (a) state the municipality and the province or country where the portfolio adviser principally provides its services to the investment fund and give details of the portfolio adviser of the investment fund, including the history and background of the portfolio adviser;
  - (b) state the extent to which investment decisions are made by certain individuals employed by the portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee; and
  - (c) state the name, title, and length of time of service of the person or persons employed by or associated with the portfolio adviser of the investment fund who is or are principally responsible for the day-to-day management of a material portion of the portfolio of the investment fund, implementing a particular material strategy or managing a particular segment of the portfolio of the investment fund, and each person’s business experience in the last five years.
- (2) Under the sub-heading “Details of the Portfolio Advisory Agreement”, provide a brief description of the essential details of any portfolio advisory agreement that the portfolio adviser has entered into or will be entering into with the investment fund or the manager of the investment fund, including any termination rights.

**19.2.1 Brokerage Arrangements**

Under the sub-heading “Brokerage Arrangements”:

- (a) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state:
  - (i) the process for, and factors considered in, selecting a dealer to effect securities transactions for the investment fund, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;
  - (ii) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;
  - (iii) each type of good or service, other than order execution, that might be provided; and
  - (iv) the method by which the portfolio adviser makes a good faith determination that the investment fund, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid;
- (b) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, since the date of the investment fund’s last prospectus or last annual information form, whichever one is the most recent, state:



- (i) each type of good or service, other than order execution, that has been provided to the manager or the portfolio adviser of the investment fund; and
- (ii) the name of any affiliated entity that provided any good or service referred to in subparagraph (i), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity; and
- (c) If any brokerage transactions involving the client brokerage commissions of the investment fund have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (b)(i), that was not disclosed under paragraph (b)(ii), will be provided upon request by contacting the investment fund or investment fund family at [insert telephone number] or at [insert investment fund or investment fund family e-mail address].

**INSTRUCTIONS:**

*Terms defined in NI 23-102 - Use of Client Brokerage Commissions have the same meaning where used in this item.*

**19.3 Conflicts of Interest**

Under the sub-heading “Conflicts of Interest”, disclose particulars of existing or potential material conflicts of interest between:

- (a) the investment fund and a director or executive officer of the investment fund;
- (b) the investment fund and the manager or any director or executive officer of the manager of the investment fund; and
- (c) the investment fund and the portfolio adviser or any director or executive officer of the portfolio adviser of the investment fund.

**19.4 Independent Review Committee**

Under the sub-heading “Independent Review Committee”, provide a description of the independent review committee of the investment fund, including:

- (a) the mandate and responsibilities of the independent review committee;
- (b) the composition of the independent review committee (including the names of its members), and the reasons for any change in its composition since the date of the most recently filed annual information form or prospectus of the investment fund, as applicable;
- (c) that the independent review committee prepares a report at least annually of its activities for securityholders which is available on the [investment fund’s/ investment fund family’s] Internet site at [insert investment fund’s Internet site address], or at the securityholder’s request at no cost, by contacting the [investment fund/investment fund family] at [investment fund’s/investment fund family’s email address]; and
- (d) the amount of fees and expenses payable in connection with the independent review committee by the investment fund, including any amounts payable for committee participation or special assignments, and state whether the investment fund pays all of the fees payable to the independent review committee.



### **19.5 Trustee**

Under the sub-heading “Trustee”, provide details of the trustee of the investment fund, including the municipality and the province or country where the trustee principally provides its services to the investment fund.

### **19.6 Custodian**

(1) Under the sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the investment fund.

(2) Describe generally the sub-custodial arrangements of the investment fund.

#### **INSTRUCTION:**

*A “principal sub-custodian” is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the investment fund.*

### **19.7 Auditor**

Under the sub-heading “Auditor”, state the name and address of the auditor of the investment fund.

### **19.8 Transfer Agent and Registrar**

Under the sub-heading, “Transfer Agent and Registrar”, for each class of securities, state the name of the investment fund’s transfer agent(s), registrar(s), trustee, or other agent appointed by the investment fund to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the investment fund or transfer agent, registrar, trustee or other agent where the securities, register and register of transfers are maintained or transfers of securities are recorded.

### **19.9 Promoters**

(1) For a person or company that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the investment fund, state under the sub-heading “Promoter”:

(a) the person or company’s name and municipality and the province or country of residence;

(b) the number and percentage of each class of voting securities and equity securities of the investment fund beneficially owned, or controlled or directed, directly or indirectly, by the person or company;

(c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter directly or indirectly from the investment fund, and the nature and amount of any assets, services or other consideration received or to be received by the investment fund in return; and

(d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the investment fund from a promoter:

(i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;

(ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the investment fund, the promoter, or an affiliate of the investment fund or of the promoter; and

(iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company, that:

(a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer;

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) For the purposes of subsection (2), "order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant person or company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

(4) If a promoter referred to in subsection (1):

(a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or

(b) has, within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

(5) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to:

(a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered to be important to a reasonable investor in making an investment decision.

**INSTRUCTIONS:**

*(1) The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*

*(2) A management cease trade order which applies to a promoter referred to in subsection (1) is an “order” for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

*(3) For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a “penalty or sanction”.*

*(4) The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The investment fund does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

**19.10 Principal Distributor**

(1) If applicable, state the name and address of the principal distributor of the investment fund.

(2) Describe the circumstances under which any agreement with the principal distributor of the investment fund may be terminated and include a brief description of the essential terms of this agreement.

**19.11 - Securities Lending Agent**

(1) Under the sub-heading “Securities Lending Agent”, state the name of each securities lending agent of the investment fund and the municipality of each securities lending agent’s principal or head office.

(2) State whether any securities lending agent of the investment fund is an affiliate or associate of the manager of the investment fund.

(3) Briefly describe the essential terms of each agreement with each securities lending agent. Include the amount of collateral required to be delivered in connection with a securities lending transaction as a percentage of the market value of the loaned securities, and briefly describe any indemnities provided in, and the termination provisions of, each such agreement.

## **Item 20 Calculation of Net Asset Value**

### **20.1 Calculation of Net Asset Value**

Under the heading “Calculation of Net Asset Value”:

- (a) describe how the net asset value of the investment fund is calculated; and
- (b) state the frequency at which the net asset value is calculated and the date and time of day at which it is calculated.

### **20.2 Valuation Policies and Procedures**

Under the sub-heading “Valuation Policies and Procedures of the Investment Fund”:

- (a) describe the methods used to value the various types or classes of assets of the investment fund and its liabilities for the purpose of calculating net asset value;
  - (a.1) if the valuation principles and practices established by the manager differ from Canadian GAAP, describe the differences; and
  - (b) if the manager has discretion to deviate from the investment fund’s valuation practices described in paragraph (a), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, so state.

### **20.3 Reporting of Net Asset Value**

Under the sub-heading “Reporting of Net Asset Value”, describe:

- (a) how the net asset value and net asset value per security of the investment fund will be made available at no cost (e.g. website, toll-free telephone line, etc.); and
- (b) the frequency at which the net asset value and net asset value per security is disclosed.

## **Item 21 Description of the Securities Distributed**

### **21.1 Equity Securities**

If equity securities of the investment fund are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed” state the description or the designation of the class of equity securities distributed and describe all material attributes and characteristics, including:

- (a) dividend or distribution rights;
- (b) voting rights;
- (c) rights upon dissolution, termination or winding-up;
- (d) pre-emptive rights;
- (e) conversion or exchange rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) provisions requiring a securityholder to contribute additional capital.

## 21.2 Debt Securities

If debt securities are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed”, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including:

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants, including restrictions against payment of distributions and restrictions against giving security on the assets of the investment fund, and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the investment fund or any of its affiliates; and
- (h) any financial arrangements between the investment fund and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

## 21.3 Repealed. 12 Sep 2014 SR 77/2014 s9.

## 21.4 Other Securities

If securities other than the securities mentioned above are being distributed, under the heading “Attributes of the Securities” and under the sub-heading “Description of the Securities Distributed”, describe fully the material attributes and characteristics of those securities.

## 21.5 Special Warrants

If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, disclose that holders of such securities have been provided with a contractual right of rescission and provide the following disclosure in the prospectus, with the bracketed information completed:

“The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation:

- (a) the holder is entitled to rescission of both the holder’s exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired;

- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant; and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber”.

**INSTRUCTION:**

*If the prospectus is qualifying the distribution of securities issued upon the exercise of securities other than special warrants, replace the term “special warrant” with the type of the security being distributed.*

**21.6 Restricted Securities**

- (1) If the investment fund has outstanding, or proposes to distribute under a prospectus, restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of:
  - (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the investment fund that are the same as or greater than, on a per security basis, those attached to the restricted securities;
  - (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities;
  - (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the investment fund and to speak at the meetings to the same extent that holders of equity securities are entitled; and
  - (d) how the investment fund complied with, or the basis upon which it was exempt from, the requirements of Part 12 of the Instrument.
- (2) If holders of restricted securities do not have all of the rights referred to in subsection (1), the detailed description referred to in that subsection must include, in boldface type, a statement of the rights the holders do not have.
- (3) If the investment fund is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the investment fund’s securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.



**21.7 Modification of Terms**

- (1) Describe provisions about the modification, amendment or variation of any rights attached to the securities being distributed.
- (2) If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

**21.8 Ratings**

- (1) If the investment fund has asked for and received a credit rating, or if the investment fund is aware that it has received any other kind of rating, including a stability rating or a provisional rating, from one or more credit rating organizations for securities of the investment fund that are outstanding, or will be outstanding, and the rating or ratings continue in effect, disclose:
  - (a) each rating received from a credit rating organization;
  - (b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;
  - (c) a definition or description of the category in which each credit rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
  - (d) an explanation of what the rating addresses and what attributes, if any, of the securities are not addressed by the rating;
  - (e) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the securities;
  - (f) a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization; and
  - (g) any announcement made by, or any proposed announcement known to the investment fund that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.
- (2) If payments were, or reasonably will be, made to a credit rating organization that provided a rating described in section (1), state that fact and state whether any payments were made to the credit rating organization in respect of any other service provided to the investment fund by the credit rating organization during the last two years.

**INSTRUCTIONS**

*There may be factors relating to a security that are not addressed by a credit rating organization when they give a rating. For example, in the case of cash settled derivative instruments, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by a credit rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.*

*A provisional rating received before the investment fund's most recently completed financial year is not required to be disclosed under this section.*



## **21.9 Other Attributes**

- (1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- (2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

### **INSTRUCTION:**

*This section requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the investment fund's discretion, be attached as a schedule to the prospectus.*

## **Item 22 Securityholder Matters**

### **22.1 Meetings of Securityholders**

Under the heading "Securityholder Matters" and under the sub-heading "Meetings of Securityholders", describe the circumstances, processes and procedures for holding any securityholder meeting and for any extraordinary resolution.

### **22.2 Matters Requiring Securityholder Approval**

Under the sub-heading "Matters Requiring Securityholder Approval", describe the matters that require securityholder approval.

### **22.3 Amendments to Declaration of Trust**

For an investment fund established pursuant to a declaration of trust, under the sub-heading "Amendments to the Declaration of Trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

### **22.4 Reporting to Securityholders**

Under the sub-heading "Reporting to Securityholders" describe the information or reports that will be delivered or made available to securityholders and the frequency with which such information or reports will be delivered or made available to securityholders, including any requirements under securities legislation.

## **Item 23 Termination of the Fund**

### **23.1 Termination of the Fund**

Under the heading "Termination of the Fund", describe the circumstances in which the investment fund will be terminated, including:

- (a) the date of termination;
- (b) how the value of the securities of the investment fund at termination will be determined;
- (c) whether securityholders will receive cash or any other type of payment upon termination;
- (d) the details of any rollover transaction, if securityholders will receive securities of another investment fund as part of a rollover transaction upon termination;
- (e) how the assets of the investment fund will be distributed upon termination; and

- (f) if the investment fund is a commodity pool, disclose whether the investment fund will be wound up without the approval of securityholders if the net asset value per security falls below a certain predetermined level, and, if so, the net asset value per security at which this will occur.

**Item 24 Use of Proceeds****24.1 Application**

This Item does not apply to an investment fund in continuous distribution.

**24.2 Proceeds**

- (1) Under the heading “Use of Proceeds”, state the estimated net proceeds to be received by the investment fund or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the investment fund or selling securityholder from the sale of the securities distributed.
- (2) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the investment fund.
- (3) If the prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

**24.3 Other Sources of Funding**

If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

**24.4 Financing by Special Warrants, etc.**

- (1) If the prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- (2) If all or a portion of the funds have been spent, explain how the funds were spent.

**Item 25 Plan of Distribution****25.1 Plan of Distribution**

Under the heading “Plan of Distribution”, briefly describe the plan of distribution.

**25.2 Name of Underwriters**

- (1) If the securities are being distributed by an underwriter, state the name of the underwriter and describe briefly the nature of the underwriter’s obligation to take up and pay for the securities.
- (2) Disclose the date by which the underwriter is obligated to purchase the securities.

**25.3 Disclosure of Conditions to Underwriters’ Obligations**

If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter’s obligations are subject to conditions:

- (a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

“Under an agreement dated [insert date of agreement] between [insert name of investment fund or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of investment fund or selling securityholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of investment fund or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [its/their] assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement”; and

- (b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

#### **25.4 Best Efforts Offering**

Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 25.3.

#### **25.5 Minimum Distribution**

If securities are being distributed on a best efforts basis and minimum funds are to be raised, state:

- (a) the minimum funds to be raised;
- (b) that the investment fund must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practising member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised; and
- (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

#### **25.6 Determination of Price**

Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process of determining the estimates.

#### **25.7 Stabilization**

If the investment fund, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

#### **25.8 Reduced Price Distributions**

If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the prospectus in accordance with the procedures permitted by the Instrument and NI 81-102, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the investment fund or selling securityholder.

**25.9 Listing Application**

If application has been made to list or quote the securities being distributed, include a statement, in substantially the following form, with the bracketed information completed:

“The investment fund has applied to [list/quote] the securities distributed under this prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the investment fund fulfilling all the listing requirements of [name of exchange or other market]”.

**25.10 Conditional Listing Approval**

If application has been made to list or quote the securities being distributed on an exchange or marketplace and conditional listing approval has been received, include a statement, in substantially the following form, with the bracketed information completed:

“[name of exchange or marketplace] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of investment fund]’s fulfilling all of the requirements of the [name of exchange or marketplace] on or before [date], [including distribution of these securities to a minimum number of public securityholders]”.

**25.11 Constraints**

If there are constraints imposed on the ownership of securities of the investment fund to ensure that the investment fund has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the investment fund will be monitored and maintained.

**25.12 Special Warrants Acquired by Underwriters or Agents**

Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

**Item 26 Relationship Between Investment Fund or Selling Securityholder and Underwriter****26.1 Relationship Between Investment Fund or Selling Securityholder and Underwriter**

(1) Under the heading “Relationship between Investment Fund [or Selling Securityholder] and Underwriter”, if the investment fund or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the selling securityholder is also an underwriter, comply with the requirements of NI 33-105.

(2) For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meanings as in NI 33-105.

**Item 27 Repealed.** 12 Sep 2014 SR 77/2014 s9.

**Item 28 Principal Holders of Securities of the Investment Fund and Selling Securityholders**

**28.1 Principal Holders of Securities of the Investment Fund and Selling Securityholders**

(1) Under the heading “Principal Holders of Securities of the Investment Fund [and Selling Securityholders]”, provide the following information for each principal securityholder of the investment fund, if known or if ought to be known by the investment fund or the manager and, if any securities are being distributed for the account of a securityholder, for each selling securityholder, as of a specified date not more than 30 days before the date of the prospectus or pro forma prospectus, as applicable:

- (a) the name;
- (b) the number or amount of securities owned, controlled or directed of the class being distributed;
- (c) the number or amount of securities of the class being distributed for the account of the securityholder;
- (d) the number or amount of securities of the investment fund of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding; and
- (e) whether the securities referred to in paragraphs (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.

(2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in paragraph (1)(a) that will exist after effect has been given to the transaction.

(3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the prospectus or pro forma prospectus, as applicable, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the prospectus or pro forma prospectus, as applicable, the cost to the securityholder in the aggregate and on an average cost-per-security basis.

(4) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, more than 10 percent of any class of voting securities of the investment fund is held, or is to be held, subject to any voting trust or other similar agreement, disclose, to the extent known, the designation of the securities, the number or amount of the securities held or to be held subject to the agreement and the duration of the agreement. State the names and addresses of the voting trustees and outline briefly their voting rights and other powers under the agreement.

(5) If, to the knowledge of the investment fund or the underwriter of the securities being distributed, any principal securityholder or selling securityholder is an associate or affiliate of another person or company named as a principal securityholder, disclose, to the extent known, the material facts of the relationship, including any basis for influence over the investment fund held by the person or company other than the holding of voting securities of the investment fund.

(6) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.

(7) Describe any material change to the information required to be included in the prospectus under subsection (1) to the date of the prospectus.

**INSTRUCTION:**

*If a company, partnership, trust or other unincorporated entity is a principal securityholder of an investment fund, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of the company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.*

**Item 29 Interests of Management and Others in Material Transactions****29.1 Interests of Management and Others in Material Transactions**

Under the heading “Interests of Management and Others in Material Transactions”, describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the investment fund:

- (a) a director or executive officer of the investment fund or the investment fund manager;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of the outstanding voting securities of the investment fund or the investment fund manager; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

**29.2 Underwriting Discounts**

Disclose any material underwriting discounts or commissions upon the sale of securities by the investment fund if any of the persons or companies listed under section 29.1 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

**INSTRUCTIONS:**

- (1) *The materiality of an interest is to be determined on the basis of the significance of the information to investors in light of all the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction with each other and the amount involved are among the factors to be considered in determining the significance of the information to investors.*
- (2) *Give a brief description of the material transaction. Include the name of each person or company whose interest in any transaction is described and the nature of the relationship to the investment fund.*
- (3) *For any transaction involving the purchase of assets by or sale of assets to the investment fund, state the cost of the assets to the purchaser, and the cost of the assets to the seller if acquired by the seller within three years before the transaction.*
- (4) *This Item does not apply to any interest arising from the ownership of securities of the investment fund if the securityholder receives no extra or special benefit or advantage not shared on an equal basis by all other holders of the same class of securities or all other holders of the same class of securities who are resident in Canada.*



- (5) *No information need be given under this Item for a transaction if:*
- (a) *the rates or charges involved in the transaction are fixed by law or determined by competitive bids;*
  - (b) *the interest of a specified person or company in the transaction is solely that of a director of another company that is a party to the transaction;*
  - (c) *the transaction involves services as a bank or other depository of funds, a transfer agent, registrar, trustee under a trust indenture or other similar services; or*
  - (d) *the transaction does not involve remuneration for services and the interest of the specified person or company arose from the beneficial ownership, direct or indirect, of less than ten percent of any class of equity securities of another company that is party to the transaction and the transaction is in the ordinary course of business of the investment fund .*
- (6) *Describe all transactions not excluded above that involve remuneration (including an issuance of securities), directly or indirectly, to any of the specified persons or companies for services in any capacity unless the interest of the person or company arises solely from the beneficial ownership, direct or indirect, of less than ten percent of any class of equity securities of another company furnishing the services to the investment fund.*

## **Item 30 Proxy Voting Disclosure**

### **30.1 Proxy Voting Disclosure for Portfolio Securities Held**

Under the heading “Proxy Voting Disclosure for Portfolio Securities Held”, include the disclosure required by subsection 10.2(3) of NI 81-106.

## **Item 31 Material Contracts**

### **31.1 Material Contracts**

Under the heading “Material Contracts”, list and provide particulars of:

- (a) the articles of incorporation, the declaration of trust or trust agreement of the investment fund or any other constating document, if any;
- (b) any agreement of the investment fund or trustee with the manager of the investment fund;
- (c) any agreement of the investment fund, the manager or trustee with the portfolio adviser of the investment fund;
- (d) any agreement of the investment fund, the manager or trustee with the custodian of the investment fund;
- (e) any agreement of the investment fund, the manager or trustee with the underwriters or agents of the investment fund;
- (f) any swap or forward agreement of the investment fund, the manager or trustee with a counterparty that is material to the investment fund fulfilling its investment objectives;
- (g) any agreement of the investment fund, the manager or trustee with the principal distributor of the investment fund; and
- (h) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the investment fund.



**INSTRUCTIONS:**

- (1) Set out a complete list of all contracts for which particulars must be given under this section, indicating those that are disclosed elsewhere in the prospectus. Particulars need only be provided for those contracts that do not have the particulars given elsewhere in the prospectus.*
- (2) Particulars of contracts must include the dates of, parties to, consideration provided for in, termination provisions, general nature and key terms of, the contracts.*

**Item 32 Legal and Administrative Proceedings**

**32.1 Legal and Administrative Proceedings**

Under the heading “Legal and Administrative Proceedings”, describe briefly any ongoing legal and administrative proceedings material to the investment fund, to which the investment fund, its manager or principal distributor is a party.

**32.2 Particulars of the Proceedings**

- (1) For all matters disclosed under section 32.1, disclose:
- (a) the name of the court or agency having jurisdiction;
  - (b) the date on which the proceeding was instituted;
  - (c) the principal parties to the proceeding;
  - (d) the nature of the proceeding and, if applicable, the amount claimed; and
  - (e) whether the proceeding is being contested and the present status of the proceeding.
- (2) Provide similar disclosure about any proceedings known to be contemplated.

**32.3 Penalties and Sanctions**

Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of any settlement agreement and the circumstances that gave rise to the settlement agreement, if, within the 10 years before the date of the prospectus or pro forma prospectus, the manager of the investment fund, a director or executive officer of the investment fund or a partner, director or executive officer of the manager of the investment fund has:

- (a) been subject to any penalties or sanctions imposed by a court or a securities regulatory authority relating to Canadian securities legislation, promotion or management of an investment fund, theft or fraud or has entered into a settlement agreement before a court or with a regulatory body in relation to any of these matters; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or has entered into any other settlement agreement before a court or with a regulatory body that would likely be considered important to a reasonable investor in determining whether to purchase securities of the investment fund.

## **Item 33 Experts**

### **33.1 Names of Experts**

Under the heading “Experts”, name each person or company:

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or an amendment to the prospectus; and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

### **33.2 Interests of Experts**

- (1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of the investment fund or of an associate or affiliate of the investment fund received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the prospectus or prepared or certified a report or valuation described or included in the prospectus.
- (2) For the purpose of subsection (1), if the ownership is less than one percent, a general statement to that effect is sufficient.
- (3) If a person, or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the investment fund or of any associate or affiliate of the investment fund, disclose the fact or expectation.
- (4) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with US GAAS is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.

#### **INSTRUCTIONS:**

- (1) *Section 33.2 does not apply to the investment fund’s predecessor auditors, if any, for those periods when they were not the investment fund’s auditor.*
- (2) *Section 33.2 does not apply to registered or beneficial interests, direct or indirect, held through mutual funds.*

## **Item 34 Exemptions and Approvals**

### **34.1 Exemptions and Approvals**

Under the heading “Exemptions and Approvals”, describe all exemptions from or approvals under securities legislation obtained by the investment fund or the manager of the investment fund that continue to be relied upon by the investment fund or the manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

## **Item 35 Other Material Facts**

### **35.1 Other Material Facts**

Under the heading “Other Material Facts”, using sub-headings as appropriate, give particulars of any material facts about the securities being distributed that are not disclosed under any other section and are necessary in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

**Item 36 Purchasers’ Statutory Rights of Withdrawal and Rescission****36.1 General**

For investment funds other than mutual funds, under the heading “Purchasers’ Statutory Rights of Withdrawal and Rescission” include a statement in substantially the following form, with bracketed information completed:

“Securities legislation in [certain of the provinces [and territories] of Canada/ the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province [or territory] for the particulars of these rights or consult with a legal adviser”.

**36.2 Mutual Funds**

For an investment fund that is a mutual fund, other than an ETF, under the heading ‘Purchasers’ Statutory Rights of Withdrawal and Rescission’, state in words substantially similar to the following:

“Securities legislation in [certain of the provinces [and territories] of Canada/ the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt of a prospectus and any amendment or within 48 hours after the receipt of a confirmation of a purchase of such securities. If the agreement is to purchase such securities under a contractual plan, the time period during which withdrawal may be made may be longer. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory]. The purchaser should refer to the applicable provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser”.

### 36.2.1 Exchange-traded Mutual Funds

For an investment fund that is an ETF, under the heading ‘Purchasers’ Statutory Rights of Rescission’, state in words substantially similar to the following:

“Securities legislation in [certain of the provinces [and territories] of Canada/the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. [In several of the provinces/provinces and territories], [T/t]he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission [, revisions of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province [or territory].

The purchaser should refer to the applicable provisions of the securities legislation of the province [or territory] for the particulars of these rights or should consult with a legal adviser”.

### 36.3 Non-fixed Price Offerings

In the case of a non-fixed price offering, if applicable in the jurisdiction in which the prospectus is filed, replace the second sentence in the disclosure in section 36.1 with a statement in substantially the following form:

“This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed”.

## Item 37 Documents Incorporated by Reference

### 37.1 Mandatory Incorporation by Reference

If the investment fund is in continuous distribution, incorporate by reference the following documents in the prospectus, by means of the following statement in substantially the following words under the heading “Documents Incorporated by Reference”:

“Additional information about the fund is available in the following documents:

1. The most recently filed ETF Facts for each class or series of securities of the ETF, filed either concurrently with or after the date of the prospectus. *[insert if applicable]*
2. The most recently filed comparative annual financial statements of the investment fund, together with the accompanying report of the auditor.
3. Any interim financial reports of the investment fund filed after those annual financial statements.
4. The most recently filed annual management report of fund performance of the investment fund.
5. Any interim management report of fund performance of the investment fund filed after that annual management report of fund performance.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling [toll-free/collect] [insert the toll-free telephone number or telephone number where collect calls are accepted] or from your dealer.

[If applicable] These documents are available on the [investment fund's/ investment fund family's] Internet site at [insert investment fund's Internet site address], or by contacting the [investment fund/investment fund family] at [insert investment fund's/investment fund family's email address].

These documents and other information about the fund are available on the Internet at [www.sedar.com](http://www.sedar.com).

### **37.2 Mandatory Incorporation by Reference of Future Documents**

If the investment fund is in continuous distribution, state that any documents, of the type described in section 37.1, if filed by the investment fund after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

## **Item 38 Financial Disclosure**

### **38.1 Financial Statements**

- (1) Unless incorporated by reference under Item 37, include in the prospectus the comparative annual financial statements and the auditor's report prepared in accordance with NI 81-106 for the investment fund's most recently completed financial year.
- (2) If an investment fund's most recent financial year ended within 90 days of the date of the prospectus referred to in subsection (1), the investment fund may treat the previous year as the most recently completed financial year under subsection (1).
- (3) If the investment fund has not completed its first financial year, the fund must include in the prospectus audited financial statements and the auditor's report prepared in accordance with NI 81-106 for the period from the date of the fund's formation to a date not more than 90 days before the date of the prospectus and as at a date not more than 90 days before the date of the prospectus, as applicable.
- (4) Despite subsections (1) and (3), if the investment fund is a newly established fund, include in the prospectus the opening statement of financial position of the investment fund, accompanied by the auditor's report prepared in accordance with NI 81-106.

### **38.2 Interim Financial Reports**

Unless incorporated by reference under Item 37, include in the prospectus financial statements for the investment fund prepared in accordance with NI 81-106 for the interim period that began immediately after the financial year to which the annual financial statements required to be included in the prospectus under section 38.1 relate, if the prospectus is filed 60 days or more after the end of that interim period.

### **38.3 Management Reports of Fund Performance**

Unless incorporated by reference under Item 37, include in the prospectus the most recently filed interim management report of fund performance, if filed after the most recently filed annual management report of fund performance and include the most recently filed annual management report of fund performance.

## **Item 39 Certificates**

### **39.1 Certificate of the Investment Fund**

Include a certificate of the investment fund in the following form:

“This prospectus [together with the documents incorporated herein by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]”.

### **39.2 Certificate of the Manager**

Include a certificate of the manager of the investment fund in the same form as the certificate of the investment fund.

### **39.3 Certificate of the Underwriter**

Where a person or company is required to provide a certificate in the underwriter certificate form, the certificate must state:

“To the best of our knowledge, information and belief, this prospectus [together with the documents incorporated herein by reference,] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert the jurisdictions in which qualified]”.

### **39.4 Certificate of the Promoter**

If there is a promoter of the investment fund, include a certificate in the same form as the certificate of the investment fund.

### **39.5 Amendments**

(1) For an amendment to a prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 39.1 to 39.4.

(2) For an amended and restated prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 39.1 to 39.4.

### **39.6 Non-offering Prospectus**

For a non-offering prospectus, change “securities offered by this prospectus” to “securities previously issued by the investment fund” wherever it appears in the statements in sections 39.1 to 39.4.



**FORM 41-101F3**  
**INFORMATION REQUIRED IN A SCHOLARSHIP PLAN PROSPECTUS****GENERAL INSTRUCTIONS**

*(1) This Form describes the disclosure required in a scholarship plan prospectus. Each Item of this Form outlines disclosure requirements. Instructions as to how to complete this Form are printed in italic type.*

*(2) The objective of the scholarship plan prospectus is to provide information about the scholarship plan that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed.*

*(3) Terms defined in National Instrument 14-101 Definitions, National Instrument 41-101 General Prospectus Requirements, National Instrument 81-105 Mutual Fund Sales Practices, National Instrument 81-106 Investment Fund Continuous Disclosure or National Instrument 81-107 Independent Review Committee for Investment Funds and used in this Form have the same meanings that they have in those national instruments except that references in those instruments to “mutual fund” must be read as references to “investment fund” or “scholarship plan” as the context requires.*

*(4) A scholarship plan prospectus must contain only the information that is mandated or permitted under this Form.*

*(5) A scholarship plan prospectus must present the information in each Part of this Form briefly and concisely, in the order provided for by this Form, and use only the headings and sub-headings stipulated in this Form except that sub-headings not required by this Form may be used where permitted under an Item in this Form.*

*(6) Specific instructions are sometimes provided in this Form for a single prospectus and a multiple prospectus. Portions of Part B and Part D of this Form generally refer to disclosure required for “a scholarship plan” in a “prospectus”. This disclosure must be modified as appropriate to reflect multiple scholarship plans covered by a multiple prospectus.*

*(7) National Instrument 41-101 requires that a prospectus be prepared using plain language and in a format that assists in readability and comprehension. For additional guidance, see the plain language principles listed in section 4.1 of Companion Policy 41-101 CP General Prospectus Requirements. If the use of technical terms is required, clear and concise explanations of those terms must be included.*

*(8) Respond as simply and directly to the requirements of this Form as is reasonably possible.*

*(9) No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

*(10) Certain Items in this Form require that a prospectus include wording that is the same or substantially the same as set out in those Items. A scholarship plan may modify the prescribed wording to more accurately reflect its features if the wording does not apply to the plan.*



(11) *Unless otherwise stated, this Form does not mandate the use of a specific font size or style but the font used must be legible. If the prospectus is made available online, information must be presented in a way that is both readable online and can be printed in a readable format.*

(12) *A prospectus may contain photographs and artwork only if they are relevant to the business of the scholarship plan or members of the organization of the scholarship plan and are not misleading.*

(13) *A prospectus must not contain design elements (e.g., graphics, photos, artwork) that would, to a reasonable person, detract from the information disclosed in the document.*

(14) *If disclosure is required as of a specific date and there has been a material change or a change that is otherwise significant to a reasonable investor to the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change.*

**Contents of a Scholarship Plan Prospectus**

(15) *This Form permits two formats: a prospectus for a single scholarship plan and a multiple prospectus for multiple scholarship plans.*

(16) *A scholarship plan prospectus must consist of four parts as set out below. Part A is the Plan Summary. Parts B, C and D are collectively the Detailed Plan Disclosure. The Plan Summary and the Detailed Plan Disclosure together form the scholarship plan prospectus. The four parts may be further described as follows:*

- (a) Part A contains the responses to the Items in Part A of this Form. The information in this Part contains a summary of key information about investing in a scholarship plan;*
- (b) Part B contains the responses to the Items in Part B of this Form and contains introductory information about the scholarship plan and general information about the scholarship plan family;*
- (c) Part C contains the responses to the Items in Part C of the Form and contains plan-specific information about the scholarship plan(s) offered in the prospectus;*
- (d) Part D contains the responses to the Items in Part D of this Form and contains information about the scholarship plan organization, the persons and entities involved in running the scholarship plan, and the prospectus certificates.*

**Consolidation of Scholarship Plan Prospectuses into a Multiple Prospectus**

(17) *Section 3A.2 of National Instrument 41-101 requires that a scholarship plan prospectus must not be consolidated with one or more scholarship plan prospectuses to form a multiple prospectus unless the disclosure in each of the Part B and Part D sections of this Form is substantially similar for each scholarship plan. This provision permits a scholarship plan organization to create a document that contains the disclosure for a number of scholarship plans in the same family.*

*(18) Similar to a single prospectus, a multiple prospectus must consist of four segments:*

- (a) The first segment consists of a number of Part A sections of this Form. Each Part A section must contain the information required under Part A of this Form about a single scholarship plan. The information required by the Part A section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part A section in a multiple prospectus must start on a new page.*
- (b) The second segment contains the information required under Part B of this Form for the scholarship plans described in the document. There must not be more than one Part B section for all of the scholarship plans in the prospectus.*
- (c) The third segment consists of a number of Part C sections of this Form. Each Part C section must contain the information required under Part C of this Form about a single scholarship plan. The information required by the Part C section must be disclosed separately for each scholarship plan in the multiple prospectus. Each Part C section in a multiple prospectus must start on a new page.*
- (d) The fourth segment contains the information required under Part D of the Form for the scholarship plans described in the document. There must not be more than one Part D section for all of the scholarship plans in the prospectus.*

#### **Part A - Plan Summary for a Scholarship Plan**

##### **Item 1 - Information about the Plan**

Include at the top of a new page a heading consisting of:

- (a) the title “Plan Summary”;
- (b) the name of the scholarship plan to which the Plan Summary pertains and, if the scholarship plan has more than one class or series of securities, the name of the class or series of securities covered in the Plan Summary;
- (c) the type of scholarship plan;
- (d) the name of the investment fund manager of the scholarship plan; and
- (e) the date of the Plan Summary.

#### **INSTRUCTIONS**

- (1) The title “Plan Summary” and the name of the scholarship plan must be in bold type using a substantially larger font size than the other headings and text in the Plan Summary.*
- (2) The “type of scholarship plan” refers to whether the scholarship plan is a group scholarship plan, individual or family scholarship plan.*
- (3) The date for a Plan Summary that is filed as part of a preliminary scholarship plan prospectus or scholarship plan prospectus must be the date of the certificate of the scholarship plan required under Part D of this Form.*

## Item 2 - Withdrawal and Cancellation Rights

Immediately following the disclosure in Item 1, state the following using the same or substantially similar wording, with the last two sentences in bold type:

This summary tells you some key things about investing in the plan. You should read this Plan Summary and the Detailed Plan Disclosure carefully before you decide to invest.

### **If you change your mind**

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you'll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

### *INSTRUCTION*

*The prescribed wording in this Item must be presented using a substantially larger font size relative to the rest of the text of the Plan Summary.*

## Item 3 - Description of the Scholarship Plan

(1) Under the heading "What is the [insert type of scholarship plan] scholarship plan?", state the following using the same or substantially similar wording:

The [insert name of plan] is a [insert type of plan] scholarship plan designed to help you save for a child's post-secondary education. When you open your [insert name of plan], we will apply to the Canada Revenue Agency to register the plan as a Registered Education Savings Plan (RESP). This allows your savings to grow tax-free until the child named as the beneficiary of the plan enrolls in their studies. The Government of Canada and some provincial governments offer government grants to help you save even more. To register your plan as an RESP, we need social insurance numbers for yourself and the child you name in the plan as the beneficiary.

In a [insert type of plan] scholarship plan, you are part of a group of investors. Everyone's contributions are invested together. When the plan matures, each child in the group shares in the earnings on that money. Your share of those earnings plus your government grant money is paid to your child as educational assistance payments (EAPs).

There are two main exceptions. Your child will not receive EAPs, and you could lose your earnings, government grants and grant contribution room, if:

- your child does not enrol in a school or program that qualifies under this plan, or
- you leave the plan before it matures.

- (2) For a group scholarship plan, state the following using the same or substantially similar wording, in bold type:

**If you leave the plan, your earnings go to the remaining members of the group. However, if you stay in the plan until it matures, you might share in the earnings of those who left early.**

**INSTRUCTION**

*If the scholarship plan allows a subscriber to name more than one beneficiary at a time, amend the wording in section (1) to refer to multiple children or beneficiaries.*

**Item 4 - Suitability**

- (1) For a group scholarship plan, under the heading “Who is this plan for?”, state the following using the same or substantially similar wording:

A group scholarship plan can be a long-term commitment. It is for investors planning to save for a child’s post-secondary education and who are fairly sure that:

- they can make all their contributions on time
- they will stay in the plan until it matures
- their child will attend a qualifying school and program under the plan

*[Insert, for plan providers that also offer an individual or family scholarship plan - If this doesn’t describe you, you should consider another type of plan. For example, an individual or family plan has fewer restrictions. See the Plan Summar[y/ies] for our [insert as applicable - individual plan/family plan/individual and family plans] or pages [insert applicable page references] in the Detailed Plan Disclosure for more information.]*

- (2) For an individual or family scholarship plan, under the heading “Who is this plan for?”, state the following using the same or substantially similar wording:

*[Insert, as applicable - An individual/ A family] scholarship plan is for investors planning to save for a child’s post-secondary education and who are fairly sure that:*

- *[Insert, for family plans only - they want to save for more than one child at a time]*
- they want more flexibility over when and how much to contribute to their plan
- *[Insert, for individual plans only - their child will attend a qualifying school and program under the plan]*
- *[Insert, for family plans only - one or more of their children will attend a qualifying school or program under the plan]*

*[Insert, for plan providers that also offer a group scholarship plan - The [insert name of plan] generally has fewer restrictions and is more flexible than our group scholarship plan.]*

### Item 5 - The Plan's Investments

Under the heading "What does the plan invest in?", state the following using the same or substantially similar wording:

The plan invests mainly in *[specify the plan's primary investments]*. The plan's investments have some risk. Returns will vary from year to year.

#### INSTRUCTION

*The disclosure must state the type or types of securities, such as mortgages, bonds, government treasury bills, or equity securities, as applicable, in which the plan will be primarily invested under normal market conditions.*

### Item 6 - Contributions

(1) For a group scholarship plan, under the heading "How do I make contributions?", state the following using the same or substantially similar wording:

With your contributions, you buy one or more "units" of the plan. These units represent your share of the plan. You may pay for them all at once, or you may make *[state the most common contribution frequency options]* contributions.

You may change the amount of your contribution as long as you make the minimum contribution permitted under the plan. You may also change your contribution schedule after you've opened your plan. *[Insert if applicable - A fee applies.]* All of the different contribution options for the plan are described in the Detailed Plan Disclosure, or you can ask your sales representative for more information.

(2) For an individual or family scholarship plan, under the heading "How do I make contributions?", briefly describe how a subscriber can make contributions to their scholarship plan.

(3) State (i) the minimum total investment and (ii) the minimum amount per contribution, permitted under the scholarship plan's rules.

#### INSTRUCTIONS

*(1) The disclosure regarding contribution frequency options in the first paragraph of subsection (1) of Item 6 must make reference only to the most commonly selected contribution options, and not to each contribution option that is available to a subscriber.*

*(2) If the individual or family scholarship plan uses the concept of "units" or has prescribed schedules for making contributions, this fact must be described in the required disclosure for subsection (2) of Item 6, using wording that is similar to the wording in subsection (1) of Item 6.*

*(3) For the purposes of the disclosure required under subsection (3) of Item 6, the "minimum total investment permitted under the scholarship plan's rules" must be stated as (i) a dollar amount or (ii) a quantity of units or securities of the scholarship plan (if applicable) and the "minimum amount per contribution under the plan's rules" must be stated as a dollar amount.*

**Item 7 - Payments**

- (1) Under the heading “What can I expect to receive from the plan?”, state the following using the same or substantially similar wording:

In your child’s first year of college or university, you’ll get back your contributions, less fees. You can have this money paid to you or directly to your child.

- (2) For a group scholarship plan, state the following using the same or substantially similar wording:

Your child will be eligible to receive EAPs in their [*state, as applicable* - first, second, third and fourth] year[s] of post-secondary education. [*See instruction (1)*] For each year, your child must show proof they are enrolled in a school and program that qualifies under this plan to get an EAP.

- (3) For an individual or family scholarship plan, briefly describe when EAPs can be paid to a beneficiary, and whether EAPs can be paid in one year or must be paid in instalments for each year of eligible studies.

- (4) State the following, in a separate paragraph:

EAPs are taxed in the child’s hands.

**INSTRUCTIONS**

(1) *If the group scholarship plan has multiple options for paying EAPs, disclose the other options in the disclosure in subsection (2) of Item 7, using a similar format.*

(2) *For the disclosure in subsection (3) of Item 7, the format set out for the disclosure in section (2) must be used.*

**Item 8 - Risks**

- (1) Under the heading “What are the risks?”, state the following using the same or substantially similar wording:

If you do not meet the terms of the plan, you could lose some or all of your investment. Your child may not receive their EAPs.

- (2) For a group scholarship plan, state the following using the same or substantially similar wording:

You should be aware of five things that could result in a loss:

**1. You leave the plan before the maturity date.** People leave the plan for many reasons. For example, if their financial situation changes and they can’t afford their contributions. If your plan is cancelled more than 60 days from signing your contract, you’ll lose part of your contributions to sales charges and fees. You’ll also lose the earnings on your investment and your government grants will be returned to the government.



**2. You miss contributions.** If you want to stay in the plan, you'll have to make up the contributions you missed. You'll also have to make up what the contributions would have earned if you had made them on time. This could be costly.

If you have difficulty making contributions, you have options. You can reduce or suspend your contributions, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options will result in a loss of earnings and government grants. *[Insert if applicable - If you miss a contribution and don't take any action within [insert the number of months] months, we may cancel your plan].*

**3. You miss or your child misses a deadline.** This can limit your options later on. You could also lose the earnings on your investment. Two of the key deadlines for this plan are:

- **Maturity date - the deadline for making changes to your plan**

You have until the maturity date to make changes to your plan. This includes switching the plan to a different child, changing the maturity date if your child wants to start their program sooner or later than expected, and transferring to another RESP. Restrictions and fees apply.

- ***[Insert date]* - the EAP application deadline**

If your child qualifies for an EAP, he or she must apply by *[insert date]* before each year of eligible studies to receive a payment for that year. Otherwise, your child may lose this money.

**4. Your child doesn't go to a qualifying school or program.** For example, *[State the types of programs or institutions that generally do not qualify for EAPs under the plan]* don't qualify for EAPs under this plan. *[Insert, if applicable - Under this plan, fewer programs will qualify for an EAP than would otherwise qualify under the government's rules for RESPs. See the Detailed Plan Disclosure for more information.]* If your child will not be going to a qualifying school or program under this plan, you have the option to name another child as beneficiary, transfer to another of our plans or to an RESP offered by a different provider, or cancel your plan. Restrictions and fees apply. Some options can result in a loss of earnings and government grants.

**5. Your child doesn't complete their program.** Your child may lose some or all of their EAPs if he or she takes time off from their studies, does not complete all required courses in a year or changes programs. *[Insert if applicable - In some cases, your child may be able to defer an EAP for up to [insert number of years] year[s]]. [Insert, if applicable - Deferrals are at our discretion.]*

(3) For an individual or family scholarship plan, list no more than 5 situations that could result in a loss of earnings in the scholarship plan for subscribers or EAPs for the beneficiary. Briefly describe the losses that could result in these outcomes as well as some options to mitigate this loss.

(4) State the following, in bold type:

**If any of these situations arise with your plan, contact us or speak with your sales representative to better understand your options to reduce your risk of loss.**



### INSTRUCTIONS

(1) *For an individual or family scholarship plan, the disclosure required in subsection (3) of Item 8 must include the following situations: a subscriber leaving a scholarship plan before it matures, a beneficiary failing to enrol in a qualifying school or program, and the subscriber or beneficiary failing to meet the scholarship plan's key deadlines.*

(2) *If the individual or family scholarship plan uses the concept of units paid for under a fixed contribution schedule, or otherwise requires subscribers to follow a prescribed schedule for making contributions to the scholarship plan, the disclosure required in subsection (3) of Item 8 must also include a situation in which a subscriber misses one or more contributions.*

(3) *The disclosure in subsection (3) of Item 8 must use a similar format and structure as the disclosure required for group scholarship plans in section (2).*

### Item 9 - Cancellation Rate

For a group scholarship plan, using the margin of the page, add a sidebar under the heading "What are the risks?", and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

#### **Cancellation Rate**

Of the last five beneficiary groups of the [*insert name of group scholarship plan*] plan to reach maturity, an average of [*see the Instructions*]% of the plans in each group were cancelled before their maturity date.

### INSTRUCTIONS

(1) *To calculate the average percentage as required under Item 9, do the following:*

(a) *for each of the last five beneficiary groups in the group scholarship plan to reach maturity, calculate the percentage of scholarship plans in the beneficiary group that were cancelled before their maturity date; and*

(b) *calculate the simple average of the five percentages calculated pursuant to Instruction 1(a).*

(2) *For a beneficiary group referred to in Instruction (1)(a), calculate the percentage of the scholarship plans in each beneficiary group that were cancelled before their maturity date by dividing  $x$  by  $y$ , where:*

*$x$  = the number of scholarship plans with the same maturity date that were cancelled before maturity; and*

*$y$  = the total number of scholarship plans with the same maturity date, including plans with the same maturity date that were cancelled before maturity.*

(3) *For the purposes of the disclosure required under Item 9, a “plan that was cancelled before maturity” is a scholarship plan that is not eligible to receive a share of the EAP account as at the maturity date because the total contributions required by the subscriber’s contract have not been made by the maturity date. The number of scholarship plans with the same maturity date that did not reach maturity will be the difference between the total number of scholarship plans with the same maturity date and the number of scholarship plans that matured.*

(4) *Subject to Instruction (6), the number of scholarship plans with the same maturity date consists of every scholarship plan sold to subscribers who selected the same maturity date, including scholarship plans that were cancelled or transferred before maturity.*

(5) *For the purposes of calculating the percentage of scholarship plans in a beneficiary group that were cancelled before maturity, a scholarship plan whose subscriber changed the maturity date to an earlier date is considered to have the earlier maturity date and must be included in the calculations for the beneficiary group with the earlier maturity date. Similarly, a scholarship plan whose subscriber changed the maturity date to a later date is considered to have the later maturity date and must be included in the calculations for the beneficiary group with the later maturity date.*

(6) *Do not include a plan in the calculation of x or y under Instruction (2) if the subscriber withdrew from their scholarship plan within 60 days of the signing the contract to open the scholarship plan and received back all of their contributions and fees paid.*

#### Item 10 - Costs

(1) Under the heading “How much does it cost?”, provide information, in the form of the following tables, about the fees and expenses of the scholarship plan. Introduce the tables using the following wording or wording that is the same or substantially similar:

There are costs for joining and participating in the plan. The following tables show the fees and expenses of the plan. *[Insert, if applicable - The fees and expenses of this plan are different than the other plans we offer.]*

##### **Fees you pay**

These fees are deducted from the money you put in the plan. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

Fee	What you pay	What the fee is for	Who the fee is paid to
Sales charge	<i>[Specify amount]</i>	This is the commission for selling your plan	<i>[Insert name of entity]</i>
Account maintenance fee	<i>[Specify amount]</i>	<i>[Specify the purpose of the fee]</i>	<i>[Insert name of entity]</i>
<i>[Insert if applicable – Insurance Premium]</i>	<i>[Specify amount]</i>	This is for insurance that makes sure your contributions continue if you die or become totally disabled.	<i>[Insert name of entity]</i>

### **Fees the plan pays**

You don't pay these fees directly. They're paid from the plan's earnings. These fees affect you because they reduce the plan's returns, which reduces the amount available for EAPs.

<b>Fee</b>	<b>What the plan pays</b>	<b>What the fee is for</b>	<b>Who the fee is paid to</b>
Administrative fee	[Specify amount]	This is for operating your plan.	[insert name of entity]
Portfolio management fee	[Specify amount]	This is for managing the plan's investments.	[insert name of entity]
Custodian fee	[Specify amount]	This is for holding the plan's investments in trust.	[Insert name of entity]
Independent review committee	[Specify amount]	This is for the services of the plan's independent review committee. The committee reviews conflict of interest matters between the investment fund manager and the plan.	[Insert name of entity]

- (2) If the sales charge listed in the "Fees you pay" table required by subsection (1) is deducted from contributions at a higher rate in the early period of participating in the scholarship plan, add a sidebar under the heading "How much does it cost", using the margin of the page adjacent to the table titled "Fees you pay", and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

### **Paying off the sales charge**

If, for example, you buy one unit of the plan on behalf of your newborn child, and you commit to paying for that unit by making monthly contributions until your plan's maturity date, then, based on how the sales charge is deducted from your contributions, it will take [insert number of months] months to pay off the sales charge. During this time, [insert percentage]% of your contributions will be invested in the plan.

- (3) Using the margin of the page adjacent to the table titled "Fees the plan pays", add a sidebar under the heading "How much does it cost?", and state the following using the same or substantially similar wording with the title of the sidebar in bold:

### **Other fees**

Other fees apply if you make changes to your plan. See page [specify page number] in the Detailed Plan Disclosure for details.

## INSTRUCTIONS

- (1) *The tables must only summarize the most common fees that (i) all subscribers to the scholarship plan are required to pay or (ii) the scholarship plan is required to pay, as applicable. Do not include the entire list of fees required to be disclosed under Items 14.2 and 14.3 of Part C of the Form, or any of the fees required to be disclosed under Item 14.4 and 14.5 of Part C of the Form. Each fee must be listed in a separate row of the applicable table.*
- (2) *If there are certain types of fees listed in the tables required under Item 10 above that are not payable, either by subscribers or the scholarship plan, in respect of the scholarship plan described in the Plan Summary, amend the tables as is necessary to reflect that fact.*
- (3) *If certain fees listed in the tables required under Item 10 above are normally combined into a single fee payable by either the subscriber or the scholarship plan as applicable, the tables may be amended as is necessary to accurately reflect that fact.*
- (4) *State the amount of each fee listed in the tables. In the table titled “Fees you pay” state the amount(s) in the column titled “What you pay”. In the table titled “Fees the plan pays” state the amount(s) in the column titled “What the plan pays”. The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of the scholarship plan’s assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*
- (5) *For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. x.x x\$ per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (3), the disclosure of the amount of the sales charge in the table titled “Fees you pay” in the column titled “What you pay” must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.*

(6) For the table titled “Fees you pay”, in the column titled “What you pay” describe how the fee is deducted from contributions if the amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of a subscriber’s investment in the scholarship plan or the duration for which contributions are required to be made if it is less than the scholarship plan’s duration, describe the amounts from contributions that are deducted for sales charges.

(7) In both tables, in the column titled “What the fee is for” provide a concise explanation of what the fee is used for, using the same or substantially similar wording provided above in the tables.

(8) In both tables, in the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, e.g. the investment fund manager, the portfolio manager, the principal distributor or dealer, the foundation, etc.

(9) For the table titled “Fees the plan pays”, the independent review committee fee must be disclosed as the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan.

(10) Disclosure of insurance premiums in the “Fees you pay” table is permitted only if the scholarship plan requires a subscriber to purchase insurance coverage in a jurisdiction in which the scholarship plan’s securities are being distributed. If the scholarship plan’s rules only require insurance coverage to be purchased by subscribers in some, but not all jurisdictions in which the scholarship plan’s securities are distributed, then include disclosure stating the jurisdictions in which the scholarship plan requires subscribers to purchase insurance, under the heading titled “What the fee is for” in that table.

(11) The disclosure required under subsection (2) of Item 10 must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan’s maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber’s contributions are deducted during the relevant period.

(12) For the disclosure required in subsection (2) of Item 10, if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection (2) of Item 10, the wording may be amended as is necessary to properly reflect the scholarship plan’s features.

(13) The “Other fees” sidebar required under subsection (3) of Item 10 refers to fees for specific transactions, such as changing a beneficiary, that are described in the table titled “Transaction Fees” in Item 14.4 of Part C of the Form.

### Item 11 - Guarantees

Under the heading “Are there any guarantees?”, state the following using the same or substantially similar wording:

We cannot tell you in advance if your child will qualify to receive any payments from the plan or how much your child will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your child’s post-secondary education.

Unlike bank accounts or GICs, investments in scholarship plans are not covered by the Canada Deposit Insurance Corporation or any other government insurer.

### Item 12 - For More Information

(1) Under the sub-heading “For more information’, state the following using the same or substantially similar wording:

The Detailed Plan Disclosure delivered with this Plan Summary contains further details about this plan, and we recommend you read it. You may also contact [*insert name of investment fund manager*] or your sales representative for more information about this plan.

(2) State the name, address and toll-free telephone number of the investment fund manager of the plan and, if applicable, state the e-mail address and website of the investment fund manager of the plan.

## Part B - Detailed Plan Disclosure - General Information

### Item 1 - Cover Page Disclosure

#### 1.1 - Preliminary Prospectus Disclosure

A preliminary prospectus must have printed in red ink and in italics at the top of the cover page of the Detailed Plan Disclosure immediately above the disclosure required in section 1.2 the following:

*A copy of this preliminary prospectus has been filed with the securities regulatory authorit[y/ies] in [insert, as applicable the names of the provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorit[y/ies].*

### INSTRUCTION

*A scholarship plan must complete the bracketed information by:*

- (a) inserting the names of each jurisdiction in which the scholarship plan intends to offer securities under the prospectus;*
- (b) stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [insert excluded jurisdictions]).*



## **1.2 - Required Statement**

State in italics at the top of the cover page the following:

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

## **1.3 - Basic Disclosure about the Distribution**

(1) State the following immediately below the disclosure required under sections 1.1 and 1.2:

*[Insert as applicable - PRELIMINARY/ PRO FORMA] PROSPECTUS*

CONTINUOUS OFFERING

DETAILED PLAN DISCLOSURE

*[Insert Date]*

*[Insert Name of Scholarship Plan(s)]*

*[State the type of securities qualified for distribution under the prospectus, and the price per security or minimum subscription amount]*

(2) State the following:

*[Insert, as applicable - This/These] investment fund[s] [insert, as applicable - is a/are] scholarship plan[s] that [Insert, as applicable - is/are] managed by [state the name of the investment fund manager of the scholarship plan].*

## **INSTRUCTION**

*Write the date in full with the name of the month in words. A pro forma prospectus does not have to be dated, but may reflect the anticipated date of the prospectus.*

## **Item 2 - Inside Cover Page**

### **2.1 - Introduction**

Starting on a new page on the inside cover page under the heading “Important information to know before you invest”, include an introduction to the information provided in response to sections 2.2, 2.3, and 2.4 of this Part using the following wording:

The following is important information you should know if you are considering an investment in a scholarship plan.

### **2.2 - No Social Insurance Number**

Under the sub-heading “No social insurance number = No government grants, no tax benefits”, state the following using the same or substantially similar wording with the last paragraph in bold type:

We need social insurance numbers for you and each child named as a beneficiary under the plan before we can register your plan as a Registered Education Savings Plan (RESP). The *Income Tax Act* (Canada) won’t allow us to register your plan as an RESP without these social insurance numbers. Your plan must be registered before it can:

- qualify for the tax benefits of an RESP, and
- receive any government grants.



You can provide the beneficiary's social insurance number after the plan is open. If you don't provide the beneficiary's social insurance number when you sign your contract with us, we'll put your contributions into an unregistered education savings account. During the time your contributions are held in this account, we will deduct sales charges and fees from your contributions as described under "Costs of investing in this plan" in the prospectus. You will be taxed on any income earned in this account.

If we receive the beneficiary's social insurance number within *[insert the number of months - see Instruction (1)]* months of your application date, we'll transfer your contributions and the income they earned to your registered plan.

If we do not receive the social insurance numbers within *[insert number of months - see Instruction (1)]* months of your application date, we'll cancel your plan. You'll get back your contributions and the income earned, less sales charges and fees. Since you pay sales charges up front, you could end up with much less than you put in.

**If you don't expect to get the social insurance number for your beneficiary within *[insert number of months - see Instruction (1)]* months of your application date, you should not enrol or make contributions to the plan.**

#### INSTRUCTIONS

- (1) *State the maximum number of months after the application date of a subscriber's plan the following which the investment fund manager will cancel the scholarship plan for failure to provide the social insurance numbers required for registering the scholarship plan as an RESP.*
- (2) *If the scholarship plan's rules do not permit a subscriber to open the plan or accept contributions without the beneficiary's social insurance number, amend the disclosure in this section to reflect that fact.*

#### 2.3 - Payments Not Guaranteed

- (1) Following the disclosure required under section 2.2, state the following, on the inside cover page under the sub-heading "Payments not guaranteed", using the same or substantially similar wording:

We cannot tell you in advance if your beneficiary will qualify to receive any educational assistance payments (EAPs) *[insert, if applicable - or any discretionary payments]* from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that they will cover the full cost of your beneficiary's post-secondary education.

- (2) For a group scholarship plan, under the sub-heading "Payments from group plans depend on several factors", state the following using the same or substantially similar wording:

The amount of the EAPs from a group plan will depend on how much the plan earns and the number of beneficiaries in the group who do not qualify for payments.

(3) If the scholarship plan provides for any discretionary payments, immediately following the disclosure required under subsection 2.3(1) or 2.3(2), as applicable, list the discretionary payments that may be provided and state the following using the same or substantially similar wording with the first sentence in bold type:

**Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The *[insert the name of the entity funding the discretionary payment]* decides if it will make a payment in any year and how much the payment will be. If the *[insert the name of the entity funding the discretionary payment]* makes a payment, you may get less than what has been paid in the past.

(4) Under the sub-heading “Understand the risks”, state the following using the same or substantially similar wording in bold type:

**If you withdraw your contributions early or do not meet the terms of the plan, you could lose some or all of your money. Make sure you understand the risks before you invest. Carefully read the information found under “Risks of investing in a scholarship plan” and “Risks of investing in this plan” in this Detailed Plan Disclosure.**

## 2.4 - Withdrawal and Cancellation Rights

Under the sub-heading “If you change your mind”, state the following using the same or substantially similar wording with the last two sentences in bold type:

You have up to 60 days after signing your contract to withdraw from your plan and get back all of your money.

If you (or we) cancel your plan after 60 days, you’ll get back your contributions, less sales charges and fees. You will lose the earnings on your money. Your government grants will be returned to the government. **Keep in mind that you pay sales charges up front. If you cancel your plan in the first few years, you could end up with much less than you put in.**

## Item 3 - Table of Contents

### 3.1 - Table of Contents

- (1) Include a table of contents.
- (2) Begin the table of contents on a new page.
- (3) Include in the table of contents, under the heading “Specific information about our plan[s]”, a list of all of the scholarship plans offered under the prospectus, with a reference to the page numbers where the plan-specific information about each scholarship plan required to be provided under Part C of this Form can be found.

## Item 4 - Introduction and Glossary

### 4.1 - Introduction and Documents Incorporated by Reference

- (1) On a new page or immediately after the table of contents, under the heading “Introduction”, incorporate by reference the following documents in the prospectus by using the following wording or wording that is substantially similar:

This Detailed Plan Disclosure contains information to help you make an informed decision about investing in our scholarship plan[s] and to understand your rights as an investor. It describes the plan[s] and how [it/they] work[s], including the fees you pay, the risks of investing in a plan and how to make changes to your plan. It also contains information about our organization. The prospectus is comprised of both this Detailed Plan Disclosure and each Plan Summary that was delivered with it.

You can find additional information about the plan[s] in the following documents:

- the plan's most recently filed annual financial statements;
- any interim financial reports filed after the annual financial statements; and
- the most recently filed annual management report of fund performance.

These documents are incorporated by reference into the prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us at *[insert the toll-free telephone number or telephone number where collect calls are accepted]* or by contacting us at *[insert the scholarship plan's e-mail address]*.

*[Insert if applicable - You'll also find these documents on our website at [insert the scholarship plan's website address]].*

These documents and other information about the plan[s] are also available at [www.sedar.com](http://www.sedar.com).

(2) State that any documents of the type described in subsection 4.1(1) above, if filed by the scholarship plan after the date of the prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the prospectus.

(3) Include a description of each of the documents referred to in subsection 4.1(1) above and briefly explain the importance each document.

#### 4.2 - Terms Used in the Prospectus

Under the heading "Terms used in this prospectus", provide the following list of defined terms using the same or substantially similar wording:

In this document, "we", "us" and "our" refer to *[name of entities involved in the administration and distribution of scholarship plan securities]*. "You" refers to potential investors, subscribers and beneficiaries.

The following are definitions of some key terms you will find in this prospectus:

**Accumulated income payment (AIP):** the earnings on your contributions and/or government grants that you may get from your plan if your beneficiary does not pursue post-secondary education and you meet certain conditions set by the federal government or by the plan.

**AIP:** see **Accumulated income payment**.

**Application date:** the date you opened your plan with us, which is the date you sign your contract.

**Attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group. See also pre-maturity attrition and post-maturity attrition.

**Beneficiary:** the person you name to receive EAPs under the plan.

**Beneficiary group:** beneficiaries in a group plan who have the same year of eligibility. They are typically born in the same year.

**Contract:** the agreement you enter into with us when you open your education savings plan.

**Contribution:** the amount you pay into a plan. Sales charges and other fees are deducted from your contributions and the remaining amount is invested in your plan.

**Discretionary payment:** a payment, other than a fee refund, that beneficiaries may receive in addition to their EAPs, as determined by *[insert name of entity funding the discretionary payment]* in its discretion.

**Discretionary payment account:** any account that holds money used to fund discretionary payments to beneficiaries.

**EAP:** see **Educational Assistance Payment**.

**EAP account:** for group plans, an account that holds the income earned on contributions made by subscribers. There is a separate EAP account for each beneficiary group. An EAP account includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. The money in this account is distributed to the remaining beneficiaries in the beneficiary group as part of their EAPs.

**Earnings:** any money earned on your (i) contributions and (ii) government grants, such as interest and capital gains. For group plans, it does not include any income earned in the discretionary payment account, such as interest earned on income after the maturity date.

**Educational assistance payment (EAP):** In general, an EAP is a payment made to your beneficiary after the maturity date for eligible studies. An EAP consists of your earnings and your government grants. *[Insert, if the prospectus includes a group scholarship plan - For a group plan, an EAP consists of your government grants, earnings on your government grants and your beneficiary's share of the EAP account.]* EAPs do not include discretionary payments or fee refunds.

**Eligible studies:** a post-secondary educational program that meets the plan's requirements for a beneficiary to receive EAPs.

**Government Grant:** any financial grant, bond or incentive offered by the federal government, (such as the Canada Education Savings Grant, or the Canada Learning Bond), or by a provincial government, to assist with saving for post-secondary education in an RESP.

**Grant contribution room:** the amount of government grant you are eligible for under a federal or provincial government grant program.

**Income:** has the same meaning as **Earnings**.

**Maturity date:** the date on which the plan matures. In general, it is in the year your beneficiary is expected to enrol in their first year of post-secondary education.

**Plan:** means *[list the name(s) of each of scholarship plan sold under this prospectus]*, *[insert for a multiple prospectus - each]* a scholarship plan that provides funding for a beneficiary's post-secondary education.

**Post-maturity attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group after the maturity date. See also **Attrition**.

**Pre-maturity attrition:** under a group plan, a reduction in the number of beneficiaries who qualify for EAPs in a beneficiary group before the maturity date. See also **Attrition**.

**Subscriber:** the person who enters into a contract with *[insert legal name of entity entering into contract with subscribers]* to make contributions to a plan.

**Unit:** under a group plan, a unit represents your beneficiary's proportionate share of the EAP account. The terms of the contract you sign determine the value of the unit.

**Year of eligibility:** the year in which a beneficiary is first eligible to receive EAPs under a plan. For a group plan, it is typically the year the beneficiary will enter his or her *[insert as applicable - first or second]* academic year of eligible studies. In general, the year of eligibility is *[insert as applicable - one year after/ the same year as]* the maturity date. For other types of plans, the year of eligibility can be any time after the maturity date.

## INSTRUCTIONS

- (1) *The list of defined terms must not contain material information not found elsewhere in the prospectus. The glossary must be limited to the terms provided.*
- (2) *Use the terms set out in section 4.2 in the prospectus to facilitate comparability between scholarship plans.*
- (3) *Include only the terms that are applicable to a scholarship plan included in the prospectus. For example, a prospectus that does not include a group scholarship plan must not include those terms that would be applicable only to a group scholarship plan.*

**Item 5 - Overview of Scholarship Plans****5.1 - Introductory Heading**

Provide, at the top of a new page, the heading “Overview of our scholarship plan[s]”.

**5.2 - Description of Scholarship Plans**

Under the heading “What is a scholarship plan?”, state the following using the same or substantially similar wording:

A scholarship plan is a type of investment fund that is designed to help you save for a beneficiary’s post-secondary education. Your plan must be registered as a Registered Education Savings Plan (RESP) in order to qualify for government grants and tax benefits. To do this, we need social insurance numbers for you and the person you name in the plan as your beneficiary.

You sign a contract when you open a plan with us. You make contributions under the plan. We invest your contributions for you, after deducting applicable fees. You will get back your contributions, less fees, whether or not your beneficiary goes on to post-secondary education. Your beneficiary will receive educational assistance payments (EAPs) from us if they enrol in eligible studies and all the terms of the contract are met.

Please read your contract carefully and make sure you understand it before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs.

**5.3 - List of Scholarship Plans Offered**

- (1) If the investment fund manager offers more than one type of scholarship plan, under the heading “Types of plans we offer”, list the scholarship plans offered.
- (2) State, as applicable, that there are differences in the enrolment criteria, contribution requirements, fees, eligible studies, payments to beneficiaries, options for receiving EAPs and options if the beneficiary does not pursue eligible studies among the scholarship plans offered. For a multiple prospectus, include a cross-reference to the plan-specific disclosure for each scholarship plan provided under Part C of this Form.

**INSTRUCTION**

*For each scholarship plan listed under subsection 5.3(1), state the name of the issuer of the securities.*

**Item 6 - General Information about Scholarship Plan Life Cycle****6.1 - Overview of Scholarship Plan Life Cycle**

- (1) Using the heading “How our plan[s] work[s]”, provide a brief description of the life cycle of the plan(s) offered under the prospectus, from enrolment in the plan(s) to EAPs being paid to the beneficiary.



- (2) Using the margin of the page, add a sidebar under the heading “How our plan[s] work[s]”, and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

**Make sure your contact information is up to date**

It is important that you keep your address and contact information up to date. We will need to communicate important information to you throughout the life of your plan. We will also need to find you and the beneficiary when the plan matures so we can return your contributions and make payments to the beneficiary.

**INSTRUCTIONS**

- (1) *The disclosure provided under section 6.1 must not exceed one page in length, and may be provided by means of a table or diagram.*
- (2) *In providing the disclosure required under section 6.1, briefly describe the life cycle of the scholarship plan(s) offered under the prospectus, including significant stages such as enrolling and registering the scholarship plan as an RESP under the Income Tax Act (Canada), making contributions and paying fees from contributions, investing contributions and government grants, ceasing investments in accordance with the scholarship plan’s investment objectives and strategies upon plan maturity, returning contributions to subscribers at maturity and paying EAPs to beneficiaries for eligible studies.*
- (3) *Do not provide a separate life cycle description for each scholarship plan offered under a multiple prospectus. Provide one life cycle description containing the elements that are common to the life cycle of each of the scholarship plans offered under the prospectus.*

**6.2 - Enrolling in a Scholarship Plan**

- (1) Under the sub-heading “Enrolling in a plan”, describe the enrolment process for the scholarship plan(s) offered under the prospectus, including the requirement that the subscriber provide a social insurance number at the time of enrolment to register the plan as an RESP under the *Income Tax Act* (Canada).
- (2) Describe the requirements for designation of a beneficiary of the scholarship plan, including Canadian residency and social insurance number requirements.

**6.3 - Unregistered Accounts**

- (1) Under the sub-sub-heading “If your beneficiary does not have a social insurance number”, list the options available to a subscriber whose beneficiary does not yet have a social insurance number, including the option to wait until the beneficiary has a social insurance number to purchase a scholarship plan that is eligible to be held in an RESP.
- (2) If the scholarship plan provider offers an unregistered education savings account, describe:
- (a) the features of the unregistered education savings account, including what happens to contributions made to the account;
  - (b) whether the account is eligible to receive government grants; and
  - (c) the tax treatment of the account.
- (3) State the deadline for providing the beneficiary’s social insurance number after which the investment fund manager will close the account.



**INSTRUCTION**

*Any plan or account offered by the scholarship plan provider that is not eligible for registration by the federal government as an RESP or is not held in a registered education savings account must be referred to and described as an “unregistered education savings account”.*

**6.4 - Government Grants**

- (1) Under the sub-heading “Government grants”, list the government grants that the investment fund manager will apply for on a beneficiary’s behalf. For each government grant program, provide:
  - (a) a brief description of the program;
  - (b) the maximum amount that may be granted under the program annually and over the duration of an RESP;
  - (c) if applicable, the annual contribution amount that would attract the maximum annual government grant; and
  - (d) any requirement to repay government grants.
- (2) Describe what happens to the government grants received by the investment fund manager on behalf of a beneficiary, including:
  - (a) the legal ownership of the money throughout the life span of an investment in the scholarship plan;
  - (b) whether the money is pooled with the government grants of other beneficiaries;
  - (c) whether the money is invested together with subscriber contributions or separately from contributions; and
  - (d) how the money is allocated on distribution to a qualified beneficiary.
- (3) State that a subscriber may contact their sales representative or the investment fund manager about the applications that the investment fund manager will make on behalf of the subscriber and disclose where a subscriber can obtain more information about available government grants.

**INSTRUCTION**

*The disclosure provided under section 6.4 must not exceed two pages. The disclosure may be provided in the form of a table.*

**6.5 - Contribution Limits**

- (1) Under the sub-heading “Contribution limits”, disclose whether the scholarship plan imposes a cumulative limit for contributions and indicate whether this is exclusive of any government grants.
- (2) Disclose whether a subscriber can make contributions annually beyond the amount(s) that would result in the receipt of the maximum annual amount in government grants.

(3) If a subscriber is permitted to make additional contributions as described in subsection (2), disclose that the additional contributions are not eligible to attract further government grants and disclose how the additional contributions are invested.

(4) Disclose the maximum amount that may be contributed to an RESP under the *Income Tax Act* (Canada), and provide a cross-reference to the tax consequences of contributions beyond the limit set by the *Income Tax Act* (Canada) as disclosed under section 11.3 of this Part of this Form.

## 6.6 - Additional Services

If applicable, under the sub-heading “Additional services”, describe additional services relating to an investment in the scholarship plan that are available to subscribers from the investment fund manager or the principal distributor.

### INSTRUCTION

*If insurance for contributions is offered for purchase by the principal distributor, provide a brief description of the insurance coverage, including the name of the insurer and whether the insurance is mandatory or optional for the subscriber. Include a cross-reference to the disclosure provided under section 14.5 of Part C of this Form.*

## 6.7 - Fees and Expenses

(1) Under the sub-heading “Fees and expenses”, state the following using the same or substantially similar wording:

There are costs for joining and participating in our plan[s]. You pay some of these fees and expenses directly from your contributions. The plan[s] pay[s] some of the fees and expenses, which are deducted from the [plan’s/plans’] earnings. See “Costs of investing in this plan” in this Detailed Plan Disclosure for a description of the fees and expenses of [each of] our plan[s]. Fees and expenses reduce the plan’s returns which reduces the amount available for EAPs.

(2) If the investment fund manager offers more than one type of scholarship plan, state, if applicable, that each scholarship plan offered requires the subscriber to pay different fees and expenses and, if applicable, that the choice of scholarship plan affects the amount of compensation paid to the dealer by a member of the organization of the scholarship plan or a subscriber.

## 6.8 - Eligible Studies

Under the sub-heading “Eligible studies”, state the following using the same or substantially similar wording:

EAPs will be paid to your beneficiary only if he or she enrolls in eligible studies. For a summary of the educational programs that qualify for EAPs under our plan[s], see “Summary of eligible studies” in this Detailed Plan Disclosure. *[Insert if applicable -The plans offered under the prospectus each have their own criteria for what post-secondary programs qualify as eligible studies for receiving EAPs. We recommend that you carefully read the “Specific information about the plan” sections for each plan in this Detailed Plan Disclosure to better understand the differences among the plans.]*

**6.9 - Payments from the Scholarship Plan**

- (1) Under the sub-heading “Payments from the plan” with the sub-sub-heading “Return of contributions”, state the following using the same or substantially similar wording:

We always return your contributions less fees to you or to your beneficiary. Earnings from the plan will generally go to your beneficiary. If your beneficiary does not qualify to receive the earnings from your plan, you may be eligible to get back some of those earnings as an “accumulated income payment (AIP)”. See the “Accumulated income payments” section(s) in this Detailed Plan Disclosure for more information about AIPs.

- (2) Under the sub-sub-heading “Educational assistance payments”, state the following using the same or substantially similar wording:

We will pay EAPs to your beneficiary if you meet the terms of your plan, and your beneficiary qualifies for the payments under the plan. The amount of each EAP depends on the type of plan you have, how much you contributed to it, the government grants in your plan and the performance of the plan’s investments.

You should be aware that the *Income Tax Act* (Canada) has restrictions on the amount of EAP that can be paid out of an RESP at a time. [See *Instruction*].

**INSTRUCTION**

*For the disclosure under subsection (2), briefly describe the restrictions under the Income Tax Act (Canada) on the amount of EAPs that can be paid at a time.*

**6.10 - Unclaimed Accounts**

- (1) Under the sub-heading “Unclaimed accounts”, briefly describe what an unclaimed account is.
- (2) Describe the steps that the investment fund manager will take to contact the subscriber and the beneficiary with respect to an unclaimed account.
- (3) Describe what will happen to any unclaimed contributions, unclaimed earnings on contributions, government grants and earnings on government grants if the investment fund manager is unable to locate the subscriber or the beneficiary.
- (4) Describe how a subscriber or beneficiary can obtain payments of any unclaimed money.

**Item 7 - Scholarship Plans with Same Investment Objectives (Multiple Prospectus)****7.1 - Investment Objectives**

- (1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.
- (2) Set out, under the heading “How we invest your money” with the sub-heading “Investment objectives”, the fundamental investment objectives of the scholarship plans, including any information that describes the fundamental nature of the scholarship plans or the fundamental features of the scholarship plans that distinguish them from other types of scholarship plans.

- (3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plans.
- (4) Describe any of the material investment strategies to be used to achieve those investment objectives.
- (5) If each scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plans and:
  - (a) identify the person or company providing the guarantee or insurance;
  - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance; and
  - (c) provide the reasons for which the guarantor or insurer, as applicable, could limit or avoid execution of the guarantee or insurance policy.

#### **INSTRUCTIONS**

- (1) *State the type or types of securities, such as money market instruments, first mortgages and bonds, in which the scholarship plans will be primarily invested under normal market conditions.*
- (2) *If a particular investment strategy is an essential aspect of the scholarship plans, as evidenced by the manner in which the scholarship plans are marketed, disclose this strategy as an investment objective.*

### **Item 8 - Scholarship Plans with Same Investment Strategies (Multiple Prospectus)**

#### **8.1 - Investment Strategies**

- (1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.
- (2) Describe under the sub-heading “Investment strategies” the following:
  - (a) the principal investment strategies that the scholarship plans intend to use in achieving the investment objectives; and
  - (b) the process by which the scholarship plans’ portfolio adviser selects investments for the portfolios of the scholarship plans, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (3) Indicate the types of investments, other than those held by the scholarship plans in accordance with their fundamental investment objectives, which may form part of the portfolio assets of the scholarship plans under normal market conditions.
- (4) If the scholarship plans may depart temporarily from their fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the portfolio adviser may use or intends to use in response to such conditions.

**INSTRUCTION**

*Scholarship plans may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

**Item 9 - Scholarship Plans with Same Investment Restrictions (Multiple Prospectus)****9.1 - Investment Restrictions**

- (1) This section applies to a multiple prospectus for scholarship plans that have the same investment objectives, investment strategies and investment restrictions.
- (2) Under the sub-heading “Investment restrictions”, describe any restrictions on investments adopted by the scholarship plans, beyond what is required under securities legislation.
- (3) If the scholarship plans have received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plans.

**Item 10 - Risks of Investing in a Scholarship Plan****10.1 - Risks of Investing in a Scholarship Plan**

- (1) Under the heading “Risks of investing in a scholarship plan”, include an introduction using the following wording or wording that is substantially similar:

If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of their EAPs. Please read the description of the plan-specific risks under “Risks of investing in this plan” in this Detailed Plan Disclosure.
- (2) Under the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan[s] can go up or down. [State, as applicable - [Refer to “Risks of investing in this plan” in this Detailed Plan Disclosure for a description of/Below are [some of]] the risks that can cause the value of the scholarship plan [’s/s’] investments to change, which will affect the amount of EAPs available to beneficiaries.] Unlike bank accounts or guaranteed investment certificates, your investment in a scholarship plan is not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.
- (3) For a multiple prospectus, list and describe the investment risks applicable to each of the scholarship plans offered under the prospectus.

(4) For a multiple prospectus that contains the disclosure required by section 7.1 of this Part of the Form, if, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose:

- (a) the name of the issuer and the securities;
- (b) the highest percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period; and
- (c) the risks associated with the investments, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

### INSTRUCTIONS

- (1) *Each risk factor listed must be described under a separate sub-sub-heading.*
- (2) *Describe the risks in the order of the most serious to the least serious.*
- (3) *Do not de-emphasize a risk factor by including excessive caveats or conditions.*
- (4) *Include a discussion of general market, political, market sector, liquidity, interest rate, foreign currency, diversification and credit risks that apply to the portfolio of the scholarship plan, as appropriate.*
- (5) *The term “government security” has the same meaning as in National Instrument 81-102 Investment Funds.*

## Item 11 - Income Tax Considerations

### 11.1 - Status of the Scholarship Plan

Under the heading “How taxes affect your plan”, briefly describe the status of the scholarship plan for income tax purposes.

### 11.2 - Taxation of the Scholarship Plan

Under the sub-heading “How the plan is taxed”, state in general terms the basis upon which the income and capital received by the scholarship plan are taxed.

### 11.3 - Taxation of the Subscriber

(1) Under the sub-heading “How you are taxed”, state in general terms how the subscriber will be taxed. State in general terms, as applicable to the scholarship plan(s) offered under the prospectus, using sub-sub-headings, the income tax consequences of:

- (a) a return of contributions at the maturity date;
- (b) a withdrawal of contributions before the maturity date;
- (c) a refund of sales charges or other fees;
- (d) any other distributions to the subscriber in the form of income, capital or otherwise;
- (e) a cancellation of units prior to the maturity date;
- (f) a purchase of additional units;
- (g) a transfer between scholarship plans;
- (h) an additional contribution made to address backdating of a plan;

- (i) an additional contribution made to cure defaults under the scholarship plan; and
  - (j) a contribution beyond the limit set by the *Income Tax Act* (Canada).
- (2) Under the sub-sub-heading “If you receive an Accumulated income payment (AIP)”:
- (a) state the tax consequences of receiving an AIP;
  - (b) describe how an AIP may be transferred to a registered retirement savings plan; and
  - (c) describe the tax consequences of a transfer of an AIP to a registered retirement savings plan.

#### **11.4 - Taxation of the Beneficiary**

Under the sub-heading “How your beneficiary is taxed”, state in general terms the income tax consequences to a beneficiary of a payment made to the beneficiary under the scholarship plan, including, as applicable, an EAP, a discretionary payment and a fee refund.

### **Item 12 - Organization and Management Details of the Scholarship Plan**

#### **12.1 - Organization and Management Details**

- (1) Provide in a diagram or table, under the heading “Who is involved in running the plan[s]”, information about the entities involved in operating the scholarship plan, including the investment fund manager, foundation, trustee, portfolio adviser, principal distributor, independent review committee, custodian, registrar and auditor of the scholarship plan.
- (2) For each entity listed in the diagram or table, briefly describe the services provided by that entity, and the relationship of that entity to the investment fund manager. Include a description of how each of the following aspects of the operations of the scholarship plan is administered and who administers those functions:
  - (a) the management and administration of the scholarship plan, including valuation services, fund accounting and securityholder records, other than the management of the portfolio assets;
  - (b) the management of the portfolio assets, including the provision of investment analysis or investment recommendations and the making of investment decisions;
  - (c) the purchase and sale of portfolio assets by the scholarship plan and the making of brokerage arrangements relating to the portfolio assets;
  - (d) the distribution of the securities of the scholarship plan;
  - (e) if the scholarship plan is a trust, the trusteeship of the scholarship plan;
  - (f) if the scholarship plan is a corporation, the oversight of the affairs of the scholarship plan by the directors of the corporation;
  - (g) the custodianship of the assets of the scholarship plan;
  - (h) the oversight of the investment fund manager of the scholarship plan by the independent review committee;
  - (i) the oversight of the scholarship plan by any other body.



- (3) For each entity listed in the diagram or table, other than the investment fund manager, provide, if applicable, the municipality and the province or country where it principally provides its services to the scholarship plan. Provide the complete municipal address for the investment fund manager of the scholarship plan.

#### INSTRUCTION

*The “foundation” refers to the not-for-profit entity that is the sponsor of the scholarship plan.*

### Item 13 - Statement of Rights

#### 13.1 - Statement of Rights

Under the heading “Your rights as an investor”, state the following using the same or substantially similar wording:

You have the right to withdraw from an agreement to buy scholarship plan securities and get back all of your money (including any fees or expenses paid), within 60 days of signing the agreement. If the plan is cancelled after 60 days, you will only get back your contributions, less fees and expenses.

Any government grants you’ve received will be returned to the government.

In several provinces and territories, securities legislation also gives you the right to withdraw from a purchase and get back all of your money, or to claim damages, if the prospectus and any amendment contain a misrepresentation or are not delivered to you. You must act within the time limit set by the securities legislation in your province [*insert if the scholarship plan(s) is / are distributed in one or more territories of Canada - or territory*].

You can find out more about these rights by referring to the securities legislation of your province [*insert if the scholarship plan(s) is / are distributed in one or more territories of Canada - or territory*] or by consulting a lawyer.

### Item 14 - Other Material Information

#### 14.1 - Other Material Information

- (1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.
- (2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.
- (3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

#### INSTRUCTIONS

- (1) *Sub-headings that are not mandated by this Form may be used in this Item.*
- (2) *For a single prospectus, provide this disclosure either under this Item or under Item 23 of Part C of this Form, whichever is more appropriate.*
- (3) *For a multiple prospectus, provide this disclosure under this Item if the disclosure pertains to all of the scholarship plans described in the document. If the disclosure does not pertain to all of the scholarship plans, provide the disclosure under Item 23 of Part C of this Form.*

**Item 15 - Back Cover****15.1 - Back Cover**

- (1) State on the back cover of the Detailed Plan Disclosure the name of the scholarship plan(s) offered under the prospectus, and the name, address and telephone number of the investment fund manager of the scholarship plan(s).
- (2) State the following using the same or substantially similar wording:

You can find additional information about the plan[s] in the following documents:

- the plan's most recently filed annual financial statements;
- any interim financial reports filed after the annual financial statements;
- and
- the most recently filed annual management report of fund performance.

These documents are incorporated by reference into this prospectus. That means they legally form part of this document just as if they were printed as part of this document.

You can get a copy of these documents at no cost by calling us at *[insert the toll-free telephone number or telephone number where collect calls are accepted]* or by contacting us at *[insert the scholarship plan's e-mail address]*.

*[Insert if applicable - You'll also find these documents on our website at [insert the scholarship plan's website address]].*

These documents and other information about the plan[s] are also available at [www.sedar.com](http://www.sedar.com).

**Part C - Detailed Plan Disclosure - Plan-Specific Information****Item 1 - General**

The Items in this Part apply to each type of scholarship plan unless otherwise stated.

**Item 2 - Introductory Disclosure****2.1 - For a Single Prospectus**

Include at the top of the first page of the Part C section of the prospectus the heading "Specific information about the *[insert the name of the scholarship plan]*".

**2.2 - For a Multiple Prospectus**

Include:

- (a) at the top of the first page of the first Part C section of the prospectus, the heading "Specific information about our plans"; and
- (b) at the top of each page of a Part C section of the prospectus, a heading consisting of the name of the scholarship plan described on that page.

### **Item 3 - Plan Description**

#### **3.1 - Plan Description**

Under the heading “Type of plan”, disclose in the form of a table:

- (a) the type of scholarship plan; and
- (b) the date on which the scholarship plan was started.

#### **INSTRUCTION**

*In disclosing the date on which the scholarship plan was started, use the date on which the securities of the scholarship plan first became available for offer to the public, which will be on or about the date of the issuance of the first receipt for a prospectus of the scholarship plan.*

### **Item 4 - Eligibility and Suitability**

#### **4.1 - Eligibility and Suitability**

- (1) Under the heading “Who this plan is for”, list the eligibility requirements for enrolment in the scholarship plan.
- (2) Provide a brief statement of the suitability of the scholarship plan for particular investors, describing the characteristics of the subscriber and beneficiary for whom the scholarship plan may be an appropriate investment and for whom it may not be an appropriate investment.

#### **INSTRUCTION**

*The disclosure provided under subsection 4.1(2) must be consistent with the disclosure provided under Item 4 of Part A of this Form. Discuss whether the scholarship plan is particularly suitable for certain types of investors. Conversely, if the scholarship plan is particularly unsuitable for certain types of investors, emphasize this aspect of the plan and disclose the types of investors who should not invest in the scholarship plan, on both a short- and long-term basis.*

### **Item 5 - Beneficiary Group**

#### **5.1 - Beneficiary Group**

- (1) This Item applies to a group scholarship plan.
- (2) Under the sub-heading “Your beneficiary group”, describe:
  - (a) what a beneficiary group is and the significance of belonging to a beneficiary group; and
  - (b) how the maturity date and year of eligibility are determined and the significance of the dates.
- (3) Include the table below, introduced using the following wording or wording that is substantially similar:

The table below can help you determine your beneficiary group. In general, the beneficiary group is determined by the age of the beneficiary when you sign your contract.

<b>Age of beneficiary when the plan is purchased</b>	<b>Beneficiary group</b>
[Insert age of oldest beneficiary eligible to join the group scholarship plan] years old	[Insert year of eligibility for oldest beneficiary]
[Insert age corresponding to next year of eligibility in descending order] years old	[Insert year of eligibility for next oldest beneficiary]
• • •	
0 years old	[Insert year of eligibility for youngest beneficiary]

### INSTRUCTIONS

(1) In responding to subsection 5.1(2), provide disclosure regarding the sharing of earnings on contributions based on the number of beneficiaries in a beneficiary group, including the sharing of earnings on contributions where there is pre-maturity and post-maturity attrition.

(2) The table required under subsection 5.1(3) is used to demonstrate how the year of eligibility relates to the age of the beneficiary on the application date. The disclosure in the column of this table titled “Age of beneficiary when the scholarship plan is purchased” must present the ages of the beneficiaries for whom subscribers may purchase a group scholarship plan, starting from the oldest to the youngest. For example, if a beneficiary cannot join the group scholarship plan after age 12, then that must be the age disclosed in the top row of that column. The ages disclosed in the subsequent row must follow in descending order.

(3) For the column titled “Beneficiary Group” in the table required under subsection 5.1(3), the “year of eligibility” disclosed in each row must be based on the year of eligibility that would typically correspond to a beneficiary of the age described in adjacent column of that table titled “Typical age of beneficiary when the scholarship plan is purchased” as of the date of the prospectus. For example, if the age of the beneficiary listed in the table is 12, the disclosure under “Beneficiary Group” must show the typical year of eligibility for a 12 year old beneficiary joining the scholarship plan as of the date of the prospectus.

## Item 6 - Eligible Studies

### 6.1 - Summary of Eligible Studies

Under the heading “Summary of eligible studies”, state the following using the same or substantially similar wording:

The following is a description of the post-secondary programs that are eligible studies and qualify for EAPs under the [insert name of the scholarship plan].

Contact us or your sales representative to find out if the educational programs your beneficiary is interested in are eligible studies. We can provide you with a current list of qualifying institutions and programs on request. This list is also available on the plan’s website.

For more information about receiving EAPs, see “Educational assistance payments” on page [insert page reference to the disclosure provided under section 19.2 of Part C of this Form] of this Detailed Plan Disclosure.

### 6.2 - Description of Eligible Programs

Under the sub-heading “What’s eligible”, briefly describe the types of programs that qualify for EAPs under the scholarship plan.

### 6.3 - Description of Ineligible Programs

(1) Under the sub-heading “What’s not eligible”, briefly describe the types of programs that do not qualify for EAPs under the scholarship plan.

(2) If any post-secondary program that would qualify for an EAP under the *Income Tax Act* (Canada) would be considered eligible studies under the scholarship plan, state this fact. If there are differences between the types of programs eligible for payment of an EAP under the *Income Tax Act* (Canada) and programs recognized as eligible studies under the scholarship plan, state this fact and describe how the scholarship plan’s requirements are different than the *Income Tax Act* (Canada) requirements.

(3) State, if applicable, that beneficiaries who do not enrol in eligible studies under the requirements of the scholarship plan will also not receive payments of government grants.

(4) If the scholarship plan does not recognize all of the same post-secondary programs that would qualify for an EAP under the *Income Tax Act* (Canada), then state the following using the same or substantially similar wording:

If you are interested in a post-secondary program that doesn’t qualify for EAPs under the [insert the name of the scholarship plan] but would qualify for an EAP under the *Income Tax Act* (Canada), you should consider another type of plan. [Insert if applicable - For example, in our [insert, as applicable the name of the scholarship plan(s)], any post-secondary program that would qualify for an EAP under the *Income Tax Act* (Canada) is considered eligible studies for receiving an EAP under the plan.]

**INSTRUCTIONS**

- (1) The list of institutions and programs that are “eligible studies” under the scholarship plan and are referred to in section 6.1 must be provided in a format that facilitates comprehension by the investor. The list must also be available on the plan’s website in a location that does not have restricted access, i.e., it does not require a password or login account.*
- (2) The disclosure required by sections 6.2 and 6.3 may be provided in the form of a table to assist readability.*
- (3) Describe the programs required to be disclosed under sections 6.2 and 6.3 based on characteristics such as the type of educational institutions offering the programs, the duration of the programs and the location of the educational institutions.*

**Item 7 - Investment Objectives****7.1 - Investment Objectives**

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.
- (2) Under the heading “How we invest your money” with the sub-heading “Investment objectives”, state the fundamental investment objectives of the scholarship plan, including any information that describes the fundamental nature of the scholarship plan or the fundamental features of the scholarship plan that distinguish it from other types of scholarship plans.
- (3) Describe the nature of any securityholder or other approval that may be required to change the investment objectives of the scholarship plan.
- (4) Describe any of the material investment strategies to be used to achieve the scholarship plan’s investment objectives.
- (5) If the scholarship plan purports to arrange a guarantee or insurance in order to protect all or some of the principal amount of the investments made by subscribers, include this fact as a fundamental investment objective of the scholarship plan and:
  - (a) identify the person or company providing the guarantee or insurance;
  - (b) provide the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance; and
  - (c) provide the reasons for which the guarantor or insurer could limit or avoid execution of the guarantee or insurance policy.

**INSTRUCTION**

*In providing the disclosure required by this Item, follow the Instructions that apply to section 7.1 of Part B of this Form.*

## **Item 8 - Investment Strategies**

### **8.1 - Investment Strategies**

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure under section 8.1 of Part B of this Form.
- (2) Describe under the sub-heading “Investment strategies” the following:
  - (a) the principal investment strategies that the scholarship plan intends to use in achieving its investment objectives; and
  - (b) the process by which the scholarship plan’s portfolio adviser selects investments for the scholarship plan’s portfolio, including any investment approach, philosophy, practices or techniques used by the portfolio adviser or any particular style of portfolio management that the portfolio adviser intends to follow.
- (3) Indicate the types of investments, other than those held by the scholarship plan in accordance with its fundamental investment objectives, which may form part of the scholarship plan’s portfolio assets under normal market conditions.
- (4) If the scholarship plan may depart temporarily from its fundamental investment objectives as a result of adverse market, economic, political or other considerations, disclose any temporary defensive tactics the scholarship plan’s portfolio adviser may use or intends to use in response to such conditions.

#### **INSTRUCTION**

*A scholarship plan may, in responding to subsection 8.1(2), provide a discussion of the general investment approach or philosophy followed by the portfolio adviser of the scholarship plan.*

## **Item 9 - Investment Restrictions**

### **9.1 - Investment Restrictions**

- (1) This section does not apply to a scholarship plan that is required to provide the disclosure specified under section 9.1 of Part B of this Form.
- (2) Under the sub-heading “Investment restrictions”, describe any restrictions on investments adopted by the scholarship plan, beyond what is required under securities legislation.
- (3) If the scholarship plan has received the approval of the securities regulatory authorities to vary any of the investment restrictions and practices contained in securities legislation, provide details of the permitted variations.
- (4) Describe the nature of any securityholder or other approval that may be required in order to change the investment restrictions of the scholarship plan.



**Item 10 - Plan-Specific Risks****10.1 - Plan Risks**

- (1) Under the heading “Risks of investing in this plan” with the sub-heading “Plan risks”, include an introduction using the following wording or wording that is substantially similar:

You sign a contract when you open a plan with us. Read the terms of the contract carefully and make sure you understand the contract before you sign. If you or your beneficiary does not meet the terms of your contract, it could result in a loss and your beneficiary could lose some or all of his or her EAPs.

Keep in mind that payments from the plan are not guaranteed. We cannot tell you in advance if your beneficiary will qualify to receive any EAPs from the plan or how much your beneficiary will receive. We do not guarantee the amount of any payments or that the payments will cover the full cost of your beneficiary’s post-secondary education.

In addition to the investment risks described under “Investment risks” on page(s) *[insert a page reference to the investment risks disclosed under section 10.1(3) of Part B of this Form or section 10.2 of this Part of the Form, as applicable]* of the prospectus, the following is a description of the risks of participating in this plan.

- (2) List and describe any material risks associated with an investment in the scholarship plan, other than the investment risks associated with the portfolio held by the scholarship plan that are disclosed under section 10.1 of Part B of this Form or section 10.2 of this Part, including, as applicable to the scholarship plan:

- (a) the risk of a change in attrition rates affecting the amount of EAPs available to beneficiaries;
- (b) the risk of a decision not to provide a discretionary payment affecting the amount of money available to beneficiaries who enrol in eligible studies;
- (c) the risk that the current sources of funding for discretionary payments may not be available at plan maturity;
- (d) if there is no guarantee for any refunds of sales charges or other fees, the risk that the current sources of funding for the refunds may not be available at or after the maturity date of the subscriber’s scholarship plan; and
- (e) if the scholarship plan has more than one class or series of securities, the risk that the investment performance, expenses or liabilities of one class or series may affect the value of the securities of another class or series.

**INSTRUCTION**

*In responding to section 10.2, follow Instructions (1) - (3) to section 10.1 of Part B of this Form.*

**10.2 - Investment Risks**

- (1) Subsections (2) to (5) do not apply to a scholarship plan that is required to provide the disclosure under section 7.1 of Part B of this Form.

(2) Under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, include an introduction using the following wording or wording that is substantially similar:

The prices of the investments held by the scholarship plan can go up or down. Below are the risks that can cause the value of the plan’s investments to change, which will affect the amount of EAPs available to beneficiaries.

(3) List and describe the investment risks applicable to the scholarship plan, other than those risks previously discussed under subsection 10.1(3) of Part B of this Form.

(4) Include specific cross-references to the risks described in response to subsection 10.1(3) of Part B of this Form that are applicable to the scholarship plan.

(5) If, at any time during the 12-month period immediately preceding the date of the prospectus, more than 10% of the net assets of a scholarship plan were invested in the securities of an issuer other than a government security, disclose:

- (a) the name of the issuer and the securities;
- (b) the maximum percentage of the net assets of the scholarship plan that securities of that issuer represented during the 12-month period; and
- (c) the risks associated with the investment in the securities, including the possible or actual effect on the liquidity and diversification of the scholarship plan.

(6) If the scholarship plan is required to provide the disclosure under section 7.1 of Part B of this Form, under the heading “Risks of investing in this plan” with the sub-heading “Investment risks”, state the following using the same or substantially similar wording:

The prices of the investments held by the scholarship plan can go up or down. You can find a list of risks that can cause the value of the plan’s investments to change under “Investment risks” on page [insert page reference to the risks disclosed under section 10.1(3) of Part B of this Form].

#### INSTRUCTION

*In providing disclosure under this section, follow the Instructions to section 10.1 of Part B of this Form.*

### Item 11 - Annual Returns

#### 11.1 - Annual Returns

Under the heading “How the plan has performed”, provide, in the form of the following table, the annual return of the scholarship plan for each of the past five years (or for a scholarship plan that has existed for less than five years, for each year the scholarship plan has been in existence) as disclosed in the most recently filed annual management report of fund performance of the scholarship plan, introduced using the following wording or wording that is substantially similar:

The table below shows how the investments in *[insert name of the scholarship plan]* performed in each of the past five financial years ending on *[insert date of end of financial year for the scholarship plan]*. Returns are after expenses have been deducted. These expenses reduce the returns you get on your investment.

It's important to note that this doesn't tell you how the plan's investments will perform in the future.

	<i>[Insert most recently completed Financial Year]</i>	<i>[Insert most recently completed Financial Year minus 1]</i>	<i>[Insert most recently completed Financial Year minus 2]</i>	<i>[Insert most recently completed Financial Year minus 3]</i>	<i>[Insert most recently completed Financial Year minus 4]</i>
<b>Annual Return</b>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>	<i>[Specify annual return]%</i>

## Item 12 - Contributions

### 12.1 - Making Contributions

(1) Under the heading "Making contributions", state the minimum investment in the scholarship plan permitted under the prospectus and the maximum length of time a subscriber can make contributions under the plan.

(2) If the scholarship plan uses units, under the sub-heading "What is a unit?", describe the unit and state why the scholarship plan uses units. State if the value of a unit is based only on the value of the portfolio assets held by the scholarship plan and, if not, state what other factors the value of a unit is based on.

(3) Under the sub-heading "Your contribution options", describe all available contribution options.

(4) If the scholarship plan requires subscribers to make contributions to the plan in accordance with a contribution schedule, under the sub-heading "Contribution schedule", include an introduction to the contribution schedule using the following wording or wording that is substantially similar:

The contribution schedule below shows how much you have to contribute to buy a unit. The price you pay depends on your beneficiary group and whether you pay for your units all at once or make periodic contributions to pay for your units. *[For a group scholarship plan, state -* The prices are calculated so that the contributions of each subscriber for a beneficiary group will generate the same earnings per unit.]

Certain fees and expenses are deducted from your contributions. For more information, please see "Fees you pay" on page *[insert page reference to the disclosure provided under section 14.2 of Part C of this Form]*.

The contribution schedule was prepared by *[indicate name of entity/entities that prepared the contribution schedule]* in *[specify year the contribution schedule was prepared]*.

(5) Include the contribution schedule of the scholarship plan in the form of the following table, together with the following examples to explain how to use the contribution schedule to determine the contributions required to pay for each unit. Introduce the table using the following wording or wording that is substantially similar with the title "How to use this table" in bold type:

**How to use this table:**

For example, let's assume your beneficiary is a newborn. If you want to make monthly contributions until maturity, it will cost \$[insert amount payable monthly for this option] each month for each unit you buy. You would have to make [insert total number of payments for this option] contributions over the life of your plan, for a total investment of \$[insert total amount payable for this option].

If your child is five years old and you want to make annual contributions until maturity, it will cost \$[insert amount payable annually for this option] each year for each unit you buy. You would have to make [insert total number of payments for this option] contributions over the life of your plan, for a total investment of \$[insert total amount payable for this option].

Contribution Schedule				
Contribution Options [See Instruction (2)]	[Insert youngest beneficiary by age] [See Instruction (3)]	[Insert next youngest beneficiary by age]	● ● ●	[Insert oldest beneficiary by age]
<b>Monthly Contribution</b> Contribution amount Total number of contributions total amount of contributions	[See Instruction (4)]			
<b>Annual Contribution</b> Contribution amount Total number of contributions total amount of contributions				
● ● ●				
<b>Lump sum contribution</b> Contribution amount				

- (6) State the assumptions on which the contribution schedule is based and confirm that the assumptions are still reflective of current conditions and circumstances.

**INSTRUCTIONS**

- (1) The contribution schedule must outline all available contribution options, including the lump sum contribution option.
- (2) List the contribution options in the order based on the total number of contributions, from the largest number of contributions to the smallest number of contributions. For example, if the scholarship plan permits monthly, annual and lump sum contributions, list the contribution options in that order.

- (3) *The contribution schedule must be presented in the order based on the age of the beneficiaries, from the youngest to oldest.*
- (4) *For each contribution option, set out the amount of each contribution, the total number of contributions, and the total amount payable for one unit.*
- (5) *If the scholarship plan permits a subscriber to date their plan as at a date that is earlier than the application date, disclose the conditions or requirements that must be met to backdate a plan, including the maximum number of months that a plan may be backdated and the basis of calculation of any amount(s) payable by the subscriber in addition to the contributions required under the contribution schedule. Include a cross-reference to the disclosure provided under paragraph 11.3(1)(h) of Part B of this Form.*
- (6) *The contribution amounts in the contribution schedule must not include fees for insurance.*

## 12.2 - Missing Contributions

- (1) Under the sub-heading “If you have difficulty making contributions’, state the following using the same or substantially similar wording:

If you miss one or more contributions, you may be in default of your plan. To stay in the plan, you’ll have to make up the contributions you missed. [*State if applicable* - You’ll also have to make up what the contributions would have earned if you had made them on time]. This can be costly.

For information about the steps you have to take to stay in the plan after missing contributions, see “Default, withdrawal or cancellation” on page [*insert page reference to the disclosure provided under Item 17 of Part C of this Form*].

- (2) Under the sub-sub-heading “Your options’, describe the options available to subscribers having difficulty making contributions, including reducing the amount of contributions, suspending contributions, transferring to another RESP and cancelling their scholarship plan.
- (3) Describe any restrictions on the availability of the options referred to in subsection (2).
- (4) For each option set out under subsection (2), disclose the fee payable for the option and the losses that may be incurred by the subscriber as a result of the option.
- (5) Describe what will happen if a subscriber has difficulty making contributions and does not select any of the options set out under subsection (2).

## INSTRUCTIONS

- (1) *A scholarship plan that does not require subscribers to make regular contributions to keep their plan in good standing must modify the disclosure under subsection 12.2(1) accordingly.*
- (2) *If the cost of putting a plan in good standing after a voluntary suspension of the plan includes the payment of an amount equal to the interest that would have been earned on the missing contributions, disclose the current interest rate used as an annualized rate of interest and disclose how the interest is calculated.*

(3) *In disclosing any losses that may be incurred by a subscriber under subsection (4), state whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

(4) *If the disclosure for an option required by subsections (3) and (4) is provided elsewhere in Part C of the prospectus, a cross-reference to the disclosure for the option may be provided in response to subsections (3) and (4). For example, if transferring to another scholarship plan managed by the investment fund manager is an option available to the subscriber, a scholarship plan may refer investors to details of this type of transfer by providing a cross-reference to the disclosure provided under section 16.1 of Part C of this Form.*

### **Item 13 - Withdrawing Contributions**

#### **13.1 - Withdrawing Contributions**

- (1) Under the heading “Withdrawing your contributions”, describe a subscriber’s entitlement to a return of contributions made, less fees, at any time before the maturity date of their scholarship plan.
- (2) Describe the steps a subscriber must take to withdraw some or all of their contributions before the maturity date of their scholarship plan.
- (3) Disclose the fee for a withdrawal from their scholarship plan and describe the losses that may be incurred by a subscriber upon a withdrawal.
- (4) Disclose whether a subscriber’s plan will be cancelled if the subscriber withdraws all the contributions made to their plan. If so, provide a cross-reference to the disclosure provided under section 17.3 of Part C of this Form.

#### **INSTRUCTION**

*In describing any losses that may be incurred by a subscriber under subsection (3), disclose whether the subscriber may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

### **Item 14 - Fees and Expenses**

#### **14.1 - Costs of Investing in the Scholarship Plan**

Under the heading “Costs of investing in this plan”, state the following using the same or substantially similar wording:

There are costs for joining and participating in the [insert name of scholarship plan]. The following tables list the fees and expenses of this plan. You pay some of these fees and expenses directly from your contributions. The plan pays some of the fees and expenses, which are deducted from the plan’s earnings.

### 14.2 - Fees Payable by Subscriber from Contributions

(1) Under the sub-heading “Fees you pay”, provide a list of the fees and expenses that are deducted from contributions and that are not required to be provided in the table under section 14.4 of Part C of this Form in the form of the following table. Introduce the table using the following wording:

These fees are deducted from your contributions. They reduce the amount that gets invested in your plan, which will reduce the amount available for EAPs.

Fee	Amount	How the fee is paid	Who the fee is paid to
[Insert type of fee]	\$(Specify amount)	[Insert how the fee is charged]	[Insert name of entity]

(2) If the sales charge listed in the table required by subsection (1) is deducted from contributions at a higher rate in the early period of participating in the scholarship plan, add a sidebar under the sub-heading “Fees you pay”, using the margin of the page and state the following using the same or substantially similar wording with the title of the sidebar in bold type:

#### **Paying off the sales charges**

For example, assume that you buy one unit of the [Insert name of scholarship plan] on behalf of newborn child, and you commit to making monthly contributions until the maturity date to pay for that unit. [All/[specify lower percentage, if applicable]] of your first [insert number of contributions] contributions go toward the sales charge until [half/[specify other percentage if applicable]] of the sales charge is paid off. [State, as applicable - [Half/[specify other percentage if applicable]] of your next [insert number of contributions] contributions go toward the sales charge until it's fully paid off.] Altogether, it will take you [insert number of months] months to pay off the sales charge. During this time, [insert percentage] of your contributions will be used to pay the sales charge and [insert percentage] of your contributions will be invested in your plan.

(3) State whether any of the fees listed in the table in subsection (1) may be increased without subscriber approval.

### INSTRUCTIONS

(1) In the table required under subsection 14.2(1), list the fees payable by subscribers' contributions. Each fee must be listed on a separate row in the table.

(2) In the table required under subsection 14.2(1) in the column titled “What you pay” state the amount of each fee. The amount of each fee must be disclosed based on how the fee is calculated. For example, if a particular fee is calculated as a fixed dollar amount per unit, or a fixed amount per year, it must be stated as such. Similarly, if a fee is calculated as a percentage of plan assets, that percentage must be stated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.



(3) For a group scholarship plan or other type of scholarship plan that normally calculates the sales charge payable as a fixed dollar amount linked to the amount of contribution by a subscriber (i.e. \$x.xx per unit), in addition to stating the fixed amount of sales charge per unit as required under Instruction (2), the disclosure of the amount of sales charge in the table required under subsection 14.2(1) in the column titled “What you pay” must also be expressed as a percentage of the cost of a unit of the scholarship plan. If the total cost of a unit of the scholarship plan varies depending on the contribution option or frequency selected, the percentage sales charge must be expressed as a range, between the lowest and the highest percentage of the unit cost the sales charge can represent, based on the different contribution options available to subscribers under the scholarship plan. This must be calculated as follows: (i) divide the sales charge per unit by the contribution option that has the highest total cost per unit, and (ii) divide the sales charge per unit by the contribution option that has the lowest total cost per unit. For example, if a scholarship plan calculates its sales charge as \$200/unit, and the total cost per unit for a subscriber can range from \$1000 to \$5000 (based on the different options available to subscribers), the percentage range of the sales charge disclosed in the table would be 4% (200/5000) to 20% (200/1000). The disclosure in the table must also state that the exact percentage of the sales charge per unit for a subscriber will depend on the contribution option selected for contributing to the scholarship plan and how old their beneficiary is at the time they open the scholarship plan.

(4) In the table required under subsection 14.2(1) in the column titled “What you pay” describe how the fee is deducted from contributions if the fee amount deducted from each contribution is not the same. For example, if deductions for sales charges are not made from each contribution at a constant rate for the duration of the plan or for the period for which contributions are required to be made under the scholarship plan if it is less than the scholarship plan’s duration, describe the amounts from contributions that are deducted to pay sales charges.

(5) In the table required under subsection 14.2(1) in the column titled “What the fee is for” provide a concise explanation of what the fee is used for.

(6) In the table required under subsection 14.2(1) in the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.

(7) The disclosure required under subsection 14.2(2) must be based on the following assumptions: (i) the beneficiary is a newborn, (ii) the subscriber is purchasing one unit of the scholarship plan, (iii) the subscriber has agreed to a monthly contribution schedule with contributions payable until the scholarship plan’s maturity date, and (iv) all of the mandatory fees that are normally deducted from a subscriber’s contributions are deducted during the relevant period. The disclosure provided under subsection 14.2(2) must be consistent with the disclosure provided under subsection (2) of Item 10 of Part A of the form.

(8) The disclosure required in subsection 14.2(2) may alternatively be provided in a text box below the table required under subsection 14.2(1).

(9) For the disclosure required in subsection 14.2(2), if the scholarship plan does not offer units but uses a similar method for deducting sales charges as is described under subsection 14.2(2), the wording may be amended as is necessary to properly reflect the scholarship plan’s features.

### 14.3 - Fees Payable by the Scholarship Plan

(1) Under the sub-heading “Fees the plan pays”, provide a list of the fees and expenses that are payable by the scholarship plan in the form of the following table and introduced using the following wording:

The following fees are payable from the plan’s earnings. You don’t pay these fees directly. These fees affect you because they reduce the plan’s returns which reduces the amount available for EAPs.

Fee	What the plan pays	What the fee is for	Who the fee is paid to
Administrative fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Portfolio management fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Custodian fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
Independent review committee fee	[Specify amount]	[Specify purpose]	[Insert name of entity]
[Specify other fees and expenses]	[Specify amount]	[Specify purpose]	[Insert name of entity]

(2) State whether any of the fees or expenses listed in the table in subsection (1) may be increased without subscriber approval.

#### INSTRUCTIONS

(1) *In the table, show all fees and expenses payable by the scholarship plan, even if it is expected that the investment fund manager or other member of the organization of the scholarship plan will waive or absorb some or all of those fees and expenses. Each fee must be listed in a separate row in the table.*

(2) *If one or more fees listed or required to be listed in the table are normally combined into an “all-inclusive fee” payable by the scholarship plan, the table may be amended as is necessary to reflect this fact.*

(3) *In the column titled “What the plan pays” state the amount of each fee listed in the table. The amount of fee stated must be disclosed based on how the fee is calculated. For example, if a fee is calculated based on a percentage of the scholarship plan’s assets, it must be stated as such. For the “independent review committee fee”, state the amount of any retainer payable to each member of the committee and any additional fees payable for meeting attendance and indicate if committee members expenses are reimbursed, and disclose the total dollar amount paid in connection with the independent review committee for the most recently completed financial year of the scholarship plan. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.*

(4) *In the column titled “What the fee is for” provide a concise explanation of what the fee is used for. If a fee is charged to the scholarship plan for on-going fund expenses, list the main components of those expenses covered by the fee.*

(5) *In the column titled “Who the fee is paid to”, state the name of the entity to which the fee is paid, such as the investment fund manager, the portfolio manager, the dealer, the foundation, etc.*

**14.4 - Transaction Fees**

Under the sub-heading “Transaction fees”, provide a list of the transaction fees in the form of the following table introduced using the following wording:

We will charge the following fees for the transactions listed below.

Fee	Amount	How the fee is paid	Who the fee is paid to
[Insert type of fee]	[\$Specify amount]	[Insert how the fee is charged]	[Insert name of entity]

**INSTRUCTIONS**

(1) In the column titled “fee” describe the type of transaction for which the fee is charged; for example, replacing a cheque, changing the contribution schedule, changing the beneficiary, changing the maturity date, transferring a plan and a late application for EAPs. Each fee must be listed on a separate row in the table.

(2) In the column titled “Amount” specify the amount of each fee. The amount must be disclosed based on how the fee is calculated. For example if the fee is calculated as a fixed dollar amount or a percentage it must be disclosed as such.

(3) In the column titled “How the fee is paid” state how the fee for each transaction is charged, for example, if the fee is payable directly by the subscriber or beneficiary, or if it is deducted from the earnings of the scholarship plan.

(4) In the column titled “Who the fee is paid to” specify the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc.

**14.5 - Fees for Additional Services**

If applicable, under the sub-heading “Fees for additional services”, provide a list of the fees payable for the additional services disclosed under section 6.6 of Part B of this Form in the form of the following table and introduced using the following wording:

The following fees are payable for the additional services listed below:

Fee	What you pay	How the fee is paid	Who the fee is paid to
[Specify type of fee]	[\$Specify amount]	[Specify how the fee is charged]	[Insert name of entity]

**INSTRUCTIONS**

(1) In the column titled “Fee”, describe the type of service for which the fee is charged (for example, insurance services). Each fee must be listed in a separate row in the table.

(2) Under the column titled “What you pay” specify the amount of each fee. The fee must be disclosed based on how it is calculated. A statement or note that a fee is subject to applicable taxes, such as goods and services taxes or harmonized sales taxes, is permitted, if applicable.

(3) If insurance services are provided, under the column “What you pay”, disclose the fee for insurance and disclose the portion of the fee that is paid by the insurer to the principal distributor, the investment fund manager, or an affiliate.

(4) *If the fee payable for an additional service varies so that specific disclosure of the amount of the fee cannot be provided in the prospectus, provide the range of fees payable under the column titled “What you pay”.*

(5) *In the column titled “How the fee is paid” state how the fee for each service is charged, for example, if the fee is an amount payable by the subscriber on a monthly basis in addition to contributions made under the contribution schedule.*

(6) *In the column titled “Who the fee is paid to” state the name of the entity to which the fee is paid, such as the scholarship plan dealer, the investment fund manager, the Foundation, etc. If insurance services are provided, the name of the insurer must be disclosed.*

#### 14.6 - Refund of Sales Charges and Other Fees

(1) Under the sub-heading “Refund of sales charges [and other fees]”, disclose the details of all arrangements for the refunding of sales charges and any other fee paid by subscribers.

(2) In the disclosure required by subsection (1), for each fee that may be refunded, describe:

- (a) who pays the fee refund;
- (b) who funds the fee refund and the sources of funding for the fee refund;
- (c) whether the refund is guaranteed or not and what that means;
- (d) the conditions or requirements that must be met to receive the fee refund;
- (e) when the refund will be paid;
- (f) whether the amount refunded will include interest;
- (g) whether the refund is paid in cash to the subscriber or is credited to their plan;
- (h) if applicable, whether the amount refunded will be considered a contribution to the scholarship plan for tax purposes; and
- (i) whether the amount refunded is taxable to the subscriber or beneficiary.

(3) Describe the circumstances that may affect the ability of the current sources of funding for the fee refunds to continue to fund such payments.

(4) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make fee refunds if any of the circumstances referred to in subsection (3) occurs.

(5) If a fee refund is payable on a discretionary basis, state the following wording with the first sentence in bold type:

**Discretionary refunds are not guaranteed.** You should not count on receiving a discretionary refund. [*Specify entity*] decides if it will provide a fee refund in any year.

**INSTRUCTIONS**

- (1) A return of an enrolment fee is considered to be a refund of sales charges for the purposes of disclosure under this section.*
- (2) If a fee refund is paid in instalments, disclose each payment date and the amount or proportion of the refund payable at each date.*

**Item 15 - Making Changes to a Subscriber's Plan**

**15.1 - Changing Contributions**

- (1) Under the heading "Making changes to your plan" and the sub-heading "Changing your contributions", disclose whether or not a subscriber can change the contributions under a scholarship plan.
- (2) If a subscriber can change the contributions under a scholarship plan, disclose:
  - (a) the steps the subscriber must take to make the change;
  - (b) the conditions or requirements that must be met to make the change;
  - (c) the fee for making the change; and
  - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.2 - Changing Maturity Date**

- (1) Under the sub-heading "Changing the maturity date", disclose whether or not a subscriber can change the maturity date of their plan.
- (2) If a subscriber can change the maturity date, disclose:
  - (a) the steps the subscriber must take to make the change;
  - (b) the conditions or requirements that must be met to make the change;
  - (c) the fee for making the change; and
  - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.3 - Changing Year of Eligibility**

- (1) Under the sub-heading "Changing your beneficiary's year of eligibility", disclose whether or not a subscriber can change the year of eligibility of a beneficiary.
- (2) If a subscriber can change the year of eligibility, disclose:
  - (a) the steps the subscriber must take to make the change;
  - (b) the conditions or requirements that must be met to make the change;
  - (c) the fee for making the change; and
  - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.4 - Changing Subscriber**

- (1) Under the sub-heading “Changing the subscriber”, disclose whether the contract permits the subscriber to be changed at any time during the life of a scholarship plan.
- (2) If the subscriber may be changed, disclose:
  - (a) the steps that are required to make the change;
  - (b) the conditions or requirements that must be met to make the change;
  - (c) the fee for making the change; and
  - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.5 - Changing Beneficiary**

- (1) Under the sub-heading “Changing your beneficiary”, disclose whether or not a subscriber can change the beneficiary of a scholarship plan.
- (2) If the beneficiary may be changed, disclose:
  - (a) the steps the subscriber must take to make the change;
  - (b) the conditions or requirements that must be met to make the change;
  - (c) the fee for making the change; and
  - (d) the losses that may be incurred by the subscriber or the beneficiary if the change is made.

**15.6 - Death or Disability of Beneficiary**

- (1) Under the sub-heading “Death or disability of the beneficiary”, disclose the options available to a subscriber in the event of the death or disability of the beneficiary of the scholarship plan.
- (2) The disclosure under this item must include:
  - (a) how a disability is defined;
  - (b) how each option may be initiated and the conditions or requirements that must be met for each option;
  - (c) the fee for each option; and
  - (d) the losses that may be incurred by the subscriber or the beneficiary if the option is selected.

**INSTRUCTIONS**

- (1) *In discussing a change in contributions under a scholarship plan in response to section 15.1, state if the change in contributions may be made as a result of changing the contribution frequency or the number of units for which contributions are made.*
- (2) *The disclosure of the conditions or requirements for making a change to the subscriber’s plan required under this Item must include a description of any amounts required to be paid to make the change and the deadline for making the change.*



(3) *In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

**Item 16 - Transfer of Scholarship Plan**

**16.1 - Transferring to another plan managed by the investment fund manager**

(1) Under the heading “Transferring your plan” with the sub-heading “Transferring to [name the other scholarship plans managed by the investment fund manager of the scholarship plan]”, state whether or not the scholarship plan allows a subscriber to transfer from the current plan to any of the other plans offered by the investment fund manager.

(2) Disclose:

- (a) the steps a subscriber must take to effect the transfer;
- (b) the conditions or requirements that must be met to effect the transfer;
- (c) the fee for the transfer;
- (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made; and
- (e) for a group scholarship plan, whether or not a subscriber who has transferred out of a group plan may transfer back to the group plan.

**16.2 - Transferring to another RESP Provider**

(1) Under the sub-heading “Transferring to another RESP provider”, state whether or not the scholarship plan allows a subscriber to transfer to an RESP provider unrelated to the investment fund manager.

(2) Disclose:

- (a) the steps a subscriber must take to effect the transfer;
- (b) the conditions or requirements that must be met to effect the transfer;
- (c) the fee for the transfer; and
- (d) the losses that may be incurred by the subscriber or the beneficiary if the transfer is made.

**16.3 - Transferring from another RESP Provider to the Scholarship Plan**

(1) Under the sub-heading “Transferring to this plan from another RESP provider”, state whether or not the scholarship plan allows a subscriber to transfer from an RESP provider unrelated to the investment fund manager to the scholarship plan.

(2) Disclose:

- (a) the steps a subscriber must take to effect the transfer;
- (b) the conditions or requirements that must be met to effect the transfer; and
- (c) the fee for the transfer.



**INSTRUCTIONS**

- (1) The disclosure of the conditions or requirements that must be met to effect a transfer of a plan described under this Item must include a description of any amounts required to be paid to effect the transfer and the deadline for effecting the transfer.*
- (2) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to this Item, state if the subscriber or the beneficiary might incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*

**Item 17 - Default, Withdrawal or Cancellation****17.1 - Withdrawal or Cancellation by Subscriber**

- (1) Under the heading “Default, withdrawal or cancellation” with the sub-heading “If you withdraw from or cancel your plan”, describe how a subscriber can withdraw from or cancel a scholarship plan.
- (2) Describe the amounts a subscriber is entitled to receive if the subscriber withdraws from a scholarship plan up to 60 days after signing a contract.
- (3) Describe the amounts a subscriber is entitled to receive if the subscriber cancels a scholarship plan more than 60 days after signing a contract.
- (4) Disclose the charges payable by a subscriber for a cancellation or withdrawal.
- (5) Disclose the losses that may be incurred by the subscriber or the beneficiary if the subscriber cancels or withdraws from their scholarship plan.

**17.2 - Subscriber Default**

- (1) Under the sub-heading “If your plan goes into default”, describe the circumstances in which a subscriber may be noted in default under the scholarship plan.
- (2) Disclose the steps the investment fund manager will take to notify the subscriber when a default described in subsection (1) occurs.
- (3) Disclose the steps a subscriber can take to remedy a default and disclose the costs associated with remedying the default, including any amounts payable by the subscriber. For a default due to missed contributions, describe how any amount payable by a subscriber as a result of missed contributions is calculated.
- (4) For each default, disclose whether remedying the default will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the default had not occurred.
- (5) Disclose whether a default results in the cancellation of a subscriber’s plan by the investment fund manager if the default is not remedied. If an unremedied default does not result in the cancellation of the subscriber’s plan, disclose the losses that may be incurred by the subscriber or the beneficiary due to the default.

### **17.3 - Cancellation by Investment Fund Manager**

- (1) Under the sub-heading “If we cancel your plan’, describe any circumstances other than a subscriber’s default in which the investment fund manager of the scholarship plan may cancel a subscriber’s plan.
- (2) Describe the amounts a subscriber is entitled to receive if the subscriber’s scholarship plan is cancelled by the investment fund manager.
- (3) Disclose the costs payable by a subscriber in connection with a cancellation by the investment fund manager.
- (4) Disclose the losses that may be incurred by the subscriber or the beneficiary if the investment fund manager cancels the subscriber’s scholarship plan.

### **17.4 - Re-activation of Subscriber’s Plan**

- (1) If applicable, under the sub-heading “Re-activating your plan’, describe the circumstances in which a subscriber may re-activate a plan after cancellation of the scholarship plan, and specify the costs associated with re-activation and who bears the costs.
- (2) Disclose whether re-activating a plan will qualify a subscriber and a beneficiary for the same payments under the scholarship plan as if the cancellation had not occurred.

### **17.5 - Plan Expiration**

Under the sub-heading, “If your plan expires’, discuss the maximum duration of a subscriber’s scholarship plan before it must be collapsed and what happens to the money from a collapsed scholarship plan.

### **INSTRUCTIONS**

- (1) In disclosing the losses that may be incurred by a subscriber or a beneficiary in response to Item 17, state whether the subscriber or the beneficiary may incur any loss of earnings, government grants, grant contribution room, amounts paid for sales charges and fees or loss of any other amount.*
- (2) If the costs of putting a scholarship plan in good standing after missing contributions or re-activating a scholarship plan after cancellation include the payment of an amount equal to the interest that would have been earned on contributions required by the scholarship plan, disclose the rate as an annualized rate of interest and disclose how the rate is calculated.*
- (3) If an AIP may be received upon cancellation of a scholarship plan, include a cross-reference to the disclosure provided under Item 20 of Part C of this Form.*

## **Item 18 - Plan Maturity**

### **18.1 - Description of Plan Maturity**

- (1) Under the heading “What happens when your plan matures’, briefly explain what happens to a subscriber’s scholarship plan at the maturity date.
- (2) State whether the investment fund manager will notify the subscriber about the maturity date of their scholarship plan and how the notice is provided.

**INSTRUCTION**

*In responding to section 18.1, briefly explain what happens to the contributions, government grants and earnings at the maturity date, such as the earnings for a beneficiary group being transferred into an EAP account for distribution to qualified beneficiaries.*

**18.2 - If the Beneficiary Does Not Enrol in Eligible Studies**

- (1) Under the sub-heading “If your beneficiary does not enrol in eligible studies”, state that a beneficiary who does not enrol in eligible studies will not receive EAPs from the scholarship plan.
- (2) Describe the options for a subscriber whose beneficiary does not enrol in eligible studies and disclose the losses that may be incurred by the subscriber under each option.
- (3) State whether a subscriber may be eligible to receive an AIP. If an AIP may be payable, provide a cross-reference to the disclosure provided under Item 20 of Part C of this Form.

**INSTRUCTIONS**

- (1) *In responding to section 18.2, describe options including naming another beneficiary before the maturity date, transferring to another RESP or cancelling the scholarship plan.*
- (2) *In describing the losses that may be incurred by the subscriber in response to subsection 18.2(2), cross-references to the disclosure provided under Items 15 to 17 of Part C of this Form may be provided, as applicable.*

**Item 19 - Payments from the Scholarship Plan****19.1 - Return of Contributions**

- (1) Under the heading “Receiving payments from the plan” with the sub-heading “Return of contributions”, describe when and how contributions are returned to the subscriber. State whether the amount returned is net of sales charges and fees deducted from contributions.
- (2) If all or a part of a subscriber’s contributions are returned, state what happens to the government grants. State whether it is possible for government grants to remain in the name of the beneficiary and if so, state the conditions or requirements that must be met to do so.

**19.2 - Payments to Beneficiaries**

- (1) Under the sub-heading “Educational assistance payments”, disclose the conditions and requirements necessary for a beneficiary to receive EAPs under the scholarship plan, including the deadline for applying for EAPs, and state what happens if the beneficiary misses the deadline.
- (2) Describe each option for paying EAPs to beneficiaries. For each option, disclose:
  - (a) the number of payments;
  - (b) when each payment is made; and
  - (c) for a group scholarship plan, the percentage of the maximum total amount of EAPs payable at each payment date.

- (3) For a group scholarship plan, if the total amount of EAPs payable to beneficiaries differs based on the number of years of eligible studies, disclose the number of years of eligible studies that qualifies for the payment of the maximum total amount of EAPs and briefly describe the eligible studies with that duration.
- (4) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, state, if applicable, that beneficiaries who enrol in eligible studies of a shorter duration than the full period will not qualify for the maximum number of EAPs and will receive a lower total amount of EAPs over the duration of their eligible studies than beneficiaries who enrol in eligible studies for the full period.
- (5) For a group scholarship plan that offers EAP payment options tailored to reduced programs, if the total amount of EAPs payable under an EAP payment option tailored to reduced programs is less than the maximum total amount of EAPs, state the total amount of EAPs payable under the EAP payment option as a percentage of the maximum total amount of EAPs.

### INSTRUCTIONS

- (1) *In providing the disclosure under subsection 19.2(1), do not repeat the type of studies that qualify for EAPs. Instead, include a cross-reference to the disclosure provided under section 6.2 of Part C of this Form.*
- (2) *The disclosure under subsection 19.2(1) must include a discussion of any requirements for a beneficiary to remain eligible for EAPs under the scholarship plan for each successive year of study.*
- (3) *The “maximum total amount of EAPs” is the total amount of EAPs that can be received by a beneficiary who meets the requirements of the scholarship plan for receiving the maximum number and amount of EAPs.*
- (4) *In providing the disclosure under subsection 19.2(3), describe generally the types of programs for which a beneficiary will receive the maximum total amount of EAPs (for example, four years of eligible studies that may consist of a 4-year program or two 2-year programs).*
- (5) *The “full period” is the number of years of eligible studies that qualifies for the payment of the maximum total number and amount of EAPs.*
- (6) *An “EAP payment option tailored to reduced programs” is an EAP payment option that pays approximately same total amount of EAPs for eligible studies with a shorter duration as the EAPs payable under the scholarship plan for eligible studies of longer duration. For example, an EAP payment option that makes two payments for a 2-year post-secondary program, where each payment is twice the amount of each of the four payments that would be made for a 4-year post-secondary program, is an EAP payment option tailored to reduced programs.*
- (7) *A scholarship plan may use a table to illustrate the schedule of payments and the amount paid in each year of eligible studies for each EAP payment option offered.*

### **19.3 - Amount of EAPs**

- (1) Under sub-sub-heading, “How we determine EAP amounts’, state the components of EAPs paid under the scholarship plan.
- (2) Describe how the value of EAPs is determined for each year of eligible study. State whether or not any oversight of the calculation of EAPs is provided by an entity other than the investment fund manager.
- (3) Describe any restrictions, under the *Income Tax Act* (Canada) or the scholarship plan’s rules, on the amount of EAP that can be paid for each year of eligible studies.
- (4) Describe, as applicable to the type of scholarship plan:
  - (a) how unrealized capital gains or losses on investments in the scholarship plan are allocated;
  - (b) how earnings attributable to units or plans cancelled before the maturity date are allocated;
  - (c) how earnings attributable to units or plans cancelled after the maturity date are allocated;
  - (d) how the difference between the maximum total amount of EAPs and the lower amount collected by beneficiaries who enrol in eligible studies that do not qualify for the maximum total amount of EAPs is allocated;
  - (e) how the government grants accrued in the scholarship plan and the earnings from government grants are allocated.

#### **INSTRUCTION**

*The amount for which disclosure is required under paragraph 19.3(4)(d) is the amount that is not collected by beneficiaries in a beneficiary group because they do not enrol in eligible studies of sufficient duration to qualify for the maximum total amount of EAPs.*

### **19.4 - Payments from the EAP Account**

- (1) This section applies to a group scholarship plan.
- (2) Under the sub-sub-heading “Payments from the EAP account’, provide information in the form of the following table about the funding of the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past breakdown of income in the EAP account” in bold type:

A portion of each EAP consists of a beneficiary’s share of the EAP account. The rest of an EAP is made up of the beneficiary’s government grants and the earnings on those government grants.

The EAP account holds the income earned on contributions made by subscribers. This includes the income earned on contributions of subscribers who have cancelled their plan or whose plan was cancelled by us. There is a separate EAP account for each beneficiary group.

**Past breakdown of income in the EAP account**

The table below shows the breakdown of income in the EAP account at the maturity date for the five beneficiary groups that most recently reached their year of eligibility.

The breakdown of income can vary by beneficiary group. The amount of income earned on contributions depends on the performance of the plan's investments. The amount of income from cancelled plans depends on how many plans were cancelled, as well as the investment performance of that money.

	Beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Income earned on contributions	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]
Income from cancelled plans	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]	[Specify as percentage of total EAP account]
<b>EAP account Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

- (3) Provide information in the form of the following table about the historical payment of amounts from the EAP account. Introduce the table using the following wording or wording that is substantially similar with the title of the table "Past payments from the EAP account" in bold type:

**Past payments from the EAP account**

The table below shows how much was paid from the EAP account per unit for the five beneficiary groups that most recently reached their year of eligibility. *[For a scholarship plan that offers EAP payment options tailored to reduced programs, state - This table shows only the amount paid per unit for beneficiaries who selected the [specify EAP payment option for the full period]. We also offer [a] payment option[s] that pay[s] EAPs tailored to shorter programs].*

Keep in mind that scholarship plans are generally long-term investments. The payments shown largely reflect investments made years ago. It's important to note that this doesn't tell you how much a beneficiary will receive in the future.

Year of studies	Payments from EAP account by beneficiary group				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
First year [if applicable] [See Instruction (2)]	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Second year	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Third year	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit	[\$Specify amount] per unit
Fourth year	See note 1	See note 1	See note 1	[\$Specify amount] per unit	[\$Specify amount] per unit

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

#### INSTRUCTION

*The tables required in section 19.4 must list the five beneficiary groups that most recently reached their year of eligibility as at the date of the prospectus.*

#### 19.5 - If Beneficiary Does Not Complete or Advance in Eligible Studies

(1) For a group scholarship plan, immediately under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, state the following using the same or substantially similar wording:

If your beneficiary does not complete or advance in their program, they may lose one or more EAPs. This can happen if your beneficiary does not complete all the courses required to advance to the next year of the program, decides to enrol in another program that is not considered an advancement from prior study, or drops out of school before completing their program.

[State, if applicable - Your beneficiary may be able to defer a payment if they go back to a qualifying program. Deferrals are at our discretion.]

(2) Under the sub-heading “If your beneficiary does not complete or advance in eligible studies”, disclose available options if the beneficiary does not complete or advance in their program.

(3) Disclose what happens to the earnings of the subscriber’s scholarship plan if the beneficiary does not complete or advance in their program. For a group scholarship plan, also provide a cross-reference to the disclosure provided under section 22.3 of Part C of this Form.



## INSTRUCTIONS

(1) *If the scholarship plan provides the option for a beneficiary to defer the payment of an EAP, state the period of time that an EAP may be deferred and the conditions and requirements that must be met to receive a deferred payment after the disclosure in the second paragraph of subsection 19.5(1).*

(2) *If the details of an option provided under subsection 19.5(2) have been disclosed elsewhere in the prospectus, provide a cross-reference to the disclosure contained in the prospectus. For example, if a subscriber may cancel their scholarship plan and receive an AIP, provide a cross-reference to the disclosure provided under Item 17 and Item 20 of Part C of this Form.*

### Item 20 - Accumulated Income Payments

#### 20.1 - Accumulated Income Payments

- (1) Under the sub-heading “Accumulated income payments”, disclose:
  - (a) the conditions or requirements necessary to receive an AIP;
  - (b) the components of an AIP;
  - (c) the option for a subscriber who has received an AIP to transfer the payment to a registered retirement savings plan; and
  - (d) any costs or other losses that the subscriber or the beneficiary could incur in receiving an AIP.
- (2) State whether there may be tax consequences as a result of receiving an AIP and provide a cross- reference to the disclosure provided under subsection 11.3(2) of Part B of this Form.

### Item 21 - Discretionary Payments to Beneficiaries

#### 21.1 - Discretionary Payments to Beneficiaries

- (1) Under the sub-heading “Discretionary payments”, if discretionary payments may be made to beneficiaries, state that beneficiaries may receive a discretionary payment in addition to their EAPs.
- (2) Disclose when discretionary payments are made.
- (3) State who decides whether a discretionary payment will be made and state the requirements or conditions that must be met in order to be eligible to receive a discretionary payment.
- (4) Disclose how the amount of discretionary payments is determined and the sources of funding for the discretionary payments.
- (5) Describe the circumstances that may affect the ability of the current sources of funding for the discretionary payments to continue to fund the discretionary payments.
- (6) State whether the investment fund manager or any other entity has put any mechanism in place to continue to make discretionary payments if any of the circumstances referred to in subsection (5) occur.

(7) State whether the investment fund manager has established a funding and investment policy intended to ensure sufficient money is available to continue to fund discretionary payments at the historical levels reported in section 21.2 of Part C of this Form. Provide details of any funding policy and the current value of any fund. If no funding policy exists, state that fact and state the consequences of not having a policy.

(8) State the following using the same or substantially similar wording with the first sentence in bold type:

**Discretionary payments are not guaranteed.** You must not count on receiving a discretionary payment. The *[insert name of the entity funding the discretionary payment]* decides if it will make a payment in any year and how much the payment will be. If the *[insert name of the entity funding the discretionary payment]* makes a payment, you may get less than what has been paid in the past. You may also get less than what is paid to beneficiaries in other beneficiary groups.

### 21.2 - Historical Amount of Discretionary Payments

Provide information in the form of the following table about the historical discretionary payments made. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past discretionary payments” in bold:

#### **Past discretionary payments**

The table below shows the amount of discretionary payments paid per unit for the five beneficiary groups that most recently reached their year of eligibility.

It’s important to note that this doesn’t tell you if a beneficiary will receive a payment or how much they will receive. We may decide not to make these payments in future years. If we do make payments, they could be less than what we’ve paid in the past.

Discretionary payments by beneficiary group					
Year of studies	[Most recent year]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]	[Most recent year minus 5]
First year [if applicable]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]
Second year	See note 1	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]
Third year	See note 1	See note 1	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]
Fourth year	See note 1	See note 1	See note 1	[\$[Specify amount] per unit]	[\$[Specify amount] per unit]

Note 1: The amount is not shown because the beneficiaries in this beneficiary group are not yet enrolled in that year of studies.

## INSTRUCTIONS

(1) *If the scholarship plan offers an EAP payment option tailored to reduced programs and the amount of discretionary payment per unit is the same for each EAP payment option, state, if applicable, that beneficiaries who select the EAP payment option tailored to reduced programs may receive a lesser total amount of discretionary payments than beneficiaries who receive the largest number of EAPs.*

(2) *If the amount of discretionary payment per unit is not the same for each EAP payment option, provide information, substantially in the form of the table required in section 21.2, for the historical discretionary payments per unit for each EAP payment option tailored to reduced programs.*

### Item 22 - Attrition

This Item applies to a group scholarship plan.

#### 22.1 - Attrition

(1) Under the heading “Attrition”, state the following using the same or substantially similar wording:

You and your beneficiary must meet the terms of the plan in order for your beneficiary to qualify for all of the EAPs under the plan. If beneficiaries fail to qualify for some or all of their EAPs, there will be fewer beneficiaries remaining in the beneficiary group to share the amount of money available for paying EAPs. This is known as “attrition”.

Your beneficiary may not qualify for some or all of their EAPs if:

- before the maturity date of the plan, you cancel your plan or transfer your plan to another RESP, or we cancel your plan because you failed to make contributions on schedule and did not take action to keep your plan in good standing. This is known as “pre-maturity attrition”; or
- after the maturity date of the plan, your beneficiary decides not to pursue a post-secondary education, does not attend a qualifying education program, or does not attend a qualifying education institution for the maximum period provided for in the plan. This is known as “post-maturity attrition”.

#### 22.2 - Pre-Maturity Attrition

(1) Under the sub-heading “Pre-maturity attrition”, state the following using the same or substantially similar wording:

If you leave the plan before it matures, you will get back your contributions less fees. You will not get back any earnings. The earnings on your contributions up to the time your plan is cancelled will go to the EAP account and be paid to the remaining beneficiaries in your beneficiary group as part of their EAPs.

(2) If the group scholarship plan permits a subscriber to receive an AIP on the earnings from government grants, state the following using the same or substantially similar wording:

You may, however, be eligible to receive an AIP on the earnings from the government grants in your plan. See “Accumulated income payments” for information on how to determine if you are eligible for an AIP from the plan.

(3) Provide information in the form of the following table about the income from cancelled units for each beneficiary group as at the scholarship plan's most recent financial year end. Introduce the table using the following wording or wording that is substantially similar with the title of the table "Income from cancelled units" in bold type:

**Income from cancelled units**

The table below shows the current value of the income from cancelled units by beneficiary group. The amount of income from cancelled plans available to beneficiaries after the maturity date will depend on how many subscribers cancel their plan, how many beneficiaries qualify for EAPs and the investment performance of the scholarship plan.

<b>Beneficiary group</b>	<b>Percentage of units that have been cancelled</b>	<b>Total income from cancelled units available to remaining units</b>	<b>Income from cancelled units available to each remaining unit</b>
[Specify year of eligibility of oldest beneficiary group available for enrolment under the prospectus]	[Specify as percentage of total number of units purchased for beneficiary group]	[\$[Specify amount]]	[\$[Specify amount] per unit]
[Specify year of eligibility of next oldest beneficiary group available for enrolment under the prospectus]	[Specify as percentage of total number of units purchased for beneficiary group]	[\$[Specify amount]]	[\$[Specify amount] per unit]
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>			
[Specify year of eligibility of youngest beneficiary group available for enrolment under the prospectus]	[Specify as percentage of total number of units purchased for beneficiary group]	[\$[Specify amount]]	[\$[Specify amount] per unit]

(4) Provide information in the form of the following table about the pre-maturity attrition rate for the scholarship plan. Introduce the table using the following wording or wording that is substantially similar with the title of the table "Plans that did not reach maturity" in bold type:

**Plans that did not reach maturity:**

The table below shows the percentage of plans that did not reach maturity for each of the five beneficiary groups shown below. The most common reasons why plans did not reach maturity were because the subscriber cancelled their plan, we cancelled their plan due to a default, the subscriber transferred to another type of plan we offer, or the subscriber transferred to another RESP provider.

Of the last five beneficiary groups of the *[insert name of group scholarship plan]*, an average of *[see Instruction (1)]*% of the plans in each group were cancelled before their maturity dates.

Maturity date of beneficiary group	Percentage of plans that did not reach maturity
[Most recent maturity date by year]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 1]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 2]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 3]	<i>[See Instruction (2)]</i> %
[Most recent maturity date by year minus 4]	<i>[See Instruction (2)]</i> %
<b>Average</b>	<i>[See Instruction (1)]</i> %

**INSTRUCTIONS**

- (1) Disclose the average rate required under subsection 22.2(3) using the same calculation set out in the Instructions that apply to Item 9 of Part A of this Form.
- (2) For each beneficiary group that had a maturity date in the five most recent years, calculate the percentage of plans that did not reach maturity by following Instructions (2) to (5) that apply to Item 9 of Part A of this Form.

**22.3 - Post-Maturity Attrition**

- (1) Under the sub-heading “Post-maturity attrition”, state the following using the same or substantially similar wording:

If your beneficiary does not pursue or complete eligible studies, you will get back your contributions, less fees. You will not get back any earnings. *[Insert if applicable - A beneficiary may lose one or more EAPs if they do not enrol in four years of eligible studies.]*

- (2) Provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs” in bold:

**Past payments of EAPs** *[state if the scholarship plan offers an EAP payment option tailored to reduced programs - four years of eligible studies]*

The table below shows the percentage of beneficiaries who received the maximum of *[insert maximum number of EAPs payable under the scholarship plan]* EAPs under the plan and those who received some or no EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

	Beneficiary group [See Instruction (1)]				
	[Most recent year]	[Most recent year minus 1]	[Most recent year minus 2]	[Most recent year minus 3]	[Most recent year minus 4]
Beneficiaries who received all [3 or 4] EAPs	[Specify percentage]% [See Instructions (2) and (3)]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 3 out of 4 EAPs  [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 2 out of [3 or 4] EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 1 out of [3 or 4] EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received no EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(3) If the scholarship plan offers an EAP payment option tailored to reduced programs, provide information in the form of the following table about the EAP payment rates of the scholarship plan after maturity. Introduce the table using the following wording or wording that is substantially similar with the title of the table “Past payments of EAPs [- *specify reduced number of years*]-year program” in bold:

**Past payments of EAPs [- *specify reduced number of years*]-year program]**

For EAP payment options tailored to eligible studies of [*specify reduced number of years*] years, the table[s] below show[s] the number of beneficiaries who received all of their EAPs and the number who received some or none of their EAPs, for each of the five beneficiary groups that would have most recently completed their eligible studies.

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	<b>Beneficiary group [See Instruction (1)]</b>				
	<b>[Most recent year]</b>	<b>[Most recent year minus 1]</b>	<b>[Most recent year minus 2]</b>	<b>[Most recent year minus 3]</b>	<b>[Most recent year minus 4]</b>
Beneficiaries who received [all] [1, 2, or 3] EAP[s]	[Specify percentage]% [See Instructions (2) - (4)]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 2 out of 3 EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received only 1 out of [2 or 3] EAPs [as applicable]	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
Beneficiaries who received no EAPs	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%	[Specify percentage]%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(4) Disclose in a footnote to the tables required under subsections (2) and (3) any change to the EAP payout option available to beneficiaries, if a change occurred in the past five years.

### INSTRUCTIONS

(1) In the tables required under subsections 22.3(2) and (3), present the five most recent beneficiary groups by year of eligibility for which the maximum number of EAPs under the EAP payment option has been paid as at the most recent financial year end of the scholarship plan and beneficiaries in the beneficiary group have no further opportunity to collect EAPs. For example, do not include a beneficiary group that has been eligible to be paid only one EAP if the maximum number of EAPs payable is four.

(2) For a group scholarship plan that does not offer EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date.

For a group scholarship plan that offers EAP payment options tailored to reduced programs, calculate each percentage as a percentage of the total number of beneficiaries in the beneficiary group at the maturity date who selected the relevant payment option.

(3) Present the percentages as at the financial year end referred to in Instruction (1).

(4) For a group scholarship plan that offers EAP payment options tailored to reduced programs, in response to subsection 22.3(3), prepare a table for each payout option, modifying the number of rows in the table as applicable. For example, for a scholarship plan that provides the option to elect payment of two EAPs for a 3-year program, present a table containing rows to show the number of beneficiaries who received two out of two EAPs, the number of beneficiaries who received only one out of two EAPs and the number of beneficiaries who received no EAPs.



## **Item 23 - Other Material Information**

### **23.1 - Other Material Information**

- (1) Under the heading “Other important information”, state any other material facts relating to the securities being offered that are not disclosed under any other item in this Form and are necessary for the prospectus to contain full, true and plain disclosure of all material facts about the securities to be distributed.
- (2) Provide any specific disclosure required to be disclosed in a prospectus under securities legislation that is not otherwise required to be disclosed by this Form.
- (3) Subsection (2) does not apply to requirements of securities legislation that are form requirements for a prospectus.

### **INSTRUCTIONS**

- (1) *Sub-headings that are not mandated by this Form may be used in this Item.*
- (2) *For a single prospectus, provide this disclosure either under this Item or under Item 14 of Part B of this Form, whichever is more appropriate.*
- (3) *For a multiple prospectus, provide this disclosure under this Item if the disclosure does not pertain to all of the scholarship plans described in the document. If the disclosure pertains to all of the scholarship plans described in the Detailed Plan Disclosure, provide the disclosure under Item 14 of Part B of this Form.*

## **Part D - Detailed Plan Disclosure - Information about the Organization**

### **Item 1 - Legal Structure of the Scholarship Plan**

#### **1.1 - Legal Structure**

- (1) At the top of the first page of the Part D section of the prospectus, under the heading “About [*insert name of the scholarship plan provider*]” with the sub-heading “An overview of the structure of our plan[s]”, state the full corporate name of the scholarship plan or, if the scholarship plan is an unincorporated entity, the full name under which it carries on business, and the address of its head or registered office.
- (2) State the names of the scholarship plan’s directors, officers, trustees and partners, as applicable.
- (3) State the laws under which the scholarship plan was formed or, if the scholarship plan is an unincorporated entity, the laws under which it carries on business, and the date and manner of its formation.
- (4) Identify the constating documents of the scholarship plan and, if any material amendments have occurred in the last 10 years, state that the constating documents have been amended in the last 10 years and describe the amendments.
- (5) If the scholarship plan’s name has changed in the last 10 years, state the scholarship plan’s former name and the date(s) on which it was changed.

### **INSTRUCTION**

*The information required for this Item may be presented in the form of a table.*

## **Item 2 - Organization and Management Details**

### **2.1 - Directors and Officers of the Plan**

- (1) Under the sub-heading “Directors and officers of the Plan”, list the names, the municipality of residence or postal address, and the principal occupations at, or within the five years preceding the date of the prospectus, of all directors or executive officers of the scholarship plan.
- (2) If the principal occupation of a director or executive officer of the scholarship plan is that of a partner, director or officer of a company other than the scholarship plan, state the business in which the company is engaged.
- (3) If a director or executive officer of a scholarship plan has held more than one position in the scholarship plan, state only the first and last positions held.

### **2.2 - Investment Fund Manager**

- (1) Under the sub-heading “Manager of the scholarship plan”, state the name, address, telephone number, e-mail address and, if applicable, website address of the investment fund manager of the scholarship plan.
- (2) Provide particulars of the investment fund manager, including the legal structure of the investment fund manager, the history and background of the investment fund manager.
- (3) Under the sub-sub-heading “Duties and services to be provided by the manager”, describe the duties and services provided by the investment fund manager of the scholarship plan.
- (4) Under the sub-sub-heading “Details of the management agreement”, provide a brief description of the essential terms of any agreement with the investment fund manager entered into or to be entered into with the scholarship plan, including any termination rights.
- (5) Under the sub-sub-heading “Officers and directors of the manager”, state:
  - (a) the name and municipality of residence of each partner, director and executive officer of the investment fund manager and indicate the respective positions held with the investment fund manager and their respective principal occupations within the five preceding years;
  - (b) if a partner, director or executive officer of the investment fund manager has held more than one office with the investment fund manager within the past five years, state only the current office held; and
  - (c) if the principal occupation of a partner, director or executive officer of the investment fund manager is with an organization other than the investment fund manager, state the principal business in which the organization is engaged.

- (6) Under the sub-sub-heading “Cease trade orders and bankruptcies”:
- (a) if applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any other issuer, that was:
    - (i) subject to an order that was issued while the partner, director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer; or
    - (ii) was subject to an order that was issued after the partner, director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; and
  - (b) if a statement is required by paragraph (a), describe the basis on which the order was made and whether the order is still in effect.
- (7) For the purposes of subsection (6), “order” means any of the following, if in effect for a period of more than 30 consecutive days:
- (a) a cease trade order;
  - (b) an order similar to a cease trade order;
  - (c) an order that denied the relevant issuer access to any exemption under securities legislation.
- (8) If applicable, state if a partner, director or executive officer of the investment fund manager, the scholarship plan, the foundation or any other entity responsible for the day-to-day administration of the scholarship plan:
- (a) is, as at the date of the prospectus or pro forma prospectus, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any issuer that, while that person was acting in that capacity, or within one year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the partner, director or executive officer.

## **INSTRUCTIONS**

*(1) If any of the duties or functions of the investment fund manager are performed by another entity, the disclosure required under subsections (2), (3), (4) and (5) must also be provided for that entity.*

*(2) The disclosure required by subsections (6) and (8) also applies to any personal holding companies of any of the persons referred to in subsections (6) and (8).*

*(3) A management cease trade order that applies to directors and executive officers of the scholarship plan is an “order” for the purposes of paragraph (10)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was specifically named in the order.*

### **2.3 - Trustee**

Under the sub-heading “Trustee”, provide details of the trustee of the scholarship plan, including the municipality and the province or country where the trustee principally provides its services to the scholarship plan.

### **2.4 - The Foundation**

(1) Under the sub-heading “The Foundation”, state the name and municipal address of the Foundation.

(2) Describe the role of the Foundation, including its mandate and responsibilities.

(3) List the names and municipality of residence of the directors and executive officers of the Foundation, the respective positions and offices held with the Foundation, and their respective principal occupations at, or within the five years preceding, the date of the prospectus.

(4) If a director or executive officer of the Foundation has held more than one office with the Foundation within the last five years, state only the current office held.

(5) If the Foundation provides reports of its activities to subscribers, provide information about how frequently reports are prepared, how a subscriber may obtain a copy of the report, and whether there is any cost to obtaining a report.

### **2.5 - Independent Review Committee**

(1) Under the sub-heading “Independent review committee”, briefly describe the independent review committee of the scholarship plan, including:

(a) the mandate and responsibilities of the independent review committee; and

(b) the composition of the independent review committee, including the names of its members, and the reasons for any change in its composition since the date of the most recently filed prospectus of the scholarship plan, as applicable.

(2) State the following using the same or substantially similar wording:

At least annually, the independent review committee prepares a report of its activities for subscribers that is available on the [scholarship plan’s/ investment fund family’s] Internet site at [insert scholarship plan’s Internet site address], or at the subscriber’s request at no cost, by contacting the [scholarship plan/ investment fund family] at [scholarship plan’s/ investment fund family’s email address].

**2.6 - Other Groups**

Under separate sub-headings with the name of each applicable body or group, provide detailed information describing any other body or group that has responsibility for plan governance or performs any kind of oversight function over the scholarship plan and its activities, and the extent to which its members are independent of the investment fund manager of the scholarship plan.

**INSTRUCTION**

*For greater certainty, an applicable body or group includes any committees or sub-committees of the investment fund manager or the Foundation that are established for a specific purpose in respect of the scholarship plan, as well as any third-party dispute resolution service to which the scholarship plans belong or subscribe to.*

**2.7 - Remuneration of Directors, Officers, Trustees and Independent Review Committee Members**

(1) Under the sub-heading “Compensation of directors, officers, trustees, and independent review committee members”, if the management functions of the scholarship plan are carried out by employees of the scholarship plan, provide for each employee the disclosure concerning executive compensation that is required to be provided for executive officers of an issuer under securities legislation.

(2) Describe any arrangements under which compensation was paid or payable directly or indirectly by the scholarship plan during the most recently completed financial year of the scholarship plan, for the services of the directors of the scholarship plan, the directors of the Foundation or other independent board of governors or advisory board that may perform a similar function, and the members of the independent review committee of the scholarship plan and include the amounts paid, the name of the individual and any expenses reimbursed by the scholarship plan to the individual:

- (a) in any of those capacities, including any additional amounts payable for committee participation or special assignments;
- (b) in the capacity as a consultant or expert.

(3) For a scholarship plan that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the scholarship plan during the most recently completed financial year of the scholarship plan for the services of the trustee or trustees of the scholarship plan.

**INSTRUCTION**

*The disclosure required under subsection 2.5(1) regarding executive compensation for management functions carried out by employees of a scholarship plan must be made in accordance with the disclosure requirements of Form 51-102F6 Statement of Executive Compensation.*

## 2.8 - Portfolio Adviser

- (1) Under the sub-heading “Portfolio adviser” if the investment fund manager provides portfolio management services in connection with the scholarship plan, state that fact.
- (2) If the investment fund manager does not provide portfolio management services to the scholarship plan, state the name(s) and municipality and the province or country of the principal or head office for each portfolio adviser of the scholarship plan.
- (3) State:
  - (a) the extent to which investment decisions are made by certain individuals employed by the investment fund manager or a portfolio adviser and whether those decisions are subject to the oversight, approval or ratification of a committee; and
  - (b) the name, title and length of time of service of the persons employed by or associated with the investment fund manager or a portfolio adviser of the scholarship plan who are principally responsible for the day-to-day management of a material portion of the portfolio of the scholarship plan, implementing a particular material strategy or managing a particular segment of the portfolio of the scholarship plan, and each person’s business experience in the last five years.
- (4) Under the sub-sub-heading “Details of the portfolio advisory agreement”, provide a brief description of the essential details of any portfolio advisory agreement that a portfolio adviser has entered into or will be entering into with the scholarship plan or the investment fund manager of the scholarship plan, including any termination rights.

## 2.9 - Principal Distributor

- (1) Under the sub-heading “Principal distributor”, state the name and address of the principal distributor of the scholarship plan.
- (2) Describe the circumstances under which any agreement with the principal distributor of the scholarship plan may be terminated, and include a brief description of the essential terms of this agreement.

## 2.10 - Dealer Compensation

- (1) Under the sub-heading “Dealer compensation”, describe:
  - (a) all compensation payable by members of the organization of the scholarship plan to all principal distributors and any participating dealers of the scholarship plan; and
  - (b) the sales practices followed by the members of the organization of the scholarship plan for distribution of securities of the scholarship plan.

(2) Disclose, under the sub-sub-heading “Dealer compensation from management fees”, the approximate percentage obtained from a fraction:

(a) the numerator of which is the aggregate amount of cash paid to registered dealers in the last completed financial year of the investment fund manager of the scholarship plan, for payments made:

(i) by:

- (A) the investment fund manager of the scholarship plan; or
- (B) an associate or an affiliate of the investment fund manager;

(ii) in order to:

- (A) pay compensation to registered dealers in connection with the distribution of securities of the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan; or
- (B) pay for any marketing, fund promotion or educational activity in connection with the scholarship plan or scholarship plans that are members of the same investment fund family as the scholarship plan; and

(b) the denominator of which is the aggregate amount of management or administrative fees received by the investment fund manager of the scholarship plan and all other scholarship plans in the same investment fund family as the scholarship plan in the last completed financial year of the investment fund manager.

#### INSTRUCTIONS

(1) Briefly state the compensation paid and the sales practices followed by the members of the organization of the scholarship plan in a concise and explicit manner. The term “member of the organization” has the same meaning as in NI 81-105, except that “scholarship plan” is substituted for “mutual fund” in this Form.

(2) The disclosure presented under this Item must be described as information about the approximate percentage of management fees paid by scholarship plans in the same investment fund family as the scholarship plan that were used to fund commissions or other promotional activities of the investment fund family in the most recently completed financial year of the investment fund manager of the scholarship plan.

(3) The calculations made under this Item must take into account the payment of sales commissions, other commissions and the costs of participation in co-operative marketing, fund promotion and educational conferences.

(4) If the investment fund manager of the scholarship plan charges an “all-inclusive fee”, which includes the management or administrative fee, and other types of fees normally paid by the scholarship plan, such as custodian, trustee or portfolio management fees, only the portion of that all-inclusive fee that is attributable to the management or administrative fees payable to the investment fund manager must be used in calculating the denominator referred to in paragraph 2.10(2)(b).



### 2.11 - Custodian

- (1) Under the sub-heading “Custodian”, state the name, municipality of the principal or head office, and nature of business of the custodian and any principal sub-custodian of the scholarship plan.
- (2) Describe generally the sub-custodial arrangements of the scholarship plan.

#### INSTRUCTION

*A “principal sub-custodian” is a sub-custodian to whom custodial authority has been delegated in respect of a material portion or segment of the portfolio assets of the scholarship plan.*

### 2.12 - Auditor

Under the sub-heading “Auditor”, state the name and address of the auditor of the scholarship plan.

### 2.13 - Transfer Agent and Registrar

Under the sub-heading “Transfer agent and registrar”, for each class or series of securities offered by the scholarship plan under the prospectus, state the name of the scholarship plan’s transfer agent(s), registrar(s), trustee, or other agent appointed by the scholarship plan to maintain the securities register and the register of transfers for such securities and indicate the location (by municipalities) of each of the offices of the scholarship plan or transfer agent, registrar, trustee or other agent where the securities register and register of transfers are maintained or transfers of securities are recorded.

### 2.14 - Promoter

- (1) Under the sub-heading “Promoter”, for a person or company that is, or has been within the two years immediately preceding the date of the prospectus or pro forma prospectus, a promoter of the scholarship plan, and if that person or company is not otherwise identified as the investment fund manager or dealer of the scholarship plan, state:
  - (a) the person or company’s name and municipality and the province or country of residence;
  - (b) the number and percentage of each class or series of voting securities and equity securities of the scholarship plan or any of its subsidiaries owned, or controlled or directed, directly or indirectly, by the person or company;
  - (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind, received or to be received by the promoter, directly or indirectly from the scholarship plan or from an associate or an affiliate of the scholarship plan, and the nature and amount of any assets, services or other consideration received or to be received by the scholarship plan, or an associate or an affiliate of the scholarship plan, in return; and

(d) for an asset acquired within the two years before the date of the preliminary prospectus or pro forma prospectus, or to be acquired, by the scholarship plan or by an associate or an affiliate of the scholarship plan from a promoter:

- (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
- (ii) the person or company making the determination referred to in subparagraph (i) and the person's or company's relationship with the scholarship plan, the promoter or an associate or an affiliate of the scholarship plan or of the promoter; and
- (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

(2) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company that was subject to an order that was issued while the promoter was acting in the capacity of director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) If a promoter referred to in subsection (1) is, as at the date of the prospectus or pro forma prospectus, as applicable, or was within 10 years before the date of the prospectus or pro forma prospectus, as applicable, a director, chief executive officer or chief financial officer of any person or company that was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer, state that fact and describe the basis on which the order was made and whether the order is still in effect.

(4) For the purposes of subsections (2) and (3), "order" means any of the following, if in effect for a period of more than 30 consecutive days:

- (a) a cease trade order;
- (b) an order similar to a cease trade order;
- (c) an order that denied the relevant person or company access to any exemption under securities legislation.

(5) State if a promoter referred to in subsection (1):

- (a) is, as at the date of the prospectus or pro forma prospectus, as applicable, or has been within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, a partner, director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (b) within the 10 years before the date of the prospectus or pro forma prospectus, as applicable, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

### INSTRUCTIONS

- (1) *The disclosure required by subsections (2), (3) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (3), and (5).*
- (2) *A management cease trade order that applies to a promoter referred to in subsection (1) is an “order” for the purposes of subsections (2) and (3) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*
- (3) *The disclosure requirement in subsection (2) applies only if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The scholarship plan does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

### 2.15 - Other Service Providers

Under the sub-heading “Other service providers”, state the name, municipality of the principal or head office, and the nature of business of each other person or company that provides services relating to portfolio valuation, securityholder records, fund accounting or other material services, in respect of the scholarship plan, and describe the material features of the contractual arrangements by which the person or company has been retained.

### 2.16 - Ownership of the Investment Fund Manager and Other Service Providers

- (1) The information required in response to this Item must be given as of a specified date within 30 days before the date of the prospectus.
- (2) Under the sub-heading “Ownership of the manager and other service providers”, disclose the percentage of securities of each class or series of voting securities of the investment fund manager of the scholarship plan owned of record or beneficially by each person or company that owns of record, or is known by the investment fund manager to beneficially own more than 10% of any class or series of voting securities of the investment fund manager, and disclose whether the securities are owned both of record and beneficially, of record only, or beneficially only.
- (3) For any person or company that is named in response to subsection (2), disclose the name of any person or company of which the first-mentioned person or company is a “controlled entity”.
- (4) If any person or company named in subsection (2) owns of record or beneficially, more than 10% of any class or series of voting securities of the principal distributor of the scholarship plan, disclose the number and percentage of securities of the class or series so owned.

- (5) Disclose the percentage of securities of each class or series of voting or equity securities beneficially owned in aggregate:
- (a) by all the directors and executive officers of the scholarship plan in each of:
    - (i) the investment fund manager; and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and
  - (b) by all the directors and executive officers of the investment fund manager of the scholarship plan in each of:
    - (i) the investment fund manager; and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager;
  - (c) by all the members of the independent review committee of the scholarship plan in each of:
    - (i) the investment fund manager; and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager; and
  - (d) by all the directors and executive officers of the foundation in each of:
    - (i) the investment fund manager; and
    - (ii) any person or company that provides services to the scholarship plan or the investment fund manager.

#### INSTRUCTION

*A person or company is a “controlled entity” of another person or company if any of the following apply:*

- (a) *in the case of the person or company:*
  - (i) *voting securities of the first-mentioned person or company carrying more than 50% of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the second-mentioned person or company; and*
  - (ii) *the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;*
- (b) *in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50% of the interests in the partnership;*
- (c) *in the case of a limited partnership, the general partner is the second-mentioned entity or company.*

## **2.17 - Affiliates of the Investment Fund Manager**

- (1) If any person or company that provides services to the scholarship plan or the investment fund manager in relation to the scholarship plan is an affiliate of the investment fund manager, illustrate the relationships of those affiliates in the form of an appropriately labelled diagram, under the sub-heading “Affiliates of the manager”.
- (2) Identify any individual who is a director or executive officer of the scholarship plan or the investment fund manager and also of any affiliate of the investment fund manager described in response to subsection (1), and give particulars of the relationship.

## **Item 3 - Experts**

### **3.1 - Names of Experts**

Under the heading “Experts who contributed to this prospectus”, name each person or company:

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the prospectus or any amendment to the prospectus; and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

### **3.2 - Interests of Experts**

- (1) Disclose all registered or beneficial ownership in any securities, assets or other property of the scholarship plan or of an associate or an affiliate of the scholarship plan received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the scholarship plan prospectus or prepared or certified a report, valuation, statement or opinion described or included in the prospectus.
- (2) For the purpose of subsection (1), if the ownership is less than 1%, a general statement to that effect is sufficient.
- (3) If an individual, or a director, officer or employee of a person or company, referred to in subsection (1), is or is expected to be elected, appointed or employed as a director, officer or employee of the scholarship plan or of any associate or affiliate of the scholarship plan, disclose that fact.
- (4) Despite subsection (1), an auditor who is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or has performed an audit in accordance with the U.S. GAAS is not required to provide the disclosure required by subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor’s rules of professional conduct in a jurisdiction of Canada or that the auditor has complied with the SEC’s rules on auditor independence.

**INSTRUCTION**

*In addition to the scholarship plan's current auditor, the disclosure referred to in section 3.2 must be provided for the scholarship plan's predecessor auditor for those periods for which it was the scholarship plan's auditor.*

**Item 4 - Subscriber Matters****4.1 - Subscriber Matters**

Under the heading, "Subscriber matters" and the sub-heading "Meetings of subscribers", describe the circumstances, processes and procedures for holding a subscriber meeting and for any extraordinary resolutions.

**4.2 - Matters Requiring Subscriber Approval**

Under the sub-heading "Matters requiring subscriber approval", describe the matters that require subscriber approval.

**4.3 - Amendments to Declaration of Trust**

For a scholarship plan established pursuant to a declaration of trust, under the sub-heading "Amendments to the declaration of trust", describe the circumstances, processes and procedures required to amend the declaration of trust.

**4.4 - Reporting to Subscribers and Beneficiaries**

Under the sub-heading "Reporting to subscribers and beneficiaries", describe the information or reports that will be delivered or made available to subscribers and beneficiaries and the frequency with which such information or reports will be delivered or made available to subscribers, including any requirements under securities legislation.

**Item 5 - Business Practices****5.1 - Policies**

Describe, under the heading "Business Practices" with the sub-heading "Our policies", the policies, practices and guidelines of the scholarship plan or the investment fund manager relating to business practices, sales practices, risk management controls and internal conflicts of interest and, if the scholarship plan or the investment fund manager of the scholarship plan has no such policies, practices or guidelines, state that fact.

**5.2 - Brokerage Arrangements**

(1) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state, under the sub-heading "Brokerage arrangements":

- (a) the process for, and factors considered in, selecting a dealer to effect securities transactions for the scholarship plan, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;
- (b) the nature of the arrangements under which order execution goods and services or research goods and services might be provided;
- (c) each type of good or service, other than order execution, that might be provided; and

- (d) the method by which the portfolio adviser makes a good faith determination that the scholarship plan, on whose behalf the portfolio adviser directs any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of any order execution goods and services or research goods and services, by the dealer or a third party, receives reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.
- (2) Since the date of the last prospectus, if any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service by the dealer or a third party, other than order execution, state:
  - (a) each type of good or service, other than order execution, that has been provided to the manager or portfolio adviser of the scholarship plan; and
  - (b) the name of any affiliated entity that provided any good or service referred to in paragraph (a), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity.
- (3) If any brokerage transactions involving the client brokerage commissions of the scholarship plan have been or might be directed to a dealer in return for the provision of any good or service, by the dealer or a third party, other than order execution, state that the name of any other dealer or third party that provided a good or service referred to in paragraph (2)(a), that was not disclosed under paragraph (2)(b), will be provided upon request by contacting the scholarship plan, and provide a telephone number and email address for the scholarship plan.

#### INSTRUCTION

*Terms defined in National Instrument 23-102 Use of Client Brokerage Commissions have the same meaning where used in this Item.*

#### 5.3 - Valuation of Portfolio Investments

- (1) Under the sub-heading “Valuation of portfolio investments’, describe the methods used to value the various types or classes of portfolio assets of the scholarship plan and its liabilities.
- (2) If the valuation principles and practices established by the investment fund manager differ from Canadian GAAP, describe the differences.
- (3) If the investment fund manager has discretion to deviate from the scholarship plan’s valuation practices described in subsection (1), disclose when and to what extent that discretion may be exercised and, if it has been exercised in the past three years, provide an example of how it has been exercised or, if it has not been exercised in the past three years, state that fact.

#### 5.4 - Proxy Voting Disclosure for Portfolio Securities Held

- (1) Unless the scholarship plan invests exclusively in non-voting securities, under the sub-heading “Proxy voting’, describe the policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities, including:
  - (a) the procedures followed when a vote presents a conflict between the interests of securityholders and those of the scholarship plan’s investment fund manager, portfolio adviser, or any associate or affiliate of the scholarship plan, its investment fund manager or its portfolio adviser; and



- (b) any policies and procedures of the scholarship plan's portfolio adviser, or any other third party that the scholarship plan follows, or that are followed on the scholarship plan's behalf, to determine how to vote proxies relating to portfolio securities.
- (2) State the following:

The policies and procedures that the scholarship plan follows when voting proxies relating to portfolio securities are available on request, at no cost, by calling [*insert toll-free/collect call telephone number*] or by writing to [*insert mailing address*].
- (3) State that the scholarship plan's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the scholarship plan upon request at any time after August 31 of that year. Provide the scholarship plan's website address where the proxy voting record is available for review.

## Item 6 - Conflicts of Interest

### 6.1 - Conflicts of Interest

Under the heading "Conflicts of interest", disclose particulars of existing or potential material conflicts of interest between:

- (a) the scholarship plan and the foundation or any partner, director or executive officer of the foundation;
- (b) the scholarship plan and the investment fund manager or promoter or any partner, director or executive officer of the investment fund manager or promoter; and
- (c) the scholarship plan and the portfolio adviser or any partner, director or executive officer of the portfolio adviser of the scholarship plan.

### 6.2 - Interests of Management and Others in Material Transactions

(1) Under the sub-heading "Interests of management and others in material transactions", describe, and state the approximate amount of, any material interest, direct or indirect, of any of the following persons or companies in any transaction within the three years before the date of the prospectus or pro forma prospectus that has materially affected or is reasonably expected to materially affect the scholarship plan:

- (a) a partner, director or executive officer of the investment fund manager;
- (b) a person or company that owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of the scholarship plan or the investment fund manager;
- (c) an associate or an affiliate of any of the persons or companies referred to in paragraph (a) or (b).

## **Item 7 - Material Contracts**

### **7.1 - Material Contracts**

- (1) Under the heading “Key business documents”, list and provide particulars of:
  - (a) the subscribers’ sales agreement or contract;
  - (b) the articles of incorporation, the declaration of trust or trust agreement of the scholarship plan or any other constating document;
  - (c) any agreement of the scholarship plan or trustee with the investment fund manager of the scholarship plan;
  - (d) any agreement of the scholarship plan, the investment fund manager or trustee with the portfolio adviser of the scholarship plan;
  - (e) any agreement of the scholarship plan, the investment fund manager or trustee with the custodian of the scholarship plan;
  - (f) any agreement of the scholarship plan, the investment fund manager or trustee with the principal distributor of the scholarship plan;
  - (g) any other contract or agreement that can reasonably be regarded as material to an investor in the securities of the scholarship plan; and
  - (h) any contract or agreement with governmental bodies to assist beneficiaries in obtaining government grants and incentives.
- (2) State a reasonable time and place where the contracts or agreements listed in response to subsection (1) may be inspected by prospective or existing subscribers.
- (3) Include, in describing the particulars of a contract, the date of, parties to, consideration paid by the scholarship plan under, key terms including termination provisions of, and the general nature of the contract.

#### **INSTRUCTION**

*Provide a list of all the contracts for which particulars must be given under this Item and indicating which of those contracts are described elsewhere in the prospectus, if applicable. Provide particulars only for those contracts that are not described elsewhere in the prospectus.*

## **Item 8 - Legal Matters**

### **8.1 - Exemptions and Approvals**

Under the heading “Legal matters” with the sub-heading “Exemptions and approvals under securities laws”, describe all exemptions from or approvals under securities legislation that are not otherwise disclosed under Item 9 of Part B or Item 9 of Part C of this Form, as applicable, obtained by the scholarship plan or the investment fund manager that continue to be relied upon by the scholarship plan or the investment fund manager, including all exemptions to be evidenced by the issuance of a receipt for the prospectus pursuant to section 19.3 of the Instrument.

**8.2 - Legal and Administrative Proceedings**

- (1) Under the sub-heading “Legal and administrative proceedings”, describe briefly any ongoing legal and administrative proceedings material to the scholarship plan, to which the scholarship plan, the investment fund manager, the promoter, the foundation, or the principal dealer is a party.
- (2) For all matters disclosed under subsection (1), state:
  - (a) the name of the court or agency having jurisdiction;
  - (b) the date on which the proceeding commenced;
  - (c) the principal parties to the proceeding;
  - (d) the nature of the proceeding and, if applicable, the amount claimed; and
  - (e) whether the proceedings are being contested and the present status of the proceedings.
- (3) Provide similar disclosure about any proceedings known to be contemplated.
- (4) If the investment fund manager, the foundation, or promoter of the scholarship plan, or a director or officer of the scholarship plan or the partner, director or officer of the investment fund manager or the foundation has, within the 10 years before the date of the prospectus, been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of an investment fund, or theft or fraud, or has entered into a settlement agreement with a regulatory authority in relation to any of these matters, describe the penalties or sanctions imposed and the ground on which they were imposed or the terms of the settlement agreement.

**Item 9 - Certificates****9.1 - Certificate of the Scholarship Plan**

Include a certificate of the scholarship plan in the following form:

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus, as required by the securities legislation of *[insert the jurisdictions in which qualified]*.

**9.2 - Certificate of the Investment Fund Manager**

Include a certificate of the investment fund manager of the scholarship plan in the same form as the certificate of the scholarship plan.

**9.3 - Certificate of the Principal Distributor**

If there is a principal distributor of the scholarship plan, include a certificate of the principal distributor of the scholarship plan in the same form as the certificate of the scholarship plan.

**9.4 - Certificate of the Promoter**

If there is a promoter of the scholarship plan, include a certificate of each promoter of the scholarship plan in the same form as the certificate of the scholarship plan.

## 9.5 - Amendments

- (1) For an amendment to a scholarship plan prospectus that does not restate the prospectus, change “prospectus” to “prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 9.1 to 9.4.
- (2) For an amended and restated scholarship plan prospectus, change “prospectus” to “amended and restated prospectus” wherever it appears in the statements in sections 9.1 to 9.4.

## Form 41-101F4 — Information Required in an ETF Facts Document

### General Instructions:

#### *General*

- (1) *This Form describes the disclosure required in an ETF facts document for an ETF. Each Item of this Form outlines disclosure requirements. Instructions to help you provide this disclosure are in italic type.*
- (2) *Terms defined in National Instrument 41-101 General Prospectus Requirements, National Instrument 81-102 Investment Funds, National Instrument 81-105 Mutual Fund Sales Practices or National Instrument 81-106 Investment Fund Continuous Disclosure and used in this Form have the meanings that they have in those national instruments.*
- (3) *An ETF facts document must state the required information concisely and in plain language.*
- (4) *Respond as simply and directly as is reasonably possible. Include only the information necessary for a reasonable investor to understand the fundamental and particular characteristics of the ETF.*
- (5) *National Instrument 41-101 General Prospectus Requirements requires the ETF facts document to be presented in a format that assists in readability and comprehension. This Form does not mandate the use of a specific format or template to achieve these goals. However, ETFs must use, as appropriate, tables, captions, bullet points or other organizational techniques that assist in presenting the required disclosure clearly and concisely.*
- (6) *This Form does not mandate the use of a specific font size or style but the text must be of a size and style that is legible. Where the ETF facts document is made available online, information must be presented in a way that enables it to be printed in a readable format.*
- (7) *An ETF facts document can be produced in colour or in black and white, and in portrait or landscape orientation.*
- (8) *Except as permitted by subsection (9), an ETF facts document must contain only the information that is specifically mandated or permitted by this Form. In addition, each Item must be presented in the order and under the heading or sub-heading stipulated in this Form.*

- (9) *An ETF facts document may contain a brief explanation of a material change or a proposed fundamental change. The disclosure may be included in a textbox before Item 2 of Part I or in the most relevant section of the ETF facts document. If necessary, the ETF may provide a cross-reference to a more detailed explanation at the end of the ETF facts document.*
- (10) *An ETF facts document must not contain design elements (e.g., graphics, photos, artwork) that detract from the information disclosed in the document.*

**(10.1) Transition**

- (1) *An ETF must, on or before November 12, 2018, file a completed Form 41-101F4 Information Required in an ETF Facts Document for each class or series of securities of the ETF that, on that date, are the subject of disclosure under a prospectus.*
- (2) *The date of an ETF facts document filed under subsection (1) must be the date on which it was filed.*

**Contents of an ETF Facts Document**

- (11) *An ETF facts document must disclose information about only one class or series of securities of an ETF. ETFs that have more than one class or series of securities that are referable to the same portfolio of assets must prepare a separate ETF facts document for each class or series.*
- (12) *The ETF facts document must be prepared on letter-size paper and must consist of two Parts: Part I and Part II.*
- (13) *The ETF facts document must begin with the responses to the Items in Part I of this Form.*
- (14) *Part I must be followed by the responses to the Items in Part II of this Form.*
- (15) *Each of Part I and Part II must not exceed one page in length, unless the required information in any section causes the disclosure to exceed this limit. Where this is the case, an ETF facts document must not exceed a total of four pages in length.*
- (16) *For a class or series of securities of the ETF denominated in a currency other than the Canadian dollar, specify the other currency under the heading “Trading Information (12 months ending [date])” and provide the dollar amounts in the other currency, where applicable, under the headings “How has the ETF performed?” and “How much does it cost?”.*
- (17) *For items that must be as at a date within 60 days before the date of the ETF facts document or over a period ending within 60 days before the date of the ETF facts document, the same date within 60 days before the date of the ETF facts document must be used and disclosed in the ETF facts document.*
- (18) *An ETF must not attach or bind other documents to an ETF facts document, except those documents permitted under Part 3C of National Instrument 41-101 General Prospectus Requirements.*

***Consolidation of ETF Facts Document into a Multiple ETF Facts Document***

- (19) *ETF facts documents must not be consolidated with each other to form a multiple ETF facts document, except as permitted by Part 3C of National Instrument 41-101 General Prospectus Requirements. When a multiple ETF facts document is permitted under the Instrument, an ETF must provide information about each of the ETFs described in the document on a fund-by-fund or catalogue basis and must set out for each ETF separately the information required by this Form. Each ETF facts document must start on a new page and may not share a page with another ETF facts document.*

***Multi-Class ETFs***

- (20) *As provided in National Instrument 81-102 Investment Funds, each section, part, class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund. Those principles are applicable to this Form.*

**Part I – Information about the ETF**

**Item 1 – Introduction**

Include at the top of the first page a heading consisting of:

- (a) the title “ETF Facts”;
- (b) the name of the manager of the ETF;
- (c) the name of the ETF to which the ETF facts document pertains;
- (d) if the ETF has more than one class or series of securities, the name of the class or series described in the ETF facts document;
- (e) the ticker symbol(s) for the class or series of securities of the ETF;
- (f) the date of the document;
- (g) if the final prospectus of the ETF includes textbox disclosure on the cover page, substantially similar textbox disclosure on the ETF facts document;
- (h) a brief introduction to the document using wording substantially similar to the following:

This document contains key information you should know about [insert name of the ETF]. You can find more details about this exchange-traded fund (ETF) in its prospectus. Ask your representative for a copy, contact [insert name of the manager of the ETF] at [insert if applicable the toll-free number and email address of the manager of the ETF] or visit [insert the website of the ETF, the ETF’s family or the manager of the ETF] [as applicable]; and

- (i) state in bold type using wording substantially similar to the following:

Before you invest, consider how the ETF would work with your other investments and your tolerance for risk.

**INSTRUCTIONS:**

(1) *The date for an ETF facts document that is filed with a preliminary prospectus or final prospectus must be the date of the preliminary prospectus or final prospectus, respectively. The date for an ETF facts document that is filed with a pro forma prospectus must be the date of the anticipated final prospectus. The date for an amended ETF facts document must be the date on which it is filed.*

(2) *If the investment objectives of the ETF are to track a multiple (positive or negative) of the daily performance of a specified underlying index or benchmark, provide textbox disclosure in bold type using wording substantially similar to the following:*

This ETF is highly speculative. It uses leverage, which magnifies gains and losses. It is intended for use in daily or short-term trading strategies by sophisticated investors. If you hold this ETF for more than one day, your return could vary considerably from the ETF's daily target return. Any losses may be compounded. Don't buy this ETF if you are looking for a longer-term investment.

(3) *If the investment objectives of the ETF are to track the inverse performance of a specified underlying index or benchmark, provide textbox disclosure in bold type using wording substantially similar to the following:*

This ETF is highly speculative. It is intended for use in daily or short-term trading strategies by sophisticated investors. If you hold this ETF for more than one day, your return could vary considerably from the ETF's daily target return. Any losses may be compounded. Don't buy this ETF if you are looking for a longer-term investment.

(4) *If the ETF is a commodity pool, and Instruction (2) or (3) does not apply, provide textbox disclosure in bold type using wording substantially similar to the following:*

This ETF is a commodity pool and is highly speculative and involves a high degree of risk. You should carefully consider whether your financial condition permits you to participate in this investment. You may lose a substantial portion or even all of the money you place in the commodity pool.



**Item 2 — Quick Facts, Trading Information and Pricing Information**

(1) Under the heading “Quick Facts”, include disclosure in the form of the following table:

<b>Date ETF started</b> (see instruction 1)
<b>Total value on [date]</b> (see instruction 2)
<b>Management expense ratio (MER)</b> (see instruction 3)
<b>Fund manager</b> (see instruction 4)
<b>Portfolio manager</b> (see instruction 5)
<b>Distributions</b> (see instruction 6)

(2) Under the heading “Trading Information (12 months ending [date])”, include disclosure in the form of the following table:

<b>Ticker symbol</b> (see instruction 7)
<b>Exchange</b> (see instruction 8)
<b>Currency</b> (see instruction 9)
<b>Average daily volume</b> (see instruction 10)
<b>Number of days traded</b> (see instruction 11)

(3) Under the heading “Pricing Information (12 months ending [date])”, include disclosure in the form of the following table:

<b>Market price</b> (see instruction 12)
<b>Net asset value (NAV)</b> (see instruction 13)
<b>Average bid-ask spread</b> (see instruction 14)

(4) An ETF may include the website address where updated Quick Facts, Trading Information and Pricing Information are posted by stating:

For more updated Quick Facts, Trading Information and Pricing Information, visit [insert the website of the ETF, the ETF's family or the manager of the ETF] [as applicable].

(5) An ETF may include the Committee on Uniform Securities Identification Procedures (CUSIP) number for the class or series of securities of the ETF at the bottom of the first page by stating:

For dealer use only: CUSIP [insert CUSIP number]

**INSTRUCTIONS:**

- (1) *Use the date that the securities of the class or series of the ETF described in the ETF facts document first became available to the public.*
- (2) *Specify the net asset value (NAV) of the ETF as at a date within 60 days before the date of the ETF facts document. The amount disclosed must take into consideration all classes or series that are referable to the same portfolio of assets. For a newly established ETF, state that this information is not available because it is a new ETF.*
- (3) *Use the management expense ratio (MER) disclosed in the most recently filed management report of fund performance for the ETF. The MER must be net of fee waivers or absorptions and, despite subsection 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, need not include any additional disclosure about the waivers or absorptions. For a newly established ETF that has not yet filed a management report of fund performance, state that the MER is not available because it is a new ETF.*
- (4) *Specify the name of the fund manager of the ETF.*
- (5) *Specify the name of the portfolio manager of the ETF. The ETF may also name the specific individual(s) responsible for portfolio selection and if applicable, the name of the sub-advisor(s).*
- (6) *Include disclosure under this element of the "Quick Facts" only if distributions are a fundamental feature of the ETF. Disclose the expected frequency and timing of distributions. If there is a targeted amount for distributions, the ETF may include this information.*
- (7) *Specify the ticker symbol(s) for the class or series of securities of the ETF.*
- (8) *Specify the exchange(s) on which the class or series of securities of the ETF are listed.*
- (9) *Specify the currency that the class or series of securities of the ETF is denominated.*
- (10) *Disclose the consolidated (all trading venues) average daily trading volume of the class or series of securities of the ETF over a 12 month period ending within 60 days before the date of the ETF facts document. Include non-trading (zero volume) days in the average daily trading volume calculation. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*

- (11) *Disclose the number of days the class or series of securities of the ETF has traded out of the total number of available trading days over a 12 month period ending within 60 days before the date of the ETF facts document. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*
- (12) *Disclose the range for the market price of the class or series of securities of the ETF by specifying the highest and lowest prices at which the class or series of securities of the ETF have traded on all trading venues over a 12 month period ending within 60 days before the date of the ETF facts document. The dollar amounts shown under this Item may be rounded to two decimal places. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*
- (13) *Disclose the range for the net asset value per share or unit of the class or series of securities of the ETF by specifying the highest and lowest net asset value per share or unit of the class or series of securities of the ETF over a 12 month period ending within 60 days of the date of the ETF facts document. The dollar amounts shown under this Item may be rounded to two decimal places. For a newly established ETF, state that this information is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that this information is not available because the ETF has not yet completed 12 consecutive months.*
- (14) *Disclose the average bid-ask spread (the Average Bid-Ask Spread) for the class or series of the ETF being described in the ETF facts document. The disclosure must comply with the following:*
- *The Average Bid-Ask Spread must be calculated by taking the average of the daily average bid-ask spread (the Daily Bid-Ask Spread) using the bid and ask orders displayed on the primary Canadian listing exchange (the Listing Exchange) for the class or series of the ETF for each day the Listing Exchange was open for trading (each, a Trading Day) over the 12-month period ending within 60 days before the date of the ETF facts document (the Time Period).*
  - *Each Daily Bid-Ask Spread must be calculated by taking the average of the intraday bid-ask spreads (each, an Intraday Bid-Ask Spread) for each Trading Day.*
  - *An Intraday Bid-Ask Spread must be calculated at each one second interval beginning 15 minutes after the opening and ending 15 minutes prior to the closing of the Listing Exchange (the Interval Points).*
  - *The bid price at each Interval Point (the Interval Bid Price) must be determined by multiplying each bid price by its displayed order amount in number of shares until the sum of \$50,000 (Bid Market Depth) is reached then dividing by the total number of securities bid.*
  - *The ask price at each Interval Point (the Interval Ask Price) must be determined by multiplying each ask price by its displayed order amount in number of securities until the sum of \$50,000 (Ask Market Depth) is reached then dividing by the total number of securities offered.*

- *The bid-ask spread at each Interval Point (the Interval Bid-Ask Spread) is determined by calculating the difference between the Interval Bid Price and the Interval Ask Price and dividing by the midpoint of the Interval Bid Price and Interval Ask Price.*
- *If the Listing Exchange for the ETF does not have sufficient Bid Market Depth, bid orders from other Canadian marketplaces must be used to the extent necessary to arrive at the Bid Market Depth.*
- *If the Listing Exchange for the ETF does not have sufficient Ask Market Depth, ask orders from other Canadian marketplaces must be used to the extent necessary to arrive at the Ask Market Depth.*
- *If the Listing Exchange has sufficient Bid Market Depth or Ask Market Depth the ETF may, at its discretion, also include bid and ask orders from other Canadian marketplaces in its calculation of the Interval Bid-Ask Spread.*

*If there is insufficient Bid Market Depth or Ask Market Depth at a particular Interval Point even after including data from all Canadian marketplaces, no Interval Bid-Ask Spread can be calculated for that Interval Point. In order to include the Daily Average Bid-Ask Spread for a particular Trading Day in the 12-month Average Bid-Ask Spread calculation, the ETF must be able to calculate an Interval Bid-Ask Spread for at least 75% of the Interval Points in that Trading Day. In order to calculate the 12-month Average Bid-Ask Spread, the ETF must be able to calculate a Daily Bid-Ask Spread for at least 75% of the Trading Days over the Time Period. For a newly established ETF, state that the Average Bid-Ask Spread is not available because it is a new ETF. For an ETF that has not yet completed 12 consecutive months, state that the Average Bid-Ask Spread is not available because the ETF has not yet completed 12 consecutive months. For an ETF that has completed 12 consecutive months but does not have sufficient data to calculate the Average Bid-Ask Spread, state the following: “This ETF did not have sufficient market depth (\$50,000) to calculate the average bid-ask spread.”*

**Item 3 — Investments of the ETF**

- (1) Briefly set out under the heading “What does the ETF invest in?” a description of the fundamental nature of the ETF, or the fundamental features of the ETF that distinguish it from other ETFs.
- (2) For an ETF that replicates an index,
  - (a) disclose the name or names of the permitted index or permitted indices on which the investments of the index ETF are based, and
  - (b) briefly describe the nature of that permitted index or those permitted indices.
- (3) For an ETF that uses derivatives to replicate an index, state using wording substantially similar to the following:

The ETF uses derivatives, such as options, futures and swaps, to get exposure to the [index/benchmark] without investing directly in the securities that make up the [index/benchmark].

- (4) Include an introduction to the information provided in response to subsection (5) and subsection (6) using wording similar to the following:

The charts below give you a snapshot of the ETF's investments on [insert date].  
The ETF's investments will change.

- (5) Unless the ETF is a newly established ETF, include under the sub-heading "Top 10 investments [date]", a table disclosing the following:

- (a) the top 10 positions held by the ETF, each expressed as a percentage of the net asset value of the ETF;
- (b) the percentage of net asset value of the ETF represented by the top 10 positions;
- (c) the total number of positions held by the ETF.

- (6) Unless the ETF is a newly established ETF, under the sub-heading "Investment mix [date]" include at least one, and up to two, charts or tables that illustrate the investment mix of the ETF's investment portfolio.

- (7) For a newly established ETF, state the following under the sub-headings "Top 10 investments [date]" and "Investment mix [date]":

This information is not available because this ETF is new.

INSTRUCTIONS:

- (1) *Include in the information under "What does this ETF invest in?" a description of what the ETF primarily invests in, or intends to primarily invest in, or that its name implies that it will primarily invest in, such as*
  - (a) *particular types of issuers, such as foreign issuers, small capitalization issuers or issuers located in emerging market countries;*
  - (b) *particular geographic locations or industry segments; or*
  - (c) *portfolio assets other than securities.*
- (2) *Include a particular investment strategy only if it is an essential aspect of the ETF, as evidenced by the name of the ETF or the manner in which the ETF is marketed.*
- (3) *If an ETF's stated objective is to invest primarily in Canadian securities, specify the maximum exposure to investments in foreign markets.*
- (4) *The information under "Top 10 investments" and "Investment mix" is intended to give a snapshot of the composition of the ETF's investment portfolio. The information required to be disclosed under these sub-headings must be as at a date within 60 days before the date of the ETF facts document. The date shown must be the same as the one used in Item 2 for the total value of the ETF.*
- (5) *If the ETF owns more than one class of securities of an issuer, those classes should be aggregated for the purposes of this Item, however, debt and equity securities of an issuer must not be aggregated.*

- (6) *Portfolio assets other than securities should be aggregated if they have substantially similar investment risks and profiles. For instance, gold certificates should be aggregated, even if they are issued by different financial institutions.*
- (7) *Treat cash and cash equivalents as one separate discrete category.*
- (8) *In determining its holdings for purposes of the disclosure required by this Item, an ETF must, for each long position in a derivative that is held by the ETF for purposes other than hedging and for each index participation unit held by the ETF, consider that it holds directly the underlying interest of that derivative or its proportionate share of the securities held by the issuer of the index participation unit.*
- (9) *If an ETF invests substantially all of its assets directly or indirectly (through the use of derivatives) in securities of one other mutual fund, list the 10 largest holdings of the other mutual fund and show the percentage of the other mutual fund's net asset value represented by the top 10 positions. If the ETF is not able to disclose this information as at a date within 60 days before the date of the ETF facts document, the ETF must include this information as disclosed by the other mutual fund in the other mutual fund's most recently filed ETF facts document or fund facts document, or its most recently filed management report of fund performance, whichever is most recent.*
- (10) *Indicate whether any of the ETF's top 10 positions are short positions.*
- (11) *Each investment mix chart or table must show a breakdown of the ETF's investment portfolio into appropriate subgroups and the percentage of the aggregate net asset value of the ETF constituted by each subgroup. The names of the subgroups are not prescribed and can include security type, industry segment or geographic location. The ETF should use the most appropriate categories given the nature of the ETF. The choices made must be consistent with disclosure provided under "Summary of Investment Portfolio" in the ETF's management report of fund performance.*
- (12) *In presenting the investment mix of the ETF, consider the most effective way of conveying the information to investors. All tables or charts must be clear and legible.*
- (13) *For new ETFs where the information required to be disclosed under "Top 10 investments" and "Investment mix" is not available, include the required sub-headings and provide a brief statement explaining why the required information is not available.*

**Item 4 — Risks**

- (1) Under the heading "How risky is it?", state the following:

The value of the ETF can go down as well as up. You could lose money.

One way to gauge risk is to look at how much an ETF's returns change over time. This is called "volatility".

In general, ETFs with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. ETFs with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.



- (2) Under the sub-heading “Risk rating”,
- (a) using the investment risk classification methodology prescribed by Appendix F – *Investment Risk Classification Methodology to National Instrument 81-102 Investment Funds*, identify the ETF’s investment risk level on the following risk scale:

Low	Low to medium	Medium	Medium to high	High
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- (b) unless the ETF is a newly established ETF, include an introduction to the risk scale which states the following:
- [Insert name of the manager of the ETF] has rated the volatility of this ETF as [insert investment risk level identified in paragraph (a) in bold type].
- This rating is based on how much the ETF’s returns have changed from year to year. It doesn’t tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.
- (c) for a newly established ETF, include an introduction to the risk scale which states the following:
- [Insert name of the manager of the ETF] has rated the volatility of this ETF as [insert investment risk level identified in paragraph (a) in bold type].
- Because this is a new ETF, the risk rating is only an estimate by [insert name of the manager of the ETF]. Generally, the rating is based on how much the ETF’s returns have changed from year to year. It doesn’t tell you how volatile the ETF will be in the future. The rating can change over time. An ETF with a low risk rating can still lose money.
- (d) following the risk scale, state using wording substantially similar to the following:
- For more information about the risk rating and specific risks that can affect the ETF’s returns, see the [insert cross-reference to the appropriate section of the ETF’s final prospectus] section of the ETF’s prospectus.
- (3) If the ETF does not have any guarantee or insurance, under the sub-heading “No guarantees”, state using wording substantially similar to the following:
- ETFs do not have any guarantees. You may not get back the amount of money you invest.
- (4) If the ETF has an insurance or guarantee feature protecting all or some of the principal amount of an investment in the ETF, under the sub-heading “Guarantees”:
- (a) identify the person or company providing the guarantee or insurance; and
- (b) provide a brief description of the material terms of the guarantee or insurance, including the maturity date of the guarantee or insurance.



**INSTRUCTIONS:**

*Based upon the investment risk classification methodology prescribed by Appendix F - Investment Risk Classification Methodology to National Instrument 81-102 Investment Funds, as at the end of the period that ends within 60 days before the date of the ETF facts document, identify where the ETF fits on the continuum of investment risk levels by showing the full investment risk scale and highlighting the applicable category on the scale. Consideration should be given to ensure that the highlighted investment risk rating is easily identifiable.*

**Item 5 — Past Performance**

(1) Unless the ETF is a newly established ETF, under the heading “How has the ETF performed?”, include an introduction using wording substantially similar to the following:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed over the past [insert number of calendar years shown in the bar chart required under paragraph (3) (a)] years. Returns [add a footnote stating: Returns are calculated using the ETF’s net asset value (NAV).] after expenses have been deducted. These expenses reduce the ETF’s returns. (For an ETF that replicates an index, state: This means that the ETF’s returns may not match the returns of the [index/benchmark].)

(2) For a newly established ETF, under the heading “How has the ETF performed?”, include an introduction using the following wording:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed, with returns calculated using the ETF’s net asset value (NAV). However, this information is not available because the ETF is new.

(3) Under the sub-heading “Year-by-year returns”

(a) for an ETF that has completed at least one calendar year:

(i) provide a bar chart that shows the annual total return of the ETF, in chronological order with the most recent year on the right of the bar chart, for the lesser of

(A) each of the 10 most recently completed calendar years, and

(B) each of the completed calendar years in which the ETF has been in existence and for which the ETF was a reporting issuer; and

(ii) include an introduction to the bar chart using wording substantially similar to the following:

This chart shows how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF performed in each of the past [insert number of calendar years shown in the bar chart required under paragraph (a)]. The ETF dropped in value in [for the particular years shown in the bar chart required under paragraph (a), insert the number of years in which the value of the ETF dropped] of the [insert number of calendar years shown in the bar chart required in paragraph (a)(i)] years. The range of returns and change from year to year can help you assess how risky the ETF has been in the past. It does not tell you how the ETF will perform in the future.

- (b) for an ETF that has not yet completed a calendar year, state the following:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed in past calendar years. However, this information is not available because the ETF has not yet completed a calendar year.

- (c) for a newly established ETF, state the following:

This section tells you how [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF have performed in past calendar years. However, this information is not available because the ETF is new.

- (4) Under the sub-heading “Best and worst 3-month returns”,

- (a) for an ETF that has completed at least one calendar year:

- (i) provide information for the period covered in the bar chart required under paragraph (3)(a) in the form of the following table:

	<b>Return</b>	<b>3 months ending</b>	<b>If you invested \$1,000 at the beginning of the period</b>
Best return	(see instruction 7)	(see instruction 9)	Your investment would [rise/drop] to (see instruction 11).
Worst re- turn	(see instruction 8)	(see instruction 10)	Your investment would [rise/drop] to (see instruction 12).

- (ii) include an introduction to the table using wording substantially similar to the following:

This table shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period over the past [insert number of calendar years shown in the bar chart required under paragraph (3)(a)]. The best and worst 3-month returns could be higher or lower in the future. Consider how much of a loss you could afford to take in a short period of time.

- (b) for an ETF that has not yet completed a calendar year, state the following:

This section shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period. However, this information is not available because the ETF has not yet completed a calendar year.

- (c) for a newly established ETF, state the following:

This section shows the best and worst returns for the [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF in a 3-month period. However, this information is not available because the ETF is new.

- (5) Under the sub-heading “Average return”,
- (a) for an ETF that has completed at least 12 consecutive months, show the following:
- (i) the final value of a hypothetical \$1,000 investment in the ETF as at the end of the period that ends within 60 days before the date of the ETF facts document and consists of the lesser of
    - (A) 10 years, or
    - (B) the time since inception of the ETF; and
  - (ii) the annual compounded rate of return that equates the hypothetical \$1,000 investment to the final value.
- (b) for an ETF that has not yet completed 12 consecutive months, state the following:
- This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF. However, this information is not available because the ETF has not yet completed 12 consecutive months.
- (c) for a newly established ETF, state the following:
- This section shows the value and annual compounded rate of return of a hypothetical \$1,000 investment in [name of class/series of securities described in the ETF facts document] [units/shares] of the ETF. However, this information is not available because the ETF is new.

**INSTRUCTIONS:**

- (1) *In responding to the requirements of this Item, an ETF must comply with the relevant sections of Part 15 of National Instrument 81-102 Investment Funds as if those sections applied to an ETF facts document.*
- (2) *Use a linear scale for each axis of the bar chart required by this Item.*
- (3) *The x-axis and y-axis for the bar chart required by this Item must intersect at zero.*
- (4) *An ETF that distributes different classes or series of securities that are referable to the same portfolio of assets must show performance data related only to the specific class or series of securities being described in the ETF facts document.*
- (5) *The dollar amounts shown under this Item may be rounded up to the nearest dollar.*
- (6) *The percentage amounts shown under this Item may be rounded to one decimal place.*
- (7) *Show the best rolling 3-month return as at the end of the period that ends within 60 days before the date of the ETF facts document.*
- (8) *Show the worst rolling 3-month return as at the end of the period that ends within 60 days before the date of the ETF facts document.*
- (9) *Insert the end date for the best 3-month return period.*

- (10) *Insert the end date for the worst 3-month return period.*
- (11) *Insert the final value that would equate with a hypothetical \$1,000 investment for the best 3-month return period shown in the table.*
- (12) *Insert the final value that would equate with a hypothetical \$1,000 investment for the worst 3-month return period shown in the table.*

**Item 6 — Trading ETFs**

Under the sub-heading “Trading ETFs”, state the following:

ETFs hold a basket of investments, like mutual funds, but trade on exchanges like stocks. Here are a few things to keep in mind when trading ETFs:

**Pricing** [*in bold type*]

ETFs have two sets of prices: market price and net asset value (NAV).

**Market price**

ETFs are bought and sold on exchanges at the market price. The market price can change throughout the trading day. Factors like supply, demand, and changes in the value of an ETF’s investments can affect the market price.

You can get price quotes any time during the trading day. Quotes have two parts: bid and ask.

The bid is the highest price a buyer is willing to pay if you want to sell your ETF [units/shares]. The ask is the lowest price a seller is willing to accept if you want to buy ETF [units/shares]. The difference between the two is called the “bid-ask spread”.

In general, a smaller bid-ask spread means the ETF is more liquid. That means you are more likely to get the price you expect.

**Net asset value (NAV)**

Like mutual funds, ETFs have a NAV. It is calculated after the close of each trading day and reflects the value of an ETF’s investments at that point in time.

NAV is used to calculate financial information for reporting purposes - like the returns shown in this document.

**Orders** [*in bold type*]

There are two main options for placing trades: market orders and limit orders. A market order lets you buy or sell [units/shares] at the current market price. A limit order lets you set the price at which you are willing to buy or sell [units/shares].

**Timing** [*in bold type*]

In general, market prices of ETFs can be more volatile around the start and end of the trading day. Consider using a limit order or placing a trade at another time during the trading day.

**Item 7 — Suitability**

Provide a brief statement of the suitability of the ETF for particular investors under the heading “Who is this ETF for?”. Describe the characteristics of the investor for whom the ETF may or may not be an appropriate investment, and the portfolios for which the ETF is and is not suited.

**INSTRUCTIONS:**

- (1) *If the ETF is particularly unsuitable for certain types of investors or for certain types of investment portfolios, emphasize this aspect of the ETF. Disclose both the types of investors who should not invest in the ETF, with regard to investments on both a short- and long-term basis, and the types of portfolios that should not invest in the ETF. If the ETF is particularly suitable for investors who have particular investment objectives, this can also be disclosed.*
- (2) *If there is textbox disclosure on the cover page pursuant to Item 1(g) of Part I of this form, the brief statement of the suitability of the ETF in Item 8 of Part I of this form must be consistent with any suitability disclosure in the textbox.*

**Item 8 — Impact of Income Taxes on Investor Returns**

Under the heading “A word about tax”, provide a brief explanation of the income tax consequences for investors using wording similar to the following:

In general, you’ll have to pay income tax on any money you make on an ETF. How much you pay depends on the tax laws where you live and whether or not you hold the ETF in a registered plan such as a Registered Retirement Savings Plan, or a Tax-Free Savings Account.

Keep in mind that if you hold your ETF in a non-registered account, distributions from the ETF are included in your taxable income, whether you get them in cash or have them reinvested.

**Part II — Costs, Rights and Other Information****Item 1 — Costs of Buying, Owning and Selling the ETF****1.1 — Introduction**

Under the heading “How much does it cost?”, state the following:

This section shows the fees and expenses you could pay to buy, own and sell [name of the class/series of securities described in the ETF facts document] [units/shares] of the ETF. Fees and expenses - including trailing commissions - can vary among ETFs. Higher commissions can influence representatives to recommend one investment over another. Ask about other ETFs and investments that may be suitable for you at a lower cost.

**1.2 — Brokerage commissions**

Under the sub-heading “Brokerage commissions”, provide a brief statement using wording substantially similar to the following:

You may have to pay a commission every time you buy and sell [units/shares] of the ETF. Commissions may vary by brokerage firm. Some brokerage firms may offer commission-free ETFs or require a minimum purchase amount.

*1.3 — ETF expenses*

(1) Under the sub-heading “ETF expenses”, include an introduction using wording similar to the following:

You don’t pay these expenses directly. They affect you because they reduce the ETF’s returns.

(2) Unless the ETF has not yet filed a management report of fund performance, provide information about the expenses of the ETF in the form of the following table:

	<b>Annual rate (as a % of the ETF’s value)</b>
<b>Management expense ratio (MER)</b> This is the total of the ETF’s management fee and operating expenses. (If the ETF pays a trailing commission, state the following: “This is the total of the ETF’s management fee (which includes the trailing commission) and operating expenses.”) (see instruction 1)	(see instruction 2)
<b>Trading expense ratio (TER)</b> These are the ETF’s trading costs.	(see instruction 3)
<b>ETF expenses</b>	(see instruction 4)

(3) Unless the ETF has not yet filed a management report of fund performance, above the table required under subsection (2), include a statement using wording similar to the following:

As of [see instruction 5], the ETF’s expenses were [insert amount included in table required under subsection (2)]% of its value. This equals \$[see instruction 6] for every \$1,000 invested.

(4) For an ETF that has not yet filed a management report of fund performance, state the following:

The ETF’s expenses are made up of the management fee, operating expenses and trading costs. The [class’/series’/ETF’s] annual management fee is [see instruction 7]% of the [class’/series’/ETF’s] value. As this [class/series/ETF] is new, operating expenses and trading costs are not yet available.

(5) If the ETF pays an incentive fee that is determined by the performance of the ETF, provide a brief statement disclosing the amount of the fee and the circumstances in which the ETF will pay it.

(6) Under the sub-heading “Trailing commission”, include a description using wording substantially similar to the following:

The trailing commission is an ongoing commission. It is paid for as long as you own the ETF. It is for the services and advice that your representative and their firm provide to you.

(7) If the manager of the ETF or another member of the ETF’s organization does not pay trailing commissions, include a description using wording substantially similar to the following:

This ETF doesn’t have a trailing commission.



(8) If the manager of the ETF or another member of the ETF's organization pays trailing commissions, disclose the range of the rates of the trailing commission after providing a description using wording substantially similar to the following:

[Insert name of the manager of the ETF] pays the trailing commission to your representative's firm. It is paid from the ETF's management fee and is based on the value of your investment.

(9) If the manager of the ETF or another member of the ETF's organization pays trailing commissions for the class or series of securities of the ETF described in the ETF facts document but does not pay trailing commissions for another class or series of securities of the same ETF, state using wording substantially similar to the following:

This ETF also offers a [class/series] of [units/shares] that does not have a trailing commission. Ask your representative for details.

**INSTRUCTIONS:**

(1) *If any fees or expenses otherwise payable by the ETF were waived or otherwise absorbed by a member of the organization of the ETF, despite subsection 15.1(2) of National Instrument 81-106 Investment Fund Continuous Disclosure, only include a statement in substantially the following words:*

*[Insert name of the manager of the ETF] waived some of the ETF's expenses. If it had not done so, the MER would have been higher.*

(2) *Use the same MER that is disclosed in Item 2 of Part I of this Form. If applicable, include a reference to any fixed administration fees in the management expense ratio description required in the table under Item 1.3(2) of Part II of this Form.*

(3) *Use the trading expense ratio disclosed in the most recently filed management report of fund performance for the ETF.*

(4) *The amount included for ETF expenses is the amount arrived at by adding the MER and the trading expense ratio. Use a bold font or other formatting to indicate that ETF expenses is the total of all ongoing expenses set out in the chart and is not a separate expense charged to the ETF.*

(5) *Insert the date of the most recently filed management report of fund performance.*

(6) *Insert the equivalent dollar amount of the ongoing expenses of the ETF for each \$1,000 investment.*

(7) *The percentage disclosed for the management fee must correspond to the percentage shown in the fee table in the final prospectus.*

(8) *For an ETF that is required to include the disclosure under subsection (4), in the description of the items that make up ETF fees, include a reference to any fixed administrative fees, if applicable. Also disclose the amount of the fixed administration fee in the same manner as required for the management fee. The percentage disclosed for the fixed administration fee must correspond to the percentage shown in the fee table in the final prospectus.*

(9) *In disclosing the range of rates of trailing commissions, show both the percentage amount and the equivalent dollar amount for each \$1,000 investment.*



#### 1.4 — Other Fees

- (1) If applicable, provide the sub-heading “Other Fees”.
- (2) Provide information about the amount of fees payable by an investor when they buy, hold, sell or switch units or shares of the ETF, substantially in the form of the following table:

Fee	What you pay
Redemption Fee	[Insert name of the manager of the ETF] may charge you up to [see instruction 1]% of the value of your [units/shares] you redeem or exchange directly from [insert name of the manager of the ETF]. (see instruction 1)
Other fees [specify type]	[specify amount] (see instructions 2 and 3)

#### INSTRUCTIONS:

- (1) *The percentage disclosed for the redemption fee must correspond to the percentage shown in the final prospectus.*
- (2) *Under this Item, it is necessary to include only those fees that apply to the particular class or series of securities of the ETF. Examples include management fees and administration fees payable directly by investors, and switch fees. This also includes any requirement for an investor to participate in a fee-based arrangement with their dealer in order to be eligible to purchase the particular class or series of securities of the ETF. If there are no other fees associated with buying, holding, selling or switching units or shares of the ETF, replace the table with a statement to that effect.*
- (3) *Provide a brief description of each fee disclosing the amount to be paid as a percentage (or, if applicable, a fixed dollar amount) and state who charges the fee. If the amount of the fee varies so that specific disclosure of the amount of the fee cannot be disclosed include, where possible, the highest possible rate or range for that fee.*

#### Item 2 — Statement of Rights

Under the heading “What if I change my mind?”, state using wording substantially similar to the following:

Under securities law in some provinces and territories, you have the right to cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the prospectus, ETF Facts or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

***Item 3 — More Information about the ETF***

(1) Under the heading “For more information”, state using wording substantially similar to the following:

Contact [insert name of the manager of the ETF] or your representative for a copy of the ETF’s prospectus and other disclosure documents. These documents and the ETF Facts make up the ETF’s legal documents.

(2) State the name, address and toll-free telephone number of the manager of the ETF. If applicable, also state the e-mail address and website of the manager of the ETF.

4 Apr 2008 SR 17/2008 s6; 29 Aug 2008 SR  
72/2008 s5; 17 May 2013 SR 32/2013 s5; 17 May  
2013 SR 34/2013 s2; 16 Aug 2013 SR 66/2013  
s3; 24 Jan 2014 SR 1/2014 s5; 15 Aug 2014 SR  
71/2014 s3; 12 Sep 2014 SR 77/2014 s9; 3 Jly  
2015 SR 61/2015 s3; 21 Dec 2015 SR 108/2015  
s4; 24 Mar 2017 SR 23/2017 s3; 1 Jne 2018 SR  
38/2018 s4.

PART XIII  
[Clause 2(m)]

NATIONAL INSTRUMENT 44-101  
SHORT FORM PROSPECTUS DISTRIBUTIONS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument

“**AIF**” has the same meaning as in NI 51-102 for a reporting issuer other than an investment fund, and for an investment fund means an annual information form as such term is used in NI 81-106;

“**applicable CD rule**” means, for a reporting issuer other than an investment fund, NI 51-102 and, for an investment fund, NI 81-106;

“**cash equivalent**” means an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by:

- (a) the government of Canada or the government of a jurisdiction of Canada,
- (b) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has a designated rating, or
- (c) a Canadian financial institution, or other entity that is regulated as a banking institution, loan corporation, trust company, or insurance company or credit union by the government, or an agency of the government, of the country under whose laws the entity is incorporated or organized or a political subdivision of that country, if, in either case, the Canadian financial institution or other entity has outstanding short term debt securities that have received a designated rating from any designated rating organization or its DRO affiliate;

“**cash settled derivative**” means a derivative, the terms of which provide for settlement only by means of cash or cash equivalent the amount of which is determinable by reference to the underlying interest of the derivative;

“**current AIF**” means:

- (a) if the issuer has filed an AIF for its most recently completed financial year, that AIF, or
- (b) the issuer’s AIF filed for the financial year immediately preceding its most recently completed financial year if:
  - (i) the issuer has not filed an AIF for its most recently completed financial year, and
  - (ii) the issuer is not yet required under the applicable CD rule to have filed its annual financial statements for its most recently completed financial year,

**“current annual financial statements”** means:

- (a) if the issuer has filed its comparative annual financial statements in accordance with the applicable CD rule for its most recently completed financial year, those financial statements together with the auditor’s report accompanying the financial statements and, if there has been a change of auditors since the comparative period, an auditor’s report on the financial statements for the comparative period, or
- (b) the issuer’s comparative annual financial statements filed for the financial year immediately preceding its most recently completed financial year, together with the auditor’s report accompanying the financial statements and, if there has been a change of auditors since the comparative period, an auditor’s report on the financial statements for the comparative period if:
  - (i) the issuer has not filed its comparative annual financial statements for its most recently completed financial year, and
  - (ii) the issuer is not yet required under the applicable CD rule to have filed its annual financial statements for its most recently completed financial year;

**“designated rating”** means the following:

- (a) for the purposes of paragraph 2.6(1)(c), a credit rating from a designated rating organization listed in this paragraph, from a DRO affiliate of an organization listed in this paragraph, from a designated rating organization that is a successor credit rating organization of an organization listed in this paragraph or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

<b>Designated Rating Organization</b>	<b>Long Term Debt</b>	<b>Short Term Debt</b>	<b>Preferred Shares</b>
DBRS Limited	BBB	R-2	Pfd-3
Fitch Ratings, Inc.	BBB	F3	BBB
Kroll Bond Rating Agency, Inc.	BBB	K3	BBB
Moody’s Canada Inc.	Baa	Prime-3	Baa
S&P Global Ratings Canada	BBB	A-3	P-3

(b) except as described in paragraph (a), a credit rating from a designated rating organization listed in this paragraph, from a DRO affiliate of an organization listed in this paragraph, from a designated rating organization that is a successor credit rating organization of an organization listed in this paragraph or from a DRO affiliate of such successor credit rating organization, that is at or above one of the following corresponding rating categories or that is at or above a category that replaces one of the following corresponding rating categories:

Designated Rating Organization	Long Term Debt	Short Term Debt	Preferred Shares
DBRS Limited	BBB	R-2	Pfd-3
Fitch Ratings, Inc.	BBB	F3	BBB
Moody's Canada Inc.	Baa	Prime-3	Baa
S&P Global Ratings Canada	BBB	A-3	P-3

**“designated rating organization”** means:

- (a) if designated under securities legislation, any of
  - (i) DBRS Limited, Fitch Ratings, Inc., Kroll Bond Rating Agency, Inc., Moody's Canada Inc. or S&P Global Ratings Canada,
  - (ii) a successor credit rating organization of a credit rating organization listed in subparagraph (i), or
- (b) any other credit rating organization designated under securities legislation;

**“DRO affiliate”** has the same meaning as in section 1 of National Instrument 25-101 *Designated Rating Organizations*;

**“material change report”** means, for a reporting issuer other than an investment fund, a completed Form 51-102F3 *Material Change Report* of NI 51-102, and for an investment fund, a completed Form 51-102F3 *Material Change Report* of NI 51-102 adjusted as directed by NI 81-106;

**“MD&A”** has the same meaning as in NI 51-102 in relation to a reporting issuer other than an investment fund, and in relation to an investment fund means an annual or interim management report of fund performance as defined in NI 81-106;

**“NI 13-101”** means National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

**“NI 41-101”** means National Instrument 41-101 *General Prospectus Requirements*;

**“permitted supranational agency”** means the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development, the African Development Bank and any person or company prescribed under paragraph (g) of the definition of “foreign property” in subsection 206(1) of the ITA;

**“reverse takeover acquiree”** has the same meaning as in section 1.1 of NI 51-102;

**“short form eligible exchange”** means each of the Toronto Stock Exchange, Tier 1 and Tier 2 of the TSX Venture Exchange, Aequis NEO Exchange Inc., and the Canadian Securities Exchange;

**“successor credit rating organization”** means, with respect to a credit rating organization, any credit rating organization that succeeded to or otherwise acquired all or substantially all of another credit rating organization’s business in Canada, whether through a restructuring transaction or otherwise, if that business was, at any time, owned by the first-mentioned credit rating organization

**“successor issuer”** means:

- (a) except for an issuer which, in the case where the restructuring transaction involved a divestiture of a portion of a reporting issuer’s business, succeeded to or otherwise acquired less than substantially all of the business divested, an issuer that meets any of the following requirements:
  - (i) it was a reverse takeover acquiree in a completed reverse takeover;
  - (ii) it was formed as a result of a completed restructuring transaction;
  - (iii) it participated in a restructuring transaction and its existence continued following the completion of the restructuring transaction; or
- (b) an issuer that issued securities to the securityholders of a second issuer that was a reporting issuer, in a reorganization that did not alter those securityholders’ proportionate interest in the second issuer or the second issuer’s proportionate interest in its assets;

**“underlying interest”** means, for a derivative, the security, commodity, financial instrument, currency, interest rate, foreign exchange rate, economic indicator, index, basket, agreement, benchmark or any other reference, interest or variable, and, if applicable, the relationship between any of the foregoing, from, to or on which the market price, value or any payment obligation of the derivative is derived, referenced or based;

**“U.S. credit supporter”** means a credit supporter that:

- (a) is incorporated or organized under the laws of the United States of America or any state or territory of the United States of America or the District of Columbia,
- (b) either:
  - (i) has a class of securities registered under section 12(b) or section 12(g) of the 1934 Act; or
  - (ii) is required to file reports under section 15(d) of the 1934 Act;
- (c) has filed with the SEC all 1934 Act filings for a period of 12 calendar months immediately before the filing of the preliminary short form prospectus;
- (d) is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America; and
- (e) is not a commodity pool issuer as defined in National Instrument 71-101 *The Multijurisdictional Disclosure System*;

- 1.1.1 Definitions in NI 41-101** - Every term that is defined or interpreted in NI 41-101, the definition or interpretation of which is not restricted to a specific portion of NI 41-101, has, if used in this Instrument, the meaning ascribed to it in NI 41-101, unless otherwise defined or interpreted in this Instrument.
- 1.2 References to Information Included in a Document** - References in this Instrument to information included in a document refer to both information contained directly in the document and information incorporated by reference in the document.
- 1.3 References to Information to be Included in a Document** - Provisions of this Instrument that require an issuer to include information in a document require an issuer either to insert the information directly in the document or to incorporate the information in the document by reference.
- 1.4 Interpretation of “short form prospectus”** - In this Instrument, other than in Parts 4 through 8 or unless otherwise stated, a reference to a short form prospectus includes a preliminary short form prospectus.
- 1.5 Repealed.** 4 Apr 2008 SR 17/2008 s7.

## **PART 2 QUALIFICATION TO FILE A PROSPECTUS IN THE FORM OF A SHORT FORM PROSPECTUS**

### **2.1 Short Form Prospectus**

- (1) An issuer shall not file a prospectus in the form of Form 44-101F1 of this Instrument unless the issuer is qualified under any of sections 2.2 through 2.6 to file a prospectus in the form of a short Form prospectus.
- (2) An issuer that is qualified under any of sections 2.2 through 2.6 to file a prospectus in the form of a short Form prospectus for a distribution may file, for that distribution:
- (a) a preliminary prospectus, prepared and certified in the form of Form 44-101F1; and
  - (b) a prospectus, prepared and certified in the form of Form 44-101F1.

### **2.2 Basic Qualification Criteria** - An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of any of its securities in the local jurisdiction, if the following criteria are satisfied:

- (a) the issuer is an electronic filer under NI 13-101;
- (b) the issuer is a reporting issuer in at least one jurisdiction of Canada;
- (c) the issuer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction:
  - (i) under applicable securities legislation;
  - (ii) pursuant to an order issued by the securities regulatory authority; or
  - (iii) pursuant to an undertaking to the securities regulatory authority;
- (d) the issuer has, in at least one jurisdiction in which it is a reporting issuer:
  - (i) current annual financial statements; and
  - (ii) a current AIF;



- (e) the issuer's equity securities are listed and posted for trading on a short form eligible exchange and the issuer is not an issuer:
  - (i) whose operations have ceased; or
  - (ii) whose principal asset is cash, cash equivalents, or its exchange listing.

### **2.3 Alternative Qualification Criteria for Issuers of Designated Rating Non-Convertible Securities**

- (1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of non-convertible securities in the local jurisdiction, if the following criteria are satisfied:
  - (a) the issuer is an electronic filer under NI 13-101;
  - (b) the issuer is a reporting issuer in at least one jurisdiction of Canada;
  - (c) the issuer has filed with the securities regulatory authority in each jurisdiction in which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction:
    - (i) under applicable securities legislation;
    - (ii) pursuant to an order issued by the securities regulatory authority; or
    - (iii) pursuant to an undertaking to the securities regulatory authority;
  - (d) the issuer has, in at least one jurisdiction in which it is a reporting issuer:
    - (i) current annual financial statements; and
    - (ii) a current AIF;
  - (e) the securities to be distributed:
    - (i) have received a designated rating on a provisional basis;
    - (ii) are not the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and
    - (iii) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate.
- (2) Paragraph (1)(e) does not apply to an issuer filing a short form prospectus that is a base shelf prospectus under NI 44-102.

**2.4 Alternative Qualification Criteria for Issuers of Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives**

(1) An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives in the local jurisdiction, if the following criteria are satisfied:

- (a) a credit supporter has provided full and unconditional credit support for the securities being distributed;
- (b) at least one of the following is true:
  - (i) the credit supporter satisfies the criteria in paragraphs 2.2(a), (b), (c) and (d) if the word “issuer” is replaced with “credit supporter” wherever it occurs;
  - (ii) the credit supporter is a U.S. credit supporter and the issuer is incorporated or organized under the laws of Canada or a jurisdiction of Canada;
- (c) unless the credit supporter satisfies the criteria in paragraph 2.2(e) if the word “issuer” is replaced with “credit supporter” wherever it occurs, at the time the preliminary short form prospectus is filed:
  - (i) the credit supporter has outstanding non-convertible securities that:
    - (A) have received a designated rating;
    - (B) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and
    - (C) have not received a rating lower than a designated rating from any designated rating organization or its DRO affiliate; and
  - (ii) the securities to be issued by the issuer:
    - (A) have received a designated rating on a provisional basis;
    - (B) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and
    - (C) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(2) Subparagraph (1)(c)(ii) does not apply to an issuer filing a short form prospectus that is a base shelf prospectus under NI 44-102.

**2.5 Alternative Qualification Criteria for Issuers of Guaranteed Convertible Debt Securities or Preferred Shares**

- An issuer is qualified to file a prospectus in the form of a short form prospectus for a distribution of convertible debt securities or convertible preferred shares in the local jurisdiction, if the following criteria are satisfied:

- (a) the debt securities or the preferred shares are convertible into securities of a credit supporter that has provided full and unconditional credit support for the securities being distributed;
- (b) the credit supporter satisfies the criteria in section 2.2 if the word “issuer” is replaced with “credit supporter” wherever it occurs.

**2.6 Alternative Qualification Criteria for Issuers of Asset-Backed Securities**

(1) An issuer established in connection with a distribution of asset-backed securities is qualified to file a prospectus in the form of a short form prospectus for a distribution of asset-backed securities in the local jurisdiction, if the following criteria are satisfied:

- (a) the issuer is an electronic filer under NI 13-101;
- (b) the issuer has, in at least one jurisdiction of Canada:
  - (i) current annual financial statements; and
  - (ii) a current AIF;
- (c) the asset-backed securities to be distributed:
  - (i) have received a designated rating on a provisional basis;
  - (ii) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and
  - (iii) have not received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(2) Paragraph (1)(c) does not apply to an issuer filing a short form prospectus that is a base shelf prospectus under NI 44-102.

**2.7 Exemptions for Reporting Issuers that Previously Filed a Prospectus and Successor Issuers**

- (1) Paragraphs 2.2(d), 2.3(1)(d) and 2.6(1)(b) do not apply to an issuer if:
  - (a) the issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the issuer has not yet been required under the applicable CD rule to file any annual financial statements; and

(b) unless the issuer is seeking qualification under section 2.6, the issuer has filed and obtained a receipt for a final prospectus that included the issuer's or each predecessor entity's comparative annual financial statements for its most recently completed financial year or the financial year immediately preceding its most recently completed financial year, together with the auditor's report accompanying those financial statements and, if there has been a change of auditors since the comparative period, an auditor's report on the financial statements for the comparative period.

(1.1) Subparagraphs 2.2(d)(ii), 2.3(1)(d)(ii) and 2.6(1)(b)(ii) do not apply to an issuer if:

(a) the issuer has filed annual financial statements as required under the applicable CD rule; and

(b) unless the issuer is seeking qualification under section 2.6, the issuer has filed and obtained a receipt for a final prospectus that included the issuer's or each predecessor entity's comparative annual financial statements for its most recently completed financial year or the financial year immediately preceding its most recently completed financial year, together with the auditor's report accompanying those financial statements and, if there has been a change of auditors since the comparative period, an auditor's report on the financial statements for the comparative period.

(2) Paragraphs 2.2(d), 2.3(1)(d) and 2.6(1)(b) do not apply to a successor issuer if:

(a) the successor issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the successor issuer has not yet, since the completion of the restructuring transaction or the reorganization described in paragraph (b) of the definition of "successor issuer", which resulted in the successor issuer, been required under the applicable CD rule to file annual financial statements; and

(b) an information circular relating to the restructuring transaction or the reorganization described in paragraph (b) of the definition of "successor issuer", in which the successor issuer participated or which resulted in the successor issuer was filed by the successor issuer or an issuer that was a party to the restructuring transaction or reorganization, and such information circular:

(i) complied with applicable securities legislation; and

(ii) in the case of a restructuring transaction, included disclosure in accordance with section 14.2 or 14.5 of Form 51-102F5 for the successor issuer.

(3) Paragraphs 2.2(d), 2.3(1)(d) and 2.6(1)(b) do not apply to an issuer if:

(a) the issuer is not exempt from the requirement in the applicable CD rule to file annual financial statements within a prescribed period after its financial year end, but the issuer has not yet, since the completion of a qualifying transaction or reverse takeover (as both terms are defined in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time) been required under the applicable CD rule to file annual financial statements; and

(b) a CPC filing statement as defined in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time, or other filing statement of the TSX Venture Exchange was filed by the issuer and:

- (i) in the case of a CPC filing statement, the statement:
  - (A) was filed in connection with a qualifying transaction; and
  - (B) complied with the TSX Venture Exchange Corporate Finance Manual, as amended from time to time, in respect of the qualifying transaction; or
- (ii) in the case of a TSX Venture Exchange filing statement, other than a CPC filing statement, the statement:
  - (A) was filed in connection with a reverse takeover; and
  - (B) complied with TSX Venture Exchange Corporate Finance Manual, as amended from time to time, in respect of the reverse takeover.

## **2.8 Notice of Intention and Transition**

(1) An issuer is not qualified to file a short form prospectus under this Part unless it has filed a notice declaring its intention to be qualified to file a short form prospectus at least 10 business days prior to the issuer filing its first preliminary short form prospectus after the notice:

- (a) with its notice regulator; and
- (b) in substantially the form of Appendix A.

(2) The notice under subsection (1) is effective until withdrawn.

(3) For the purposes of subsection (1), “notice regulator” means, as determined on the date the notice is filed, the securities regulatory authority or regulator of the jurisdiction of Canada:

- (a) in which the issuer’s head office is located, if the issuer is not an investment fund and the issuer is a reporting issuer in that jurisdiction;
- (b) in which the investment fund manager’s head office is located, if the issuer is an investment fund and the issuer is a reporting issuer in that jurisdiction; or
- (c) with which the issuer has determined that it has the most significant connection, if paragraphs (a) and (b) do not apply to the issuer.

(4) For the purposes of this section, if, on December 29, 2005, an issuer had a current AIF under National Instrument 44-101 Short Form Prospectus Distributions that was in force on December 29, 2005, the issuer is deemed to have filed a notice on December 14, 2005 declaring its intention to be qualified to file a short form prospectus.

(5) **Repealed.** 17 May 2013 SR 32/2013 s6.

- (6) The 10 business day period referred to in subsection (1) does not apply if:
- (a) an issuer is relying on section 2.4 or 2.5 and the following requirements are met:
    - (i) the issuer satisfies section 2.4 or 2.5, as applicable, at the time of filing its short form prospectus;
    - (ii) the issuer files its notice of intention before or concurrently with the filing of its preliminary short form prospectus; and
    - (iii) the issuer's credit supporter:
      - (A) previously filed a notice of intention under subsection (1) which has not been withdrawn; or
      - (B) is deemed to have filed a notice of intention under subsection (4); or
  - (b) an issuer is a successor issuer and the following requirements are met:
    - (i) the issuer satisfies:
      - (A) section 2.2, 2.3 or 2.6; and
      - (B) subsection 2.7(2);
    - (ii) the issuer files its notice of intention before or concurrently with the filing of its preliminary short form prospectus; and
    - (iii) the issuer has acquired substantially all of its business from a person or company that:
      - (A) previously filed a notice of intention under subsection (1) which has not been withdrawn; or
      - (B) is deemed to have filed a notice of intention under subsection (4).

### **PART 3 DEEMED INCORPORATION BY REFERENCE**

- 3.1 Deemed Incorporation by Reference of Filed Documents** - If an issuer does not incorporate by reference in its short form prospectus a document required to be incorporated by reference under section 11.1 or 12.1 of Form 44-101F1, the document is deemed for purposes of securities legislation to be incorporated by reference in the issuer's short form prospectus as of the date of the short form prospectus to the extent not otherwise modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in the short form prospectus.
- 3.2 Deemed Incorporation by Reference of Subsequently Filed Documents** - If an issuer does not incorporate by reference in its short form prospectus a subsequently filed document required to be incorporated by reference under section 11.2 or 12.1 of Form 44-101F1, the document is deemed for purposes of securities legislation to be incorporated by reference in the issuer's short form prospectus as of the date the issuer filed the document to the extent not otherwise modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in the short form prospectus.

**3.3 Incorporation by Reference** - A document deemed by this Instrument to be incorporated by reference in another document is deemed for purposes of securities legislation to be incorporated by reference in the other document.

#### **PART 4 FILING REQUIREMENTS FOR A SHORT FORM PROSPECTUS**

##### **4.1 Required Documents for Filing a Preliminary Short Form Prospectus -**

- (1) An issuer that files a preliminary short form prospectus shall:
  - (a) file the following with the preliminary short form prospectus:
    - (i) **Signed Copy** - a signed copy of the preliminary short form prospectus;
    - (ii) **Qualification Certificate** - a certificate, dated as of the date of the preliminary short form prospectus, executed on behalf of the issuer by one of its executive officers:
      - (A) specifying which of the qualification criteria set out in Part 2 the issuer is relying on in order to be qualified to file a prospectus in the form of a short form prospectus; and
      - (B) certifying that:
        - (I) all of those qualification criteria have been satisfied; and
        - (II) all of the material incorporated by reference in the preliminary short form prospectus and not previously filed is being filed with the preliminary short form prospectus;
    - (iii) **Material Incorporated by Reference** - copies of all material incorporated by reference in the preliminary short form prospectus and not previously filed;
    - (iv) **Documents Affecting the Rights of Securityholders** - a copy of any document required to be filed under subsection 12.1(1) of NI 51-102 or section 16.4 of NI 81-106, as applicable, that relates to the securities being distributed, and that has not previously been filed;
    - (iv.1) **Material Contracts** - a copy of any material contract required to be filed under section 12.2 of NI 51-102 or section 16.4 of NI 81-106 that has not previously been filed;
    - (v) **Mining Reports** - if the issuer has a mineral project, the technical reports required to be filed with a preliminary short form prospectus under NI 43-101;
    - (vi) **Reports and Valuations** - a copy of each report or valuation referred to in the preliminary short form prospectus for which a consent is required to be filed under section 10.1 of NI 41-101 and that has not previously been filed, other than a technical report that:
      - (A) deals with a mineral project or oil and gas activities; and
      - (B) is not otherwise required to be filed under paragraph (v);
    - (vii) **Marketing Materials** - a copy of any template version of the marketing materials required to be filed under paragraph 7.6(1)(e) of this Instrument or paragraph 13.7(1)(e) of NI 41-101 that has not previously been filed; and



(b) deliver to the regulator, concurrently with the filing of the preliminary short form prospectus, the following:

(i) **Personal Information Form and Authorization to Collect, Use and Disclose Personal Information** – a completed personal information form for:

- (A) each director and executive officer of an issuer;
- (B) if the issuer is an investment fund, each director and executive officer of the manager of the issuer;
- (C) each promoter of the issuer; and
- (D) if the promoter is not an individual, each director and executive officer of the promoter;

(ii) **Auditor's Comfort Letter Regarding Audited Financial Statements** - if a financial statement of an issuer or a business included in, or incorporated by reference into, a preliminary short form prospectus is accompanied by an unsigned auditor's report, a signed letter addressed to the regulator from the auditor of the issuer or of the business, as applicable, prepared in accordance with the form suggested for this circumstance in the Handbook;

(iii) **Marketing Materials** - a copy of any template version of the marketing materials required to be delivered under paragraph 7.6(4)(c) or 7.8(2)(c) of this Instrument or paragraph 13.7(4)(c) or 13.12(2)(c) of NI 41-101 that has not previously been delivered; and

(2) Despite subparagraph (1)(b)(i), an issuer is not required to deliver to the regulator a personal information form for an individual if the issuer, another issuer or, if the issuer is an investment fund, the manager of the investment fund issuer or another investment fund issuer previously delivered a personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the personal information form was executed by the individual within three years preceding the date of filing of the preliminary short form prospectus;
- (b) the responses given by the individual to questions 6 through 10 of the individual's personal information form are correct as at a date that is within 30 days of the filing of the preliminary short form prospectus;
- (c) if the personal information form was previously delivered to the regulator by another issuer, the issuer delivers to the regulator, concurrently with the filing of the preliminary short form prospectus, a copy of the previously delivered personal information form, or alternative information that is satisfactory to the regulator.

(3) Until May 14, 2016, subparagraph (1)(b)(i) does not apply to an issuer in respect of the delivery of a personal information form for an individual if the issuer or, if the issuer is an investment fund, the manager of the investment fund issuer, previously delivered to the regulator a predecessor personal information form for the individual and all of the following are satisfied:

- (a) the certificate and consent included in or attached to the predecessor personal information form was executed by the individual within three years preceding the date of filing of the preliminary short form prospectus;

(b) the responses given by the individual to questions 4(B) and (C) and questions 6 through 9 or, in the case of a TSX/TSXV personal information form in effect after September 8, 2011, questions 6 through 10, of the individual's predecessor personal information form are correct as at a date that is within 30 days of the filing of the preliminary short form prospectus.

**4.2 Required Documents for Filing a Short Form Prospectus** - An issuer that files a short form prospectus shall:

- (a) file the following with the short form prospectus:
  - (i) **Signed Copy** – a signed copy of the short form prospectus;
  - (ii) **Material Incorporated by Reference** – copies of all material incorporated by reference in the short form prospectus and not previously filed;
  - (iii) **Documents Affecting the Rights of Securityholders** – a copy of any document described under subparagraph 4.1(a)(iv) that has not previously been filed;
    - (iii.1) **Material Contracts** – a copy of any material contract described under subparagraph 4.1(a)(iv.1) that has not previously been filed;
  - (iv) **Other Reports and Valuations** – a copy of any report or valuation referred to in the short form prospectus, for which a consent is required to be filed under section 10.1 of NI 41-101 and that has not previously been filed, other than a technical report that:
    - (A) deals with a mineral project or oil and gas activities of the issuer; and
    - (B) is not otherwise required to be filed under subparagraph 4.1(a)(v) or (vi);
  - (v) **Issuer's Submission to Jurisdiction** – a submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix B of NI 41-101, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Canada;
  - (vi) **Non-Issuer's Submission to Jurisdiction** – a submission to jurisdiction and appointment of agent for service of process of:
    - (A) each selling securityholder;
    - (A.1) each director of the issuer; and
    - (B) any other person or company that provides or signs a certificate under Part 5 of NI 41-101 or other securities legislation, other than an issuer;

in the form set out in Appendix C of NI 41-101, if the person or company is incorporated or organized under a foreign jurisdiction and does not have an office in Canada or is an individual who resides outside of Canada;
  - (vii) **Expert's Consents** – the consents required to be filed under section 10.1 of NI 41-101;

(viii) **Credit Supporter's Consent** – the written consent of the credit supporter to the inclusion of its financial statements in the short form prospectus, if financial statements of a credit supporter are required under section 12.1 of Form 44-101F1 to be included in a short form prospectus and a certificate of the credit supporter is not required under section 5.12 of NI 41-101 to be included in the short form prospectus;

(ix) **Undertaking in Respect of Credit Supporter Disclosure** – an undertaking of the issuer to file the periodic and timely disclosure of a credit supporter similar to the disclosure provided under section 12.1 of Form 44-101F1, for so long as the securities being distributed are issued and outstanding;

(x) **Undertaking to File Agreements, Contracts and Material Contracts** – if an agreement or contract referred to in subparagraph (iii) or a material contract under subparagraph (iii.1) has not been executed before the filing of the final short form prospectus but will be executed on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final short form prospectus, an undertaking of the issuer to the securities regulatory authority to file the agreement, contract or material contract promptly and in any event no later than seven days after the execution of the agreement, contract or material contract;

(x.1) **Undertaking to File Unexecuted Documents** - if a document referred to in subparagraph (iii) does not need to be executed in order to become effective and has not become effective before the filing of the final short form prospectus, but will become effective on or before the completion of the distribution, the issuer must file with the securities regulatory authority, no later than the time of filing of the final short form prospectus, an undertaking of the issuer to the securities regulatory authority to file the document promptly and in any event no later than seven days after the document becomes effective;

(xi) **Undertaking in Respect of Restricted Securities** – for distributions of non-voting securities an undertaking of the issuer to give notice to holders of non-voting securities of a meeting of securityholders if a notice of such meeting is given to its registered holders of voting securities; and

(xii) **Marketing Materials** - a copy of any template version of the marketing materials required to be filed under paragraph 7.6(1)(e) or 7.6(7)(a) of this Instrument or paragraph 13.7(1)(e), 13.7(7)(a) or 13.8(1)(e) of NI 41-101 that has not previously been filed;

(b) deliver to the regulator, no later than the filing of the short form prospectus:

(i) a copy of the short form prospectus, blacklined to show changes from the preliminary short form prospectus;

(ii) if the issuer has made an application to list the securities being distributed on an exchange in Canada, a copy of a communication in writing from the exchange stating that the application for listing has been made and has been accepted subject to the issuer meeting the requirements for listing of the exchange;

- (iii) a copy of any template version of the marketing materials required to be delivered under paragraph 7.6(4)(c) or 7.8(2)(c) of this Instrument or paragraph 13.7(4)(c) or 13.12(2)(c) of NI 41-101 that has not previously been delivered;
- (iv) the evidence of financial ability required to be delivered under section 8A.4 of NI 41-101 if it has not previously been delivered, and
- (v) the evidence of fair value required to be delivered under subsection 8A.2(2) of NI 41-101 if it has not previously been delivered.

#### 4.2.1 Alternative Consent

- (1) Notwithstanding subparagraph 4.2(a)(vii), if the expert whose consent is required is a “qualified person” as defined in NI 43-101, the issuer is not required to file the consent of the qualified person if:
  - (a) the qualified person’s consent is required in connection with a technical report that was not required to be filed with the preliminary short form prospectus;
  - (b) the qualified person was employed by a person or company at the date of signing the technical report;
  - (c) the principal business of the person or company is providing engineering or geoscientific services; and
  - (d) the issuer files the consent of the person or company.
- (2) A consent filed under subsection (1) must be signed by an individual who is an authorized signatory of the person or company and who falls within paragraphs (a), (b), (d) and (e) of the definition of “qualified person” in NI 43-101.

#### 4.3 Review of Unaudited Financial Statements

- (1) Subject to subsection (2), any unaudited financial statements, other than *pro forma* financial statements, included in, or incorporated by reference into, a short form prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by the person or company’s auditor or a public accountant’s review of financial statements.
- (2) If NI 52-107 permits the financial statements of the person or company in subsection (1) to be audited in accordance with:
  - (a) (a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants;
  - (a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the Public Company Accounting Oversight Board (United States of America);

- (b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements:
  - (i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction; or
  - (ii) do not have to be reviewed if:
    - (A) the designated foreign jurisdiction does not have review standards for unaudited financial statements; and
    - (B) the short form prospectus includes disclosure that the unaudited financial statements have not been reviewed.

**4.4 Repealed.** 4 Apr 2008 SR 17/2008 s7.

**4.5 Repealed.** 4 Apr 2008 SR 17/2008 s7.

**PART 5 Repealed.** 4 Apr 2008 SR 17/2008 s7.

**PART 6 Repealed.** 4 Apr 2008 SR 17/2008 s7.

## **PART 7 SOLICITATIONS OF EXPRESSIONS OF INTEREST**

### **7.1 Definitions and Interpretations**

- (1) In this Part:

**“bought deal agreement”** means a written agreement:

- (a) under which one or more underwriters has agreed to purchase all securities of an issuer that are to be offered in a distribution under a short form prospectus on a firm commitment basis, other than securities issuable on the exercise of an over-allotment option;
- (b) that does not have a market-out clause;
- (c) that, other than an over-allotment option, does not provide an option for any party to increase the number of securities to be purchased; and
- (d) that, other than what is agreed to under a confirmation clause that complies with section 7.4, is not conditional on one or more additional underwriters agreeing to purchase any of the securities offered;

**“comparables”** means information that compares an issuer to other issuers;

**“confirmation clause”** means a provision in a bought deal agreement that provides that the agreement is conditional on the lead underwriter confirming that one or more additional underwriters has agreed to purchase certain of the securities offered;

**“market-out clause”** means a provision in an agreement which permits an underwriter to terminate its commitment, or underwriters to terminate their commitment, to purchase securities in the event that the securities cannot be marketed profitably due to market conditions;

**“U.S. cross-border offering”** means an offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC;

**“U.S. prospectus”** means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act.

(2) In this Part, for greater certainty, a reference to “provides” includes showing a document to a person without allowing the person to retain or make a copy of the document.

**7.2 Solicitations of Expressions of Interest** - Subject to subsection 7.4(2), the prospectus requirement does not apply to a solicitation of an expression of interest made before the issuance of a receipt for a preliminary short form prospectus for securities to be qualified for distribution under a short form prospectus pursuant to this Instrument or for securities to be issued or transferred pursuant to an over-allotment option that are qualified for distribution under a short form prospectus pursuant to this Instrument, if:

- (a) before the solicitation:
  - (i) the issuer has entered into a bought deal agreement;
  - (ii) the bought deal agreement has fixed the terms of the distribution, including, for greater certainty, the number and type of securities and the price per security, and requires that the issuer file a preliminary short form prospectus for the securities not more than four business days after the date that the bought deal agreement was entered into; and
  - (iii) immediately upon entering into the bought deal agreement, the issuer issued and filed a news release announcing the agreement;
- (b) the issuer files a preliminary short form prospectus for the securities pursuant to this Instrument within four business days after the date that the bought deal agreement was entered into;
- (c) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person or company that, in response to the solicitation, expressed an interest in acquiring the securities; and
- (d) except for a bought deal agreement under paragraph (a) or a more extended form of underwriting agreement referred to in subsection 7.3(6), no agreement of purchase and sale for the securities is entered into until the short form prospectus has been filed and a receipt has been issued.

### **7.3 Amendment or Termination of Bought Deal Agreement**

(1) Except as provided in subsections (2) to (7), a party to a bought deal agreement referred to in paragraph 7.2(a) must not agree to modify the terms of a distribution provided for under a bought deal agreement.



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(2) The parties to a bought deal agreement referred to in paragraph 7.2(a) may increase the number of securities to be purchased by an underwriter or underwriters, if:

- (a) the number of additional securities to be purchased does not exceed 100% of the total of the base offering contemplated by the original agreement plus any securities that would be acquired upon the exercise of an over-allotment option;
- (b) the type of securities to be purchased, and the price per security, is the same as under the original agreement;
- (c) the issuer files a preliminary short form prospectus for the increased number of securities in accordance with this Instrument within four business days after the date that the original agreement was entered into;
- (d) immediately upon agreeing to change the number of securities to be purchased, the issuer issued and filed a news release announcing the amendment;
- (e) no previous amendment has been made to the original agreement to increase the number of securities to be purchased; and
- (f) the amended agreement is a bought deal agreement and the conditions in section 7.2 are complied with.

(3) The parties to a bought deal agreement referred to in paragraph 7.2(a) may reduce the number of securities to be purchased, or the price of the securities, if the amendment is made on or after the date which is four business days after the date the original agreement was entered into.

(4) The parties to a bought deal agreement referred to in paragraph 7.2(a) may provide for a different type of securities to be purchased by the underwriter or underwriters, and a different price for the securities, if:

- (a) in the case where a different type of securities is to be substituted in whole or in part for the securities that were the subject of the original agreement, or offered in addition to the securities that were the subject of the original agreement, the aggregate dollar amount of the securities to be purchased by the underwriter or underwriters on a firm commitment basis under the amended agreement is the same as the aggregate dollar amount of the securities that were to be purchased by the underwriter or underwriters on a firm commitment basis under the original agreement or under an agreement amended in accordance with subsection (2);
- (b) before a solicitation of an expression of interest in the different type of securities and immediately upon entering into the amendment to the original agreement, the issuer issued and filed a news release announcing the amendment;
- (c) the issuer files a preliminary short form prospectus for the different type of securities pursuant to this Instrument within four business days after the date that the original agreement was entered into;
- (d) no previous amendment has been made to the original agreement to provide for a different type of securities to be purchased; and
- (e) the amended agreement is a bought deal agreement and the conditions in section 7.2 are complied with.



(5) The parties to a bought deal agreement referred to in paragraph 7.2(a) may add or remove an underwriter or adjust the number of securities to be purchased by each underwriter on a proportionate basis, if:

(a) the aggregate dollar amount of the securities to be purchased by the underwriter or underwriters on a firm commitment basis under the amended agreement is the same as the aggregate dollar amount of the securities that were to be purchased by the underwriter or underwriters on a firm commitment basis under the original agreement or under an agreement amended in accordance with subsection (2); and

(b) the amended agreement is a bought deal agreement and the conditions in section 7.2 are complied with.

(6) The parties to a bought deal agreement referred to in paragraph 7.2(a) may replace the bought deal agreement with a more extended form of underwriting agreement that includes, without limitation, termination rights, if the more extended form of underwriting agreement complies with the terms and conditions that apply to a bought deal agreement under this Part.

(7) The parties to a bought deal agreement referred to in paragraph 7.2(a) may agree to terminate the agreement if the parties decide not to proceed with the distribution.

#### **7.4 Confirmation Clause**

(1) A bought deal agreement referred to in paragraph 7.2(a) must not contain a confirmation clause unless:

(a) under the bought deal agreement, the lead underwriter must provide the issuer with a copy of the agreement that has been signed by the lead underwriter;

(b) the issuer signs the bought deal agreement on the same day that the lead underwriter provides the agreement in accordance with paragraph (a);

(c) the lead underwriter has discussions with other investment dealers regarding their participation in the distribution as additional underwriters; and

(d) on the business day after the day that the lead underwriter provides the agreement in accordance with paragraph (a), the lead underwriter provides notice in writing to the issuer that:

(i) the lead underwriter has confirmed the terms of the bought deal agreement, or

(ii) the lead underwriter will not be confirming the terms of the bought deal agreement and the agreement has been terminated.

(2) Where an issuer has entered into a bought deal agreement that has been confirmed in accordance with subsection (1), the prospectus requirement does not apply to a solicitation of an expression of interest made before the issuance of a receipt for a preliminary short form prospectus for securities to be qualified for distribution under a short form prospectus pursuant to this Instrument, or for securities to be issued or transferred pursuant to an over-allotment option that are qualified for distribution under a short form prospectus pursuant to this Instrument, if:

- (a) before the solicitation:
  - (i) the bought deal agreement has fixed the terms of the distribution, including, for greater certainty, the number and type of securities and the price per security, and requires that the issuer file a preliminary short form prospectus for the securities not more than four business days after the date that the lead underwriter provides the notice in accordance with subparagraph (1)(d)(i); and
  - (ii) immediately after the lead underwriter provides the notice in accordance with subparagraph (1)(d)(i), the issuer issues the news release referred to in subparagraph 7.2(a)(iii);
- (b) the issuer files a preliminary short form prospectus for the securities pursuant to this Instrument within four business days after the date that the lead underwriter provides the notice in accordance with subparagraph (1)(d)(i);
- (c) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person or company that, in response to the solicitation, expressed an interest in acquiring the securities; and
- (d) except for a bought deal agreement under paragraph 7.2(a), no agreement of purchase and sale for the securities is entered into until the short form prospectus has been filed and a receipt has been issued.

**7.5 Standard Term Sheets after Announcement of Bought Deal but before a Receipt for a Preliminary Short Form Prospectus**

(1) An investment dealer that provides a standard term sheet to a potential investor before the issuance of a receipt for a preliminary short form prospectus is exempt from the prospectus requirement with respect to providing the standard term sheet if:

- (a) the standard term sheet complies with subsections (2) and (3);
- (b) the issuer is relying on the exemption in section 7.2 and has complied with paragraph 7.2(a);

- (c) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering:
  - (i) is disclosed in, or derived from:
    - (A) the news release described in subparagraph 7.2(a)(iii); or
    - (B) a document referred to in subsection 11.1(1) of Form 44-101F1 that the issuer has filed; or
  - (ii) will be disclosed in, or derived from, the preliminary short form prospectus that is subsequently filed; and
  - (d) the preliminary short form prospectus will be filed in the local jurisdiction.
- (2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

Copies of the preliminary short form prospectus may be obtained from [*insert contact information for the investment dealer or underwriters*]. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the information referred to in subsection 13.5(3) of NI 41-101.

## **7.6 Marketing Materials after Announcement of Bought Deal but before a Receipt for a Preliminary Short Form Prospectus**

- (1) An investment dealer that provides marketing materials to a potential investor before the issuance of a receipt for a preliminary short form prospectus is exempt from the prospectus requirement with respect to providing the marketing materials if:
  - (a) the marketing materials comply with subsections (2) to (8);
  - (b) the issuer is relying on the exemption in section 7.2 and has complied with paragraph 7.2(a);

- (c) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering:
    - (i) is disclosed in, or derived from:
      - (A) the news release described in subparagraph 7.2(a)(iii); or
      - (B) a document referred to in subsection 11.1(1) of Form 44-101F1 that the issuer has filed; or
    - (ii) will be disclosed in, or derived from, the preliminary short form prospectus that is subsequently filed;
  - (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
  - (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
  - (f) the preliminary short form prospectus will be filed in the local jurisdiction; and
  - (g) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person or company that received the marketing materials and expressed an interest in acquiring the securities.
- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that:
- (a) has a date that is different than the template version;
  - (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
  - (c) contains contact information for the investment dealer or underwriters; or
  - (d) has text in a format, including the type's font, colour or size, that is different than the template version.
- (3) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.
- (4) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or (7)(a) if:
- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;

- (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
  - (c) if the preliminary short form prospectus is subsequently filed in the local jurisdiction, a complete template version of the marketing materials is delivered to the securities regulatory authority; and
  - (d) the complete template version of the marketing materials contains the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.
- (5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:
- A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this document and expressed an interest in acquiring the securities.
- There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.
- This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.
- (6) If marketing materials are provided before the issuance of a receipt for a preliminary short form prospectus under subsection (1), the issuer must include the template version of the marketing materials filed under paragraph (1)(e) in its final short form prospectus or incorporate by reference the template version of the marketing materials filed under paragraph (1)(e) into its final short form prospectus in the manner described in subsection 11.6(1) of Form 44-101F1.
- (7) If the final short form prospectus or any amendment modifies a statement of a material fact that appeared in marketing materials provided before the issuance of a receipt for the preliminary short form prospectus under subsection (1), the issuer must:
- (a) prepare and file, at the time the issuer files the final short form prospectus or any amendment, a revised template version of the marketing materials that is blacklined to show the modified statement; and
  - (b) include in the final short form prospectus, or any amendment, the disclosure required by subsection 11.6(3) of Form 44-101F1.
- (8) A revised template version of the marketing materials filed under subsection (7) must comply with section 13.8 of NI 41-101.

(9) If marketing materials are provided before the issuance of a receipt for a preliminary short form prospectus under subsection (1) but the issuer does not comply with subsection (6), the marketing materials are deemed for purposes of securities legislation to be incorporated into the issuer's final short form prospectus as of the date of the final short form prospectus to the extent not otherwise expressly modified or superseded by a statement contained in the final short form prospectus.

**7.7 Road Shows after Announcement of Bought Deal but before a Receipt for a Preliminary Short Form Prospectus**

(1) An investment dealer that conducts a road show for potential investors before the issuance of a receipt for a preliminary short form prospectus is exempt from the prospectus requirement with respect to the road show if:

- (a) the road show complies with subsections (2) to (4);
- (b) the issuer is relying on the exemption in section 7.2 and has complied with paragraph 7.2(a); and
- (c) the preliminary short form prospectus will be filed in the local jurisdiction.

(2) Subject to section 7.8, an investment dealer must not provide marketing materials to an investor attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 7.6.

(3) If an investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to:

- (a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;
- (b) keep a record of any information provided by the investor; and
- (c) upon issuance of a receipt for the preliminary prospectus, provide the investor with a copy of the preliminary prospectus and any amendment.

(4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

**7.8 Exception from Filing and Incorporation Requirements for Road Shows for Certain U.S. Cross-border Offerings**

(1) Subject to subsections (2) to (4), if an investment dealer provides marketing materials to a potential investor in connection with a road show for a U.S. cross-border offering, the following provisions do not apply to the template version of the marketing materials relating to the road show:

- (a) paragraph 7.6(1)(e);

- (b) subsections 7.6(6) to (9);
  - (c) paragraphs 11.6(1)(b) and (c), paragraph 11.6(3)(b) and subsection 11.6(4) of Form 44-101F1.
- (2) Subsection (1) does not apply unless:
- (a) the underwriters have a reasonable expectation that the securities offered under the U.S. cross-border offering will be sold primarily in the United States of America;
  - (b) the issuer and the underwriters who sign the final short form prospectus filed in the local jurisdiction provide a contractual right containing the language set out in subsection 36A.1(5) of Form 41-101F1, or words to the same effect, except that the language may specify that the contractual right does not apply to any comparables provided in accordance with subsection (3); and
  - (c) if the prospectus is filed in the local jurisdiction, the template version of the marketing materials relating to the road show is delivered to the securities regulatory authority.
- (3) If the template version of the marketing materials relating to the road show contains comparables, the template version of the marketing materials must contain the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.
- (4) For greater certainty, subsection (1) does not apply to marketing materials other than the marketing materials provided in connection with the road show.

## **PART 8 EXEMPTION**

### **8.1 Exemption**

- (1) The regulator or the securities regulatory authority may grant an exemption from the provisions of this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.
- (3) An application made to the securities regulatory authority or regulator for an exemption from the provisions of this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.
- (4) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

### **8.2 Evidence of Exemption**

- (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption, in whole or in part, from Part 2, may be evidenced by the issuance of a receipt for a short form prospectus or an amendment to a short form prospectus.



- (2) The issuance of a receipt for a final short form prospectus or an amendment to a final short form prospectus is not evidence that the exemption has been granted unless:
- (a) the person or company that sought the exemption sent to the regulator:
    - (i) the letter or memorandum referred to in subsection 8.1(3), on or before the date of the filing of the preliminary short form prospectus; or
    - (ii) the letter or memorandum referred to in subsection 8.1(3) after the date of the filing of the preliminary short form prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and
  - (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

## **PART 9 TRANSITION, REPEAL AND EFFECTIVE DATE**

- 9.1 Applicable Rules** - A short form prospectus may, at the issuer's option be prepared in accordance with securities legislation in effect at either the date of issuance of a receipt for the preliminary short form prospectus or the date of issuance of a receipt for the short form prospectus.
- 9.2 Repeal** - National Instrument 44-101 *Short Form Prospectus Distributions* and Form 44-101F3 *Short Form Prospectus* are repealed.
- 9.3 Effective Date** - This Instrument comes into force on December 30, 2005.

## **NATIONAL INSTRUMENT 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS**

### **APPENDIX A NOTICE DECLARING INTENTION TO BE QUALIFIED UNDER NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS* ("NI 44-101")**

[date]

To: [the issuer's notice regulator (as defined in subsection 2.8(2) of NI 44-101), and any other securities regulatory authority or regulator of a jurisdiction of Canada with whom the issuer may voluntarily file this notice]

[name of issuer] (the "Issuer") intends to be qualified to file a short form prospectus under NI 44-101. The Issuer acknowledges that it must satisfy all applicable qualification criteria prior to filing a preliminary short form prospectus. This notice does not evidence the Issuer's intent to file a short form prospectus, to enter into any particular financing or transaction or to become a reporting issuer in any jurisdiction. This notice will remain in effect until withdrawn by the Issuer.

[signature of Issuer]

[name and title of duly authorized signing officer of Issuer]

**APPENDIX B****Repealed.** 4 Apr 2008 SR 17/2008 s7.**APPENDIX C****Repealed.** 4 Apr 2008 SR 17/2008 s7.**APPENDIX D****Repealed.** 4 Apr 2008 SR 17/2008 s7.**NATIONAL INSTRUMENT 44-101  
SHORT FORM PROSPECTUS DISTRIBUTIONS****FORM 44-101F1  
SHORT FORM PROSPECTUS****INSTRUCTIONS**

*(1) The objective of the short form prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under securities legislation to provide full, true and plain disclosure of all material facts relating to the securities to be distributed. Certain rules of specific application impose prospectus disclosure obligations in addition to those described in this Form.*

*(2) Terms used and not defined in this Form that are defined or interpreted in the Instrument or NI 41-101 bear that definition or interpretation. Other definitions are set out in NI 14-101.*

*(3) In determining the degree of detail required, a standard of materiality must be applied. Materiality is a matter of judgement in the particular circumstance, and is determined in relation to an item's significance to investors, analysts and other users of information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items must be considered individually rather than on a net basis, if the items have an offsetting effect.*

*(4) Unless an item specifically requires disclosure only in the preliminary short form prospectus, the disclosure requirements set out in this Form apply to both the preliminary short form prospectus and the short form prospectus. Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the preliminary short form prospectus, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.*

(5) *Any information required in a short form prospectus may be incorporated by reference in the short form prospectus, other than confidential material change reports. Clearly identify in a short form prospectus any document incorporated by reference. If an excerpt of a document is incorporated by reference, clearly identify the excerpt in the short form prospectus by caption and paragraph of the document. Any material incorporated by reference in a short form prospectus is required under sections 4.1 and 4.2 of the Instrument to be filed with the short form prospectus unless it has been previously filed.*

(6) *The disclosure must be understandable to readers and presented in an easy-to-read format. The presentation of information should comply with the plain language principles listed in section 4.2 of Companion Policy 44-101CP Short Form Prospectus Distributions. If technical terms are required, clear and concise explanations should be included.*

(7) *No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.*

(8) *Where the term “issuer” is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to persons or companies that the issuer is required, under the issuer’s GAAP, to consolidate, proportionately consolidate or account for using the equity method (for example, including “subsidiaries” as that term is used in Canadian GAAP applicable to publicly accountable enterprises). If it is more likely than not that a person or company will become an entity that the issuer will be required, under the issuer’s GAAP, to consolidate, proportionately consolidate or account for using the equity method, it may be necessary to also include disclosure with respect to the person or company.*

(9) *An issuer that is a special purpose entity may have to modify the disclosure items to reflect the special purpose nature of its business.*

(10) *If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.*

(11) *If the term “class” is used in any item to describe securities, the term includes a series of a class.*

(12) *Disclosure in a preliminary short form prospectus or short form prospectus must be consistent with NI 51-101 if the issuer is engaged in oil and gas activities (as defined in NI 51-101).*

(13) *Forward-looking information included in a short form prospectus must comply with section 4A.2 of NI 51-102 and must include the disclosure described in section 4A.3 of NI 51-102. In addition to the foregoing, FOFI or a financial outlook, each as defined in NI 51-102, included in a short form prospectus must comply with Part 4B of NI 51-102. If the forward-looking information relates to an issuer or other entity that is not a reporting issuer, section 4A.2, section 4A.3 and Part 4B of NI 51-102 apply as if the issuer or other entity were a reporting issuer.*

(14) *If an issuer discloses financial information in a short form prospectus in a currency other than the Canadian dollar, prominently display the presentation currency.*

(15) *Except as otherwise required or permitted, include information in a narrative form. The issuer may include graphs, photographs, maps, artwork or other forms of illustration, if relevant to the business of the issuer or the distribution and not misleading. Include descriptive headings. Except for information that appears in a summary, information required under more than one Item need not be repeated.*

(16) *Certain requirements in this Form make reference to requirements in another instrument or form. Unless this Form states otherwise, issuers must also follow the instructions or requirements in the other instrument or form.*

(17) *Wherever this Form uses the word “subsidiary”, the term includes companies and other types of business organizations such as partnerships, trusts, and other unincorporated business entities.*

(18) *Issuers must supplement any disclosure incorporated by reference into a short form prospectus if that supplemented disclosure is necessary to ensure that the short form prospectus provides full, true and plain disclosure of all material facts related to the securities to be distributed as required under Item 18 of this Form.*

#### **Item 1 Cover Page Disclosure**

##### **1.1 Required Language** - State in italics at the top of the cover page the following:

*“No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.”*

##### **1.2 Preliminary Short Form Prospectus Disclosure** - Every preliminary short form prospectus shall have printed in red ink and italics on the top of the cover page the following, with the bracketed information completed:

*“A copy of this preliminary short form prospectus has been filed with the securities regulatory authority[ies] in [each of/certain of the provinces/provinces and territories of Canada] but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authority[ies].”*

#### **INSTRUCTION**

*Issuers shall complete the bracketed information by:*

- (a) *inserting the names of each jurisdiction in which the issuer intends to offer securities under the short form prospectus;*
- (b) *stating that the filing has been made in each of the provinces of Canada or each of the provinces and territories of Canada; or*
- (c) *identifying the filing jurisdictions by exception (i.e., every province of Canada or every province and territory of Canada, except [excluded jurisdiction]).*

- 1.3 Disclosure Concerning Documents Incorporated by Reference** - State the following in italics on the cover page, with the first sentence in boldface type and the bracketed information completed:

***“Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the issuer at [insert complete address and telephone number], and are also available electronically at [www.sedar.com](http://www.sedar.com).”***

- 1.4 Basic Disclosure about the Distribution** - State the following, immediately below the disclosure required under sections 1.1, 1.2 and 1.3, with the bracketed information completed:

[PRELIMINARY] SHORT FORM PROSPECTUS

[INITIAL PUBLIC OFFERING OR NEW ISSUE  
AND/OR SECONDARY OFFERING]

(Date)

[Name of Issuer]

[number and type of securities qualified for distribution under the short form prospectus, including any options or warrants, and the price per security]

- 1.5 Name and Address of Issuer** - State the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business and the address(es) of the issuer's head and registered office.

**1.6 Distribution**

- (1) If the securities are being distributed for cash, provide the information called for below, in substantially the following tabular form or in a note to the table:

	<b>Price to public (a)</b>	<b>Underwriting discounts or commissions (b)</b>	<b>Proceeds to issuer or selling security holders (c)</b>
Per security			
Total			

- (2) Describe the terms of any over-allotment option or any option to increase the size of the distribution before closing.

- (2.1) If there may be an over-allocation position provide the following disclosure:

A purchaser who acquires [insert type of securities qualified for distribution under the prospectus] forming part of the underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or secondary market purchases.

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(ADOPTION OF NATIONAL INSTRUMENTS)

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(3) If the distribution of the securities is to be on a best efforts basis and a minimum offering amount:

(a) is required for the issuer to achieve one or more of the purposes of the offering, provide totals for both the minimum and maximum offering amount; or

(b) is not required for the issuer to achieve any of the purposes of the offering, state the following in boldface type:

**“There is no minimum amount of funds that must be raised under this offering. This means that the issuer could complete this offering after raising only a small proportion of the offering amount set out above”.**

(3.1) If a minimum subscription amount is required from each subscriber, provide details of the minimum subscription requirements in the table required under subsection (1).

(4) If debt securities are distributed at a premium or a discount, state in boldface type the effective yield if held to maturity.

(5) Disclose separately those securities that are underwritten, those under option and those to be sold on a best efforts basis and, in the case of a best efforts distribution, the latest date that the distribution is to remain open.

(6) In column (b) of the table, disclose only commissions paid or payable in cash by the issuer or selling securityholder and discounts granted. Set out in a note to the table:

(a) commissions or other consideration paid or payable by persons or companies other than the issuer or selling securityholder;

(b) consideration other than discounts granted and cash paid or payable by the issuer or selling securityholder, other than securities described in section 1.10 below; and

(c) any finder's fees or similar required payment.

(7) If a security is being distributed for the account of a selling securityholder, state the name of the selling securityholder and a cross-reference to the applicable section in the short form prospectus where further information about the selling securityholder is provided. State the portion of expenses of the distribution to be borne by the selling securityholder and, if none of the expenses of the distribution are being borne by the selling securityholder, include a statement to that effect and discuss the reasons why this is the case.

**INSTRUCTIONS**

(1) *Estimate amounts, if necessary. For non-fixed price distributions that are being made on a best efforts basis, disclosure of the information called for by the table may be set forth as a percentage or a range of percentages and need not be set forth in tabular form.*

(2) *If debt securities are being distributed, also express the information in the table as a percentage.*



**1.6.1 Offering price in currency other than Canadian dollar** – If the offering price of the securities being distributed is disclosed in a currency other than the Canadian dollar, disclose in boldface type the currency.

**1.7 Non-Fixed Price Distributions** – If the securities are being distributed at non-fixed prices, disclose:

- (a) the discount allowed or commission payable to the underwriter;
- (b) any other compensation payable to the underwriter and, if applicable, that the underwriter's compensation will be increased or decreased by the amount by which the aggregate price paid for the securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder;
- (c) that the securities to be distributed under the short form prospectus will be distributed, as applicable, at:
  - (i) prices determined by reference to the prevailing price of a specified security in a specified market,
  - (ii) market prices prevailing at the time of sale, or
  - (iii) prices to be negotiated with purchasers;
- (d) that prices may vary from purchaser to purchaser and during the period of distribution;
- (e) if the price of the securities is to be determined by reference to the prevailing price of a specified security in a specified market, the price of the specified security in the specified market at the latest practicable date;
- (f) if the price of the securities will be the market price prevailing at the time of sale, the market price at the latest practicable date; and
- (g) the net proceeds or, if the distribution is to be made on a best efforts basis, the minimum amount of net proceeds, if any, to be received by the issuer or selling securityholder.

**1.7.1 Pricing Disclosure** – If the offering price or the number of securities being distributed, or an estimate of the range of the offering price or of the number of securities being distributed, has been publicly disclosed in a jurisdiction or a foreign jurisdiction as of the date of the preliminary short form prospectus, include this information in the preliminary short form prospectus.

**1.8 Reduced Price Distributions** - If an underwriter wishes to be able to decrease the price at which securities are distributed for cash from the initial offering price disclosed in the short form prospectus, include in boldface type a cross-reference to the section in the short form prospectus where disclosure concerning the possible price decrease is provided.



### 1.9 Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class or series as the securities being distributed are traded or quoted and the market price of those securities as of the latest practicable date.
- (2) Disclose any intention to stabilize the market and provide a cross-reference to the section in the short form prospectus where further information about market stabilization is provided.
- (3) If no market for the securities being distributed under the short form prospectus exists or is expected to exist upon completion of the distribution, state the following in boldface type:

**“There is no market through which the securities may be sold and purchasers may not be able to resell securities purchased under the short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See Risk Factors.”**

### 1.10 Underwriter(s)

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of NI 33-105 for front page prospectus disclosure.
- (3) If an underwriter has agreed to purchase all of the securities being distributed at a specified price and the underwriter’s obligations are subject to conditions, state the following, with the bracketed information completed:

“We, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by [name of issuer] and accepted by us in accordance with the conditions contained in the underwriting agreement referred to under Plan of Distribution.”

- (4) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the short form prospectus.
- (5) If there is no underwriter involved in the distribution, provide a statement in boldface type to the effect that no underwriter has been involved in the preparation of the short form prospectus or performed any review of the contents of the short form prospectus.

(6) Provide the following tabular information:

Underwriter's Position	Maximum size or number of securities available	Exercise period or Acquisition date	Exercise price or average acquisition price
Over-allotment option			
Compensation option			
Any other option granted by issuer or insider of issuer to underwriter			
Total securities under option issuable to underwriter			
Other compensation securities issuable to underwriter			

#### INSTRUCTION

*If the underwriter has been granted compensation securities, state, in a footnote, whether the prospectus qualifies the grant of all or part of the compensation securities and provide a cross-reference to the applicable section in the prospectus where further information about the compensation securities is provided.*

#### 1.11 Enforcement of Judgments Against Foreign Persons or Companies

If the issuer, a director of the issuer, a selling securityholder, or any other person or company that is signing or providing a certificate under Part 5 of NI 41-101 or other securities legislation, or any person or company for whom the issuer is required to file a consent under Part 10 of NI 41-101, is incorporated, continued, or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, state the following on the cover page or under a separate heading elsewhere in the prospectus, with the bracketed information completed:

“The [issuer, director of the issuer, selling securityholder, or other person or company] is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada.

[the person or company named below] has appointed the following agent(s) for service of process:

Name of Person or Company	Name and Address of Agent

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process”.

#### **1.12 Restricted Securities**

- (1) Describe the number and class or classes of restricted securities being distributed using the appropriate restricted security terms in the same type face and type size as the rest of the description.
- (2) If the securities being distributed are restricted securities and the holders of the securities do not have the right to participate in a takeover bid made for other equity securities of the issuer, disclose that fact.

**1.13 Earnings Coverage Ratios** – If any of the earnings coverage ratios required to be disclosed under section 6.1 is less than one-to-one, disclose this fact in boldface type.

#### **Item 2 Summary Description of Business**

**2.1 Summary of Description of Business** - Provide a brief summary on a consolidated basis of the business carried on and intended to be carried on by the issuer.

#### **Item 3 Consolidated Capitalization**

**3.1 Consolidated Capitalization** - Describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer’s financial statements most recently filed in accordance with the applicable CD rule, including any material change that will result from the issuance of the securities being distributed under the short form prospectus.

#### **Item 4 Use of Proceeds**

##### **4.1 Proceeds**

- (1) State the estimated net proceeds to be received by the issuer or selling securityholder or, in the case of a non-fixed price distribution or a distribution to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling securityholder from the sale of the securities distributed.
- (2) State the particulars of any provisions or arrangements made for holding any part of the net proceeds of the distribution in trust or escrow subject to the fulfillment of conditions.
- (3) If the short form prospectus is used for a special warrant or similar transaction, state the amount that has been received by the issuer of the special warrants or similar securities on the sale of the special warrants or similar securities.

##### **4.2 Principal Purposes – Generally**

- (1) Describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the issuer.

- (2) If the closing of the distribution is subject to a minimum offering amount, provide disclosure of the use of proceeds for the minimum and maximum offering amounts.
- (3) If the following apply, disclose how the proceeds will be used by the issuer, with reference to various potential thresholds of proceeds raised, in the event that the issuer raises less than the maximum offering amount:
- (a) the closing of the distribution is not subject to a minimum offering amount;
  - (b) the distribution is to be on a best efforts basis; and
  - (c) the issuer has significant short-term non-discretionary expenditures including those for general corporate purposes, or significant short-term capital or contractual commitments, and may not have other readily accessible resources to satisfy those expenditures or commitments.
- (4) If the issuer is required to provide disclosure under subsection (3), the issuer must discuss, in respect of each threshold, the impact, if any, of raising each threshold amount on its liquidity, operations, capital resources and solvency.

#### INSTRUCTIONS

*If the issuer is required to disclose the use of proceeds at various thresholds under subsections 4.2(3) and (4), include as an example a threshold that reflects the receipt of 15% of the offering or less.*

#### 4.3 Principal Purposes – Indebtedness

- (1) If more than 10% of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used.
- (2) If the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and disclose the outstanding amount owed.

#### 4.4 Principal Purposes – Asset Acquisition

- (1) If more than 10% of the net proceeds are to be used to acquire assets, describe the assets.
- (2) If known, disclose the particulars of the purchase price being paid for or being allocated to the assets or categories of assets, including intangible assets.
- (3) If the vendor of the assets is an insider, associate or affiliate of the issuer, identify the vendor and the nature of the relationship to the issuer, and disclose the method used in determining the purchase price.
- (4) Describe the nature of the title to or interest in the assets to be acquired by the issuer.
- (5) If part of the consideration for the acquisition of the assets consists of securities of the issuer, give brief particulars of the class, number or amount, voting rights, if any, and other appropriate information relating to the securities, including particulars of the issuance of securities of the same class within the two preceding years.

**4.5 Principal Purposes – Insiders, etc.** – If an insider, associate or affiliate of the issuer will receive more than 10% of the net proceeds, identify the insider, associate or affiliate and the nature of the relationship to the issuer, and disclose the amount of net proceeds to be received.

**4.6 Principal Purposes – Research and Development** – If more than 10% of the net proceeds from the distribution will be used for research and development of products or services, describe:

- (a) the timing and stage of research and development programs that management anticipates will be reached using such proceeds;
- (b) the major components of the proposed programs that will be funded using the proceeds from the distribution, including an estimate of anticipated costs;
- (c) if the issuer is conducting its own research and development, is subcontracting out the research and development or is using a combination of those methods; and
- (d) the additional steps required to reach commercial production and an estimate of costs and timing.

**4.7 Business Objectives and Milestones**

- (1) State the business objectives that the issuer expects to accomplish using the net proceeds of the distribution under section 4.1.
- (2) Describe each significant event that must occur for the business objectives described under subsection (1) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event.

**4.8 Unallocated Funds in Trust or Escrow**

- (1) Disclose that unallocated funds will be placed in a trust or escrow account, invested or added to the working capital of the issuer.
- (2) Give details of the arrangements made for, and the persons or companies responsible for:
  - (a) the supervision of the trust or escrow account or the investment of unallocated funds; and
  - (b) the investment policy to be followed.

**4.9 Other Sources of Funding** – If any material amounts of other funds are to be used in conjunction with the proceeds, state the amounts and sources of the other funds.

**4.10 Financing by Special Warrants, etc.**

- (1) If the short form prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or the exercise of other securities acquired on a prospectus-exempt basis, describe the principal purposes for which the proceeds of the prospectus-exempt financing were used or are to be used.
- (2) If all or a portion of the funds have been spent, explain how the funds were spent.

## Item 5 Plan of Distribution

**5.1 Disclosure of Conditions to Underwriters' Obligations** – If securities are distributed by an underwriter that has agreed to purchase all of the securities at a specified price and the underwriter's obligations are subject to conditions:

(a) include a statement in substantially the following form, with the bracketed information completed and with modifications necessary to reflect the terms of the distribution:

“Under an agreement dated [insert date of agreement] between [insert name of issuer or selling securityholder] and [insert name(s) of underwriter(s)], as underwriter[s], [insert name of issuer or selling securityholder] has agreed to sell and the underwriter[s] [has/have] agreed to purchase on [insert closing date] the securities at a price of [insert offering price], payable in cash to [insert name of issuer or selling securityholder] against delivery. The obligations of the underwriter[s] under the agreement may be terminated at [its/their] discretion on the basis of [describe any “market out”, “disaster out”, “material change out” or similar provision] and may also be terminated upon the occurrence of certain stated events. The underwriter[s] [is/are], however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement”; and

(b) describe any other conditions and indicate any information known that is relevant to whether such conditions will be satisfied.

**5.2 Best Efforts Offering** - Outline briefly the plan of distribution of any securities being distributed other than on the basis described in section 5.1.

**5.3 Determination of Price** - Disclose the method by which the distribution price has been or will be determined and, if estimates have been provided, explain the process for determining the estimates.

**5.4 Stabilization** – If the issuer, a selling securityholder or an underwriter knows or has reason to believe that there is an intention to over-allot or that the price of any security may be stabilized to facilitate the distribution of the securities, describe the nature of these transactions, including the anticipated size of any over-allocation position, and explain how the transactions are expected to affect the price of the securities.

**5.4.1 Underwriting Discounts – Interests of Management and Others in Material Transactions** – Disclose any material underwriting discounts or commissions on the sale of securities by the issuer if any of the persons or companies listed under section 13.1 of Form 51-102F2 were or are to be an underwriter or are associates, affiliates or partners of a person or company that was or is to be an underwriter.

**5.5 Minimum Distribution** – If securities are being distributed on a best efforts basis and minimum funds are to be raised, state:

(a) the minimum funds to be raised;

- (b) that the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until the minimum amount of funds stipulated in paragraph (a) has been raised; and
- (c) that if the minimum amount of funds is not raised within the distribution period, the trustee must return the funds to the subscribers without any deductions.

**5.5.1 Approvals** – If the proceeds of the distribution will be used to substantially fund a material undertaking that would constitute a material departure from the business or operations of the issuer and the issuer has not obtained all material licences, registrations and approvals necessary for the stated principal use of proceeds, include a statement that:

- (a) the issuer must appoint a registered dealer authorized to make the distribution, a Canadian financial institution, or a lawyer who is a practicing member in good standing with a law society of a jurisdiction in which the securities are being distributed, or a notary in Québec, to hold in trust all funds received from subscriptions until all material licenses, registrations and approvals necessary for the stated principal use of proceeds have been obtained; and
- (b) if all material licenses, registrations and approvals necessary for the operation of the material undertaking have not been obtained within 90 days from the date of receipt of the final short form prospectus, the trustee must return the funds to subscribers.

**5.6 Reduced Price Distributions** – If the underwriter may decrease the offering price after the underwriter has made a reasonable effort to sell all of the securities at the initial offering price disclosed in the short form prospectus in accordance with the procedures permitted by the Instrument, disclose this fact and that the compensation realised by the underwriter will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriter to the issuer or selling securityholder.

**5.7 Listing Application** - If application has been made to list or quote the securities being distributed, include a statement in substantially the following form with the bracketed information completed:

“The issuer has applied to [list/quote] the securities distributed under this short form prospectus on [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of [name of exchange or other market].”

**5.8 Conditional Listing Approval** - If application has been made to list or quote the securities being distributed and conditional listing approval has been received, include a statement in substantially the following form, with the bracketed information completed:

“[name of exchange or other market] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of the issuer] fulfilling all of the requirements of the [name of exchange or market] on or before [date], [including distribution of these securities to a minimum number of public securityholders.]”



**5.9 Constraints** - If there are constraints imposed on the ownership of securities of the issuer to ensure that the issuer has a required level of Canadian ownership, describe the mechanism, if any, by which the level of Canadian ownership of the securities of the issuer will be monitored and maintained.

**5.10 Special Warrants Acquired by Underwriters or Agents** – Disclose the number and dollar value of any special warrants acquired by any underwriter or agent and the percentage of the distribution represented by those special warrants.

## **Item 6 Earnings Coverage Ratios**

### **6.1 Earnings Coverage Ratios**

(1) If the securities being distributed are debt securities having a term to maturity in excess of one year or are preferred shares, disclose the following earnings coverage ratios adjusted in accordance with subsection (2):

- (a) the earnings coverage ratio based on the most recent 12-month period included in the issuer's current annual financial statements included in the short form prospectus;
- (b) if there has been a change in year end and the issuer's most recent financial year is less than nine months in length, the earnings coverage calculation for its old financial year; and
- (c) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which an interim financial report of the issuer has been included in the short form prospectus.

(2) Adjust the ratios referred to in subsection (1) to reflect:

- (a) the issuance of the securities being distributed under the short form prospectus, based on the price at which these securities are expected to be distributed;
- (b) in the case of a distribution of preferred shares:
  - (i) the issuance of all preferred shares since the date of the annual financial statements or interim financial report; and
  - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed or otherwise retired since the date of the annual financial statements or interim financial report and of all preferred shares to be repurchased, redeemed or otherwise retired from the proceeds to be realized from the sale of securities under the short form prospectus;
- (c) the issuance of all financial liabilities, as defined in accordance with the issuer's GAAP since the date of the annual financial statements or interim financial report; and
- (d) the repayment, redemption or other retirement of all financial liabilities, as defined in accordance with the issuer's GAAP, since the date of the annual financial statements or interim financial report and all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities distributed under the short form prospectus.

(3) **Repealed.** 8 Jly 2011 SR 41/2011 s10.

(4) If the earnings coverage ratio is less than one-to-one, disclose in the short form prospectus the dollar amount of the numerator required to achieve a ratio of one-to-one.

(5) If the short form prospectus includes a *pro forma* income statement, calculate the *pro forma* earnings coverage ratios for the periods of the *pro forma* income statement, and disclose them in the short form prospectus.

### INSTRUCTIONS

(1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*

(2) *Earnings coverage is calculated by dividing an entity's profit or loss attributable to owners of the parent (the numerator) by its borrowing costs and dividend obligations (the denominator).*

(3) *For the earnings coverage calculation:*

(a) *the numerator should be calculated using consolidated profit or loss attributable to owners of the parent before borrowing costs and income taxes;*

(b) *imputed interest income from the proceeds of a distribution should not be added to the numerator;*

(c) **Repealed.** 8 Jly 2011 SR 41/2011 s10.

(d) *for distributions of debt securities, the appropriate denominator is borrowing costs, after giving effect to the new debt securities issue and any retirement of obligations, plus the borrowing costs that have been capitalized during the period;*

(e) *for distributions of preferred shares:*

(i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual borrowing cost requirements, including the borrowing costs that have been capitalized during the period, less any retirement of obligations, and*

(ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate; and*

(f) *for distributions of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt securities being offered pursuant to the short form prospectus.*

(4) *The denominator represents a pro forma calculation of the aggregate of an issuer's borrowing cost obligations on all financial liabilities and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect:*

(a) *the issuance of all financial liabilities and, in addition in the case of an issuance of preferred shares, all preferred shares issued, since the date of the annual financial statements or interim financial report;*

(b) *the issuance of the securities that are to be distributed under the short form prospectus, based on a reasonable estimate of the price at which these securities will be distributed; and*

(c) *the repayment or redemption of all financial liabilities since the date of the annual financial statements or interim financial report, all financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus and, in addition, in the case of an issuance of preferred shares, all preferred shares repaid or redeemed since the date of the annual financial statements or interim financial report and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the short form prospectus;*

(d) **Repealed.** 8 Jly 2011 SR 41/2011 s10.

(5) **Repealed.** 8 Jly 2011 SR 41/2011 s10.

(6) *For debt securities, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s borrowing cost requirements, after giving effect to the issue of [the debt securities to be distributed under the short form prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s profit of loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s borrowing cost requirements”.*

(7) *For preferred share issues, disclosure of earnings coverage shall include language similar to the following, with the bracketed and bulleted information completed:*

*“[Name of the issuer]’s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares to be distributed under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]’s borrowing cost requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and borrowing cost requirements”.*

(8) **Repealed.** 4 Apr 2008 SR 17/2008 s7.

(9) *Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed and they are not given greater prominence than the required earnings coverage calculations.*

## **Item 7 Description of Securities Being Distributed**

**7.1 Equity Securities** – If equity securities are being distributed, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics that are not described elsewhere in a document incorporated by reference in the short form prospectus including, as applicable:

- (a) dividend rights;
- (b) voting rights;
- (c) rights upon dissolution or winding up;

- (d) pre-emptive rights;
- (e) conversion or exchange rights;
- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) provisions requiring a securityholder to contribute additional capital.

**7.2 Debt Securities** – If debt securities are being distributed, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt that are not described elsewhere in a document incorporated by reference in the short form prospectus, including:

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

**7.3 Asset-backed Securities**

- (1) This section applies only if any asset-backed securities are being distributed.
- (2) Describe the material attributes and characteristics of the asset-backed securities, including:
  - (a) the rate of interest or stipulated yield and any premium;
  - (b) the date for repayment of principal or return of capital and any circumstances in which payments of principal or capital may be made before such date, including any redemption or pre-payment obligations or privileges of the issuer and any events that may trigger early liquidation or amortization of the underlying pool of financial assets;
  - (c) provisions for the accumulation of cash flows to provide for the repayment of principal or return of capital;

- (d) provisions permitting or restricting the issuance of additional securities and any other material negative covenants applicable to the issuer;
  - (e) the nature, order and priority of the entitlements of holders of asset-backed securities and any other entitled persons or companies to receive cash flows generated from the underlying pool of financial assets; and
  - (f) any events, covenants, standards or preconditions that may reasonably be expected to affect the timing or amount of payments or distributions to be made under the asset-backed securities, including those that are dependent or based on the economic performance of the underlying pool of financial assets.
- (3) Provide financial disclosure that describes the underlying pool of financial assets, for the period from the date as at which the following information was presented in the issuer's current AIF to a date not more than 90 days before the date of the issuance of a receipt for the preliminary short form prospectus, of:
- (a) the composition of the pool as at the end of the period;
  - (b) profit and losses from the pool for the period presented on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
  - (c) the payment, prepayment and collection experience of the pool for the period on at least an annual basis or such shorter period as is reasonable given the nature of the underlying pool of assets;
  - (d) servicing and other administrative fees; and
  - (e) any significant variances experienced in the matters referred to in paragraphs (a) through (d).
- (4) Describe the type of financial assets, the manner in which the financial assets originated or will originate and, if applicable, the mechanism and terms of the agreement governing the transfer of the financial assets comprising the underlying pool to or through the issuer, including the consideration paid for the financial assets.
- (5) Describe any person or company who:
- (a) originated, sold or deposited a material portion of the financial assets comprising the pool, or has agreed to do so;
  - (b) acts, or has agreed to act, as a trustee, custodian, bailee or agent of the issuer or any holder of the asset-backed securities, or in a similar capacity;
  - (c) administers or services a material portion of the financial assets comprising the pool or provides administrative or managerial services to the issuer, or has agreed to do so, on a conditional basis or otherwise, if:
    - (i) finding a replacement provider of the services at a cost comparable to the cost of the current provider is not reasonably likely;
    - (ii) a replacement provider of the services is likely to achieve materially worse results than the current provider;
    - (iii) the current provider of the services is likely to default in its service obligations because of its current financial condition; or
    - (iv) the disclosure is otherwise material;

- (d) provides a guarantee, alternative credit support or other credit enhancement to support the obligations of the issuer under the asset-backed securities or the performance of some or all of the financial assets in the pool, or has agreed to do so; or
- (e) lends to the issuer in order to facilitate the timely payment or repayment of amounts payable under the asset-backed securities, or has agreed to do so.
- (6) Describe the general business activities and material responsibilities under the asset-backed securities of a person or company referred to in subsection (5).
- (7) Describe the terms of any material relationships between:
  - (a) any of the persons or companies referred to in subsection (5) or any of their respective affiliates; and
  - (b) the issuer.
- (8) Describe any provisions relating to termination of services or responsibilities of any of the persons or companies referred to in subsection (5) and the terms on which a replacement may be appointed.
- (9) Describe any risk factors associated with the asset-backed securities, including disclosure of material risks associated with changes in interest rates or prepayment levels, and any circumstances where payments on the asset-backed securities could be impaired or disrupted as a result of any reasonably foreseeable event that may delay, divert or disrupt the cash flows dedicated to service the asset-backed securities.

#### INSTRUCTIONS

- (1) *Present the information required under subsection (3) in a manner that will enable a reader to easily determine whether, and the extent to which, the events, covenants, standards and preconditions referred to in paragraph (2)(f) have occurred, are being satisfied or may be satisfied.*
- (2) *If the information required under subsection (3) is not compiled specifically from the underlying pool of financial assets, but is compiled from a larger pool of the same assets from which the securitized assets are randomly selected so that the performance of the larger pool is representative of the performance of the pool of securitized assets, then an issuer may comply with subsection (3) by providing the financial disclosure required based on the larger pool and disclosing that it has done so.*
- (3) *Issuers are required to summarize contractual arrangements in plain language and may not merely restate the text of the contracts referred to. The use of diagrams to illustrate the roles of, and the relationship among, the persons and companies referred to in subsection (5) and the contractual arrangements underlying the asset-backed securities is encouraged.*

#### **7.4 Derivatives** - If derivatives are being distributed, describe fully the material attributes and characteristics of the derivatives, including:

- (a) the calculation of the value or payment obligations under the derivatives;
- (b) the exercise of the derivatives;



- (c) settlements that are the result of the exercise of the derivatives;
- (d) the underlying interest of the derivatives;
- (e) the role of a calculation expert in connection with the derivatives;
- (f) the role of any credit supporter of the derivatives; and
- (g) the risk factors associated with the derivatives.

**7.5 Other Securities** - If securities other than equity securities, debt securities, asset-backed securities or derivatives are being distributed, describe fully the material attributes and characteristics of those securities.

**7.6 Special Warrants, etc.** – If the short form prospectus is used to qualify the distribution of securities issued upon the exercise of special warrants or other securities acquired on a prospectus-exempt basis, state the following:

“The issuer has granted to each holder of a special warrant a contractual right of rescission of the prospectus-exempt transaction under which the special warrant was initially acquired. The contractual right of rescission provides that if a holder of a special warrant who acquires another security of the issuer on exercise of the special warrant as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the short form prospectus or an amendment to the short form prospectus containing a misrepresentation:

- (a) the holder is entitled to rescission of both the holder’s exercise of its special warrant and the private placement transaction under which the special warrant was initially acquired;
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the underwriter or issuer, as the case may be, on the acquisition of the special warrant; and
- (c) if the holder is a permitted assignee of the interest of the original special warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber”.

**7.7 Restricted Securities**

(1) If the issuer has outstanding, or proposes to distribute under a short form prospectus restricted securities, subject securities or securities that are, directly or indirectly, convertible into or exercisable or exchangeable for restricted securities or subject securities, provide a detailed description of:

- (a) the voting rights attached to the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, and the voting rights, if any, attached to the securities of any other class of securities of the issuer that are the same as or greater than, on a per security basis, those attached to the restricted securities;
- (b) any significant provisions under applicable corporate and securities law that do not apply to the holders of the restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the restricted securities;



- (c) any rights under applicable corporate law, in the constating documents or otherwise, of holders of restricted securities that are the subject of the distribution or that will result from the distribution, either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the issuer and to speak at the meetings to the same extent that holders of equity securities are entitled; and
- (d) how the issuer complied with, or basis upon which it was exempt from, the requirements of Part 12 of NI 41-101.

(2) If holders of restricted securities do not have all of the rights referred to in subsection (1) the detailed description referred to in that subsection must include, in boldface, a statement of the rights the holders do not have.

(3) If the issuer is required to include the disclosure referred to in subsection (1), state the percentage of the aggregate voting rights attached to the issuer's securities that will be represented by restricted securities after effect has been given to the issuance of the securities being offered.

**7.8 Modification of Terms** - Describe provisions about the modification, amendment or variation of any rights or other terms attached to the securities being distributed. If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

#### **7.9 Ratings**

(1) If the issuer has asked for and received a credit rating, or if the issuer is aware that it has received any other kind of rating, including a stability rating or a provisional rating, from one or more credit rating organizations for the securities being distributed, and the rating or ratings continue in effect, disclose:

- (a) each rating received from a credit rating organization;
- (b) for each rating disclosed under paragraph (a), the name of the credit rating organization that has assigned the rating;
- (c) a definition or description of the category in which each credit rating organization rated the securities and the relative rank of each rating within the organization's overall classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities are not addressed by the rating;
- (e) any factors or considerations identified by the credit rating organization as giving rise to unusual risks associated with the securities;
- (f) a statement that a credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization; and
- (g) any announcement made by, or any proposed announcement known to the issuer that is to be made by, a credit rating organization to the effect that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this section.

(2) If payments were, or reasonably will be, made to a credit rating organization that provided a rating described in section (1), state that fact and state whether any payments were made to the credit rating organization in respect of any other service provided to the issuer by the credit rating organization during the last two years.

## INSTRUCTIONS

*There may be factors relating to a security that are not addressed by a credit rating organization when they give a rating. For example, in the case of cash settled derivative instruments, factors in addition to the creditworthiness of the issuer, such as the continued subsistence of the underlying interest or the volatility of the price, value or level of the underlying interest may be reflected in the rating analysis. Rather than being addressed in the rating itself, these factors may be described by a credit rating organization by way of a superscript or other notation to a rating. Any such attributes must be discussed in the disclosure under this section.*

*A provisional rating received before the issuer's most recently completed financial year is not required to be disclosed under this section.*

### 7.10 Other Attributes

- (1) If the rights attaching to the securities being distributed are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being distributed, include information about the other securities that will enable investors to understand the rights attaching to the securities being distributed.
- (2) If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

## INSTRUCTION

*This Item requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being distributed or any other class of securities do not need to be set out in full. They may, in the issuer's discretion, be attached as a schedule to the short form prospectus.*

## Item 7A Prior Sales

**7A.1 Prior Sales** – For each class or series of securities of the issuer distributed under the short form prospectus and for securities that are convertible or exchangeable into those classes or series of securities, state, for the 12-month period before the date of the short form prospectus:

- (a) the price at which the securities have been issued or are to be issued by the issuer or sold by the selling securityholder;
- (b) the number of securities issued or sold at that price; and
- (c) the date on which the securities were issued or sold.

### 7A.2 Trading Price and Volume

(1) For the following securities of the issuer that are traded or quoted on a Canadian marketplace, identify the marketplace and the price ranges and volume traded or quoted on the Canadian marketplace on which the greatest volume of trading or quotation for the securities generally occurs:

- (a) each class or series of securities of the issuer distributed under the short form prospectus;
- (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.

(2) For the following securities of the issuer that are not traded or quoted on a Canadian marketplace, but are traded or quoted on a foreign marketplace, identify the foreign marketplace and the price ranges and volume traded or quoted on the foreign marketplace on which the greatest volume or quotation for the securities generally occurs:

- (a) each class or series of securities of the issuer distributed under the short form prospectus;
- (b) securities of the issuer into which those classes or series of securities are convertible or exchangeable.

(3) Provide the information required under subsections (1) and (2) on a monthly basis for each month or, if applicable, partial months of the 12-month period before the date of the short form prospectus.

## **Item 8 Selling Securityholder**

### **8.1 Selling Securityholder**

(1) If any securities are being distributed for the account of a securityholder, provide the following information for each securityholder:

- 1 The name.
- 2 The number or amount of securities owned, controlled or directed of the class being distributed.
- 3 The number or amount of securities of the class being distributed for the account of the securityholder.
- 4 The number or amount of securities of the issuer of any class to be owned, controlled or directed after the distribution, and the percentage that number or amount represents of the total outstanding.
- 5 Whether the securities referred to in paragraph 2, 3 or 4 are owned both of record and beneficially, of record only, or beneficially only.

(2) If securities are being distributed in connection with a restructuring transaction, indicate, to the extent known, the holdings of each person or company described in paragraph 1 of subsection (1) that will exist after effect has been given to the transaction.

(3) If any of the securities being distributed are being distributed for the account of a securityholder and those securities were purchased by the selling securityholder within the two years preceding the date of the short form prospectus, state the date the selling securityholder acquired the securities and, if the securities were acquired in the 12 months preceding the date of the short form prospectus, the cost to the securityholder in the aggregate and on an average cost-per-security basis.

(4) If, to the knowledge of the issuer or the underwriter of the securities being distributed, any selling securityholder is an associate or affiliate of another person or company named as a principal holder of voting securities in the issuer's information circular required to be incorporated by reference under paragraph 7 of subsection 11.1(1), disclose, to the extent known, the material facts of the relationship, including any basis for influence over the issuer held by the person or company other than the holding of voting securities of the issuer.

(5) In addition to the above, include in a footnote to the table the required calculation(s) on a fully-diluted basis.

(6) Describe any material change to the information required to be included in the short form prospectus under subsection (1) to the date of the short form prospectus.

**INSTRUCTION**

*If a company, partnership, trust or other unincorporated entity is a selling securityholder, disclose, to the extent known, the name of each individual who, through ownership of or control or direction over the securities of that company, trust or other unincorporated entity, or membership in the partnership, as the case may be, is a principal securityholder of that entity.*

**Item 9 Mineral Property**

**9.1 Mineral Property** – If a material part of the proceeds of the distribution is to be expended on a particular mineral property and if the current AIF does not contain the disclosure required under section 5.4 of Form 51-102F2 for the property or that disclosure is inadequate or incorrect due to changes, disclose the information required under section 5.4 of Form 51-102F2.

**Item 10 Recently Completed and Probable Acquisitions**

**10.1 Application and Definitions** – This Item does not apply to a completed or proposed transaction by the issuer that was or will be accounted for as a reverse takeover or a transaction that is a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high.

**10.2 Significant Acquisitions**

- (1) Describe any acquisition:
  - (a) that the issuer has completed within 75 days prior to the date of the short form prospectus;
  - (b) that is a significant acquisition for the purposes of Part 8 of NI 51-102; and
  - (c) for which the issuer has not yet filed a business acquisition report under NI 51-102.
- (2) Describe any proposed acquisition by an issuer that:
  - (a) has progressed to a state where a reasonable person would believe that the likelihood of the issuer completing the acquisition is high; and
  - (b) would be a significant acquisition for the purposes of Part 8 of NI 51-102 if completed as of the date of the short form prospectus.
- (3) If disclosure about an acquisition or proposed acquisition is required under subsection (1) or (2), include financial statements of or other information about the acquisition or proposed acquisition if the inclusion of the financial statements is necessary for the short form prospectus to contain full, true and plain disclosure of all the material facts relating to the securities being distributed.

(4) The requirement to include financial statements or other information under subsection (3) must be satisfied by including:

- (a) the financial statements or other information that will be required to be included in, or incorporated by reference into, a business acquisition report filed under Part 8 of NI 51-102; or
- (b) satisfactory alternative financial statements or other information.

#### INSTRUCTION

*For the description of the acquisition or proposed acquisition, include the information required by sections 2.1 through 2.6 of Form 51-102F4. For a proposed acquisition, modify this information as necessary to convey that the acquisition is not yet completed.*

#### Item 10A Reverse Takeover and Probable Reverse Takeover

**10A.1 Completed Reverse Takeover Disclosure** – If the issuer has completed a reverse takeover since the end of the financial year in respect of which the issuer's current AIF is incorporated by reference into the short form prospectus under paragraph 1. of subsection 11.1(1), provide disclosure about the reverse takeover acquirer by complying with the following:

- 1 If the reverse takeover acquirer satisfies the criteria set out in paragraphs 2.2(a), (b), (c), and (d) of the Instrument, incorporate by reference into the short form prospectus all documents that would be required to be incorporated by reference under Item 11 if the reverse takeover acquirer were the issuer of the securities.
- 2 If paragraph 1 does not apply to the reverse takeover acquirer, include in the short form prospectus the same disclosure about the reverse takeover acquirer that would be required to be contained in Form 41-101F1 if the reverse takeover acquirer were the issuer of the securities being distributed and the reverse takeover acquirer were distributing those securities by way of the short form prospectus.

**10A.2 Probable Reverse Takeover Disclosure** – If the issuer is involved in a proposed reverse takeover that has progressed to a state where a reasonable person would believe that the likelihood of the reverse takeover being completed is high, provide disclosure about the reverse takeover acquirer by complying with the following:

- 1 If the reverse takeover acquirer satisfies the criteria set out in paragraphs 2.2(a), (b), (c), and (d) of the Instrument, incorporate by reference into the short form prospectus all documents that would be required to be incorporated by reference under Item 11 if the reverse takeover acquirer were the issuer of the securities.
- 2 If paragraph 1 does not apply to the reverse takeover acquirer, include in the short form prospectus the same disclosure about the reverse takeover acquirer that would be required to be contained in Form 41-101F1, if the reverse takeover acquirer were the issuer of the securities being distributed and the reverse takeover acquirer were distributing those securities by way of the short form prospectus.

#### Item 11 Documents Incorporated by Reference

### 11.1 Mandatory Incorporation by Reference

(1) In addition to any other document that an issuer may choose to incorporate by reference, specifically incorporate by reference in the short form prospectus, by means of a statement in the short form prospectus to that effect, the documents set forth below:

1. The issuer's current AIF, if it has one.
2. The issuer's current annual financial statements, if any, and related MD&A.
3. The issuer's interim financial report most recently filed or required to have been filed under the applicable CD rule in respect of an interim period, if any, subsequent to the financial year in respect of which the issuer has filed its current annual financial statements or has included annual financial statements in the short form prospectus, and the related interim MD&A.
4. If, before the short form prospectus is filed, historical financial information about the issuer for a financial period more recent than the period for which financial statements are required under paragraphs 2 and 3 is publicly disseminated by, or on behalf of, the issuer through news release or otherwise, the content of the news release or public communication.
5. Any material change report, except a confidential material change report, filed under Part 7 of NI 51-102 or Part 11 of NI 81-106 since the end of the financial year in respect of which the issuer's current AIF is filed.
6. Any business acquisition report filed by the issuer under Part 8 of NI 51-102 for acquisitions completed since the beginning of the financial year in respect of which the issuer's current AIF is filed, unless the issuer:
  - (a) incorporated the BAR by reference into its current AIF; or
  - (b) incorporated at least 9 months of the acquired business or related businesses operations into the issuer's current annual financial statements.
7. Any information circular filed by the issuer under Part 9 of NI 51-102 or Part 12 of NI 81-106 since the beginning of the financial year in respect of which the issuer's current AIF is filed, other than an information circular prepared in connection with an annual general meeting if the issuer has filed and incorporated by reference an information circular for a subsequent annual general meeting.
8. The most recent Form 51-101F1, Form 51-101F2 and Form 51-101F3, filed by an SEC issuer, unless:
  - (a) the issuer's current AIF is in the form of Form 51-102F2; or
  - (b) the issuer is otherwise exempted from the requirements of NI 51-101.



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9. Any other disclosure document which the issuer has filed pursuant to an undertaking to a provincial and territorial securities regulatory authority since the beginning of the financial year in respect of which the issuer's current AIF is filed.

10. Any other disclosure document of the type listed in paragraphs 1 through 8 that the issuer has filed pursuant to an exemption from any requirement under securities legislation since the beginning of the financial year in respect of which the issuer's current AIF is filed.

(2) In the statement incorporating the documents listed in subsection (1) by reference in a short form prospectus, clarify that applicable portions of the documents are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in the short form prospectus or in any other subsequently filed document that is also incorporated by reference in the short form prospectus.

(3) Despite paragraph 7 of subsection (1), an issuer may exclude from its short form prospectus a report, valuation, statement or opinion of a person or company contained in an information circular prepared in connection with a special meeting of securityholders of the issuer, and any references therein, if:

(a) the report is not an auditor's report in respect of financial statements of a person or company; and

(b) the report, valuation, statement or opinion was prepared in respect of a specific transaction contemplated in the information circular, unrelated to the distribution of securities under the short form prospectus, and that transaction has been abandoned or completed.

**INSTRUCTIONS**

*(1) Paragraph 4 of subsection (1) requires issuers to incorporate only the news release or other public communication through which more recent financial information is released to the public. However, if the financial statements from which the information in the news release has been derived have been filed, then the financial statements must be incorporated by reference.*

*(2) Issuers must provide a list of the material change reports and business acquisition reports required under paragraphs 5 and 6 of subsection (1), giving the date of filing and briefly describing the material change or acquisition, as the case may be, in respect of which the report was filed.*

*(3) Any material incorporated by reference in a short form prospectus is required under sections 4.1 and 4.2 of the Instrument to be filed with the short form prospectus unless it has been previously filed.*

**11.2 Mandatory Incorporation by Reference of Future Documents** - State that any documents, of the type described in section 11.1, if filed by the issuer after the date of the short form prospectus and before the termination of the distribution, are deemed to be incorporated by reference in the short form prospectus.



### 11.3 Issuers without a Current AIF or Current Annual Financial Statements

- (1) If the issuer does not have a current AIF or current annual financial statements and is relying on the exemption in subsection 2.7(1) of the Instrument, include the disclosure, including financial statements and related MD&A, that would otherwise have been required to have been included in a current AIF and current annual financial statements and related MD&A under section 11.1.
- (2) If the issuer does not have a current AIF or current annual financial statements and is relying on the exemption in subsection 2.7(2) or 2.7(3) of the Instrument, include the disclosure, including financial statements, provided in accordance with:
  - (a) section 14.2 or 14.5 of Form 51-102F5 in the information circular referred to in paragraph 2.7(2)(b) of the Instrument; or
  - (b) the policies and requirements of the TSX Venture Exchange for disclosure of a qualifying transaction in a CPC filing statement or a reverse takeover in a filing statement referred to in paragraph 2.7(3)(b) of the Instrument.

#### INSTRUCTION

- (1) If an issuer is required to include disclosure under subsection 11.3(2), it must include the historical financial statements of any entity that was a party to the restructuring transaction and any other information contained in the information circular, CPC filing statement or other filing statement of the TSX Venture Exchange that was used to construct financial statements for the issuer.*
- (2) The disclosure referenced in instruction (1) must be presented in a way that supplements, but does not replace, the disclosure required to be made for a transaction that constitutes a significant acquisition for the issuer or a reverse takeover in which the issuer was involved.*

### 11.4 Significant Acquisition for Which No Business Acquisition Report is Filed

- (1) If the issuer has:
  - (a) since the beginning of the most recently completed financial year in respect of which annual financial statements are included in the short form prospectus; and
  - (b) more than 75 days prior to the date of filing the preliminary short form prospectus;

completed a transaction that would have been a significant acquisition for the purposes of Part 8 of NI 51-102 if the issuer had been a reporting issuer at the time of the transaction, and the issuer has not filed a business acquisition report in respect of the transaction, include the financial statements and other information in respect of the transaction that is prescribed by Form 51-102F4.

- (2) If the issuer was exempt from the requirement to file a business acquisition report in respect of a transaction because the disclosure that would normally be included in a business acquisition report was included in another document, include that disclosure in the short form prospectus.

#### INSTRUCTION

*Disclosure required by section 11.3 or 11.4 to be included in the short form prospectus may be incorporated by reference from another document or included directly in the short form prospectus.*

**11.5 Additional Disclosure for Issuers of Asset-Backed Securities**

If the issuer has not filed or has not been required to file interim financial statements and related MD&A in respect of an interim period subsequent to the financial year in respect of which it has included annual financial statements in the short form prospectus because it is not a reporting issuer and is qualifying to file the short form prospectus under section 2.6 of the Instrument, include the interim financial statements and related MD&A that the issuer would have been required to incorporate by reference under paragraph 3 of subsection 11.1(1) if the issuer were a reporting issuer at the relevant time.

**11.6 Marketing Materials**

(1) If marketing materials were provided under subsection 7.6(1) of the Instrument or subsection 13.7(1) or 13.8(1) of NI 41-101, the issuer must:

- (a) include a section under the heading “Marketing Materials” proximate to the beginning of the short form prospectus that contains the disclosure required by this Item;
- (b) subject to subsection (2), include the template version of the marketing materials filed under the Instrument or NI 41-101 in the final short form prospectus, or incorporate by reference the template version of the marketing materials filed under the Instrument or NI 41-101 into the final short form prospectus; and
- (c) indicate that the template version of the marketing materials is not part of the final short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the final short form prospectus.

(2) An issuer may comply with paragraph (1)(b) by including the template version of the marketing materials filed under the Instrument or NI 41-101 in the section of the short form prospectus under the heading “Marketing Materials” or in an appendix to the short form prospectus that is referred to in that section.

(3) If the final short form prospectus or any amendment modifies a statement of material fact that appeared in marketing materials provided earlier:

- (a) provide details of how the statement in the marketing materials has been modified; and
- (b) disclose that, pursuant to subsection 7.6(7) of the Instrument or subsection 13.7(8) or 13.8(8) of NI 41-101:
  - (i) the issuer has prepared a revised template version of the marketing materials which has been blacklined to show the modified statement; and
  - (ii) the revised template version of the marketing materials can be viewed under the issuer’s profile on [www.sedar.com](http://www.sedar.com).

(4) State that any template version of the marketing materials filed under NI 41-101 after the date of the final short form prospectus and before the termination of the distribution is deemed to be incorporated into the final short form prospectus.

- (5) If the issuer relies on the exception in subsection 7.8(1) of the Instrument or subsection 13.12(1) of NI 41-101, include the statement set out in subsection 36.A.1(5) of Form 41-101F1, or words to the same effect.

#### **GUIDANCE**

*Marketing materials do not, as a matter of law, amend a preliminary short form prospectus, a final short form prospectus or any amendment.*

### **Item 12 Additional Disclosure for Issues of Guaranteed Securities**

**12.1 Credit Supporter Disclosure** - Provide disclosure about each credit supporter, if any, that has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities to be distributed, by complying with the following:

1. If the credit supporter is a reporting issuer in at least one jurisdiction and has a current AIF, incorporating by reference into the short form prospectus all documents that would be required to be incorporated by reference under Item 11 if the credit supporter were the issuer of the securities.
2. If the credit supporter is not a reporting issuer in any jurisdiction and has a class of securities registered under section 12(b) or 12(g) of the 1934 Act, or is required to file reports under section 15(d) of the 1934 Act, incorporating by reference into the short form prospectus all 1934 Act filings that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the 1933 Act if the securities distributed under the short form prospectus were being registered on Form S-3 or Form F-3.
3. If neither paragraph 1 nor paragraph 2 applies to the credit supporter, providing directly in the short form prospectus the same disclosure that would be contained in the short form prospectus through the incorporation by reference of the documents referred to in Item 11 if the credit supporter were the issuer of the securities and those documents had been prepared by the credit supporter.
4. Providing such other information about the credit supporter as is necessary to provide full, true and plain disclosure of all material facts concerning the securities to be distributed, including the credit supporter's earnings coverage ratios under Item 6 as if the credit supporter were the issuer of the securities.

### **Item 13 Exemptions for Certain Issues of Guaranteed Securities**

#### **13.1 Definitions and Interpretation**

- (1) In this Item:
  - (a) the impact of subsidiaries, on a combined basis, on the financial results of the parent entity is "minor" if each item of the summary financial information of the subsidiaries, on a combined basis, represents less than 3% of the total consolidated amounts;
  - (b) a parent entity has "limited independent operations" if each item of its summary financial information represents less than 3% of the total consolidated amounts;

- (c) a subsidiary is a “finance subsidiary” if it has minimal assets, operations, revenue or cash flows other than those related to the issuance, administration and repayment of the security being distributed and any other securities guaranteed by its parent entity;
- (d) “parent credit supporter” means a credit supporter of which the issuer is a subsidiary;
- (e) “parent entity” means a parent credit supporter for the purposes of sections 13.2 and 13.3 and an issuer for the purpose of section 13.4;
- (f) “subsidiary credit supporter” means a credit supporter that is a subsidiary of the parent credit supporter; and
- (g) “summary financial information” includes the following line items:
  - (i) revenue;
  - (ii) profit or loss from continuing operations attributable to owners of the parent;
  - (iii) profit or loss attributable to owners of the parent; and
  - (iv) unless the issuer’s GAAP permits the preparation of the credit support issuer’s statement of financial position without classifying assets and liabilities between current and non-current and the credit support issuer provides alternative meaningful financial information which is more appropriate to the industry:
    - (A) current assets;
    - (B) non-current assets;
    - (C) current liabilities; and
    - (D) non-current liabilities.

**INSTRUCTION:**

*See section 1.1 of NI 41-101 for the definitions of “profit or loss attributable to owners of the parent” and “profit or loss from continuing operations attributable to owners of the parent”.*

- (2) For the purposes of this Item, consolidating summary financial information must be prepared on the following basis:
  - (a) an entity’s annual or interim summary financial information must be derived from the entity’s financial information underlying the corresponding consolidated financial statements of the parent entity included in the short form prospectus;
  - (b) the parent entity column must account for investments in all subsidiaries under the equity method; and
  - (c) all subsidiary entity columns must account for investments in non-credit supporter subsidiaries under the equity method.

**13.2 Issuer is Wholly-owned Subsidiary of Parent Credit Supporter** – Despite Items 6 and 11, an issuer is not required to incorporate by reference into the short form prospectus any of its documents under paragraphs 1 to 4 and 6 to 8 of subsection 11.1(1) or include in the short form prospectus its earning coverage ratios under section 6.1, if:

- (a) a parent credit supporter has provided full and unconditional credit support for the securities being distributed;
- (b) the parent credit supporter satisfies the criterion in paragraph 2.4(1)(b) of the Instrument;
- (c) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter;
- (d) the parent credit supporter is the beneficial owner of all the issued and outstanding equity securities of the issuer;
- (e) no other subsidiary of the parent credit supporter has provided a guarantee or alternative credit support for all or substantially all of the payments to be made under the securities being distributed;
- (f) the issuer includes in the short form prospectus either:
  - (i) a statement that the financial results of the issuer are included in the consolidated financial results of the parent credit supporter, if:
    - (A) the issuer is a finance subsidiary; and
    - (B) the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer, on the consolidated financial results of the parent credit supporter is minor; or
  - (ii) for the periods covered by the parent credit supporter's consolidated interim financial report and consolidated annual financial statements included in the short form prospectus under section 12.1, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
    - (A) the parent credit supporter;
    - (B) the issuer;
    - (C) any other subsidiaries of the parent credit supporter on a combined basis;
    - (D) consolidating adjustments;
    - (E) the total consolidated amounts.

**13.3 Issuer is Wholly-owned Subsidiary of, and One or More Subsidiary Credit Supporters Controlled by, Parent Credit Supporter**

(1) Despite Items 6, 11 and 12, an issuer is not required to incorporate by reference into the short form prospectus any of its documents under paragraphs 1 to 4 and 6 to 8 of subsection 11.1(1), or include in the short form prospectus its earning coverage ratios under section 6.1, or include in the short form prospectus the disclosure of one or more subsidiary credit supporters required by section 12.1, if:

- (a) a parent credit supporter and one or more subsidiary credit supporters have each provided full and unconditional credit support for the securities being distributed;
- (b) the parent credit supporter satisfies the criterion in paragraph 2.4(1)(b) of the Instrument;
- (c) the guarantees or alternative credit supports are joint and several;
- (d) the securities being distributed are non-convertible debt securities, non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the parent credit supporter;
- (e) the parent credit supporter is the beneficial owner of all the issued and outstanding equity securities of the issuer;
- (f) the parent credit supporter controls each subsidiary credit supporter and the parent credit supporter has consolidated the financial statements of each subsidiary credit supporter into the parent credit supporter's financial statements that are included in the short form prospectus; and
- (g) the issuer includes in the short form prospectus for the periods covered by the parent credit supporter's financial statements included in the short form prospectus under section 12.1, consolidating summary financial information for the parent credit supporter presented with a separate column for each of the following:
  - (i) the parent credit supporter;
  - (ii) the issuer;
  - (iii) each subsidiary credit supporter on a combined basis;
  - (iv) any other subsidiaries of the parent credit supporter on a combined basis;
  - (v) consolidating adjustments;
  - (vi) the total consolidated amounts.

(2) Despite paragraph (1)(g):

- (a) if the impact of any subsidiaries of the parent credit supporter on a combined basis, excluding the issuer and all subsidiary credit supporters, on the consolidated financial results of the parent credit supporter is minor, column (iv) may be combined with another column; and
- (b) if the issuer is a finance subsidiary, column (ii) may be combined with another column.

**13.4 One or More Credit Supporters Controlled by Issuer** – Despite Item 12, an issuer is not required to include in the short form prospectus the credit supporter disclosure for one or more credit supporters required by section 12.1, if:

- (a) one or more credit supporters have each provided full and unconditional credit support for the securities being distributed;
- (b) if there is more than one credit supporter, the guarantee or alternative credit supports are joint and several;
- (c) the securities being distributed are non-convertible debt securities or non-convertible preferred shares, or convertible debt securities or convertible preferred shares that are convertible, in each case, into non-convertible securities of the issuer;
- (d) the issuer controls each credit supporter and the issuer has consolidated the financial statements of each credit supporter into the issuer's financial statements that are included in the short form prospectus; and
- (e) the issuer includes in the short form prospectus either:
  - (i) a statement that the financial results of the credit supporter(s) are included in the consolidated financial results of the issuer, if:
    - (A) the issuer has limited independent operations; and
    - (B) the impact of any subsidiaries of the issuer on a combined basis, excluding the credit supporter(s) but including any subsidiaries of the credit supporter(s) that are not themselves credit supporters, on the consolidated financial results of the issuer is minor; or
  - (ii) for the periods covered by the issuer's financial statements included in the short form prospectus under Item 11, consolidating summary financial information for the issuer, presented with a separate column for each of the following:
    - (A) the issuer;
    - (B) the credit supporters on a combined basis;
    - (C) any other subsidiaries of the issuer on a combined basis;
    - (D) consolidating adjustments;
    - (E) the total consolidated amounts.

**Item 14 Relationship between Issuer or Selling Securityholder and Item Underwriter**

**14.1 Relationship between Issuer or Selling Securityholder and Underwriter**

- (1) If the issuer or selling securityholder is a connected issuer or related issuer of an underwriter of the distribution, or if the issuer or selling securityholder is also an underwriter of the distribution, comply with the requirements of NI 33-105.
- (2) For the purposes of subsection (1), “connected issuer” and “related issuer” have the same meaning as in NI 33-105.



**Item 15 Interest of Experts****15.1 Names of Experts** – Name each person or company:

- (a) who is named as having prepared or certified a report, valuation, statement or opinion in the short form prospectus or an amendment to the short form prospectus, either directly or in a document incorporated by reference; and
- (b) whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company.

**15.2 Interest of Experts** – For each person or company referred to in section 15.1, provide the disclosure that would be required under section 16.2 of Form 51-102F2, as of the date of the short form prospectus, as if that person or company were a person or company referred to in section 16.1 of Form 51-102F2.**15.3 Exemption** – Sections 15.1 and 15.2 do not apply to a person or company if the disclosure regarding the person or company required under section 15.2 is already disclosed in the issuer's current AIF and the disclosure is correct as at the date of the prospectus.**Item 16 Promoters****16.1 Promoters**

(1) For a person or company that is, or has been within the two years immediately preceding the date of the short form prospectus, a promoter of the issuer or subsidiary of the issuer, state, to the extent not disclosed elsewhere in a document incorporated by reference in the short form prospectus:

- (a) the person or company's name;
- (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the person or company;
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter, directly or indirectly, from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return; and
- (d) for an asset acquired within the two years before the date of the preliminary short form prospectus, or to be acquired, by the issuer or by a subsidiary of the issuer from a promoter:
  - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
  - (ii) the person or company making the determination referred to in subparagraph (i) and the person or company's relationship with the issuer or the promoter or an affiliate of the issuer or promoter; and
  - (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

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(2) If a promoter referred to in subsection (1) is, as at the date of the preliminary short form prospectus, or was within 10 years before the date of the preliminary short form prospectus, a director, chief executive officer or chief financial officer of any person or company that:

- (a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the promoter was acting in the capacity as director, chief executive officer or chief financial officer;

state the fact and describe the basis on which the order was made and whether the order is still in effect.

(3) For the purposes of subsection (2), “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation;

that was in effect for a period of more than 30 consecutive days.

(4) If a promoter referred to in subsection (1):

- (a) is, at the date of the preliminary short form prospectus, or has been within the 10 years before the date of the preliminary short form prospectus, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, state the fact; or
- (b) has, within the 10 years before the date of the preliminary short form prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter, state the fact.

(5) Describe the penalties or sanctions imposed and the grounds on which they were imposed or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement, if a promoter referred to in subsection (1) has been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

(6) Despite subsection (5), no disclosure is required of a settlement agreement entered into before December 31, 2000 unless the disclosure would likely be considered important to a reasonable investor in making an investment decision.

### **INSTRUCTIONS**

(1) *The disclosure required by subsections (2), (4) and (5) also applies to any personal holding companies of any of the persons referred to in subsections (2), (4), and (5).*

(2) *A management cease trade order which applies to a promoter referred to in subsection (1) is an "order" for the purposes of paragraph (2)(a) and must be disclosed, whether or not the director, chief executive officer or chief financial officer was named in the order.*

(3) *For the purposes of this section, a late filing fee, such as a filing fee that applies to the late filing of an insider report, is not a "penalty or sanction".*

(4) *The disclosure in paragraph (2)(a) only applies if the promoter was a director, chief executive officer or chief financial officer when the order was issued against the person or company. The issuer does not have to provide disclosure if the promoter became a director, chief executive officer or chief financial officer after the order was issued.*

### **Item 17 Risk Factors**

**17.1 Risk Factors** – Describe the factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being distributed.

### **INSTRUCTIONS**

(1) *Issuers may cross-reference to specific risk factors relevant to the securities being distributed that are discussed in their current AIF.*

(2) *Disclose risks in the order of seriousness from the most serious to the least serious.*

(3) *A risk factor should not be de-emphasized by including excessive caveats or conditions.*

### **Item 18 Other Material Facts**

**18.1 Other Material Facts** - Give particulars of any material facts about the securities being distributed that are not disclosed under any other items or in the documents incorporated by reference into the short form prospectus and are necessary in order for the short form prospectus to contain full, true and plain disclosure of all material facts relating to the securities to be distributed.

### **Item 19 Exemptions from the Instrument**

**19.1 Exemptions from the Instrument** - List all exemptions from the provisions of the Instrument, including this Form, granted to the issuer applicable to the distribution or the short form prospectus, including all exemptions to be evidenced by the issuance of a receipt for the short form prospectus pursuant to section 8.2 of the Instrument.

## **Item 20 Statutory Rights of Withdrawal and Rescission**

**20.1 General** – Include a statement in substantially the following form, with the bracketed information completed:

Securities legislation in [certain of the provinces [and territories] of Canada/ the Province of [insert name of local jurisdiction, if applicable]] provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. [In several of the provinces/provinces and territories,] {T/t}he securities legislation further provides a purchaser with remedies for rescission [or [, in some jurisdictions,] revisions of the price or damages] if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission [, revision of the price or damages] are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province [or territory]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of these rights or consult with a legal adviser.

**20.2 Non-fixed Price Offerings** - In the case of a non-fixed price offering, replace, if applicable in the jurisdiction in which the short form prospectus is filed, the second sentence in the legend in section 20.1 with a statement in substantially the following form:

“This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed.”

## **20.3 Convertible, Exchangeable or Exercisable Securities**

In the case of an offering of convertible, exchangeable or exercisable securities in which additional amounts are payable or may become payable upon conversion, exchange or exercise, provide a statement in the following form:

“In an offering of [state name of convertible, exchangeable or exercisable securities], investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial [and territorial] securities legislation, to the price at which the [state name of convertible, exchangeable or exercisable securities] is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces [and territories], if the purchaser pays additional amounts upon [conversion, exchange or exercise] of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces [and territories]. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province [or territory] for the particulars of this right of action for damages or consult with a legal adviser.”

### **INSTRUCTION**

*For greater certainty, in the case of a short form prospectus that is a base shelf prospectus under NI 44-102, issuers must include the above statement, unless it is stated in the base shelf prospectus that no convertible, exchangeable or exercisable securities will be offered, or that such securities may be offered but no amounts will be payable to convert, exchange or exercise those securities.*

### **Item 21 Certificates**

**21.1 Certificates** – Include the certificates required by Part 5 of NI 41-101 or by other securities legislation.

**21.2 Issuer Certificate Form** – An issuer certificate form must state:

“This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of [insert the jurisdictions in which qualified].”

**21.3 Underwriter Certificate Form** – An underwriter certificate form must state:

“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of [insert the jurisdictions in which qualified].”

### **21.4 Amendments**

(1) For an amendment to a short form prospectus that does not restate the short form prospectus, change “short form prospectus” to “short form prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 21.2 and 21.3.

(2) For an amended and restated short form prospectus, change “short form prospectus” to “amended and restated short form prospectus” wherever it appears in the statements in sections 21.2 and 21.3.

13 Jan 2006 SR 149/2005 s3; 5 Jan 2007  
 SR 115/2006 s3; 11 Jan 2008 SR 127/2007 s4  
 and SR 129/2007 s3; 4 Apr 2008 SR 17/2008  
 s7; 8 Jly 2011 SR 41/2011 s10; 5 Aug 2011 SR  
 48/2011 s3; 21 Sep 2012 SR 60/2012 s5; 17 May  
 2013 SR 32/2013 s6; 17 May 2013 SR 33/2013  
 s7; 16 Aug 2013 SR 66/2013 s4; 31 Dec 2015 SR  
 108/2015 s5; 1 Jne 2018 SR 38/2018 s5.

PART XIV  
[Clause 2(n)]

NATIONAL INSTRUMENT 44-102  
SHELF DISTRIBUTIONS

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) In this Instrument:

**“acting jointly or in concert”** has the meaning ascribed to that phrase in securities legislation;

**“at-the-market distribution”** means a non-fixed price distribution of equity securities under the shelf procedures into a pre-existing trading market in which securities of the same class are traded;

**“base shelf prospectus”** means a short form prospectus that is prepared in the form required under NI 44-101, as varied in accordance with this Instrument;

**“clearing corporation”** has the meaning ascribed to that term in National Instrument 81-102 *Investment Funds*;

**“conventional convertible security”** means a security of an issuer that is, according to its terms, convertible into, or exchangeable for, other securities of the issuer, or of an affiliate of the issuer;

**“conventional warrant or right”** means a security of an issuer, other than a clearing corporation, that gives the holder the right to purchase securities of the issuer or of an affiliate of the issuer;

**“designated rating”** has,

- (a) for the purposes of section 2.6, the meaning ascribed to that term in paragraph (a) of the definition of ‘designated rating’ in NI 44-101, and
- (b) except as described in paragraph (a), the meaning ascribed to that term in paragraph (b) of the definition of ‘designated rating’ in NI 44-101;

**“index participation unit”** means a security traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to:

- (a) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in the index; or
- (b) invest in a manner that causes the issuer to replicate the performance of that index;

**“method 1”** means the method described in Appendix A of providing forward looking forms of prospectus certificates in a base shelf prospectus or in a shelf prospectus supplement that establishes an MTN program or continuous distribution;

**“method 2”** means the method described in Appendix B of providing non-forward looking forms of prospectus certificates in a base shelf prospectus and a shelf prospectus supplement;

**“MTN program”** means a continuous distribution of debt securities in which the specific variable terms of the individual debt securities and the method of distribution of those securities are determined at the time of the distribution;

**“novel”** means:

(a) for a specified derivative proposed to be distributed using the shelf procedures and that has an underlying interest that is not a security of the issuer:

(i) a derivative of a type that has not been distributed by the issuer by way of prospectus in a jurisdiction of Canada before the proposed distribution; or

(ii) a derivative of a type that has been distributed by the issuer by way of prospectus in a jurisdiction of Canada before the proposed distribution if:

(A) the attributes of the derivative differ materially from the attributes of derivatives of the same type previously distributed by the issuer by way of prospectus;

(B) the structure and contractual arrangements underlying the derivative differ materially from the structure and contractual arrangements underlying derivatives of the same type previously distributed by the issuer by way of prospectus; or

(C) the type of the underlying interest for the derivative differs materially from the type of underlying interest for derivatives of the same type previously distributed by the issuer by way of prospectus; and

(b) for an asset-backed security proposed to be distributed using the shelf procedures:

(i) a security of a type that has not been distributed by way of prospectus in a jurisdiction of Canada before the proposed distribution; or

(ii) a security of a type that has been distributed by way of prospectus in a jurisdiction of Canada before the proposed distribution if:

(A) the attributes of the security differ materially from the attributes of securities of the same type previously distributed by way of prospectus;

(B) the structure and contractual arrangements underlying the security differ materially from the structure and contractual arrangements underlying securities of the same type previously distributed by way of prospectus; or

(C) the type of financial assets servicing the security differ materially from the type of financial assets servicing securities of the same type previously distributed by way of prospectus;



**“pricing supplement”** means a shelf prospectus supplement that contains the price of securities distributed under an MTN program or other continuous distribution using the shelf procedures;

**“shelf information”** means the information permitted by this Instrument to be omitted from a base shelf prospectus;

**“shelf procedures”** means the requirements in this Instrument for the distribution of securities under a base shelf prospectus and a shelf prospectus supplement;

**“shelf prospectus supplement”** means a supplement to a base shelf prospectus, containing some or all of the information omitted from the base shelf prospectus as permitted by this Instrument;

**“specified derivative”** means an instrument, agreement or security, the market price, value or payment obligations of which are derived from, referenced to, or based on an underlying interest, other than one that is also:

- (a) a conventional convertible security;
- (b) a specified asset-backed security;
- (c) an index participation unit;
- (d) a government or corporate strip bond;
- (e) a capital, equity dividend or income share of a subdivided equity or fixed income security;
- (f) a conventional warrant or right; or
- (g) a special warrant; and

**“stabilization provisions”** means those provisions of securities legislation that prohibit an issuer, selling securityholder, underwriter or dealer, or an affiliate of any of the foregoing persons or companies, or any person or company acting jointly or in concert with any of them from trading in securities being distributed by way of prospectus during the period of distribution.

(2) Every term that is defined or interpreted in NI 41-101 or NI 44-101, the definition or interpretation of which is not restricted to a specific portion of NI 41-101 or NI 44-101, has, if used in this Instrument, the meaning ascribed to it in NI 41-101 or NI 44-101, unless otherwise defined or interpreted in this Instrument.

**1.2 Amendments** - References in this Instrument, other than in Appendix A and Appendix B, to an amendment to a prospectus include both an amendment that does not fully restate the text of a prospectus and an amended and restated prospectus.

**1.3 Repealed.** 13 Jan 2006 SR 149/2005 s4.

## **Part 2 SHELF QUALIFICATION AND PERIOD OF RECEIPT EFFECTIVENESS**

**2.1 General** - An issuer shall not file a short form prospectus that is a base shelf prospectus, unless the issuer is qualified to do so under this Instrument.

**2.2 Shelf Qualification for Distributions Qualified under section 2.2 of NI 44-101 (Basic Qualification)**

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus if, at the time of filing, the issuer is qualified under section 2.2 of NI 44-101 to file a prospectus in the form of a short form prospectus.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.
- (3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of:
  - (a) the date 25 months from the date of its issue;
  - (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
    - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
    - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
    - (iii) the issuer's equity securities are not listed or posted for trading on a short form eligible exchange;
    - (iv) the issuer is an issuer:
      - (A) whose operations have ceased; or
      - (B) whose principal asset is cash, cash equivalents, or its exchange listing; or
    - (v) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
  - (c) in Ontario, the lapse date prescribed by securities legislation.

**2.3 Shelf Qualification for Distributions Qualified under section 2.3 of NI 44-101 (Rating Non-Convertible Securities)**

- (1) An issuer is qualified to file a preliminary short form prospectus that is a preliminary base shelf prospectus for designated rating non-convertible securities if, at the time of filing, the issuer:
  - (a) is qualified under section 2.3 of NI 44-101 to file a prospectus in the form of a short form prospectus; and
  - (b) has reasonable grounds for believing that, if it were to distribute securities under the base shelf prospectus, the securities distributed would receive a designated rating and would not receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that, if it were to distribute non-convertible securities under the base shelf prospectus, the securities distributed would receive a designated rating and would not receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.

(3) A receipt issued for a base shelf prospectus of an issuer filed under subsection (2) is effective until the earliest of:

- (a) the date 25 months from the date of its issue;
- (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
  - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
  - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
  - (iii) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or
  - (iv) the securities to which the agreement relates:
    - (A) have not received a final designated rating;
    - (B) are the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; or
    - (C) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and
- (c) in Ontario, the lapse date prescribed by securities legislation.

#### **2.4 Shelf Qualification for Distributions under section 2.4 of NI 44-101 (Guaranteed Non-Convertible Debt Securities, Preferred Shares and Cash Settled Derivatives)**

(1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for non-convertible debt securities, non-convertible preferred shares or non-convertible cash settled derivatives if, at the time of filing, the issuer is qualified under section 2.4 of NI 44-101 to file a prospectus in the form of a short form prospectus.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

(3) A receipt issued for a base shelf prospectus of an issuer qualified under subsection (2) is effective until the earliest of:

- (a) the date 25 months from the date of its issue;
- (b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:
  - (i) a credit supporter has not provided full and unconditional credit support for the securities to which the shelf prospectus supplement relates;
  - (ii) unless the requirements of subparagraph 2.4(1)(b)(ii) of NI 44-101, but not the requirements of subparagraph 2.4(1)(b)(i) of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
  - (iii) unless the requirements of subparagraph 2.4(1)(b)(ii) of NI 44-101, but not the requirements of subparagraph 2.4(1)(b)(i) of NI 44-101, were satisfied at the time the issuer filed its base shelf prospectus, the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
- (iv) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; or
- (v) either of the following is true:
  - (A) the credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange, or
  - (B) the credit supporter is a credit supporter:
    - (I) whose operations have ceased; or
    - (II) whose principal asset is cash, cash equivalents, or its exchange listing; and

either of the following is true:

- (C) the credit supporter does not have issued and outstanding non-convertible securities that:
  - (I) have received a designated rating;

(II) have not been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(III) have not received a rating lower than a designated rating from any designated rating organization or its DRO affiliate; or

(D) the securities to which the agreement relates:

(I) have not received a final designated rating;

(II) have been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; and

(III) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and

(c) in Ontario, the lapse date prescribed by securities legislation.

## **2.5 Shelf Qualification for Distributions under section 2.5 of NI 44-101 (Guaranteed Convertible Debt Securities or Preferred Shares)**

(1) An issuer is qualified to file a short form prospectus that is a preliminary base shelf prospectus for convertible debt securities and convertible preferred shares if, at the time of filing, the issuer is qualified under section 2.5 of NI 44-101 to file a prospectus in the form of a short form prospectus.

(2) An issuer that has filed a preliminary base shelf prospectus in reliance on subsection (1) is qualified to file a short form prospectus that is the corresponding base shelf prospectus.

(3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective until the earliest of:

(a) the date 25 months from the date of its issue;

(b) the time immediately before the entering into of an agreement of purchase and sale for a security to be sold under the base shelf prospectus, if at that time:

(i) the securities to which the agreement relates are not convertible into securities of a credit supporter that has provided full and unconditional credit support for the securities being distributed;

(ii) the credit supporter does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

(iii) the credit supporter does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;

- (iv) credit supporter's equity securities are not listed or posted for trading on a short form eligible exchange;
- (v) credit supporter is a credit supporter:
  - (A) whose operations have ceased; or
  - (B) whose principal asset is cash, cash equivalents, or its exchange listing; or
- (vi) the issuer has withdrawn its notice declaring the issuer's intention to be qualified to file a short form prospectus under NI 44-101; and
- (c) in Ontario, the lapse date prescribed by securities legislation.

**2.6 Shelf Qualification for Distributions under section 2.6 of NI 44-101 (Asset-Backed Securities)**

- (1) An issuer that is qualified under section 2.6 of NI 44-101 to file a prospectus in the form of a short form prospectus may file a preliminary base shelf prospectus for asset-backed securities if, at the time of filing, the issuer has reasonable grounds for believing that:
  - (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive a designated rating; and
  - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.
- (2) An issuer that has filed a preliminary base shelf prospectus in reliance on the qualification criteria in section 2.6 of NI 44-101 may file the corresponding base shelf prospectus if, at the time of the filing of the base shelf prospectus, the issuer has reasonable grounds for believing that:
  - (a) all asset-backed securities that it may distribute under the base shelf prospectus will receive a designated rating; and
  - (b) no asset-backed securities that it may distribute under the base shelf prospectus will receive a rating lower than a designated rating from any designated rating organization or its DRO affiliate.
- (3) A receipt issued for a base shelf prospectus qualified under subsection (2) is effective for a distribution of asset-backed securities until the earliest of:
  - (a) the date 25 months from the date of its issue;
  - (b) the time immediately before the entering into of an agreement of purchase and sale for an asset-backed security to be sold under the base shelf prospectus, if at that time:
    - (i) the issuer does not have current annual financial statements and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101;
    - (ii) the issuer does not have a current AIF and does not satisfy the requirements of the exemption in either of subsection 2.7(1) or (2) of NI 44-101; or

- (iii) the asset-backed securities to which the agreement relates:
  - (A) have not received a final designated rating;
  - (B) have been the subject of an announcement by a designated rating organization or its DRO affiliate, of which the issuer is or ought reasonably to be aware, that the designated rating given by the organization may be down-graded to a rating category that would not be a designated rating; or
  - (C) have received a provisional or final rating lower than a designated rating from any designated rating organization or its DRO affiliate; and
- (c) in Ontario, the lapse date prescribed by securities legislation.

**2.7 Lapse Date - Ontario** - In Ontario, the lapse date prescribed by securities legislation for a receipt issued for a base shelf prospectus is extended to the date 25 months from the date of issuance of the receipt.

**2.8 Repealed.** 4 Apr 2008 SR 17/2008 s8.

**2.9 Limitation on Offerings** - Despite any provision in this Instrument, the shelf procedures shall not be used for a distribution of rights under a rights offering.

### **PART 3 UNALLOCATED SHELF**

**3.1 Unallocated Shelf Permitted** - A base shelf prospectus may pertain to more than one type of security for which the issuer is qualified to file a prospectus in the form of a short form prospectus.

**3.2 Distributions of Equity Securities Under Unallocated Shelf** - An issuer or selling securityholder that forms a reasonable expectation that a distribution of a tranche of equity securities will proceed under a base shelf prospectus that is not specifically restricted to equity securities shall immediately issue a news release that announces the intention to proceed with the distribution.

### **PART 4 DISTRIBUTIONS OF NOVEL DERIVATIVES OR ASSET-BACKED SECURITIES UNDER SHELF**

#### **4.1 Distributions of Novel Derivatives or Asset-Backed Securities Under Shelf**

(1) If a base shelf prospectus pertains to specified derivatives or asset-backed securities, the issuer or the selling securityholder, as the case may be, shall file before or concurrently with the base shelf prospectus an undertaking that it will not distribute in the local jurisdiction under the base shelf prospectus specified derivatives or asset-backed securities, as the case may be, that, at the time of distribution, are novel without pre-clearing with the regulator in accordance with subsection (2) the disclosure to be contained in a shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.



(2) The undertaking referred to in subsection (1) shall state that the issuer or the selling securityholder, as the case may be, shall not distribute in the local jurisdiction specified derivatives or asset-backed securities that, at the time of distribution, are novel, unless:

- (a) the draft shelf prospectus supplement or, if more than one shelf prospectus supplement is to be used, the draft shelf prospectus supplements, pertaining to the distribution of the novel specified derivatives or asset-backed securities have been delivered to the regulator in substantially final form; and
- (b) either
  - (i) the regulator has confirmed his or her acceptance of each draft shelf prospectus supplement in substantially final form or each shelf prospectus supplement in final form; or
  - (ii) 10 business days have elapsed since the date of delivery to the regulator of each draft shelf prospectus supplement in substantially final form and the regulator has not provided written comments on the draft shelf prospectus supplement.

## PART 5 BASE SHELF PROSPECTUSES

**5.1 Opting out of the Shelf Procedures After a Preliminary Prospectus has been Received** - An issuer that has filed a preliminary base shelf prospectus shall not file a short form prospectus for the distribution that is not a base shelf prospectus unless the issuer files:

- (a) either:
  - (i) an amended preliminary short form prospectus in accordance with NI 44-101 that is not a preliminary base shelf prospectus; or
  - (ii) a new preliminary short form prospectus that is not a preliminary base shelf prospectus; and
- (b) a covering letter stating that the issuer or the selling securityholder, as the case may be, has decided not to use the shelf procedures for the distribution.

**5.2 Opting into the Shelf Procedures After a Preliminary Prospectus has been Received** - An issuer that has filed a preliminary short form prospectus that is not a preliminary base shelf prospectus shall not file a base shelf prospectus for the distribution unless the issuer files:

- (a) either:
  - (i) an amended preliminary base shelf prospectus in accordance with this Instrument; or
  - (ii) a new preliminary short form prospectus that is a preliminary base shelf prospectus in accordance with this Instrument; and
- (b) a covering letter stating that the issuer or the selling securityholder, as the case may be, has decided to use the shelf procedures for the distribution.

**5.3 Form of Base Shelf Prospectus** - Despite National Instrument 44-101, a short form prospectus that is a base shelf prospectus may vary from Form 44-101F1 to the extent required or permitted by this Instrument.

**5.4 Dollar Value of Securities** - A base shelf prospectus shall pertain to no more than the dollar value of securities that the issuer or selling securityholder proposing to distribute securities under the base shelf prospectus reasonably expects, at the time the base shelf prospectus is filed, to distribute within 25 months after the date of the receipt for the base shelf prospectus.

**5.5 Required Disclosure** - A base shelf prospectus shall contain the following:

1. A statement at the top of the cover page identifying the short form prospectus as a base shelf prospectus.

2. The following statement in red ink in *italics* on the cover page:

*“This short form prospectus has been filed under legislation in [insert name[s] of the jurisdiction[s] where qualified] that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.”*

3. A statement that all shelf information omitted from the base shelf prospectus will be contained in one or more shelf prospectus supplements that will be delivered to purchasers together with the base shelf prospectus.

4. A statement that each shelf prospectus supplement will be incorporated by reference into the base shelf prospectus for the purposes of securities legislation as of the date of the shelf prospectus supplement and only for the purposes of the distribution of the securities to which the shelf prospectus supplement pertains.

5. A statement of the aggregate dollar amount of securities that may be raised under the base shelf prospectus.

6. Disclosure of the types of securities that may be distributed under the base shelf prospectus.

7. If an undertaking is required to be filed under subsection 4.1(1), a statement that the issuer or the selling securityholder, as the case may be, has filed an undertaking that it will not distribute specified derivatives or asset-backed securities, as the case may be, that, at the time of distribution, are novel without pre-clearing with the regulator the disclosure to be contained in the shelf prospectus supplement pertaining to the distribution of the novel specified derivatives or asset-backed securities.

8. The prospectus certificates required by Part 5 of NI 41-101 or other securities legislation, in the issuer certificate form or underwriter certificate form prescribed by:

(a) method 1, if:

(i) the base shelf prospectus is being used to establish an MTN program or other continuous distribution; or

(ii) method 2 has not been elected; or

(b) method 2, if method 2 has been elected.

9. List all exemptions from the provisions of this Instrument granted to the issuer applicable to the base shelf prospectus, including all exemptions to be evidenced by the issuance of a receipt for the base shelf prospectus pursuant to section 11.2.

**5.6 Disclosure that may be Omitted** - If the specified circumstances exist, a base shelf prospectus may omit the following information:

1. The variable terms of the securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.

2. The dollar amount, size and other specific terms of each tranche of securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.

3. The variable terms of the plans of distribution for the securities that may be distributed under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.

4. The name and prospectus certificate of an underwriter if, at the time of the filing of the base shelf prospectus, no underwriter is, and it is not known to the issuer that a particular underwriter will be, in a contractual relationship with the issuer or selling securityholder requiring the underwriter to distribute under the base shelf prospectus.

5. If one or more underwriters have agreed to purchase the securities to be distributed under the base shelf prospectus at a specified price, the statement required under Form 44-101F1 that the securities are to be taken up by the underwriters, if at all, on or before a specified date.

6. If the securities to be distributed under the base shelf prospectus are underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer, the disclosure required under Form 44-101F1 concerning the maximum length of time for which the distribution may continue and concerning the disposition of subscription funds.

6.1. The information required under item 7A of Form 44-101F1 for securities that may be distributed under the base shelf prospectus, if the specific series or class of securities that will be distributed under the base shelf prospectus is not known on the date the base shelf prospectus is filed.

7. Any other information that pertains only to a specific distribution of securities under the base shelf prospectus, if not known on the date the base shelf prospectus is filed.

8. Any other information required under National Instrument 44-101F1 or other securities legislation that is not known and cannot be ascertained at the time of filing of the base shelf prospectus.

**5.7 Issue of Receipt** - Despite the omission of shelf information, the regulator may issue a receipt for a base shelf prospectus.

**5.8 Amendments** – if a material change occurs at a time when no securities are being distributed under a base shelf prospectus, the provisions in Part 6 of NI 41-101 or other securities legislation that require the filing of an amendment to a prospectus if a material change occurs are satisfied by:

- (a) the filing of a material change report; and
- (b) the incorporation by reference in the base shelf prospectus of the material change report.

## **PART 6 SHELF PROSPECTUS SUPPLEMENTS**

**6.1 Requirement to Use Shelf Prospectus Supplements** - An issuer or selling securityholder that distributes securities under a base shelf prospectus shall supplement the disclosure in the base shelf prospectus with a shelf prospectus supplement, or more than one shelf prospectus supplement, in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities distributed under the prospectus.

### **6.2 Incorporation by Reference**

(1) An issuer shall incorporate by reference in the corresponding base shelf prospectus by means of a statement, in the base shelf prospectus, each shelf prospectus supplement referred to in section 6.1 as of the date of the shelf prospectus supplement and only for purposes of the distribution to which the shelf prospectus supplement pertains.

(2) If an issuer does not incorporate by reference in a base shelf prospectus a shelf prospectus supplement required to be incorporated by reference under subsection (1), the shelf prospectus supplement is conclusively deemed for purposes of securities legislation to be incorporated by reference in the issuer's base shelf prospectus as of the date of the shelf prospectus supplement and only for purposes of the distribution to which the shelf prospectus supplement pertains.

(3) Subject to subsection (4), any unaudited financial statements, other than *pro forma* financial statements, incorporated by reference into the base shelf prospectus but filed after the date of filing the base shelf prospectus must have been reviewed in accordance with the relevant standards set out in the Handbook for a review of financial statements by a person or company's auditor or a public accountant's review of financial statements.

(4) If NI 52-107 permits the financial statements of the person or company in subsection (3) to be audited in accordance with:

- (a) U.S. AICPA GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by the American Institute of Certified Public Accountants;

- (a.1) U.S. PCAOB GAAS, the unaudited financial statements may be reviewed in accordance with the review standards issued by Public Company Accounting Oversight Board (United States of America);

- (b) International Standards on Auditing, the unaudited financial statements may be reviewed in accordance with International Standards on Review Engagement issued by the International Auditing and Assurance Standards Board; or
- (c) auditing standards that meet the foreign disclosure requirements of the designated foreign jurisdiction to which the issuer is subject, the unaudited financial statements:
  - (i) may be reviewed in accordance with review standards that meet the foreign disclosure requirements of the designated foreign jurisdiction; or
  - (ii) do not have to be reviewed if:
    - (A) the designated foreign jurisdiction does not have review standards for unaudited financial statements; and
    - (B) the base shelf prospectus includes disclosure that the unaudited financial statements have not been reviewed.
- (5) The review specified in subsection (3), if applicable, must have been completed:
  - (a) if the base shelf prospectus established an MTN program or other continuous offering, no later than filing of the unaudited financial statements; or
  - (b) in all other circumstances, no later than the next filing of a shelf supplement.

### 6.3 Shelf Prospectus Supplement Disclosure

- (1) A shelf prospectus supplement shall contain the following:
  - 1. The name of the issuer on the cover page.
  - 2. The dates of the corresponding base shelf prospectus and of each previously filed shelf prospectus supplement corresponding to the same base shelf prospectus and pertaining to the same distribution, on the cover page.
  - 3. The prospectus certificates required by Part 5 of NI 41-101 and other securities legislation, in the issuer certificate form or underwriter certificate form prescribed by:
    - (a) method 1, if the shelf prospectus supplement establishes an MTN program or other continuous distribution; or
    - (b) method 2, if the prospectus certificate forms prescribed by method 1 have not been included in the corresponding base shelf prospectus and if method 1 is not mandatory under paragraph (a).
  - 4. A list of each document that is incorporated by reference into the corresponding base shelf prospectus as of the date of the shelf prospectus supplement and provides disclosure pertaining to the securities being distributed under the shelf prospectus supplement.
- (2) If only one shelf prospectus supplement is used to supplement the disclosure in the corresponding base shelf prospectus pertaining to a distribution of securities, that shelf prospectus supplement shall contain the following, and if more than one shelf prospectus supplement is used to supplement the disclosure in the corresponding base shelf prospectus pertaining to a distribution of securities, the shelf prospectus supplements used shall, together, contain the following:

1. All of the shelf information pertaining to the distribution of securities that was not disclosed in the corresponding base shelf prospectus.
2. All material facts relating to the securities to be distributed and all other information required under securities legislation to be disclosed in a short form prospectus that is not disclosed, either directly or through incorporation by reference, in the corresponding base shelf prospectus.

#### **6.4 Filing Requirement For Shelf Prospectus Supplements**

- (1) A shelf prospectus supplement shall be filed in the local jurisdiction if a base shelf prospectus to which the shelf prospectus supplement pertains was filed in the local jurisdiction.
- (2) A shelf prospectus supplement that is required to be filed under subsection (1) shall be filed:
  - (a) if the shelf prospectus supplement pertains to a distribution of securities, other than an MTN program or other continuous distribution, on or before the earlier of:
    - (i) the date the shelf prospectus supplement was first sent or delivered to a purchaser or a prospective purchaser; and
    - (ii) the date two business days after the offering price of the securities to which it pertains is determined; or
  - (b) in all other circumstances, on or before the date two business days after the date the shelf prospectus supplement was first sent or delivered to a purchaser or a prospective purchaser.

#### **6.5 Underwriters' Conflicts of Interest** - For a distribution of securities under a base shelf prospectus, the provisions of National Instrument 33-105 *Underwriting Conflicts*:

- (a) concerning the participation of independent underwriters shall be satisfied:
  - (i) on a tranche-by-tranche basis for a distribution other than an MTN program or other continuous distribution; or
  - (ii) on the basis of the total dollar amount of securities that, at any given time, have been or are being distributed under the program or distribution for a distribution of securities under an MTN program or other continuous distribution; and
- (b) concerning disclosure, to the extent not previously satisfied in the base shelf prospectus, shall be satisfied by including the prescribed disclosure in a shelf prospectus supplement pertaining to the distribution.

#### **6.6 Market Stabilization** - The stabilization provisions shall be satisfied on a tranche-by-tranche basis for a non-continuous distribution of securities under a base shelf prospectus.

#### **6.7 Delivery Requirement** - The shelf prospectus supplement or supplements that, together with the corresponding base shelf prospectus, contain full, true and plain disclosure of all material facts relating to the securities being distributed shall be sent by prepaid mail or delivered to a purchaser of the securities with the base shelf prospectus.

**6.8 Disclosure that may be Omitted** – A shelf prospectus supplement may omit any prospectus certificates required by Part 5 of NI 41-101 or other securities legislation, if the person or company required to sign the certificate signed a prospectus certificate in the issuer certificate form or underwriter certificate form prescribed by method 1 included in a base shelf prospectus or a shelf prospectus supplement qualifying the securities being distributed.

## **PART 7 SHELF SUPPORTING DOCUMENTS**

**7.1 General** - The provisions of NI 44-101 requiring the filing of supporting documents with a preliminary short form prospectus, a short form prospectus or a prospectus amendment apply to a filing of a preliminary base shelf prospectus, a base shelf prospectus or an amendment to a preliminary base shelf prospectus or to a base shelf prospectus, except to the extent varied in this Part.

### **7.2 Consents**

(1) If any notary in Québec, solicitor, auditor, accountant, engineer or appraiser, or any other person or company whose profession or business gives authority to a statement made by that person or company, is:

- (a) named in a document that is:
  - (i) incorporated by reference into a base shelf prospectus; and
  - (ii) filed after the date of filing of the base shelf prospectus; and
- (b) named in the document:
  - (i) as having prepared or certified any part of the base shelf prospectus, amendment or shelf prospectus supplement;
  - (ii) as having opined on financial statements from which selected information included in the base shelf prospectus, amendment or shelf prospectus supplement has been derived and which audit opinion is referred to in the base shelf prospectus, amendment or shelf prospectus supplement directly or in a document incorporated by reference; or
  - (iii) as having prepared or certified a report, valuation, statement or opinion referred to in the base shelf prospectus, amendment or shelf prospectus supplement, directly or in a document incorporated by reference;

the issuer shall file the written consent of the person or company to being named and to the use of that report, valuation, statement or opinion in accordance with subsection (2).

(1.1) Despite subsection (1), if the expert whose consent is required is a “qualified person” as defined in NI 43-101, the issuer is not required to file the consent of the qualified person if:

- (a) the qualified person’s consent is required in connection with a technical report that was not required to be filed with the preliminary base shelf prospectus;
- (b) the qualified person was employed by a person or company at the date of signing the technical report;
- (c) the principal business of the person or company is providing engineering or geoscientific services; and
- (d) the issuer files the consent of the person or company.



(1.2) A consent filed under subsection (1.1) must be signed by an individual who is an authorized signatory of the person or company and who falls within paragraphs (a), (b), (d) and (e) of the definition of “qualified person” in NI 43-101.

(2) A consent of an expert required under subsection (1) or subsections (1.1) and (1.2) shall be filed in accordance with the following:

1. If the document in which the expert is named is incorporated by reference into the base shelf prospectus by means of a statement to that effect in the base shelf prospectus, the consent shall be filed:

(a) no later than the time the document is filed, if the base shelf prospectus establishes an MTN program or other continuous distribution; and

(b) in all other circumstances, no later than the time of the next filing of a shelf prospectus supplement corresponding to the base shelf prospectus.

2. If the document in which the expert is named is incorporated by reference into a shelf prospectus supplement by means of a statement to that effect in the shelf prospectus supplement and filed before or concurrently with the shelf prospectus supplement, the consent shall be filed no later than the time the shelf prospectus supplement is filed.

3. If the document in which the expert is named is incorporated by reference into a shelf prospectus supplement by means of a statement to that effect in the shelf prospectus supplement and filed after the shelf prospectus supplement is filed, the consent shall be filed no later than the time the document is filed.

**7.3 Repealed.** 13 Jan 2006 SR 149/2005 s4.

#### **7.4 Underwriting Agreements**

(1) If, at the time an issuer files a base shelf prospectus, no underwriter is in a contractual relationship with the issuer or selling securityholder requiring the underwriter to distribute securities under the base shelf prospectus, the issuer is not required to file a copy of an underwriting agreement with the base shelf prospectus.

(2) If an underwriter enters into a contractual relationship with an issuer or selling securityholder requiring the underwriter to distribute securities under a base shelf prospectus after the base shelf prospectus is filed, the issuer shall file a copy of the underwriting agreement pertaining to the distribution concurrently with the next shelf prospectus supplement filed pertaining to that distribution.

### **PART 8 MEDIUM TERM NOTE PROGRAMS AND OTHER CONTINUOUS DISTRIBUTIONS UNDER SHELF**

**8.1 General** - An issuer that is qualified under Part 2 to file a base shelf prospectus for securities may distribute those securities by way of an MTN program or other continuous distribution, if it files:

(a) a base shelf prospectus or a shelf prospectus supplement that establishes the program or distribution; and

(b) a pricing supplement.

## 8.2 Additional Disclosure Requirements

(1) Despite section 5.6, a base shelf prospectus or shelf prospectus supplement that establishes an MTN program or other continuous distribution shall contain the following:

1. A description of the method of distribution, including the name of any underwriter involved in the distribution and the amount of any underwriting fee, discount or commission.
2. A description of the intended parameters of the terms of the MTN program or other continuous distribution.
3. At the option of the issuer or selling securityholder proposing to distribute securities under the MTN program or other continuous distribution, a statement that the issuer or selling securityholder, as the case may be, reserves the right to issue securities under the MTN program or other continuous distribution on terms outside the intended parameters disclosed under paragraph 2.

(2) A pricing supplement for an MTN program or other continuous distribution under the shelf procedures shall contain the following:

1. The terms of the securities distributed that are not disclosed in the base shelf prospectus or shelf prospectus supplement establishing the MTN program or other continuous distribution.
2. A list of each document that is incorporated by reference into the corresponding base shelf prospectus as of the date of the pricing supplement and that provides disclosure pertaining to the securities being distributed under the MTN program or other continuous distribution.

**8.3 Filing Requirement** - If an issuer sends or delivers to a purchaser or a prospective purchaser in the local jurisdiction a pricing supplement in a particular month, the issuer shall, despite section 6.4, file within seven days after the end of the month:

- (a) a copy of each pricing supplement sent or delivered to a purchaser or prospective purchaser during the month, if the pricing supplement had not previously been sent or delivered to any purchaser or prospective purchaser; or
- (b) a summary of the information contained in each pricing supplement sent or delivered to a purchaser or prospective purchaser during the month, including:
  - (i) a list of the pricing supplements referred to in paragraph (a);
  - (ii) the terms of the securities distributed under each pricing supplement sent or delivered to a purchaser or a prospective purchaser during the month; and
  - (iii) the aggregate amount of securities distributed under each pricing supplement sent or delivered to a purchaser or a prospective purchaser during the month.

**8.4 Requirement to Update Earnings Coverage Ratios** - An issuer distributing securities by way of an MTN program or other continuous distribution using the shelf procedures shall:

- (a) calculate updated earnings coverage ratios for the ratios contained in its base shelf prospectus each time the issuer prepares an interim financial report or audited annual financial statements, using the 12 month period that ended on the last day of the most recently completed financial period; and
- (b) file the updated earnings coverage ratios, concurrently with the filing of its financial statements, either:
  - (i) as an exhibit to the financial statements; or
  - (ii) as a shelf prospectus supplement corresponding to the base shelf prospectus.

**PART 9 AT-THE-MARKET DISTRIBUTIONS OF EQUITY  
SECURITIES UNDER SHELF**

**9.1 At-the-Market Distributions of Equity Securities Under Shelf**

- (1) Despite section 7.2 of NI 41-101, equity securities may be distributed by way of an at-the-market distribution using the shelf procedures if the market value of equity securities distributed does not exceed 10% of the aggregate market value of the issuer's outstanding equity securities of the same class as the class of securities distributed, calculated in accordance with section 9.2, as at the last trading day of the month before the month in which the first trade under the at-the-market distribution is made.
- (2) No underwriter or dealer distributing equity securities by way of an at-the-market distribution, or any affiliate of such an underwriter or dealer, or any person or company acting jointly or in concert with such an underwriter or dealer, shall, in connection with the distribution, over-allot the securities or effect a transaction that is intended to stabilize or maintain the market price of the securities.
- (3) An issuer shall include in a base shelf prospectus or shelf prospectus supplement pertaining to an at-the-market distribution a statement that no underwriter or dealer involved in the distribution, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, securities in connection with the distribution or effect any other transactions that are intended to stabilize or maintain the market price of the securities.

**9.2 Market Value Calculation**

- (1) For the purposes of this Part:
  - (a) the aggregate market value of the equity securities of an issuer on a date is the aggregate of the market value of each class of its equity securities on the date, calculated by multiplying:
    - (i) the total number of equity securities of the class outstanding on the date; by

- (ii) the closing price on the date of the equity securities of the class on the exchange in Canada on which that class of equity securities is principally traded; and
  - (b) instalment receipts may, at the option of the issuer, be deemed to be equity securities if:
    - (i) the instalment receipts are listed and posted for trading on an exchange in Canada; and
    - (ii) the outstanding equity securities, the beneficial ownership of which is evidenced by the instalment receipts, are not listed and posted for trading on an exchange in Canada.
- (2) For the purposes of subsection (1), in calculating the total number of equity securities of a class outstanding, an issuer shall exclude those equity securities of the class that are beneficially owned, or controlled or directed, directly or indirectly, by persons or companies that, alone or together with their respective affiliates and associated parties, beneficially own, or control or direct, directly or indirectly, more than 10% of the outstanding equity securities of the issuer.
- (3) Despite subsection (2), if a portfolio manager of a pension fund or investment fund, alone or together with its affiliates and associated parties, exercises control or direction, directly or indirectly, in the aggregate over more than 10% of the outstanding equity securities of an issuer, and the fund beneficially owns, or controls or directs, directly or indirectly, 10% or less of the issued and outstanding equity securities of the issuer, the securities that the fund beneficially owns, or controls or directs, directly or indirectly, are not excluded unless the portfolio manager is an affiliate of the issuer.

## **PART 9A: Marketing in Connection with Shelf Distributions**

### **9A.1 Definitions**

- (1) In this Part:
- “comparables”** means information that compares an issuer to other issuers;
- “U.S. cross-border offering”** means an offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC;
- “U.S. prospectus”** means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act.
- (2) In this Part, for greater certainty, a reference to “provides” includes showing a document to a person without allowing the person to retain or make a copy of the document.

### **9A.2 Standard Term Sheets after a Receipt for a Final Base Shelf Prospectus**

- (1) An investment dealer must not provide a standard term sheet to a potential investor after a receipt for a final base shelf prospectus or any amendment is issued unless:
- (a) the standard term sheet complies with subsections (2) and (3);

- (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering:
    - (i) is disclosed in, or derived from, the final base shelf prospectus, any amendment or an applicable shelf prospectus supplement that has been filed; or
    - (ii) will be disclosed in, or derived from, an applicable shelf prospectus supplement that is subsequently filed; and
  - (c) a receipt for the final base shelf prospectus has been issued in the local jurisdiction.
- (2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:
- A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].
- Copies of the final base shelf prospectus, and any applicable shelf prospectus supplement, may be obtained from [*insert contact information for the investment dealer or underwriters*].
- This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.
- (3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the information referred to in subsection 13.5(3) of NI 41-101.

### **9A.3 Marketing Materials after a Receipt for a Final Base Shelf Prospectus**

- (1) An investment dealer must not provide marketing materials to a potential investor after a receipt for a final base shelf prospectus or any amendment is issued unless:
- (a) the marketing materials comply with subsections (2) to (8);
  - (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering:
    - (i) is disclosed in, or derived from, the final base shelf prospectus, any amendment or an applicable shelf prospectus supplement that has been filed; or
    - (ii) will be disclosed in, or derived from, an applicable shelf prospectus supplement that is subsequently filed;

- (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the final base shelf prospectus;
  - (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
  - (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
  - (f) a receipt for the final base shelf prospectus has been issued in the local jurisdiction; and
  - (g) the investment dealer provides a copy of the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement that has been filed, with the marketing materials.
- (2) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph (1)(d) and filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that:
- (a) has a date that is different than the template version;
  - (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
  - (c) contains contact information for the investment dealer or underwriters; or
  - (d) has text in a format, including the type's font, colour or size, that is different than the template version.
- (3) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.
- (4) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or subparagraph (7)(b)(ii) if:
- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
  - (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
  - (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
  - (d) the complete template version of the marketing materials contains the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.

- (5) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- (6) An investment dealer must not provide marketing materials under subsection (1) after a receipt for the final base shelf prospectus is issued and after the applicable shelf prospectus supplement is filed unless the issuer:

(a) has included the template version of the marketing materials filed under paragraph (1)(e) in the applicable shelf prospectus supplement, or incorporated by reference the template version of the marketing materials filed under paragraph (1)(e) into the applicable shelf prospectus supplement in the manner described in paragraph 4 of subsection 6.3(1); or

(b) has included in the applicable base shelf prospectus a statement that any template version of the marketing materials filed after the date of the shelf prospectus supplement and before the termination of the distribution is deemed to be incorporated into the shelf prospectus supplement.

- (7) If marketing materials are provided under subsection (1) after a receipt for the final base shelf prospectus is issued but before the applicable shelf prospectus supplement is filed, the issuer must:

(a) include the template version of the marketing materials filed under paragraph (1)(e) in the applicable shelf prospectus supplement, or incorporate by reference the template version of the marketing materials filed under paragraph (1)(e) into the applicable shelf prospectus supplement in the manner described in paragraph 4 of subsection 6.3(1); and

(b) if the applicable shelf prospectus supplement modifies a statement of material fact that appeared in marketing materials provided earlier under subsection (1):

(i) indicate in the shelf prospectus supplement that the template version of the marketing materials is not part of the shelf prospectus supplement to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the shelf prospectus supplement;

(ii) prepare and file, at the time the issuer files the shelf prospectus supplement, a revised template version of the marketing materials that is blacklined to show the modified statement;



(iii) provide details in the shelf prospectus supplement of how the statement in the marketing materials has been modified; and

(iv) disclose in the shelf prospectus supplement that pursuant to subsection (7):

(A) the issuer has prepared a revised template version of the marketing materials which has been blacklined to show the modified statement; and

(B) the revised template version of the marketing materials can be viewed under the issuer's profile on [www.sedar.com](http://www.sedar.com).

(8) Any revised template version of the marketing materials filed under subsection (7) must comply with this section.

(9) If marketing materials are provided under subsection (1) but the issuer did not comply with subsection (6) or paragraph (7)(a), as applicable, the marketing materials are deemed for purposes of securities legislation to be incorporated into the applicable shelf prospectus supplement as of the date of the shelf prospectus supplement to the extent not otherwise expressly modified or superseded by a statement contained in the shelf prospectus supplement.

#### **9A.4 Road Shows after a Receipt for a Final Base Shelf Prospectus**

(1) An investment dealer must not conduct a road show for potential investors after a receipt for a final base shelf prospectus or any amendment is issued unless:

(a) the road show complies with subsections (2) to (4); and

(b) a receipt for the final base shelf prospectus has been issued in the local jurisdiction.

(2) Subject to section 9A.5, an investment dealer must not provide marketing materials to investors attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 9A.3.

(3) If any investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to:

(a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;

(b) keep a record of any information provided by the investor; and

(c) provide the investor with a copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed.

(4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

**9A.5 Exception from Filing and Incorporation Requirements for Road Shows for Certain U.S. Cross-border Offerings**

(1) Subject to subsections (2) to (4), if an investment dealer provides marketing materials to a potential investor in connection with a road show for a U.S. cross-border offering, the following provisions do not apply to the template version of the marketing materials relating to the road show:

- (a) paragraph 9A.3(1)(e);
- (b) subsections 9A.3(6) to (9).

(2) Subsection (1) does not apply unless:

- (a) the underwriters have a reasonable expectation that the securities offered under the U.S. cross-border offering will be sold primarily in the United States of America;
- (b) the issuer and the underwriters who sign the base shelf prospectus or the applicable shelf prospectus supplement filed in the local jurisdiction provide a contractual right containing the language set out in subsection 36A.1(5) of Form 41-101F1, or words to the same effect, except that the language may specify that the contractual right does not apply to any comparables provided in accordance with subsection (3); and
- (c) if the base shelf prospectus is filed in the local jurisdiction, the template version of the marketing materials relating to the road show is delivered to the securities regulatory authority.

(3) If the template version of the marketing materials relating to the road show contains comparables, the template version of the marketing materials must contain the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.

(4) For greater certainty, subsection (1) does not apply to marketing materials other than the marketing materials provided in connection with the road show.

**PART 10 TRANSITIONAL SHELF PROCEDURES**

**Repealed.** 13 Jan 2006 SR 149/2005 s4.

**PART 11 EXEMPTIONS**

**11.1 Exemption**

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(2.1) Except in Alberta and Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

(3) An application made to the securities regulatory authority or regulator for an exemption from this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

## **11.2 Evidence of Exemption**

(1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting under this Part of an exemption, other than an exemption, in whole or in part from Part 2, may be evidenced by the issuance of a receipt for a base shelf prospectus or an amendment to a base shelf prospectus.

(2) The issuance of a receipt for a base shelf prospectus or an amendment to a base shelf prospectus is not evidence that the exemption is being granted unless:

- (a) the person or company that sought the exemption sent to the regulator:
  - (i) the letter or memorandum referred to in subsection 11.1(3), on or before the date of the filing of the base shelf prospectus or an amendment to a base shelf prospectus; or
  - (ii) the letter or memorandum referred to in subsection 11.1(3) after the date of the filing of the base shelf prospectus or an amendment to a base shelf prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and
- (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

## **NATIONAL INSTRUMENT 44-102 SHELF DISTRIBUTIONS**

### **APPENDIX A**

#### **METHOD 1 FOR FORM OF SHELF PROSPECTUS CERTIFICATES**

#### **METHOD 1: FORWARD LOOKING FORM OF CERTIFICATES TO BE INCLUDED IN BASE SHELF PROSPECTUSES OR SUPPLEMENTS ESTABLISHING AN MTN PROGRAM OR OTHER CONTINUOUS DISTRIBUTION**

#### **PART 1 Base Shelf Prospectuses**

**1.1 Issuer Certificate Form** – If a base shelf prospectus establishes an MTN program or other continuous distribution, or if method 2 has not been elected by an issuer, an issuer certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified]”.

- 1.2 Underwriter Certificate Form** – If the base shelf prospectus establishes an MTN program or other continuous distribution or if method 2 has not been elected by the underwriter, an underwriter certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified].”

- 1.3 Repealed.** 4 Apr 2008 SR 17/2008 s8.

**1.4 Amendments**

(1) For an amendment to a base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, and if the amendment does not restate the prospectus, change “this short form prospectus” to “the short form prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 1.1 and 1.2.

(2) For an amended and restated base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, change “this short form prospectus” and replace it with “this amended and restated short form prospectus” wherever it appears in the statements in sections 1.1 and 1.2.

**PART 2 Shelf Prospectus Supplements establishing an MTN Program**

- 2.1 Issuer Certificate Form** – If an issuer certificate form described in section 1.1 was not included in the corresponding base shelf prospectus, an issuer certificate form in a shelf prospectus supplement that establishes an MTN program or other continuous distribution must state:

“The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement(s) as required by the securities legislation of [insert name of each jurisdiction in which qualified].”

**2.2 Underwriter Certificate Form** – If an underwriter’s certificate form described in section 1.2 was not included in the corresponding base shelf prospectus, an underwriter certificate form in a shelf prospectus supplement that establishes an MTN program or other continuous distribution must state:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of the last supplement to the prospectus relating to the securities offered by the prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of [insert name of jurisdiction in which qualified]”.

**2.3 Repealed.** 4 Apr 2008 SR 17/2008 s8.

**2.4 Amendments**

(1) For an amendment to a shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, and if the amendment does not restate the prospectus, add “, as it amends the shelf prospectus supplement dated [insert date]” after “the foregoing,” wherever it appears in the statements in sections 2.1 and 2.2.

(2) For an amended and restated shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, include the issuer certificate form and the underwriter certificate form in sections 2.1 and 2.2.

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SHELF DISTRIBUTIONS**

**APPENDIX B**

**METHOD 2 FOR FORM OF SHELF PROSPECTUS CERTIFICATES**

**METHOD 2: NON-FORWARD LOOKING FORM OF PROSPECTUS  
CERTIFICATES TO BE INCLUDED IN BOTH BASE SHELF  
PROSPECTUSES AND SUPPLEMENTS**

**PART 1 Base Shelf Prospectus**

**1.1 Issuer Certificate Form** – If method 2 is elected by an issuer, an issuer certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified]”.

- 1.2 Underwriter Certificate Form** – If method 2 is elected by an underwriter, an underwriter certificate form in the preliminary base shelf prospectus and the base shelf prospectus must state:

“To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of [insert name of each jurisdiction in which qualified]”.

- 1.3 Repealed.** 4 Apr 2008 SR 17/2008 s8.

**1.4 Amendments**

(1) For an amendment to a base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, and if the amendment does not restate the prospectus, change “this short form prospectus” to “the short form prospectus dated [insert date] as amended by this amendment” wherever it appears in the statements in sections 1.1 and 1.2.

(2) For an amended and restated base shelf prospectus in respect of a base shelf prospectus that included the issuer certificate form and underwriter certificate form in sections 1.1 and 1.2, change “this short form prospectus” to “this amended and restated short form prospectus” wherever it appears in the statements in sections 1.1 and 1.2.

**PART 2 Shelf Prospectus Supplement**

- 2.1 Issuer Certificate Form** – If method 2 is elected by an issuer, an issuer certificate form in a shelf prospectus supplement must state:

“The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of each jurisdiction in which qualified]”.

- 2.2 Underwriter Certificate Form** – If method 2 is elected by an underwriter, an underwriter certificate form in a shelf prospectus supplement must state:

“To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of [insert name of jurisdiction in which qualified]”.

- 2.3 Repealed.** 4 Apr 2008 SR 17/2008 s8.

## **2.4 Amendments**

- (1) For an amendment to a shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, and if the amendment does not restate the prospectus, add “, as it amends the shelf prospectus supplement dated [insert date]” after “the foregoing,” wherever it appears in the statements in sections 2.1 and 2.2.
- (2) For an amended and restated shelf prospectus supplement in respect of a shelf prospectus supplement that included the issuer certificate form and underwriter certificate form in sections 2.1 and 2.2, include the issuer certificate form and the underwriter certificate form in sections 2.1 and 2.2.

13 Jan 2006 SR 149/2005 s4; 4 Apr 2008 SR  
17/2008 s8; 8 Jly 2011 SR 41/2011 s11; 17 May  
2013 SR 32/2013 s7; 17 May 2013 SR 33/2013  
s8; 16 Aug 2013 SR 66/2013 s5; 12 Sep 2014 SR  
77/2014 s10; 1 Jne 2018 SR 38/2018 s6.



PART XV  
[Clause 2(o)]

NATIONAL INSTRUMENT 44-103  
POST-RECEIPT PRICING

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) In this Instrument:

**“base PREP prospectus”** means a prospectus that at the time of issuance of a receipt for the prospectus omits some or all of the PREP information as permitted by this Instrument;

**“PREP information”** means the information permitted by this Instrument to be omitted from a base PREP prospectus;

**“PREP procedures”** means the requirements in this Instrument for the distribution under a base PREP prospectus and a supplemented PREP prospectus of securities, the price of which is determined after a receipt has been obtained for the base PREP prospectus; and

**“supplemented PREP prospectus”** means a prospectus filed under the PREP procedures containing PREP information.

(2) Every term that is defined or interpreted in NI 41-101 or NI 44-101, the definition or interpretation of which is not restricted to a specific portion of NI 41-101 or NI 44-101, has, if used in this Instrument, the meaning ascribed to it in NI 41-101 or NI 44-101, unless otherwise defined or interpreted in this Instrument.

1.2 **Amendments** - References in this Instrument to an amendment to a prospectus include both an amendment that does not fully restate the text of a prospectus and an amended and restated prospectus.

PART 2 USE OF THE PREP PROCEDURES

2.1 **Prohibited Offerings** - Despite the other provisions of this Instrument, the PREP procedures shall not be used for a distribution of rights under a rights offering.

2.2 **Opting out of the PREP Procedures After a Preliminary Prospectus has been Receipted and before a Prospectus has been Receipted** - An issuer that has obtained a receipt for a preliminary base PREP prospectus for a distribution of securities shall not file a prospectus for the distribution that is not a base PREP prospectus, unless the issuer files a covering letter, before or concurrently with the filing of the prospectus, stating that the issuer or the selling securityholder, as the case may be, has decided not to use the PREP procedures for the distribution.

2.3 **Opting into the PREP Procedures After a Preliminary Prospectus has been Receipted and before the Prospectus has been Receipted** - An issuer that has obtained a receipt for a preliminary prospectus that is not a preliminary base PREP prospectus for a distribution of securities shall not file a base PREP prospectus for the distribution, unless the issuer files a covering letter, before or concurrently with the base PREP prospectus, stating that the issuer or the selling securityholder, as the case may be, has decided to use the PREP procedures for the distribution.

**2.4 Opting out of the PREP Procedures After a Prospectus has been Received**

- If a receipt has been issued for a base PREP prospectus for a distribution of securities and the issuer or the selling securityholder decides, before a supplemented PREP prospectus is filed, no longer to use the PREP procedures for the distribution, the issuer shall file:

- (a) either:
  - (i) an amended prospectus that is not a base PREP prospectus or a supplemented PREP prospectus; or
  - (ii) a new preliminary prospectus that is not a preliminary base PREP prospectus; and
- (b) a covering letter stating that the issuer or the selling securityholder, as the case may be, has decided not to use the PREP procedures for the distribution.

**PART 3 BASE PREP PROSPECTUSES**

**3.1 Form of Base PREP Prospectus** - The required form of prospectus under securities legislation may be varied for a PREP prospectus to the extent provided for in this Instrument.

**3.2 Required Disclosure**

- (1) A base PREP prospectus of an issuer shall contain the following:
  - 1. A statement at the top of the cover page identifying the prospectus as a base PREP prospectus.
  - 2. The following statement in red ink and in *italics* on the cover page:
 

*“This [insert throughout, if applicable, “short form”] prospectus has been filed under procedures in [insert names of each jurisdiction where qualified] that permit certain information about these securities to be determined after the prospectus has become final and that permit the omission of that information from this prospectus. The procedures require the delivery to purchasers of a supplemented PREP prospectus containing the omitted information within a specified period of time after agreeing to purchase any of these securities.”*
  - 3. A statement that all disclosure contained in a supplemented PREP prospectus that is not contained in the base PREP prospectus will be incorporated by reference into the base PREP prospectus as of the date of the supplemented PREP prospectus.
  - 4. If securities other than shares are being distributed, a statement of the aggregate dollar amount of securities to which the base PREP prospectus pertains.
  - 5. If shares are being distributed:
    - (a) the aggregate dollar amount of the shares to which the base PREP prospectus pertains, if:
      - (i) the proceeds of the offering are to be applied to a specific purpose identified in the prospectus and a minimum amount must be raised through the offering in order to accomplish the purpose; and

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- (ii) there is no pre-existing trading market in which securities of the same class as the securities to be distributed under the prospectus are traded; or
  - (b) otherwise, either the aggregate number, or the aggregate dollar amount, of the shares to which the base PREP prospectus pertains.
- 6. Any earnings coverage ratios required under securities legislation, which may be expressed as ranges based on a reasonable estimate of the PREP information.
- 7. The prospectus certificates required by Part 5 of NI 41-101 and other securities legislation:
  - (a) in the following issuer certificate form:
 

“The [insert, if applicable, “short form”] prospectus, together with the documents and information incorporated by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this prospectus, constitute, full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]”; and
  - (b) in the following underwriter certificate form:
 

“To the best of our knowledge, information and belief, this [insert, if applicable “short form”] prospectus, together with the documents and information incorporated by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]”.
- 8. **Repealed.** 4 Apr 2008 SR 17/2008 s9.
- 9. **Repealed.** 4 Apr 2008 SR 17/2008 s9.
- 10. List all exemptions from the provisions of this Instrument granted to the issuer applicable to the base PREP prospectus, including all exemptions to be evidenced by the issuance of a receipt for the base PREP prospectus pursuant to section 6.2.

- (2) Despite subsection (1), a preliminary base PREP prospectus is not required to contain the information required in paragraphs 4, 5 and 6 of subsection (1), if the information is not known at the time of filing the preliminary base PREP prospectus.

**3.3 Disclosure that may be Omitted** - A base PREP prospectus may omit the following:

- 1. The public offering price of the securities to be distributed.
- 2. The amount of cash underwriting fees, discounts and commissions for the distribution of the securities.
- 3. The net proceeds of the distribution.

4. If shares are being distributed and only the aggregate number of securities to be distributed is disclosed and the aggregate dollar amount of shares is not required to be disclosed under paragraph 5 of subsection 3.2(1), the gross proceeds of the distribution.
5. Any dividend or interest rate of the securities to be distributed.
6. Any dividend or interest payment dates, record dates and any dates from which dividends or interest accrue for the securities to be distributed.
7. Any redemption, purchase for cancellation, conversion and exchange prices of the securities.
8. The identity of the members of the underwriting syndicate, other than the lead underwriter and any co-lead underwriter, and the disclosure required under Item 14 of Form 44-101F1 or Item 25 of Form 41-101F1.
9. The delivery dates of securities to be purchased under the distribution.
10. If one or more underwriters have agreed to purchase the securities to be distributed at a specified price, the statement required under securities legislation that the securities are to be taken up by the underwriters, if at all, on or before a specified date.
11. If the securities to be distributed are underwritten on a best efforts basis for which a minimum amount of funds are required by an issuer, disclosure required under securities legislation concerning the maximum length of time for which the distribution may continue and concerning the disposition of subscription funds.
12. Other terms of the securities to be distributed that are mathematically derivable from any of the information referred to in paragraphs 1 through 11.

**3.4 Issuance of Receipt** - Despite the omission of PREP information, the regulator may issue a receipt for a base PREP prospectus.

**3.5 Expiry of Receipt**

- (1) Subject to subsection (2), a receipt issued for a base PREP prospectus expires 90 days after issuance unless a supplemented PREP prospectus is filed within the 90 day period.
- (2) If a supplemented PREP prospectus is not filed within 20 days of the filing of a base PREP prospectus, the receipt issued for the base PREP prospectus expires at the time immediately before the entering into of the first agreement of purchase and sale for a security to which the base PREP prospectus pertains, unless a receipt has been issued within the preceding 20 days for an amended base PREP prospectus that updates to the date of the filing of the amended base PREP prospectus all of the disclosure contained in the base PREP prospectus.

**3.6 Amendment to a Base PREP Prospectus**

- (1) For an amendment to a base PREP prospectus, other than an amendment filed under section 2.4 to opt out of the PREP procedures, in respect of a base PREP prospectus that included the issuer certificate form or the underwriter certificate form in subsection 3.2(1), and if the amendment is not a restatement of the base PREP prospectus, insert the phrase “as amended by this amendment” after the reference in each certificate form to the prospectus.

(2) For an amended and restated base PREP prospectus, other than an amended and restated base PREP prospectus filed under section 2.4 to opt out of the PREP procedures, in respect of a base PREP prospectus that included the issuer certificate form or the underwriter certificate form in subsection 3.2(1), preface the reference to the prospectus in each certificate form with the phrase “this amended and restated”.

#### **PART 4 SUPPLEMENTED PREP PROSPECTUSES**

**4.1 Requirement to Use a Supplemented PREP Prospectus** - An issuer or selling securityholder that distributes securities under a base PREP prospectus shall supplement the disclosure in the base PREP prospectus with a supplemented PREP prospectus in order for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities distributed under the prospectus.

**4.2 Incorporation by Reference** - The content of a supplemented PREP prospectus that is not also contained in the corresponding base PREP prospectus is incorporated by reference in the base PREP prospectus as of the date of the supplemented PREP prospectus.

**4.3 Restriction on Changes** - A supplemented PREP prospectus shall be identical to the corresponding base PREP prospectus, except for the changes permitted or required under this Part.

#### **4.4 Changes in the Size of Distribution**

(1) The size of the distribution as disclosed in the base PREP prospectus under paragraph 4 or 5 of subsection 3.2(1) may be increased or decreased by up to 20% in a supplemented PREP prospectus.

(2) If the size of the distribution as disclosed in the base PREP prospectus under paragraph 4 or 5 of subsection 3.2(1) is increased or decreased by up to 20% in a supplemented PREP prospectus and that increase or decrease is a material change, the provisions of Part 6 of NI 41-101 or other securities legislation that require the filing of an amendment to a prospectus if a material change occurs are satisfied by the filing of the supplemented PREP prospectus.

(3) Despite the provisions of securities legislation regarding the prescribed form of issuer certificate form and underwriter certificate form for prospectus amendments, a supplemented PREP prospectus filed in order to satisfy provisions of Part 6 of NI 41-101 or other securities legislation that require the filing of an amendment to a prospectus if a material change occurs shall contain the issuer certificate form and underwriter certificate form required in subsection 4.5(2).

#### **4.5 Required Disclosure**

(1) A supplemented PREP prospectus shall be dated the date that the public offering price of the securities is determined.

(2) A supplemented PREP prospectus shall contain the following:

1. All of the PREP information omitted from the base PREP prospectus.
2. Instead of the earnings coverage ratios expressed as ranges based on a reasonable estimate of the PREP information as permitted under paragraph 6 of subsection 3.2(1), the earnings coverage ratios required under securities legislation.

3. The prospectus certificates required by Part 5 of NI 41-101 or other securities legislation:

(a) in the following issuer certificate form:

“This [insert, if applicable, “short form”] prospectus [insert in the case of a short form prospectus distribution – “, together with the documents incorporated by reference”] constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required under securities legislation of [insert name of each jurisdiction in which qualified]”; and

(b) in the following underwriter certificate form:

“To the best of our knowledge, information and belief, this [insert, if applicable, “short form”] prospectus [insert in the case of a short form prospectus distribution – “, together with the documents incorporated by reference,”] constitutes full, true and plain disclosure of all material facts relating to securities offered by this prospectus as required under the securities legislation of [insert name of each jurisdiction in which qualified]”.

4. **Repealed.** 4 Apr 2008 SR 17/2008 s9.

5. **Repealed.** 4 Apr 2008 SR 17/2008 s9.

6. A list and brief description of each document that has been incorporated by reference in the base PREP prospectus since the issuance of a receipt for the base PREP prospectus.

**4.6 Legend to be Omitted** - A supplemented PREP prospectus shall omit the legend required under paragraph 2 of subsection 3.2(1).

**4.7 Amendment to a Supplemented PREP Prospectus** – An amendment to a supplemented PREP prospectus shall contain the form of certificates set out in subsection 4.5(2) for a supplemented PREP prospectus with the following changes:

1. If the amendment is not a restatement of the supplemented PREP prospectus, the phrase “as amended by this amendment” inserted after the reference in each certificate form to the prospectus.

2. If the amendment is an amended and restated supplemented PREP prospectus, the reference in each certificate form to the prospectus prefaced by the phrase “this amended and restated”.

**4.8 Timing of Filing of Supplemented PREP Prospectus** - If securities are distributed using the PREP procedures in the local jurisdiction, a supplemented PREP prospectus prepared in accordance with this Instrument shall be filed in the local jurisdiction by the second business day following the date of the determination of the information omitted from the base PREP prospectus.

**4.9 Delivery Requirement** - If securities are being distributed using the PREP procedures, the requirement under securities legislation to deliver a prospectus to a purchaser of securities shall be satisfied by the delivery of a supplemented PREP prospectus.



**4.10 Underwriting Agreements** - Despite the provisions of Part 9 of NI 41-101, an underwriting agreement or other material contract that relates to a distribution of securities that cannot be completed until the distribution is priced and that is required under Part 9 of NI 41-101 to be filed with a prospectus:

- (a) shall be filed with the base PREP prospectus in draft form and may omit PREP information; and
- (b) shall be refiled in final form, together with the supplemented PREP prospectus or base PREP prospectus amendment containing the PREP information and a copy of the agreement, blacklined against the draft form filed under paragraph (a).

## **PART 4A: Marketing in Connection with the PREP Procedures**

### **4A.1 Definitions**

- (1) In this Part:

**“comparables”** means information that compares an issuer to other issuers;

**“U.S. cross-border initial public offering”** means an initial public offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC;

**“U.S. cross-border offering”** means an offering of securities of an issuer being made contemporaneously in the United States of America and Canada by way of a prospectus filed with a securities regulatory authority in a jurisdiction of Canada and a U.S. prospectus filed with the SEC, and includes a U.S. cross-border initial public offering;

**“U.S. prospectus”** means a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law for an offering of securities registered under the 1933 Act.

- (2) In this Part, for greater certainty, a reference to “provides” includes showing a document to a person without allowing the person to retain or make a copy of the document.

### **4A.2 Standard Term Sheets after a Receipt for a Final Base PREP Prospectus**

- (1) An investment dealer must not provide a standard term sheet to a potential investor after a receipt for a final base PREP prospectus or any amendment is issued unless:

- (a) the standard term sheet complies with subsections (2) and (3);
- (b) other than contact information for the investment dealer or underwriters, all information in the standard term sheet concerning the issuer, the securities or the offering:
  - (i) is disclosed in, or derived from, the final base PREP prospectus, the supplemented PREP prospectus or any amendment that has been filed; or
  - (ii) will be disclosed in, or derived from, the supplemented PREP prospectus that is subsequently filed; and
- (c) a receipt for the final base PREP prospectus has been issued in the local jurisdiction.



(2) A standard term sheet provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A [final base PREP prospectus/supplemented PREP prospectus] containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada].

Copies of the [final base PREP prospectus/supplemented PREP prospectus] may be obtained from [*insert contact information for the investment dealer or underwriters*].

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the supplemented PREP prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

(3) A standard term sheet provided under subsection (1) may contain only the information referred to in subsection (2) and the information referred to in subsection 13.5(3) of NI 41-101.

#### **4A.3 Marketing Materials after a Receipt for a Final Base PREP Prospectus**

(1) An investment dealer must not provide marketing materials to a potential investor after a receipt for a final base PREP prospectus or any amendment is issued unless:

- (a) the marketing materials comply with subsections (2) to (9);
- (b) other than contact information for the investment dealer or underwriters and any comparables, all information in the marketing materials concerning the issuer, the securities or the offering:
  - (i) is disclosed in, or derived from, the final base PREP prospectus, the supplemented PREP prospectus or any amendment that has been filed; or
  - (ii) will be disclosed in, or derived from, the supplemented PREP prospectus that is subsequently filed;
- (c) other than prescribed language, the marketing materials contain the same cautionary language in bold type as contained on the cover page, and in the summary, of the final base PREP prospectus;
- (d) a template version of the marketing materials is approved in writing by the issuer and the lead underwriter before the marketing materials are provided;
- (e) a template version of the marketing materials is filed on or before the day that the marketing materials are first provided;
- (f) a receipt for the final base PREP prospectus has been issued in the local jurisdiction; and
- (g) the investment dealer provides the marketing materials with a copy of:
  - (i) the final base PREP prospectus and any amendment; or
  - (ii) if it has been filed, the supplemented PREP prospectus and any amendment.

(2) A template version of the marketing materials filed under paragraph 1(e) may contain blank spaces for the PREP information set out in section 3.3, provided that the omitted information is contained in the supplemented PREP prospectus that is subsequently filed.

(3) If a template version of the marketing materials is approved in writing by the issuer and lead underwriter under paragraph 1(d) and filed under paragraph 1(e), an investment dealer may provide a limited-use version of the marketing materials that:

- (a) has a date that is different than the template version;
- (b) contains a cover page referring to the investment dealer or underwriters or a particular investor or group of investors;
- (c) contains contact information for the investment dealer or underwriters;
- (d) has text in a format, including the type's font, colour or size, that is different than the template version; or
- (e) contains the omitted information referred to in subsection (2), provided that the omitted information is contained in the supplemented PREP prospectus that is subsequently filed.

(4) If a template version of the marketing materials is divided into separate sections for separate subjects and is approved in writing by the issuer and lead underwriter under paragraph (1)(d), and that template version is filed under paragraph (1)(e), an investment dealer may provide a limited-use version of the marketing materials that includes only one or more of those separate sections.

(5) The issuer may remove any comparables, and any disclosure relating to those comparables, from the template version of the marketing materials before filing it under paragraph (1)(e) or (8)(b) if:

- (a) the comparables, and any disclosure relating to the comparables, are in a separate section of the template version of the marketing materials;
- (b) the template version of the marketing materials that is filed contains a note advising that the comparables, and any disclosure relating to the comparables, were removed in accordance with this subsection, provided that the note appears immediately after where the removed comparables and related disclosure would have been;
- (c) if the prospectus is filed in the local jurisdiction, a complete template version of the marketing materials containing the comparables, and any disclosure relating to the comparables, is delivered to the securities regulatory authority; and
- (d) the complete template version of the marketing materials contains the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.

(6) Marketing materials provided under subsection (1) must be dated and include the following legend, or words to the same effect, on the first page:

A [final base PREP prospectus/supplemented PREP prospectus] containing important information relating to the securities described in this document has been filed with the securities regulatory authorit[y/ies] in [each of/certain of the provinces/provinces and territories of Canada]. A copy of the [final base PREP prospectus/supplemented PREP prospectus], and any amendment, is required to be delivered with this document.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the supplemented PREP prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

(7) An investment dealer must not provide marketing materials under subsection (1) after a receipt for the final base PREP prospectus is issued unless the issuer:

(a) has included the template version of the marketing materials filed under paragraph (1)(e) in the final base PREP prospectus, and any amendment, or incorporated by reference the template version of the marketing materials filed under paragraph (1)(e) into the final base PREP prospectus, and any amendment, in the manner described in subsection 36A.1(1) of Form 41-101F1 or subsection 11.6(1) of Form 44-101F1, as applicable; or

(b) has included in the final base PREP prospectus a statement that any template version of the marketing materials filed after the date of the final base PREP prospectus and before the termination of the distribution is deemed to be incorporated into the final base PREP prospectus.

(8) If an amendment to a final base PREP prospectus or a supplemented PREP prospectus modifies a statement of material fact that appeared in marketing materials provided under subsection (1), the issuer must:

(a) indicate in the amendment that the template version of the marketing materials is not part of the final base PREP prospectus or supplemented PREP prospectus, as amended, to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in the amendment;

(b) prepare and file, at the time the issuer files the amendment to the final base PREP prospectus or supplemented PREP prospectus, as applicable, a revised template version of the marketing materials that is blacklined to show the modified statement; and

(c) include in the amendment to the final base PREP prospectus or supplemented PREP prospectus, as applicable, the disclosure required by subsection 36A.1(3) of Form 41-101F1 or subsection 11.6(3) of Form 44-101F1, as applicable.

(9) Any revised template version of the marketing materials filed under subsection (8) must comply with this section.

(10) If marketing materials are provided under subsection (1) but the issuer did not comply with subsection (7), the marketing materials are deemed for purposes of securities legislation to be incorporated into the final base PREP prospectus as of the date of the final base PREP prospectus to the extent not otherwise expressly modified or superseded by a statement contained in the final base PREP prospectus.

#### **4A.4 Road Shows after a Receipt for a Final Base PREP Prospectus**

- (1) An investment dealer must not conduct a road show for potential investors after a receipt for a final base PREP prospectus or any amendment is issued unless:
  - (a) the road show complies with subsections (2) to (4); and
  - (b) a receipt for the final base PREP prospectus has been issued in the local jurisdiction.
- (2) Subject to section 4A.6, an investment dealer must not provide marketing materials to investors attending a road show conducted under subsection (1) unless the marketing materials are provided in accordance with section 4A.3.
- (3) If an investment dealer conducts a road show, the investment dealer must establish and follow reasonable procedures to:
  - (a) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to provide their name and contact information;
  - (b) keep a record of any information provided by the investor; and
  - (c) provide the investor with a copy of:
    - (i) the final base PREP prospectus and any amendment; or
    - (ii) if it has been filed, the supplemented PREP prospectus and any amendment.
- (4) If an investment dealer permits an investor, other than an accredited investor, to attend a road show, the investment dealer must commence the road show with the oral reading of the following statement or a statement to the same effect:

This presentation does not provide full disclosure of all material facts relating to the securities offered. Investors should read the supplemented PREP prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

#### **4A.5 Exception from Procedures for Road Shows for Certain U.S. Cross-border Initial Public Offerings**

- (1) Subject to subsection (2), paragraphs 4A.4(3)(a) and (b) do not apply to an investment dealer that conducts a road show in connection with a U.S. cross-border initial public offering.
- (2) Subsection (1) does not apply unless:
  - (a) the issuer is relying on the exemption from U.S. filing requirements in Rule 433(d)(8)(ii) under the 1933 Act in respect of the road show; and
  - (b) the investment dealer establishes and follows reasonable procedures to:
    - (i) ask any investor attending the road show in person, by telephone conference call, on the internet or by other electronic means to voluntarily provide their name and contact information; and
    - (ii) keep a record of any information voluntarily provided by the investor.

**4A.6 Exception from Filing and Incorporation Requirements for Road Shows for Certain U.S. Cross-border Offerings**

(1) Subject to subsections (2) to (4), if an investment dealer provides marketing materials to a potential investor in connection with a road show for a U.S. cross-border offering, the following provisions do not apply to the template version of the marketing materials relating to the road show:

- (a) paragraph 4A.3(1)(e);
- (b) subsections 4A.3(7) to (10).

(2) Subsection (1) does not apply unless:

(a) the underwriters have a reasonable expectation that the securities offered under the U.S. cross-border offering will be sold primarily in the United States of America;

(b) the issuer and the underwriters who sign the base PREP prospectus or the supplemented PREP prospectus filed in the local jurisdiction provide a contractual right containing the language set out in subsection 36A.1(5) of Form 41-101F1, or words to the same effect, except that the language may specify that the contractual right does not apply to any comparables provided in accordance with subsection (3); and

(c) if the base PREP prospectus has been filed in the local jurisdiction, the template version of the marketing materials relating to the road show is delivered to the securities regulatory authority.

(3) If the template version of the marketing materials relating to the road show contains comparables, the template version of the marketing materials must contain the disclosure referred to in paragraph 13.7(4)(d) of NI 41-101.

(4) For greater certainty, subsection (1) does not apply to marketing materials other than the marketing materials provided in connection with the road show.

**PART 5 TRANSITIONAL PREP PROCEDURES**

**Repealed.** 13 Jan 2006 SR 149/2005 s5.

**PART 6 EXEMPTIONS****6.1 Exemption**

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(2.1) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions opposite the name of the local jurisdiction.

(3) An application made to the securities regulatory authority or regulator for an exemption from this Instrument shall include a letter or memorandum describing the matters relating to the exemption, and indicating why consideration should be given to the granting of the exemption.

## 6.2 Evidence of Exemption

- (1) Subject to subsection (2) and without limiting the manner in which an exemption under this Part may be evidenced, the granting of an exemption under this Part may be evidenced by the issuance of a receipt for a base PREP prospectus or an amendment to a base PREP prospectus.
- (2) The issuance of a receipt for a base PREP prospectus or an amendment to a base PREP prospectus is not evidence that the exemption is being granted unless:
- (a) the person or company that sought the exemption sent to the regulator:
    - (i) the letter or memorandum referred to in subsection 6.1(3), on or before the date of the filing of the preliminary base PREP prospectus; or
    - (ii) the letter or memorandum referred to in subsection 6.1(3) after the date of the filing of the preliminary base PREP prospectus and received a written acknowledgement from the regulator that the exemption may be evidenced in the manner set out in subsection (1); and
  - (b) the regulator has not before, or concurrently with, the issuance of the receipt sent notice to the person or company that sought the exemption, that the exemption sought may not be evidenced in the manner set out in subsection (1).

13 Jan 2006 SR 149/2005 s5; 4 Apr 2008 SR  
17/2008 s9; 16 Aug 2013 SR 66/2013 s6.





PART XVI  
National Instrument 43-101  
*Standards of Disclosure for Mineral Projects*

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument:

**“acceptable foreign code”** means the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7, the Certification Code, or any other code, generally accepted in a foreign jurisdiction, that defines mineral resources and mineral reserves in a manner that is consistent with mineral resource and mineral reserve definitions and categories set out in sections 1.2 and 1.3;

**“adjacent property”** means a property:

- (a) in which the issuer does not have an interest;
- (b) that has a boundary reasonably proximate to the property being reported on; and
- (c) that has geological characteristics similar to those of the property being reported on;

**“advanced property”** means a property that has:

- (a) mineral reserves; or
- (b) mineral resources the potential economic viability of which is supported by a preliminary economic assessment, a pre-feasibility study or a feasibility study;

**“Certification Code”** means the Certification Code for Exploration Prospects, Mineral Resources and Ore Reserves prepared by the Mineral Resources Committee of the Institution of Mining Engineers of Chile, as amended;

**“data verification”** means the process of confirming that data has been generated with proper procedures, has been accurately transcribed from the original source and is suitable to be used;

**“disclosure”** means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in a jurisdiction of Canada, whether or not filed under securities legislation, but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

**“early stage exploration property”** means a property for which the technical report being filed has:

- (a) no current mineral resources or mineral reserves defined; and
- (b) no drilling or trenching proposed;

**“effective date”** means, with reference to a technical report, the date of the most recent scientific or technical information included in the technical report;

**“exploration information”** means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical, and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define, or delineate a mineral prospect or mineral deposit;

**“historical estimate”** means an estimate of the quantity, grade, or metal or mineral content of a deposit that an issuer has not verified as a current mineral resource or mineral reserve, and which was prepared before the issuer acquired, or entered into an agreement to acquire, an interest in the property that contains the deposit;

**“initial deposit period”** has the meaning ascribed to that term in section 1.1 of National Instrument 62-104 *Take-Over Bids and Issuer Bids*;

**“JORC Code”** means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended;

**“mineral project”** means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals;

**“PERC Code”** means the Pan-European Code for Reporting of Exploration Results, Mineral Resources and Reserves prepared by the Pan-European Reserves and Resources Reporting Committee, as amended;

**“preliminary economic assessment”** means a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources;

**“producing issuer”** means an issuer with annual audited financial statements that disclose:

- (a) gross revenue, derived from mining operations, of at least \$30 million Canadian for the issuer’s most recently completed financial year; and

- (b) gross revenue, derived from mining operations, of at least \$90 million Canadian in the aggregate for the issuer’s three most recently completed financial years;

**“professional association”** means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that:

- (a) is:

- (i) given authority or recognition by statute in a jurisdiction of Canada; or

- (ii) a foreign association that is generally accepted within the international mining community as a reputable professional association;

- (b) admits individuals on the basis of their academic qualifications, experience, and ethical fitness;
- (c) requires compliance with the professional standards of competence and ethics established by the organization;
- (d) requires or encourages continuing professional development; and
- (e) has and applies disciplinary powers, including the power to suspend or expel a member regardless of where the member practises or resides;

**“qualified person”** means an individual who:

- (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining;
- (b) has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice;
- (c) has experience relevant to the subject matter of the mineral project and the technical report;
- (d) is in good standing with a professional association; and
- (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that:
  - (i) requires attainment of a position of responsibility in his or her profession that requires the exercise of independent judgment; and
  - (ii) requires:
    - (A) a favourable confidential peer evaluation of the individual’s character, professional judgement, experience, and ethical fitness; or
    - (B) a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining;

**“quantity”** means either tonnage or volume, depending on which term is the standard in the mining industry for the type of mineral;

**“SAMREC Code”** means the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves prepared by the South African Mineral Resource Committee (SAMREC) under the Joint Auspices of the Southern African Institute of Mining and Metallurgy and the Geological Society of South Africa, as amended;

**“SEC Industry Guide 7”** means the mining industry guide entitled “Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations” contained in the Securities Act Industry Guides published by the United States Securities and Exchange Commission, as amended;

**“specified exchange”** means the Australian Stock Exchange, the Johannesburg Stock Exchange, the London Stock Exchange Main Market, the Nasdaq Stock Market, the New York Stock Exchange, or the Hong Kong Stock Exchange;

**“technical report”** means a report prepared and filed in accordance with this Instrument and Form 43-101F1 Technical Report that includes, in summary form, all material scientific and technical information in respect of the subject property as of the effective date of the technical report; and

**“written disclosure”** includes any writing, picture, map, or other printed representation whether produced, stored or disseminated on paper or electronically, including websites.

- 1.2 Mineral Resource** - In this Instrument, the terms “mineral resource”, “inferred mineral resource”, “indicated mineral resource” and “measured mineral resource” have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.
- 1.3 Mineral Reserve** - In this Instrument, the terms “mineral reserve”, “probable mineral reserve” and “proven mineral reserve” have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.
- 1.4 Mining Studies** - In this Instrument, the terms “preliminary feasibility study”, “pre-feasibility study” and “feasibility study” have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.
- 1.5 Independence** - In this Instrument, a qualified person is independent of an issuer if there is no circumstance that, in the opinion of a reasonable person aware of all relevant facts, could interfere with the qualified person’s judgment regarding the preparation of the technical report.

## **PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE**

- 2.1 Requirements Applicable to All Disclosure** - All disclosure of scientific or technical information made by an issuer, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be:
- (a) based upon information prepared by or under the supervision of a qualified person; or
  - (b) approved by a qualified person.
- 2.2 All Disclosure of Mineral Resources or Mineral Reserves** - An issuer must not disclose any information about a mineral resource or mineral reserve unless the disclosure:
- (a) uses only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3;

- (b) reports each category of mineral resources and mineral reserves separately, and states the extent, if any, to which mineral reserves are included in total mineral resources;
- (c) does not add inferred mineral resources to the other categories of mineral resources; and
- (d) states the grade or quality and the quantity for each category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is included in the disclosure.

## **2.3 Restricted Disclosure**

- (1) An issuer must not disclose:
  - (a) the quantity, grade, or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource, a measured mineral resource, a probable mineral reserve, or a proven mineral reserve;
  - (b) the results of an economic analysis that includes or is based on inferred mineral resources or an estimate permitted under subsection 2.3(3) or section 2.4;
  - (c) the gross value of metal or mineral in a deposit or a sampled interval or drill intersection; or
  - (d) a metal or mineral equivalent grade for a multiple commodity deposit, sampled interval, or drill intersection, unless it also discloses the grade of each metal or mineral used to establish the metal or mineral equivalent grade.
- (2) Despite paragraph (1)(a), an issuer may disclose in writing the potential quantity and grade, expressed as ranges, of a target for further exploration if the disclosure:
  - (a) states with equal prominence that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource; and
  - (b) states the basis on which the disclosed potential quantity and grade has been determined.
- (3) Despite paragraph (1)(b), an issuer may disclose the results of a preliminary economic assessment that includes or is based on inferred mineral resources if the disclosure:
  - (a) states with equal prominence that the preliminary economic assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized;

- (b) states the basis for the preliminary economic assessment and any qualifications and assumptions made by the qualified person; and
  - (c) describes the impact of the preliminary economic assessment on the results of any pre-feasibility or feasibility study in respect of the subject property.
- (4) An issuer must not use the term preliminary feasibility study, pre-feasibility study or feasibility study when referring to a study unless the study satisfies the criteria set out in the definition of the applicable term in section 1.4.

**2.4 Disclosure of Historical Estimates** - Despite section 2.2, an issuer may disclose an historical estimate, using the original terminology, if the disclosure:

- (a) identifies the source and date of the historical estimate, including any existing technical report;
- (b) comments on the relevance and reliability of the historical estimate;
- (c) to the extent known, provides the key assumptions, parameters, and methods used to prepare the historical estimate;
- (d) states whether the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 and, if so, includes an explanation of the differences;
- (e) includes any more recent estimates or data available to the issuer;
- (f) comments on what work needs to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves; and
- (g) states with equal prominence that:
  - (i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and
  - (ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

**PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE**

**3.1 Written Disclosure to Include Name of Qualified Person** - If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who:

- (a) prepared or supervised the preparation of the information that forms the basis for the written disclosure; or
- (b) approved the written disclosure.

**3.2 Written Disclosure to Include Data Verification** - If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure:

- (a) a statement whether a qualified person has verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in the written disclosure;
- (b) a description of how the data was verified and any limitations on the verification process; and
- (c) an explanation of any failure to verify the data.

**3.3 Requirements Applicable to Written Disclosure of Exploration Information**

(1) If an issuer discloses in writing exploration information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure a summary of:

- (a) the material results of surveys and investigations regarding the property;
- (b) the interpretation of the exploration information; and
- (c) the quality assurance program and quality control measures applied during the execution of the work being reported on.

(2) If an issuer discloses in writing sample, analytical or testing results on a property material to the issuer, the issuer must include in the written disclosure, with respect to the results being disclosed:

- (a) the location and type of the samples;
- (b) the location, azimuth, and dip of the drill holes and the depth of the sample intervals;
- (c) a summary of the relevant analytical values, widths, and to the extent known, the true widths of the mineralized zone;
- (d) the results of any significantly higher grade intervals within a lower grade intersection;
- (e) any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to in this subsection; and
- (f) a summary description of the type of analytical or testing procedures utilized, sample size, the name and location of each analytical or testing laboratory used, and any relationship of the laboratory to the issuer.

**3.4 Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves** - If an issuer discloses in writing mineral resources or mineral reserves on a property material to the issuer, the issuer must include in the written disclosure:

- (a) the effective date of each estimate of mineral resources and mineral reserves;



- (b) the quantity and grade or quality of each category of mineral resources and mineral reserves;
- (c) the key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves;
- (d) the identification of any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources or mineral reserves; and
- (e) if the disclosure includes the results of an economic analysis of mineral resources, an equally prominent statement that mineral resources that are not mineral reserves do not have demonstrated economic viability.

**3.5 Exception for Written Disclosure Already Filed** - Sections 3.2 and 3.3 and paragraphs (a), (c) and (d) of section 3.4 do not apply if the issuer includes in the written disclosure a reference to the title and date of a document previously filed by the issuer that complies with those requirements.

#### **PART 4 OBLIGATION TO FILE A TECHNICAL REPORT**

##### **4.1 Obligation to File a Technical Report Upon Becoming a Reporting Issuer**

- (1) Upon becoming a reporting issuer in a jurisdiction of Canada an issuer must file in that jurisdiction a technical report for each mineral property material to the issuer.
- (2) Subsection (1) does not apply if the issuer is a reporting issuer in a jurisdiction of Canada and subsequently becomes a reporting issuer in another jurisdiction of Canada.
- (3) Subsection (1) does not apply if:
  - (a) the issuer previously filed a technical report for the property;
  - (b) at the date the issuer becomes a reporting issuer, there is no new material scientific or technical information concerning the subject property not included in the previously filed technical report; and
  - (c) the previously filed technical report meets any independence requirements under section 5.3.

##### **4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure about Mineral Projects on Material Properties**

- (1) An issuer must file a technical report to support scientific or technical information that relates to a mineral project on a property material to the issuer, or in the case of paragraph (c), the resulting issuer, if the information is contained in any of the following documents filed or made available to the public in a jurisdiction of Canada:
  - (a) a preliminary prospectus, other than a preliminary short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions*;

- (b) a preliminary short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* that discloses for the first time:
- (i) mineral resources, mineral reserves or the results of a preliminary economic assessment on the property that constitute a material change in relation to the issuer; or
  - (ii) a change in mineral resources, mineral reserves or the results of a preliminary economic assessment from the most recently filed technical report if the change constitutes a material change in relation to the issuer;
- (c) an information or proxy circular concerning a direct or indirect acquisition of a mineral property where the issuer or resulting issuer issues securities as consideration;
- (d) an offering memorandum, other than an offering memorandum delivered solely to accredited investors as defined under securities legislation;
- (e) for a reporting issuer, a rights offering circular;
- (f) an annual information form;
- (g) a valuation required to be prepared and filed under securities legislation;
- (h) an offering document that complies with and is filed in accordance with Policy 4.6 - *Public Offering by Short Form Offering Document* and Exchange Form 4H - *Short Form Offering Document*, of the TSX Venture Exchange, as amended;
- (i) a take-over bid circular that discloses mineral resources, mineral reserves or the results of a preliminary economic assessment on the property if securities of the offeror are being offered in exchange on the take-over bid; and
- (j) any written disclosure made by or on behalf of an issuer, other than in a document described in paragraphs (a) to (i), that discloses for the first time:
- (i) mineral resources, mineral reserves or the results of a preliminary economic assessment on the property that constitute a material change in relation to the issuer; or
  - (ii) a change in mineral resources, mineral reserves or the results of a preliminary economic assessment from the most recently filed technical report if the change constitutes a material change in relation to the issuer.
- (2) Subsection (1) does not apply for disclosure of an historical estimate in a document referred to in paragraph (1)(j) if the disclosure is made in accordance with subsection 2.4.
- (3) If a technical report is filed under paragraph (1)(a) or (b), and new material scientific or technical information concerning the subject property becomes available before the filing of the final version of the prospectus or short form prospectus, the issuer must file an updated technical report or an addendum to the technical report with the final version of the prospectus or short form prospectus.

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- (4) The issuer must file the technical report referred to in subsection (1) not later than the time it files or makes available to the public the document listed in subsection (1) that the technical report supports.
- (5) Despite subsection (4), an issuer must:
- (a) file a technical report supporting disclosure under paragraph (1)(j) not later than:
    - (i) if the disclosure is also contained in a preliminary short form prospectus, the earlier of 45 days after the date of the disclosure and the date of filing the preliminary short form prospectus;
    - (ii) if the disclosure is also contained in a directors' circular, the earlier of 45 days after the date of the disclosure and 3 business days before the expiry of the initial deposit period; and
    - (iii) in all other cases, 45 days after the date of the disclosure;
  - (b) issue a news release at the time it files the technical report disclosing the filing of the technical report and reconciling any material differences in the mineral resources, mineral reserves or results of a preliminary economic assessment, between the technical report and the issuer's disclosure under paragraph (1)(j).
- (6) Despite subsection (4), if a property referred to in an annual information form first becomes material to the issuer less than 30 days before the filing deadline for the annual information form, the issuer must file the technical report within 45 days of the date that the property first became material to the issuer.
- (7) Despite subsection (4) and paragraph (5)(a), an issuer is not required to file a technical report within 45 days to support disclosure under subparagraph (1)(j)(i), if:
- (a) the mineral resources, mineral reserves or results of a preliminary economic assessment:
    - (i) were prepared by or on behalf of another issuer who holds or previously held an interest in the property;
    - (ii) were disclosed by the other issuer in a document listed in subsection (1); and
    - (iii) are supported by a technical report filed by the other issuer;
  - (b) the issuer, in its disclosure under subparagraph (1)(j)(i):
    - (i) identifies the title and effective date of the previous technical report and the name of the other issuer that filed it;
    - (ii) names the qualified person who reviewed the technical report on behalf of the issuer; and
    - (iii) states with equal prominence that, to the best of the issuer's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment inaccurate or misleading; and

- (c) the issuer files a technical report supporting its disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment:
  - (i) if the disclosure is also contained in a preliminary short form prospectus, by the earlier of 180 days after the date of the disclosure and the date of filing the short form prospectus; and
  - (ii) in all other cases, within 180 days after the date of the disclosure.
- (8) Subsection (1) does not apply if:
  - (a) the issuer previously filed a technical report that supports the scientific or technical information in the document;
  - (b) at the date of filing the document, there is no new material scientific or technical information concerning the subject property not included in the previously filed technical report; and
  - (c) the previously filed technical report meets any independence requirements under section 5.3.

**4.3 Required Form of Technical Report** - A technical report that is required to be filed under this Part must be prepared:

- (a) in English or French; and
- (b) in accordance with Form 43-101F1.

**PART 5 AUTHOR OF TECHNICAL REPORT**

**5.1 Prepared by a Qualified Person** - A technical report must be prepared by or under the supervision of one or more qualified persons.

**5.2 Execution of Technical Report** - A technical report must be dated, signed and, if the qualified person has a seal, sealed by:

- (a) each qualified person who is responsible for preparing or supervising the preparation of all or part of the report; or
- (b) a person or company whose principal business is providing engineering or geoscientific services if each qualified person responsible for preparing or supervising the preparation of all or part of the report is an employee, officer, or director of that person or company.

**5.3 Independent Technical Report**

(1) A technical report required under any of the following provisions of this Instrument must be prepared by or under the supervision of one or more qualified persons that are, at the effective and filing dates of the technical report, all independent of the issuer:

- (a) section 4.1;
- (b) paragraphs (a) and (g) of subsection 4.2(1); or
- (c) paragraphs (b), (c), (d), (e), (f), (h), (i) and (j) of subsection 4.2(1), if the document discloses:
  - (i) for the first time mineral resources, mineral reserves or the results of a preliminary economic assessment on a property material to the issuer, or

(ii) a 100 percent or greater change in the total mineral resources or total mineral reserves on a property material to the issuer, since the issuer's most recently filed independent technical report in respect of the property.

(2) Despite subsection (1), a technical report required to be filed by a producing issuer under paragraph (1)(a) is not required to be prepared by or under the supervision of an independent qualified person if the securities of the issuer trade on a specified exchange.

(3) Despite subsection (1), a technical report required to be filed by a producing issuer under paragraph (1)(b) or (c) is not required to be prepared by or under the supervision of an independent qualified person.

(4) Despite subsection (1), a technical report required to be filed by an issuer concerning a property which is or will be the subject of a joint venture with a producing issuer is not required to be prepared by or under the supervision of an independent qualified person, if the qualified person preparing or supervising the preparation of the report relies on scientific and technical information prepared by or under the supervision of a qualified person that is an employee or consultant of the producing issuer.

## **PART 6 PREPARATION OF TECHNICAL REPORT**

**6.1 The Technical Report** - A technical report must be based on all available data relevant to the disclosure that it supports.

### **6.2 Current Personal Inspection**

(1) Before an issuer files a technical report, the issuer must have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report.

(2) Subsection (1) does not apply to an issuer provided that:

- (a) the property that is the subject of the technical report is an early stage exploration property;
- (b) seasonal weather conditions prevent a qualified person from accessing any part of the property or obtaining beneficial information from it; and
- (c) the issuer discloses in the technical report, and in the disclosure that the technical report supports, that a personal inspection by a qualified person was not conducted, the reasons why, and the intended time frame to complete the personal inspection.

(3) If an issuer relies on subsection (2), the issuer must:

- (a) as soon as practical, have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report; and
- (b) promptly file a technical report and the certificates and consents required under Part 8 of this Instrument.

**6.3 Maintenance of Records** - An issuer must keep for 7 years copies of assay and other analytical certificates, drill logs, and other information referenced in the technical report or used as a basis for the technical report.

**6.4 Limitation on Disclaimers**

(1) An issuer must not file a technical report that contains a disclaimer by any qualified person responsible for preparing or supervising the preparation of all or part of the report that:

- (a) disclaims responsibility for, or limits reliance by another party on, any information in the part of the report the qualified person prepared or supervised the preparation of; or
- (b) limits the use or publication of the report in a manner that interferes with the issuer's obligation to reproduce the report by filing it on SEDAR.

(2) Despite subsection (1), an issuer may file a technical report that includes a disclaimer in accordance with Item 3 of Form 43-101F1.

**PART 7 USE OF FOREIGN CODE**

**7.1 Use of Foreign Code**

(1) Despite section 2.2, an issuer may make disclosure and file a technical report that uses the mineral resource and mineral reserve categories of an acceptable foreign code, if the issuer:

- (a) is incorporated or organized in a foreign jurisdiction; or
- (b) is incorporated or organized under the laws of Canada or a jurisdiction of Canada, for its properties located in a foreign jurisdiction.

(2) If an issuer relies on subsection (1), the issuer must include in the technical report a reconciliation of any material differences between the mineral resource and mineral reserve categories used and the categories set out in sections 1.2 and 1.3.

**PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS**

**8.1 Certificates of Qualified Persons**

(1) An issuer must, when filing a technical report, file a certificate that is dated, signed, and if the signatory has a seal, sealed, of each qualified person responsible for preparing or supervising the preparation of all or part of the technical report.

(2) A certificate under subsection (1) must state:

- (a) the name, address, and occupation of the qualified person;
- (b) the title and effective date of the technical report to which the certificate applies;
- (c) the qualified person's qualifications, including a brief summary of relevant experience, the name of all professional associations to which the qualified person belongs, and that the qualified person is a "qualified person" for the purposes of this Instrument;
- (d) the date and duration of the qualified person's most recent personal inspection of each property, if applicable;

- (e) the item or items of the technical report for which the qualified person is responsible;
- (f) whether the qualified person is independent of the issuer as described in section 1.5;
- (g) what prior involvement, if any, the qualified person has had with the property that is the subject of the technical report;
- (h) that the qualified person has read this Instrument and the technical report, or part that the qualified person is responsible for, has been prepared in compliance with this Instrument; and
- (i) that, at the effective date of the technical report, to the best of the qualified person's knowledge, information, and belief, the technical report, or part that the qualified person is responsible for, contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

**8.2 Addressed to Issuer** - All technical reports must be addressed to the issuer.

**8.3 Consents of Qualified Persons**

- (1) An issuer must, when filing a technical report, file a statement of each qualified person responsible for preparing or supervising the preparation of all or part of the technical report, dated, and signed by the qualified person:
  - (a) consenting to the public filing of the technical report;
  - (b) identifying the document that the technical report supports;
  - (c) consenting to the use of extracts from, or a summary of, the technical report in the document; and
  - (d) confirming that the qualified person has read the document and that it fairly and accurately represents the information in the technical report or part that the qualified person is responsible for.
- (2) Paragraphs (1)(b), (c) and (d) do not apply to a consent filed with a technical report filed under section 4.1.
- (3) If an issuer relies on subsection (2), the issuer must file an updated consent that includes paragraphs (1)(b), (c) and (d) for the first subsequent use of the technical report to support disclosure in a document filed under subsection 4.2(1).

**PART 9 EXEMPTIONS**

**9.1 Authority to Grant Exemptions**

- (1) The regulator or the securities regulatory authority may, on application, grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption in response to an application.



(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B to National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

## 9.2 Exemptions for Royalty or Similar Interests

(1) An issuer whose interest in a mineral project is only a royalty or similar interest is not required to file a technical report to support disclosure in a document under subsection 4.2(1) if:

- (a) the operator or owner of the mineral project is:
  - (i) a reporting issuer in a jurisdiction of Canada; or
  - (ii) a producing issuer whose securities trade on a specified exchange and that discloses mineral resources and mineral reserves under an acceptable foreign code;
- (b) the issuer identifies in its document under subsection 4.2(1) the source of the scientific and technical information; and
- (c) the operator or owner of the mineral project has disclosed the scientific and technical information that is material to the issuer.

(2) An issuer whose interest in a mineral project is only a royalty or similar interest and that does not qualify to use the exemption in subsection (1) is not required to:

- (a) comply with section 6.2; and
  - (b) complete those items under Form 43-101F1 that require data verification, inspection of documents, or personal inspection of the property to complete those items.
- (3) Paragraphs (2)(a) and (b) only apply if the issuer:
- (a) has requested but has not received access to the necessary data from the operator or owner and is not able to obtain the necessary information from the public domain;
  - (b) under Item 3 of Form 43-101F1, states the issuer has requested but has not received access to the necessary data from the operator or owner and is not able to obtain the necessary information from the public domain and describes the content referred to under each item of Form 43-101F1 that the issuer did not complete; and
  - (c) includes in all scientific and technical disclosure a statement that the issuer has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and includes a reference to the title and effective date of that technical report.

**9.3 Exemption for Certain Types of Filings** - This Instrument does not apply if the only reason an issuer files written disclosure of scientific or technical information is to comply with the requirement under securities legislation to file a copy of a record or disclosure material that was filed with a securities commission, exchange, or regulatory authority in another jurisdiction.

**PART 10 EFFECTIVE DATE AND REPEAL**

**10.1 Effective Date** - This Instrument comes into force on June 30, 2011.

**10.2 Repeal** - National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, which came into force on December 30, 2005, is repealed.

5 Aug 2011 SR 48/2011 s4; 10 Jne 2016 SR  
37/2016 s4.

PART XVII  
[*clause 2(q)*]

**NATIONAL INSTRUMENT 55-101**

**Repealed.** 19 Mar 2010 SR 11/2010 s6.

PART XVIII  
[*clause 2(r)*]

**NATIONAL INSTRUMENT 45-101  
RIGHTS OFFERINGS**

**Repealed.** 31 Dec 2015 SR 108/2015 s6.

PART XIX  
[*clause 2(s)*]

**NATIONAL INSTRUMENT 33-102  
REGULATION OF CERTAIN REGISTRANT ACTIVITIES**

**Repealed.** 2 Oct 2009 SR 81/2009 s6.

PART XX  
(Clause 2(t))  
NATIONAL INSTRUMENT 55-102  
SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument:

“**access key**” means an alpha-numeric code issued by SEDI or the SEDI operator in respect of an insider that files an insider profile in SEDI format or in respect of a SEDI issuer that files an issuer profile supplement in SEDI format;

“**class**” includes a series of a class;

“**filing agent**” means a person or company that is authorized by a SEDI filer to make a SEDI filing on behalf of the SEDI filer;

“**insider profile**” means the information that is required under Form 55-102F1;

“**insider report**” means a report required to be filed under the insider reporting requirement;

“**issuer event**” means a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner, on a per share basis;

“**issuer event report**” means the information that is required under Form 55-102F4;

“**issuer profile supplement**” means the information that is required under Form 55-102F3;

“**paper format**” means information printed on paper;

“**SEDI**” means the online computer system providing for the transmission, receipt, review and dissemination of insider reports and related information filed electronically, which is known as the System for Electronic Disclosure by Insiders;

“**SEDI filer**” means a person or company that is required to make a SEDI filing in accordance with this Instrument;

“**SEDI filing**” means information that is filed under securities legislation or securities directions in SEDI format, or the act of filing information under securities legislation or securities directions in SEDI format, as the context indicates;

“**SEDI format**” means information entered electronically in SEDI using the SEDI software application located at the SEDI web site;

“**SEDI issuer**” means a reporting issuer, other than a mutual fund, that is required to comply with National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*, including a foreign issuer referred to under paragraph 2 of subsection 2.1(1) of that Instrument;

“**SEDI operator**” means the Alberta Securities Commission or a successor appointed by the securities regulatory authority to operate SEDI;

“**SEDI software application**” means the software on the SEDI web site that provides SEDI users with the functionality to make SEDI filings;

**“SEDI user”** means an individual who has registered in accordance with subsection 2.5(2);

**“SEDI web site”** means the web site maintained by the SEDI operator for the filing of information in SEDI format;

**“transfer report”** means:

- (a) in Alberta, Saskatchewan, Ontario, Nova Scotia or Newfoundland, a report required to be filed by an insider of a reporting issuer under securities legislation if the insider transfers securities of the reporting issuer into the name of an agent, nominee or custodian; or
- (b) in Quebec, a report required to be filed by an insider of a reporting issuer under securities legislation if the insider registers or causes to be registered any security of the reporting issuer in the name of a third person;

**“user registration form”** means the information that is required under Form 55-102F5.

## PART 2 SEDI FILING REQUIREMENTS

### 2.1 Filing of Insider Profile

- (1) An insider of a SEDI issuer shall file an insider profile or an amended insider profile in SEDI format before the insider files an insider report in SEDI format in respect of that SEDI issuer.
- (2) An insider profile shall contain the information required under Form 55-102F1.
- (3) An insider that has filed an insider profile under subsection (1) shall file an amended insider profile in SEDI format containing the information required under Form 55-102F1:
  - (a) if there is a change in the insider’s name or the insider’s relationship to any SEDI issuer disclosed in the insider’s most recently filed insider profile, or if the insider ceases to be an insider of any such SEDI issuer, within 10 days after the occurrence of the event, or
  - (b) if there has been any other change in the information disclosed in the insider’s most recently filed insider profile, at the time that the insider next files an amended insider profile or an insider report in SEDI format.
- (4) An insider that is required to file an insider profile in SEDI format shall not file more than one insider profile.

### 2.2 Filing of Insider Reports in SEDI Format

- (1) An insider of a SEDI issuer that is required by securities legislation to file an insider report in that capacity shall file the insider report in SEDI format through a SEDI user.
- (2) For greater certainty, a SEDI user under subsection (1) includes the insider if that insider becomes registered as a SEDI user on or before the time that the insider report is due to be filed.
- (3) An insider report that is filed in SEDI format shall contain the information required under Form 55-102F2.

### **2.3 Filing of Issuer Profile Supplement**

- (1) A SEDI issuer shall file an issuer profile supplement in SEDI format within three business days after the date that it becomes a SEDI issuer.
- (2) An issuer profile supplement that is required to be filed under subsection (1) shall contain the information required under Form 55-102F3.
- (3) A SEDI issuer shall file an amended issuer profile supplement in SEDI format immediately if:
  - (a) the SEDI issuer issues any security or class of securities to any insider of the SEDI issuer, unless that issuance has already been disclosed in its issuer profile supplement;
  - (b) there is any change in the designation of any security or class of securities of the SEDI issuer disclosed or required to be disclosed in its issuer profile supplement;
  - (c) any security or class of securities of the SEDI issuer disclosed or required to be disclosed in its issuer profile supplement has ceased to be outstanding and is not subject to issuance at a future date; or
  - (d) there is any other change in the information disclosed or required to be disclosed in its issuer profile supplement.

### **2.4 Filing of Issuer Event Report**

- (1) A SEDI issuer shall file an issuer event report in SEDI format no later than one business day following the occurrence of an issuer event.
- (2) An issuer event report that is required to be filed under subsection (1) shall contain the information required under Form 55-102F4.

### **2.5 SEDI Users**

- (1) An individual who is a SEDI filer, a filing agent, or an authorized representative of a SEDI filer or filing agent, may use SEDI for the purpose of making SEDI filings.
- (2) Before using SEDI to make SEDI filings, an individual referred to in subsection (1) shall register as a SEDI user by:
  - (a) completing and submitting a user registration form in SEDI format; and
  - (b) delivering a copy of the completed user registration form in paper format to the SEDI operator for verification by the SEDI operator.
- (3) A user registration form under subsection (2) shall contain the information required under Form 55-102F5 and the paper format copy of the user registration form under paragraph (2)(b) shall contain the manual or facsimile signature of the individual being registered.
- (4) The paper format copy of the user registration form referred to in paragraph (2)(b) shall be delivered to the SEDI operator by prepaid mail, personal delivery or facsimile at the address or facsimile number indicated on the printed copy of Form 55-102F5, as applicable.

## **PART 3 FILING OF REPORTS IN PAPER FORMAT**

### **3.1 Filing of Insider Reports in Paper Format**

- (1) An insider report that is not required to be filed in SEDI format under this Instrument shall be filed in paper format.
- (2) An insider report that is required to be filed in paper format shall be prepared in accordance with Form 55-102F6, subject to any provision of securities legislation that permits the use of an alternative form of report in the particular circumstances.
- (3) An insider report that is prepared in accordance with Form 55-102F6 shall be manually signed and shall be filed either:
  - (a) by prepaid mail or personal delivery to the address of the securities regulatory authority set forth on Form 55-102F6; or
  - (b) by facsimile to the facsimile number of the securities regulatory authority set forth on Form 55-102F6.

### **3.2 Filing of Transfer Reports in Paper Format**

- (1) In Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia or Newfoundland, a transfer report shall be filed in paper format and shall be prepared in accordance with Form 55-102F6.
- (2) A transfer report that is prepared in accordance with Form 55-102F6 shall be manually signed and shall be filed either:
  - (a) by prepaid mail or personal delivery to the address of the securities regulatory authority set forth on Form 55-102F6; or
  - (b) by facsimile to the facsimile number of the securities regulatory authority set forth on Form 55-102F6.

## **PART 4 SEDI FILING EXEMPTION**

### **4.1 Temporary Hardship Exemption**

- (1) If unanticipated technical difficulties or failure by a SEDI issuer to file its issuer profile supplement prevent the timely submission of an insider report in SEDI format, a SEDI filer shall file the insider report in paper format as soon as practicable and in any event no later than two business days after the day on which the insider report was required to be filed.
- (2) An insider report filed in paper format under subsection (1) shall be prepared in accordance with Form 55-102F6 and shall include the following legend in capital letters at the top of the front page:

IN ACCORDANCE WITH SECTION 4.1 OF NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI), THIS INSIDER REPORT IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.

(3) The requirements of securities legislation relating to paper format filings of insider reports apply to a filing under subsection (1) except that signatures to the paper format document may be in typed form rather than manual format and an agent may sign the paper format document on behalf of an insider who is an individual without filing a completed power of attorney.

(4) If an insider report is filed in paper format in the manner and within the time prescribed in this section, the date by which the information is required to be filed under securities legislation is extended to the date on which the filing is made in paper format.

(5) If a SEDI filer makes a paper format filing under this section, the SEDI filer shall file the insider report in SEDI format as soon as practicable after the unanticipated technical difficulties have been resolved or the insider has become aware that the SEDI issuer has filed its issuer profile supplement, whichever is applicable.

(6) Despite subsection 2.1(3) and sections 2.3 and 2.4, if unanticipated technical difficulties prevent a SEDI filer from filing an issuer profile supplement, an amended issuer profile supplement, an issuer event report or an amended insider profile within the specified time, the SEDI filer shall file such document as soon as practicable after the unanticipated technical difficulties have been resolved.

## **PART 5 PREPARATION AND TRANSMISSION OF SEDI FILINGS**

**5.1 Manner of Effecting SEDI Filings** - A SEDI filing shall be prepared and transmitted using the SEDI software application located at the SEDI web site.

**5.2 Authentication and Access Key** - When information is filed in SEDI format, the identity of the SEDI filer or the authority of the filing agent shall be authenticated by:

- (a) the use of the SEDI filer's username and password by the SEDI filer;
- (b) the use of the SEDI filer's access key by the filing agent; or
- (c) the use of the SEDI filer's username and password and SEDI filer's access key by the SEDI filer when first linking to the insider profile created by a filing agent.

**5.3 Format of Information and Number of Copies** - A requirement in securities legislation relating to the format in which a report or other information to be filed must be printed or specifying the number of copies of a report or other information that must be filed does not apply to a SEDI filing made in accordance with this Instrument.

## **PART 6 EXEMPTION**

### **6.1 Exemption**

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.



**PART 7 TRANSITION TO ELECTRONIC FILING**

- 7.1 SEDI Issuers** - An issuer that is a SEDI issuer on October 29, 2001 shall file an issuer profile supplement in SEDI format within five business days after that date.
- 7.2 Transactions Before Effective Date** - If, at any time on or after November 13, 2001, an insider of a SEDI issuer is filing an insider report, including an amended insider report, in respect of a relationship to, or a transaction in securities of, the SEDI issuer which arose or occurred prior to that date, the insider shall file the insider report in SEDI format.

**PART 8 FILING OF ISSUER PROFILE SUPPLEMENT****8.1 Filing of Issuer Profile Supplement**

- (1) A SEDI issuer that filed an issuer profile supplement in SEDI format on or before January 31, 2002 shall file a new and current issuer profile supplement in SEDI format not later than the date specified by the regulator under subsection (2).
- (2) For the purposes of subsection (1), the regulator may specify a period and that period must:
  - (a) begin no earlier than the date that the notice is published under subsection (3); and
  - (b) be at least 18 days in length.
- (3) After specifying a period under subsection (2), the regulator shall:
  - (a) publish a notice specifying the date the period ends and the filing requirement under subsection (1); and
  - (b) issue a press release summarizing the notice given under paragraph (a).

**NATIONAL INSTRUMENT 55-102  
FORM 55-102F1  
INSIDER PROFILE**

An insider profile filed in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site ([www.sedi.ca](http://www.sedi.ca)). All references to web pages, fields and lists relate to the online version of the form.

If the insider is an individual, start entering information on the web page titled "Create insider profile (Form 55-102F1) - Enter individual information". If the individual insider has submitted a SEDI user registration form, select "Copy your user registration information" to avoid re-entering the insider's personal information. If the insider is not an individual, select "Enter company information" and start entering information on the web page titled "Create insider profile (Form 55-102F1) - Enter company information".

**1. Insider's full legal name**

Provide the full legal name of the insider. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations. If the insider is an individual, complete the "Insider family name" and the "Insider given names" fields. If the insider is not an individual, provide the full legal name of the insider in the "Insider company name" field.

**2. Name of insider representative (if applicable)**

If the insider is not an individual, provide the full legal name of an individual representative of the insider using the “Family name” and “Given names” fields. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations.

**3. Insider’s address**

If the insider is an individual, provide the insider’s principal residential address. Otherwise, provide the business address where the insider’s representative (provided in item 2 above) is employed. In either case, select or provide the country and provide the address (street name and number, etc.), the municipality (city, town, etc.), province, territory or state and postal or zip code, as applicable. A post office box or similar mailing address is not acceptable.

**4. Insider’s telephone number**

Provide a daytime telephone number for the insider (if the insider is an individual) or for the insider’s representative (if the insider is not an individual).

**5. Insider’s fax number (if applicable)**

If available, provide a fax number for the insider (if the insider is an individual) or for the insider’s representative (if the insider is not an individual).

**6. Insider’s e-mail address (if applicable)**

If available, provide an e-mail address for the insider (if the insider is an individual) or for the insider’s representative (if the insider is not an individual).

**7. Correspondence in English or French**

If the insider is an individual resident in Quebec, the insider may choose to receive any correspondence from the Quebec securities regulatory authority in English. If no choice is made, any correspondence from the Quebec securities regulatory authority shall be in French. If the insider is a person or company other than an individual and is resident in Quebec, any correspondence from the Quebec securities regulatory authority shall be in French.

If the insider is resident in Manitoba or Ontario, the insider may choose to receive any correspondence from the local securities regulatory authority in French. If no choice is made, any correspondence from the local securities regulatory authority shall be in English.

If the insider is resident in New Brunswick, the insider may choose to receive any correspondence from the New Brunswick securities regulatory authority in French or English.

**8. Confidential question and answer**

Provide a “confidential question” and an answer to the confidential question for use in verifying the identity of the insider or the insider’s representative if a request is being made to the SEDI operator for a new insider access key. Keep a record of the confidential question and answer in a secure location.

**9. Add name(s) of reporting issuer(s)**

Add the name of each reporting issuer in respect of which the insider is required to file an insider report in SEDI format. Search for and select each reporting issuer to be added from a database of all SEDI issuers provided for this purpose. Use the reporting issuer's SEDAR number or its legal name (in English or French) to conduct your search. Make sure you select the correct reporting issuer before you proceed further. If you are unable to find the reporting issuer that you are searching for, contact the reporting issuer or the SEDI operator for assistance. Note that the reporting issuer will not appear in your search results unless the reporting issuer has created an issuer profile in SEDAR and filed an issuer profile supplement in SEDI.

If the insider has ceased to be an insider of a reporting issuer added previously to the insider profile, see item 12 below.

**10. Insider's relationship to reporting issuer**

For each reporting issuer added under item 9 above, disclose all of the insider's relationships to that reporting issuer by selecting from the list of relationship types provided.

**11. Date the insider became an insider or date of opening balance**

For each reporting issuer added under item 9 above, if the insider has not filed an insider report in respect of the reporting issuer since becoming an insider, provide the date on which the insider became an insider of the reporting issuer. Otherwise, provide an opening balance date. This opening balance date will be used as the date for all opening balances of securities of this reporting issuer. The opening balance date should be a date prior to the date of any transactions that will be reported for this reporting issuer in SEDI.

**12. Date the insider ceased to be an insider**

If the insider has ceased to be an insider of a reporting issuer added previously to the insider profile, amend the insider profile by providing the date on which the insider ceased to be an insider of the reporting issuer in the fields provided for this purpose on the web page titled "Amend insider profile - Amend issuer information."

***Optional Information***

An insider profile filed in SEDI format may, at the option of the insider, contain the following additional information:

**13. Additional contact information**

For each reporting issuer added to the insider profile, the insider may provide another address at which the insider prefers to be contacted (such as a business address) or may provide contact information for another individual who is to be contacted by the securities regulatory authority instead of the insider. To provide additional contact information, check the applicable box under "Optional information" on the web page titled "Create insider profile - Enter information about the insider's relationship to the issuer".

#### **14. Add name(s) of registered holder(s) of securities**

If the insider is required to file an insider report in respect of securities owned indirectly or over which control or direction is exercised, the insider must provide the name of the registered holder of the securities at the time the insider report is filed. To assist the insider in complying with this requirement, for each reporting issuer added to the insider's profile the insider may add the name(s) of the registered holder(s) of securities of the reporting issuer that the insider is required to provide in an insider report.

To add the name(s) of the registered holder(s) for the reporting issuer, check the applicable box under "Optional information" on the web page titled "Create insider profile - Enter information about the insider's relationship to the issuer". Any name added to the insider's profile in this manner may be selected when an insider report is prepared in SEDI format and registered holder information is required. The full legal name of the registered holder must be provided in each case.

Securities beneficially owned directly but held through a nominee such as a broker or book-based depository are considered direct holdings.

#### ***Amending Insider Profile To Add a Reporting Issuer***

If an insider that has previously filed an insider profile is required to file an insider report in SEDI format in respect of a reporting issuer that is not already disclosed in the insider profile, amend the insider profile to add the name of the reporting issuer, to disclose all of the insider's relationships to the reporting issuer and to provide the date the insider became an insider or the date of the previous paper filing, as applicable. Provide the information required in items 9, 10 and 11 above.

#### ***Certification***

Prior to submitting an insider profile, the insider or the insider's agent must certify that the information is true and complete in every respect by selecting "Certify" on the web page titled "Create insider profile - Certify and file insider profile" and following the instructions provided for this purpose. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensuring that the information filed by the agent is true and complete. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

#### ***Notice – Collection and Use of Personal Information***

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for purposes of the administration and enforcement of certain provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland. Some of the required information will be made public pursuant to the securities legislation in each of the jurisdictions indicated above. Other required information will remain confidential and will not be disclosed to any person or company except to any of the securities regulatory authorities or their authorized representatives. If you have any questions about the collection and use of this information, you may contact the securities regulatory authority in any jurisdiction(s) in which the required information is filed, at the address(es) or telephone number(s) set out below. In Quebec, questions may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741, web site: [www.cai.gouv.qc.ca](http://www.cai.gouv.qc.ca)).

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

**S-42.2 REG 3**

Alberta Securities Commission  
4<sup>th</sup> Floor, 300-5<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 3C4  
Attention: Information Officer  
Telephone: (403) 297-6454

The Manitoba Securities Commission  
500-400 St. Mary Avenue  
Winnipeg, MB R3C 4K5  
Attention: Director, Legal  
Telephone: (204) 945-0605

Nova Scotia Securities Commission  
2<sup>nd</sup> Floor, Joseph Howe Building  
1690 Hollis Street  
P.O. Box 458  
Halifax, NS B3J 3J9  
Attention: FOI Officer  
Telephone: (902) 424-7768

Autorité des marchés financiers  
Stock Exchange Tower  
P.O. Box 246, 22<sup>nd</sup> Floor  
800 Victoria Square  
Montréal, PQ H4Z 1G3  
Attention: Responsable de l'accès à  
l'information  
Telephone: (514) 940-2150 or  
(800) 361-5072 (in Quebec)

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1L2  
Attention: Supervisor, Insider Reporting  
Telephone: (604) 899-6500 or  
(800) 373-6393 (in BC)

Securities Commission of Newfoundland  
P.O. Box 8700  
2<sup>nd</sup> Floor, West Block  
Confederation Building  
St. John's, NFLD A1B 4J6  
Attention: Director of Securities  
Telephone: (709) 729-4189

Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Attention: FOI Coordinator  
Telephone: (416) 593-8314

Saskatchewan Financial  
Services Commission,  
Securities Division 6<sup>th</sup> Floor,  
1919 Saskatchewan Drive  
Regina, SK S4P 3V7  
Attention: Director  
Telephone: (306) 787-5645

New Brunswick Securities Commission  
85 Charlotte Street, Suite 300  
Saint John, NB E2L 2J2  
Attention: Corporate Finance Officer  
Telephone: (506) 658-3060 or  
(866) 933-2222 (in New Brunswick)

**NATIONAL INSTRUMENT 55-102  
FORM 55-102F2  
INSIDER REPORT**

An insider report filed in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site ([www.sedi.ca](http://www.sedi.ca)). All references to web pages, fields and lists relate to the online version of the form.

If a position or transaction being reported by the insider involves an option, warrant, right or other derivative, the information prescribed by items 18 to 25 below must be included in the insider report, if applicable. For each reporting issuer in respect of which one or more positions or transactions are being reported by an insider, start by navigating to the web page titled “File insider report (Form 55-102 F2) – Select issuer” and then provide the information required in the circumstances.

**1. Name of reporting issuer**

Provide the name of the reporting issuer for the securities that are the subject of the insider report by selecting the reporting issuer’s name from the list of one or more reporting issuer names added previously to the insider’s profile. If the name of the applicable reporting issuer does not appear in the list, the insider’s profile must be amended to add the name of the applicable reporting issuer before the insider report can be completed. A separate insider report must be completed for each reporting issuer in respect of which the insider has a reporting obligation.

**2. Amended insider report**

If the insider is amending information contained in an insider report filed previously in SEDI format, the amended insider report shall contain all of the information required to be disclosed in the previous insider report in its amended form.

If the insider is amending information contained in an insider report filed previously in paper format, select “Amend paper filing” on the “Amend insider transaction” web page and complete a new insider report in SEDI format containing all of the information required to be disclosed in the previous paper filing in its amended form. In the “General remarks” field on the “File insider report - Enter transaction information” web page, provide the date on which the previous paper filing was made.

**3. Review issuer information**

Review the information contained in the insider profile with respect to the selected reporting issuer to ensure that the information is correct. To do this, click on “Insider profile” in the top bar and the “Introduction to insider profile activities (Form 55-102F1)” screen will appear.

You must review the information in the insider profile with respect to the selected reporting issuer and, if the information is not correct, you must amend it by filing an amended insider profile. To do this, click on ‘Amend insider profile’ in the bar on the left side and make the necessary corrections.



#### 4. Review new issuer event reports

If the reporting issuer has filed an issuer event report that has not previously been viewed or that has been previously flagged for further viewing, you must review the issuer event report.

To do this you must do the following: i) After you have selected an issuer and before selecting the “File insider report” feature, on the screen entitled “File insider report (Form 55-102F2) - Select issuer”, click on the feature entitled “View issuer event reports” and the “Listing of issuer event reports” screen appears. ii) Next, click on the radio button for the report you wish to see and then select “View report” and the “View issuer report information” screen appears with the text of the issuer event report.

If the insider’s holdings of securities of the reporting issuer have been affected by an issuer event, the change in holdings must be reported

#### 5. Security designation

For each position or transaction being reported, provide the security designation for the applicable security or class of securities. For this purpose, select the applicable security designation from the list shown for the reporting issuer’s outstanding securities.

If the applicable security designation does not appear in the list, check the “archived security designation” list containing designations of securities of the reporting issuer that are no longer outstanding and that may no longer be issued. Alternatively, check the “Insider defined security” list that will contain one or more security designations for the reporting issuer if any have been defined previously by or for the insider. In either case, if the applicable securities designation appears in the list, select it.

If the applicable security designation does not appear in any of the lists described above, the insider must define the applicable security designation. For this purpose, select the appropriate “Security category” by choosing “Debt”, “Equity”, “Issuer Derivative” or “Third Party Derivative” from the list provided. For purposes of the insider reporting requirement, “issuer derivative” means a derivative issued by the reporting issuer to which the insider reporting requirement relates and “third party derivative” means a derivative issued by a person or company other than the reporting issuer to which the insider reporting requirement relates. The security category selected will determine the nature of the information that is required to be reported in relation to positions or transactions involving the applicable security designation.

Next, create the “insider defined” security designation by selecting the most appropriate “Security name” from the list provided and, if applicable, use the “Additional description” field to enter any additional words used to describe the specific security or class of securities. For example, to provide the security designation of “Class A Preferred Shares, Series 1”, select “Preferred Shares” from the “Security name” list and then type “Class A, Series 1” in the “Additional description” field.

**Important Note:** If the security or class of securities being designated is a security that has been issued by the reporting issuer, it is important to try to avoid creating an “insider defined” security designation. If a security designation has not been created by the reporting issuer in respect of a security or class of securities issued by the reporting issuer, contact the reporting issuer to request that the security designation be added to the list of security designations for the reporting issuer’s outstanding securities in its issuer profile supplement. However, you must create an “insider defined” security designation if this becomes necessary to ensure that the insider report is filed on a timely basis.



**Derivatives:** If the security or class of securities being designated is an issuer derivative or a third party derivative, provide the security designation for the derivative and the security designation for the underlying security. See item 18 below. In addition, if the security or class of securities being designated is a third party derivative, the insider will have to provide the applicable security designation in all cases.

## **6. Ownership type**

Indicate whether the securities in respect of which a position or transaction is being reported are (1) beneficially owned directly, (2) beneficially owned indirectly or (3) controlled or directed. Securities beneficially owned directly but held through a nominee such as a broker or book-based depository are considered direct holdings.

## **7. Identity of registered holder of securities where ownership is indirect or where control or direction is exercised**

If beneficial ownership of the securities is indirect or if control or direction is exercised over the securities, provide the name of the registered holder of the securities. If the name of the registered holder has been previously added to the insider's profile in respect of the reporting issuer, select the name of the registered holder from the list shown. Otherwise, enter the full legal name of the registered holder in the field provided.

## **8. Opening balance of securities held (initial SEDI report only)**

If the insider is filing an initial report in respect of securities held on becoming an insider or is reporting a change in a security or class of securities previously reported only in paper format, for each security or class of securities held directly or by a particular registered holder, disclose the initial number or amount of securities so held in the field provided for this purpose on the web page titled "File insider report – Opening balance on initial SEDI report (Non-Derivatives)", or the corresponding web page for derivatives, as applicable. For debt securities, provide the aggregate nominal value of the securities held.

If an opening balance of securities held is required to be disclosed, the information with respect to the "date of transaction" and "nature of transaction" required under items 9 and 10 below will be generated by the SEDI software application. The "Opening/initial balance date" will be the date the insider became an insider or the date the insider entered for all opening balances for securities of this issuer.

If the insider has previously filed a report in SEDI disclosing the balance of the security or class of securities held directly or by a particular registered holder, the opening balance of the security or class of securities so held is generated by the SEDI software application based on all previous reports filed in respect of the particular holding.

If an initial SEDI report involves the holding of a derivative, see item 19 below.

## **9. Date of transaction**

Provide the date of each transaction being reported using the fields provided for this purpose. Provide the "trade date" not the "settlement date".

## **10. Nature of transaction**

Indicate the nature of each transaction being reported by selecting the most appropriate transaction type from the list provided for this purpose.

**11. Number or value of securities acquired**

Disclose the number or value of securities acquired for each transaction involving an acquisition of securities. For debt securities, provide the aggregate nominal value. If the transaction involved the acquisition of an option, warrant, right or other derivative, see items 21 and 22 below.

**12. Number or value of securities disposed of**

Disclose the number or value of securities disposed of for each transaction involving a disposition of securities. For debt securities, provide the aggregate nominal value. If the transaction involved the disposition of an option, warrant, right or other derivative, see items 21 and 22 below.

**13. Unit price or exercise price**

Disclose the price per security paid or received by the insider for each transaction being reported, if applicable. Do not reduce the price being reported to reflect the amount of any commission paid. If the insider acquired or disposed of a security upon the exercise of an option, warrant, right or other derivative, report the exercise price per security. If the insider acquired or disposed of an option, warrant, right or other derivative, see item 23 below.

If the transaction involved consideration other than cash, provide the approximate fair value of the consideration in Canadian dollars and describe the consideration in the "General remarks" field. If no consideration was paid or received by the insider, check "Not applicable".

**14. Currency**

If the price paid or received in any transaction was in a currency other than Canadian dollars, provide the amount in that other currency and select the other currency from the list provided for this purpose.

**15. Closing balance of securities held**

After each new transaction being reported in respect of a security or class of securities held directly or through a particular registered holder has been entered, a new balance of the security or class of securities held directly or by the particular registered holder will be generated automatically by SEDI prior to filing. If the insider believes that the closing balance reported by SEDI is not correct, the closing balance calculated by the insider must be reported in the field provided for this purpose. The insider shall make all reasonable efforts to reconcile the balance calculated by SEDI with the balance believed by the insider to be correct. An incorrect balance may have resulted from an error in a previous insider report or from a failure to report a previous transaction.

**16. General remarks**

Provide additional information if necessary to provide an accurate description of each position and/or transaction in securities being reported. Information provided in this field will be accessible by the public.

**17. Private remarks to securities regulatory authority**

Using the field provided, the insider may disclose additional information with respect to the position or transaction being reported to staff of the securities regulatory authority. Information provided in this field will not be accessible by the public.

***Holdings or Transactions Involving Derivatives***

If a holding or transaction being reported by the insider involves an issuer derivative or a third party derivative, the additional information prescribed below shall be disclosed, if applicable. For this purpose, “issuer derivative” means a derivative issued by the reporting issuer to which the insider reporting requirement relates, and “third party derivative” means a derivative issued by a person or company other than the reporting issuer to which the insider reporting requirement relates.

**18. Security designation of derivative and underlying security**

Provide the security designation for the derivative in the manner described under item 5 above. Next, select the appropriate security category for the underlying security from the list provided and then provide the security designation for the underlying security in a similar manner to that described under item 5 above. If the security or class of securities being designated is a third party derivative, the insider will have to define the applicable security designation in all cases. If the derivative security has been defined by the insider, the underlying security must also be defined by the insider.

**19. Opening balance of derivative securities or contracts held (initial SEDI report only)**

If the insider is filing an initial report disclosing an option, warrant, right or other derivative held on becoming an insider or is reporting a change in such a derivative not previously reported in SEDI format, for each such derivative position so held directly or by a particular registered holder, disclose the initial number of derivative securities or contracts held in the field provided for this purpose.

**20. Opening balance of equivalent number of underlying securities (initial SEDI report only)**

If the insider is filing an initial report of an option, warrant, right or other derivative held on becoming an insider or is reporting a change in any such derivative not previously reported in SEDI format, for each such derivative position held directly or by a particular registered holder, disclose the actual or notional number or amount of underlying securities that may be acquired or disposed of upon exercise or settlement of such derivative. If the underlying securities are debt securities, provide the aggregate nominal value of the actual or notional amount of underlying debt securities that may be acquired or disposed of upon exercise or settlement of such derivative.

**21. Number of derivative securities or contracts acquired or disposed of**

Disclose the number of derivative securities or contracts acquired for each transaction involving an acquisition of a derivative or the number of derivative securities or contracts disposed of for each transaction involving a disposition of a derivative.

**22. Equivalent number of underlying securities acquired or disposed of**

For each transaction involving an acquisition or disposition of a derivative, disclose the actual or notional number or amount of underlying securities that may be acquired or disposed of upon exercise or settlement of the derivative. If the underlying securities are debt securities, provide the aggregate nominal value of the equivalent amount of underlying debt securities that may be acquired or disposed of upon exercise or settlement of the derivative.

**23. Unit price of derivative**

Disclose the premium or other amount paid or received by the insider in connection with the acquisition or disposition of the derivative (per contract if applicable). If the premium or other amount paid or received was in a currency other than Canadian dollars, provide the amount in that other currency and select the other currency from the list provided for this purpose.

**24. Conversion or exercise price of derivative**

Provide the conversion or exercise price of the derivative by entering the amount in the field provided for this purpose (per underlying security if applicable). If the conversion or exercise price is in a currency other than Canadian dollars, select the relevant currency from the list provided for this purpose. If the conversion or exercise price of the derivative will adjust on one or more specified dates, provide the details of the adjustment terms in the "General remarks" field.

**25. Date of expiry or maturity of derivative**

If the derivative expires or matures on a given date, specify the date of expiry or maturity using the fields provided for this purpose.

***Certification***

Prior to filing an insider report, the insider or the insider's agent must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensuring that the information filed by the agent is true and complete. It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

***Notice – Collection and Use of Personal Information***

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for purposes of the administration and enforcement of certain provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland. Some of the required information will be made public pursuant to the securities legislation in each of the jurisdictions indicated above. Other required information will remain confidential and will not be disclosed to any person or company except to any of the securities regulatory authorities or their authorized representatives. If you have any questions about the collection and use of this information, you may contact the securities regulatory authority in any jurisdiction(s) in which the required information is filed, at the address(es) or telephone number(s) set out below. In Quebec, questions may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741, web site: [www.cai.gouv.qc.ca](http://www.cai.gouv.qc.ca)).

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

**S-42.2 REG 3**

Alberta Securities Commission  
4<sup>th</sup> Floor, 300-5<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 3C4  
Attention: Information Officer  
Telephone: (403) 297-6454

The Manitoba Securities Commission  
500-400 St. Mary Avenue  
Winnipeg, MB R3C 4K5  
Attention: Director, Legal  
Telephone: (204) 945-0605

Nova Scotia Securities Commission  
2<sup>nd</sup> Floor, Joseph Howe Building  
1690 Hollis Street  
P.O. Box 458  
Halifax, NS B3J 3J9  
Attention: FOI Officer  
Telephone: (902) 424-7768

Autorité des marchés financiers  
Stock Exchange Tower  
P.O. Box 246, 22<sup>nd</sup> Floor  
800 Victoria Square  
Montréal, PQ H4Z 1G3  
Attention: Responsable de l'accès à  
l'information  
Telephone: (514) 940-2150 or  
(800) 361-5072 (in Quebec)

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1L2  
Attention: Supervisor, Insider Reporting  
Telephone: (604) 899-6500 or  
(800) 373-6393 (in BC)

Securities Commission of Newfoundland  
P.O. Box 8700  
2<sup>nd</sup> Floor, West Block  
Confederation Building  
St. John's, NFLD A1B 4J6  
Attention: Director of Securities  
Telephone: (709) 729-4189

Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Attention: FOI Coordinator  
Telephone: (416) 593-8314

Saskatchewan Financial  
Services Commission,  
Securities Division 6<sup>th</sup> Floor,  
1919 Saskatchewan Drive  
Regina, SK S4P 3V7  
Attention: Director  
Telephone: (306) 787-5645

New Brunswick Securities Commission  
85 Charlotte Street, Suite 300  
Saint John, NB E2L 2J2  
Attention: Corporate Finance Officer  
Telephone: (506) 658-3060 or  
(866) 933-2222 (in New Brunswick)

**NATIONAL INSTRUMENT 55-102  
FORM 55-102F3  
ISSUER PROFILE SUPPLEMENT**

An issuer profile supplement filed in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site ([www.sedi.ca](http://www.sedi.ca)). All references to web pages, fields and lists relate to the online version of the form.

**1. Name of reporting issuer**

Provide the name of the reporting issuer for which the issuer profile supplement is being created by searching for the reporting issuer using the reporting issuer's SEDAR number or the reporting issuer's legal name (in English or French). If the reporting issuer's name does not appear in the search results, an issuer profile must be created for the reporting issuer in SEDAR before proceeding further with any SEDI filings. See National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*.

**2. Name of insider affairs contact**

Provide the full legal name of an individual who will act as "insider affairs contact" for the reporting issuer. Use the "Family name" and "Given names" fields for this purpose. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations. SEDI will automatically deliver an e-mail message to the e-mail address provided for the insider affairs contact each time an insider profile or an amended insider profile is filed by or on behalf of a person or company disclosing an insider relationship with the reporting issuer. This is intended to assist the reporting issuer in identifying any incorrect or inappropriate SEDI filings made in respect of the reporting issuer. Insider affairs contact information is not accessible by the public.

**3. Address of insider affairs contact**

Provide a business address for the insider affairs contact. Indicate the country and provide the address (street name and number, etc.), the municipality (city, town, etc.), province, territory or state and postal or zip code, as applicable. A post office box or similar mailing address is not acceptable.

**4. Telephone number and e-mail address of insider affairs contact**

Provide a business telephone number and a business e-mail address for the insider affairs contact.

**5. Fax number of insider affairs contact (if applicable)**

If available, provide a business fax number for the insider affairs contact.

**6. Confidential question and answer**

Provide a "confidential question" and an answer to the confidential question for use in identifying the issuer's representative if a request is being made to the SEDI operator for a new issuer access key. Keep a record of the confidential question and answer in a secure location.



## **7. Security designations**

Provide the security designation for each outstanding security and each class of outstanding securities of the reporting issuer that is held by an insider of the reporting issuer who has direct or indirect beneficial ownership of, or control or direction over, that security or class of security. For each security or class of securities, select the appropriate “Security category” by choosing “Debt”, “Equity” or “Issuer Derivative” from the list provided. Then provide a designation of the security or class of securities using the fields provided for this purpose, as follows. First, select the “Security name” from the list of generic security names provided. Second, if applicable, enter any additional words used to describe the specific security or class of securities. For example, to provide the designation of “Class A Preferred Shares, Series 1”, select “Preferred Shares” from the “Security name” field and then type “Class A, Series 1” in the “Additional description” field.

If the security whose designation is being added is an issuer derivative, provide the designation of the underlying security or class of underlying securities in addition to the designation of the issuer derivative itself. First, select the applicable securities category for the underlying security and then provide the designation for the underlying security using the “Security name” and “Additional description” fields in the same manner as described above.

## **8. Amending a security designation**

If there is any change in the security designation disclosed previously for a security or class of securities of the reporting issuer that is outstanding or that may be issued in the future, use the “Amend security designation” function to amend the applicable security designation in the issuer profile supplement. Select the applicable security designation to be amended and a web page with pre-populated fields containing the existing security designation information will be displayed for purposes of making the necessary amendment(s).

Note that a security designation should only be amended for corrections or for changes that do not result in the security or class of securities ceasing to exist. If a security or class of securities ceases to exist and is replaced by another security or class of securities, the “old” security must be archived in the manner described under item 9 below and a security designation must be added for the “new” security in the manner described under item 7 above.

If the security or class of securities affected by the change is an underlying security for an issuer derivative, use the “Amend security designation” function to amend the security designation of the underlying security as well.

## **9. Archiving a security designation**

If any security or class of securities designated previously by the reporting issuer has ceased to be outstanding and the security or class of securities may no longer be issued, use the “Archive security designation” function to remove the relevant security designation from the reporting issuer’s list of “outstanding securities” and place it in the reporting issuer’s list of “archived securities”. Archived security designations may not be reactivated if the applicable security or class of securities is re-issued or becomes subject to the issuance. In such circumstances, a new security designation must be added to the issuer profile supplement in the manner described under item 7 above.



***Notice – Collection and Use of Personal Information***

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for purposes of the administration and enforcement of certain provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland. Some of the required information will be made public pursuant to the securities legislation in each of the jurisdictions indicated above. Other required information will remain confidential and will not be disclosed to any person or company except to any of the securities regulatory authorities or their authorized representatives. If you have any questions about the collection and use of this information, you may contact the securities regulatory authority in any jurisdiction(s) in which the required information is filed, at the address(es) or telephone number(s) set out below. In Quebec, questions may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741, web site: [www.cai.gouv.qc.ca](http://www.cai.gouv.qc.ca)).

Alberta Securities Commission  
4<sup>th</sup> Floor, 300-5<sup>th</sup> Avenue S.W.  
Calgary, AB T2P 3C4  
Attention: Information Officer  
Telephone: (403) 297-6454

British Columbia Securities Commission  
P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, BC V7Y 1L2  
Attention: Supervisor, Insider Reporting  
Telephone: (604) 899-6500 or  
(800) 373-6393 (in BC)

The Manitoba Securities Commission  
500-400 St. Mary Avenue  
Winnipeg, MB R3C 4K5  
Attention: Director, Legal  
Telephone: (204) 945-0605

Securities Commission of Newfoundland  
P.O. Box 8700  
2<sup>nd</sup> Floor, West Block  
Confederation Building  
St. John's, NFLD A1B 4J6  
Attention: Director of Securities  
Telephone: (709) 729-4189

Nova Scotia Securities Commission  
2<sup>nd</sup> Floor, Joseph Howe Building  
1690 Hollis Street  
P.O. Box 458  
Halifax, NS B3J 3J9  
Attention: FOI Officer  
Telephone: (902) 424-7768

Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Attention: FOI Coordinator  
Telephone: (416) 593-8314

Autorité des marchés financiers  
Stock Exchange Tower  
P.O. Box 246, 22<sup>nd</sup> Floor  
800 Victoria Square  
Montréal, PQ H4Z 1G3  
Attention: Responsable de l'accès à  
l'information  
Telephone: (514) 940-2150 or  
(800) 361-5072 (in Quebec)

Saskatchewan Financial  
Services Commission,  
Securities Division 6<sup>th</sup> Floor,  
1919 Saskatchewan Drive  
Regina, SK S4P 3V7  
Attention: Director  
Telephone: (306) 787-5645

New Brunswick Securities Commission  
85 Charlotte Street, Suite 300  
Saint John, NB E2L 2J2  
Attention: Corporate Finance Officer  
Telephone: (506) 658-3060 or  
(866) 933-2222 (in New Brunswick)

**NATIONAL INSTRUMENT 55-102  
FORM 55-102F4  
ISSUER EVENT REPORT**

An issuer event report in SEDI format shall contain the information prescribed below. The information shall be entered using the online version of this form accessible by SEDI users at the SEDI web site ([www.sedi.ca](http://www.sedi.ca)). All references to web pages, fields and lists relate to the online version of the form.

**1. Issuer event type**

Starting at the web page titled “File issuer event report – Form 55-102F4”, select the “Issuer event type” that appropriately describes the issuer event from the list of transactions and other events provided for this purpose. If an appropriate issuer event type is not provided in the list, select “Other Issuer Event” and enter an appropriate generic term for the type of issuer event being reported in the “Other issuer event type” field provided for this purpose.

**2. Effective date of issuer event**

Disclose the effective date of the issuer event using the fields provided for this purpose.

**3. Issuer event title**

Provide a descriptive title for the issuer event that will distinguish the issuer event from other issuer events of the same type. For example, in the case of a merger, refer to another merging issuer, or in the case of a stock split, indicate the approximate date.

**4. Issuer event details**

Describe the issuer event in plain language. Provide the security designation of each security or class of securities of the issuer affected by the issuer event and explain the adjustment or other change in holdings that affected insiders of the issuer would be required to report as a result of the issuer event. If applicable, provide the ratio by which each security or class of securities affected has been or will be adjusted by the issuer event.

If the required adjustment(s) will result in a fractional number of securities when applied to the number of securities held by affected insiders, indicate whether the number of securities held by the insider shall be rounded up or down.

If the issuer event involved the creation of a new security or class of securities or the formation of a new reporting issuer, disclose this information. If applicable, amend the issuer profile supplement for the reporting issuer.

***Optional Information***

An issuer event report filed in SEDI format may, at the option of the reporting issuer, contain the following additional information:

**5. Private remarks to securities regulatory authority**

Using the field provided, the issuer may disclose additional information concerning the issuer event to staff of the securities regulatory authority. Information provided in this field will not be accessible by the public.

**NATIONAL INSTRUMENT 55-102**  
**FORM 55-102F5**  
**SEDI User Registration Form**

An individual who intends to use SEDI to file information with the securities regulatory authority is required to complete and submit a user registration form in SEDI format containing the information prescribed below. The information must be entered using the online version of this form accessible at the SEDI web site ([www.sedi.ca](http://www.sedi.ca)). To access the online user registration form, select "Register as a SEDI user" on the navigation bar at the top of the web page titled "Welcome to SEDI".

**1. Full legal name of SEDI user**

Provide your family name and your given names. Use upper and lower case letters as applicable. Do not use initials, nicknames or abbreviations.

**2. Name of employer and position of SEDI user**

If you are acting on behalf of an employer, provide the full legal name of your employer and your position with that employer.

**3. Address of SEDI user**

If you are an insider, provide your principal residential address. Otherwise, provide the business address where you are employed. A post office box or other mailing address is not sufficient.

**4. SEDI user's telephone number**

Provide your daytime telephone number.

**5. SEDI user's fax number**

If available, provide your fax number.

**6. SEDI user's e-mail address**

If available, provide your e-mail address.

**7. Check the appropriate box for SEDI user classification**

Indicate whether you expect to access SEDI as an insider, an agent and/or an issuer's representative by checking the appropriate box or boxes. The type of user classification will determine the amount of functionality you will have in the SEDI application software.

**8. Confidential question and answer**

Provide a "confidential question" and an answer to the confidential question for use in verifying your identity if a request in your name is being made to the SEDI operator for a new password.

***Certification***

Prior to submitting the completed online user registration form, you must certify that the information is true in all material respects and you must agree to update the information submitted as soon as practicable following any material change in the information.

***Delivery of Signed Copy to SEDI Operator***

Before you may make a valid SEDI filing, you must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. To satisfy this requirement, you may print a copy of the online user registration form once you have certified and submitted it. You must deliver a manually signed and dated copy of the completed user registration form via prepaid mail, personal delivery or facsimile to the SEDI operator at the following address or fax number, as applicable:

CSA Service Desk  
Attention: SEDI Administrator  
12 Millennium Boulevard, Suite 210  
Moncton, NB E1C 0M3

or at such other address(es) or fax number(s) as may be provided on the SEDI web site ([www.sedi.ca](http://www.sedi.ca)).

***Questions***

Questions may be directed to the CSA Service Desk at 1-800-219-5381 or such other number as may be provided on the SEDI web site.

***Notice – Collection and Use of Personal Information***

The personal information that you provide on this form is used to facilitate your access to and use of the SEDI system and is not used for any other purpose. The signed copy of the completed form that you deliver to the SEDI operator is retained by the SEDI operator as evidence of your registration as a SEDI user. The information you provide on this form will not be disclosed to any third party except any of the securities regulatory authorities or their authorized representatives for purposes of the administration or enforcement of securities legislation in the applicable jurisdictions. For information about the use of the information collected on this form or if you would like to obtain access to the information you have submitted, contact the SEDI operator at the address or telephone number provided above. In Quebec, questions may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741, web site: [www.cai.gouv.qc.ca](http://www.cai.gouv.qc.ca)).

**SEDI USER REGISTRATION FORM**

Note: Before an individual registering as a SEDI user may make a valid SEDI filing, the registering individual must deliver a manually signed paper copy of the completed user registration form to the SEDI operator for verification purposes. The registering individual may print a copy of the online version using the "Print" function provided for this purpose in SEDI. The signed paper copy must be delivered by prepaid mail, personal delivery or facsimile to:

CSA Service Desk  
Attn: SEDI Operator  
12 Millenium Blvd, Suite 210  
Moncton, NB E1C 0M3

**Section 1 SEDI User Information**

Family name: \_\_\_\_\_ Given names (in full): \_\_\_\_\_

Employer name and position (if applicable): \_\_\_\_\_

\_\_\_\_\_

Address (street name and number, etc.): \_\_\_\_\_

Municipality (city, town, etc.): \_\_\_\_\_

Province, territory or state: \_\_\_\_\_ Country: \_\_\_\_\_

Postal code or zip code:

Telephone number: \_\_\_\_\_ Fax number (if applicable): \_\_\_\_\_  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_

E-mail address (if applicable): \_\_\_\_\_

**Section 2 SEDI User Classification**

Check the appropriate box or boxes:

Insider ☐ Agent ☐ Issuer representative ☐

**Section 3 Certification of SEDI User**

I certify that the foregoing information is true in all material respects. I agree to update the information submitted on this form in SEDI as soon as practicable following any material change in the information. I agree that an executed copy of Form 55-102F5, if delivered to the SEDI operator by facsimile, shall have the same effect as an originally executed copy delivered to the SEDI operator.

Signature of SEDI user: \_\_\_\_\_ Date: \_\_\_\_\_

FORM 55-102F6  
Insider Report

<div>FORM 55-102F6 INSIDER REPORT <small>(See instructions on the back of this report)</small></div>		<div>Notice - Collection and Use of Personal Information: The personal information required under this form is collected on behalf of and used by the securities regulatory authorities set out below for purposes of the administration and enforcement of certain provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland. Some of the required information will be made public pursuant to the securities legislation in each of the jurisdictions indicated above. Other required information will remain confidential and will not be disclosed to any person or company except to any of the securities regulatory authorities or their authorized representatives. If you have any questions about the collection and use of this information, you may contact the securities regulatory authority in any jurisdiction(s) in which the required information is filed, at the address(es) or telephone number(s) set out on the back of this report.</div>	
<div>BOX 1. NAME OF THE REPORTING ISSUER (BLOCK LETTERS)</div>		<div>BOX 3. NAME, ADDRESS AND TELEPHONE NUMBER OF THE INSIDER (BLOCK LETTERS)</div> <div><div>FAMILY NAME OR CORPORATE NAME</div><div>GIVEN NAMES</div><div>NO. STREET APT.</div><div>CITY</div><div>PROV</div><div>POSTAL CODE</div><div>BUSINESS TELEPHONE NUMBER EXT.</div><div>BUSINESS FAX NUMBER CHANGE IN NAME, ADDRESS OR TELEPHONE NUMBER FROM LAST REPORT</div><div>YES NO</div></div>	
<div>BOX 2. INSIDER DATA</div> <div>RELATIONSHIP(S) TO REPORTING ISSUER:</div> <div>CHANGE IN RELATIONSHIP FROM LAST REPORT: YES NO</div> <div>DATE OF LAST REPORT FILED: (DD/MM/YY)</div> <div>or</div> <div>IF INITIAL REPORT, DATE ON WHICH YOU BECAME AN INSIDER: (DDMMYY)</div>		<div>BOX 4. JURISDICTION(S) WHERE THE ISSUER IS A REPORTING ISSUER OR THE EQUIVALENT</div> <div><div>ALBERTA</div><div>BRITISH COLUMBIA</div><div>MANITOBA</div><div>NEWFOUNDLAND</div><div>NEW BRUNSWICK</div><div>NOVA SCOTIA</div><div>ONTARIO</div><div>QUÉBEC</div><div>SASKATCHEWAN</div></div>	

SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

BOX 6. INSIDER HOLDINGS AND CHANGES OF WITHA. REPORT. COMPLETE SECTIONS A, D, E, AND F ONLY. SEE ALSO INSTRUCTORS TO BOX 6.

[illegible]



SECURITIES COMMISSION  
(ADOPTION OF NATIONAL INSTRUMENTS)

S-42.2 REG 3

INSTRUCTIONS																																																																							
<p>Insider Reports in English and French are available from Manitoba, Ontario, Québec and New Brunswick. If you are a corporate insider in the province of Québec, you will receive correspondence in French. Individuals in the province of Québec will receive, upon request, correspondence in English.</p> <p>Where an insider of a reporting issuer does not own or have control or direction over securities of the reporting issuer, or where an insider's ownership or direction or control over securities of the reporting issuer remains unchanged from the last report filed, a report is not required. Insider reports are not required to be filed in the Northwest Territories, Nunavut, Prince Edward Island or the Yukon.</p> <p>If you have any questions about the form you should be using to file your report, see National Instrument 55-102 <i>System for Electronic Disclosure by Insiders (SEDI)</i>.</p> <p><b>BOX 1 Name of reporting issuer</b></p> <p>Provide the full legal name of the reporting issuer. Use a separate report for each reporting issuer.</p> <p><b>BOX 2 Insider data</b></p> <p>Indicate all of your relationship(s) to the reporting issuer using the following codes:</p> <ul style="list-style-type: none"> <li>– Reporting issuer that has acquired securities issued by itself 1</li> <li>– Subsidiary of the reporting issuer 2</li> <li>– Security holder who beneficially owns or who exercises control or direction over more than 10% of the securities of the reporting issuer (<i>Québec Securities Act</i> – 10% of a class of shares) to which are attached voting rights or an unlimited right to a share of the profits and to its assets in case of winding up 3</li> <li>– Director of a reporting issuer 4</li> <li>– Senior officer of a reporting issuer 5</li> <li>– Director or senior officer of a security holder referred to in 3 6</li> <li>– Director or senior officer of an insider or subsidiary of the reporting issuer, other than in 4, 5 and 6 7</li> <li>– Deemed insider – 6 months before becoming an insider 8</li> </ul> <p>If you have filed a report before, indicate whether your relationship to the reporting issuer has changed.</p> <p>Specify the date of the last report you filed, and if it is an initial report, the date on which you became an insider.</p> <p><b>BOX 3 Name, address and telephone number of the insider.</b></p> <p>Provide your name, address and business telephone number.</p> <p><b>BOX 4 Jurisdiction</b></p> <p>Indicate each jurisdiction where the issuer is a reporting issuer or the equivalent.</p> <p><b>BOX 5 Insider holdings and changes</b></p> <p>Show direct and indirect holdings separately, both in the initial report and where a transaction is reported. Indicate only one transaction per line.</p> <p>For an initial report complete only:</p> <ul style="list-style-type: none"> <li><b>A</b> designation of class of securities held</li> <li><b>D</b> present balance of class of securities held</li> <li><b>E</b> nature of ownership (see List of Codes)</li> <li><b>F</b> identification of the registered holder where ownership is not direct</li> </ul> <p>If you acquired or disposed of securities while an insider, complete sections <b>A</b> to <b>F</b>:</p> <p><b>A</b> Indicate a designation of the securities traded that is sufficient to identify the class, including yield, series, maturity.</p> <p><b>B</b> Indicate the number of securities, or for debt securities, the aggregate nominal value, of the class held, directly and indirectly, before the transaction that is being reported.</p> <p><b>C</b> Indicate for each transaction:</p> <ul style="list-style-type: none"> <li>– the date of the transaction (not the settlement date)</li> <li>– the nature of the transaction (see List of Codes)</li> <li>– the number of securities acquired or disposed of, or for debt securities, the aggregate nominal value</li> <li>– the unit price paid or received on the day of the transaction, excluding the commission</li> <li>– if the report is in American dollars, check the space under “\$ US”</li> </ul>	<p style="text-align: center;"><b>List of Codes</b></p> <p><b>BOX 5 C Nature of transaction</b></p> <p><b>General</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Acquisition or disposition in the public market</td><td style="text-align: right;">10</td></tr> <tr><td>Acquisition or disposition carried out privately</td><td style="text-align: right;">11</td></tr> <tr><td>Acquisition or disposition under a prospectus</td><td style="text-align: right;">15</td></tr> <tr><td>Acquisition or disposition under a prospectus exemption</td><td style="text-align: right;">16</td></tr> <tr><td>Acquisition or disposition pursuant to a take-over bid, merger or acquisition</td><td style="text-align: right;">22</td></tr> <tr><td>Acquisition or disposition under a purchase/ownership plan</td><td style="text-align: right;">30</td></tr> <tr><td>Stock dividend</td><td style="text-align: right;">35</td></tr> <tr><td>Conversion or exchange</td><td style="text-align: right;">36</td></tr> <tr><td>Stock split or consolidation</td><td style="text-align: right;">37</td></tr> <tr><td>Redemption/retraction/cancellation/repurchase</td><td style="text-align: right;">38</td></tr> <tr><td>Short sale</td><td style="text-align: right;">40</td></tr> <tr><td>Compensation for property</td><td style="text-align: right;">45</td></tr> <tr><td>Compensation for services</td><td style="text-align: right;">46</td></tr> <tr><td>Acquisition or disposition by gift</td><td style="text-align: right;">47</td></tr> <tr><td>Acquisition by inheritance or disposition by bequest</td><td style="text-align: right;">48</td></tr> </table> <p><b>Issuer Derivatives</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Grant of options</td><td style="text-align: right;">50</td></tr> <tr><td>Exercise of options</td><td style="text-align: right;">51</td></tr> <tr><td>Expiration of options</td><td style="text-align: right;">52</td></tr> <tr><td>Grant of warrants</td><td style="text-align: right;">53</td></tr> <tr><td>Exercise of warrants</td><td style="text-align: right;">54</td></tr> <tr><td>Expiration of warrants</td><td style="text-align: right;">55</td></tr> <tr><td>Grant of rights</td><td style="text-align: right;">56</td></tr> <tr><td>Exercise of rights</td><td style="text-align: right;">57</td></tr> <tr><td>Expiration of rights</td><td style="text-align: right;">58</td></tr> <tr><td>Exercise for cash</td><td style="text-align: right;">59</td></tr> </table> <p><b>Third Party Derivatives</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Acquisition or disposition (writing) of third party derivative</td><td style="text-align: right;">70</td></tr> <tr><td>Exercise of third party derivative</td><td style="text-align: right;">71</td></tr> <tr><td>Other settlement of third party derivative</td><td style="text-align: right;">72</td></tr> <tr><td>Expiration of third party derivative</td><td style="text-align: right;">73</td></tr> </table> <p><b>Miscellaneous</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Change in nature of ownership</td><td style="text-align: right;">90</td></tr> <tr><td>Other</td><td style="text-align: right;">97</td></tr> <tr><td>Correction of information</td><td style="text-align: right;">99</td></tr> </table> <p><b>D</b> Indicate the number of securities, or for debt securities, the aggregate nominal value, of the class held, directly and indirectly, after the transaction that is being reported.</p> <p><b>E</b> Indicate the nature of ownership, control or direction of the class of securities held using the following codes:</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>– Direct ownership</td><td style="text-align: right;">1</td></tr> <tr><td>– Indirect ownership (identify the registered holder)</td><td style="text-align: right;">2</td></tr> <tr><td>– Control or direction (identify the registered holder)</td><td style="text-align: right;">3</td></tr> </table> <p><b>F</b> For securities that are indirectly held, or over which control or direction is exercised, identify the registered holder.</p> <p><b>BOX 6 Remarks</b></p> <ul style="list-style-type: none"> <li>– add any explanation necessary to make the report clearly understandable</li> <li>– if space provided for any item is insufficient, additional sheets may be used</li> <li>– additional sheets must refer to the appropriate Box and must be properly identified and signed</li> <li>– office staff are not permitted to alter a report</li> </ul> <p><b>BOX 7 Signature and filing</b></p> <ul style="list-style-type: none"> <li>– sign and date the report</li> <li>– file one copy of each of the report in each jurisdiction in which the issuer is reporting within the time limits prescribed by the applicable laws of that jurisdiction</li> <li>– manually sign the report</li> <li>– legibly print or type the name of each individual signing the report</li> <li>– if the report is filed on behalf of a company, partnership, trust or other entity, legibly print or type the name of that entity after the signature</li> <li>– if the report is signed on behalf of an individual by an agent, there shall be filed with each jurisdiction in which the report is filed a duly completed power of attorney</li> <li>– if the report is filled by facsimile in accordance with National instrument 55-102 <i>System for Electronic Disclosure by Insiders (SEDI)</i>, the report should be sent to the applicable securities regulatory authority at the fax number set out below</li> </ul>	Acquisition or disposition in the public market	10	Acquisition or disposition carried out privately	11	Acquisition or disposition under a prospectus	15	Acquisition or disposition under a prospectus exemption	16	Acquisition or disposition pursuant to a take-over bid, merger or acquisition	22	Acquisition or disposition under a purchase/ownership plan	30	Stock dividend	35	Conversion or exchange	36	Stock split or consolidation	37	Redemption/retraction/cancellation/repurchase	38	Short sale	40	Compensation for property	45	Compensation for services	46	Acquisition or disposition by gift	47	Acquisition by inheritance or disposition by bequest	48	Grant of options	50	Exercise of options	51	Expiration of options	52	Grant of warrants	53	Exercise of warrants	54	Expiration of warrants	55	Grant of rights	56	Exercise of rights	57	Expiration of rights	58	Exercise for cash	59	Acquisition or disposition (writing) of third party derivative	70	Exercise of third party derivative	71	Other settlement of third party derivative	72	Expiration of third party derivative	73	Change in nature of ownership	90	Other	97	Correction of information	99	– Direct ownership	1	– Indirect ownership (identify the registered holder)	2	– Control or direction (identify the registered holder)	3
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**SECURITIES COMMISSION**  
**S-42.2 REG 3** (ADOPTION OF NATIONAL INSTRUMENTS)

<p>Alberta Securities Commission  4th Floor, 300-4th Avenue S.W.  Calgary, AB, T2P 3C4  Attention: Information Officer *  Telephone: (403) 297-6454  Facsimile: (403) 297-6156</p>	<p>Securities Commission of  Newfoundland  P.O. Box 8700,  2nd Floor West Block  Confederation Building  St. John's, NFLD, A1B 4J6  Attention: Director of Securities *  Telephone: (709) 729-4189  Facsimile: (709) 729-6187</p>	<p>Autorité des marchés  financiers **  Stock Exchange Tower  P.O. Box 246, 22nd Floor  800 Victoria Square  Montreal, PQ, H4Z 1G3  Attention: Responsable de  l'accès à l'information  Telephone: (514) 940-2150 or  (800) 361-5072  (in Québec)  Facsimile: (514) 873-3120</p>
<p>British Columbia Securities  Commission  PO Box 10142, Pacific Centre  701 West Georgia Street  Vancouver, BC, V7Y 1L2  Attention: Supervisor, Insider  Reporting *  Telephone: (604) 899-6500 or  (800) 373-6393 (in BC)  Facsimile: (604) 899-6550</p>	<p>Nova Scotia Securities  Commission  2nd Floor, Joseph Howe Building  1690 Hollis Street, P.O. Box 458  Halifax, NS, B3J 3J9  Attention: FOI Officer *  Telephone: (902) 424-7768  Facsimile: (902) 424-4625</p>	<p>Saskatchewan Financial  Services Commission  Securities Division  6<sup>th</sup> Floor,  1919 Saskatchewan Drive  Regina, SK, S4P 3V7  Attention: Director *  Telephone: (306) 787-5645  Facsimile: (306) 787-5899</p>
<p>The Manitoba Securities  Commission  500-400 St. Mary Avenue  Winnipeg, MB, R3C 4K5  Attention: Continuous Disclosure *  Telephone: (204) 945-2548  Facsimile: (204) 945-0330</p>	<p>Ontario Securities Commission  Suite 1903, Box 55,  20 Queen Street West  Toronto, ON, M5H 3S8  Attention: FOI Coordinator *  Telephone: (416) 593-8314  Facsimile: (416) 593-3666</p>	<p>New Brunswick Securities  Commission  85 Charlotte Street, Suite 300  Saint John, NB E2L 2J2  Attention:  Corporate Finance Officer  Telephone: (506) 658-3060 or  (866) 933-2222 (in New  Brunswick)</p>

\* For questions about the collection and use of personal information

\*\* in Québec questions about the collection and use of personal information may also be addressed to the Commission d'accès à l'information du Québec (1-888-528-7741)

12 Oct 2001 SR 71/2001; 5 Sep 2003 SR 85/2003  
s3; 20 Jne 2008 SR 51/2008 s2; 11 Oct 2013 SR  
79/2013 s5.